



The Clever Clover Tool

International Master in Sustainable Development and CR

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STUDENTS

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“The freedom to make meaningful choices is the essence of development.” Amartya Sen

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1. Introduction

The lack of complete and clear information about management of the food supply chain has driven the market to create blind consumers. If a person does not want to eat genetically modified food, can he avoid it? Is it easy to know if a company has involved child labour? Can people reject products that cause water or soil contamination? The answer to these questions is no. And still, consumers have millions of brands among which they can choose and hundreds of labels that indicate different characteristics of food. The fact is that without sufficient and reliable information about products, a culture of responsible consumption will not evolve.

Throughout time, businesses have concentrated efforts on final products rather than on production processes. However, companies are facing a great challenge of becoming sustainable. Transparency and providing clear information about products' sustainability are becoming competitive advantages for companies and greater attention should be given to the impacts that value chains have on environment and society. Reaching sustainable products and communicating them properly are upcoming challenges that will make only some companies survive in the future and that will lead to differentiated industries. Throughout this project current food labelling in the European Union will be analysed and strategies to broaden the knowledge about sustainable supply chains and responsible consumption will be developed.

The increasing demand for products that do not involve human or environmental abuses is forcing companies to change. Governments are also aware of the importance of promoting transparent information that can show the customers what they are buying. Compulsory energy efficiency labels for appliances in the European Union, carbon labels in more than 150 products from different industries in France and the implementation of financial measures to favour vehicles with lower CO₂ emissions in the United Kingdom are just some examples of the importance that sustainable, labelled products are gaining. But this is just the beginning because responsible production is forecasted to gain more importance.

Current labelling trends talk about carbon footprint, fair trade and organic food among others. Hundreds of labels worldwide indicate different characteristics and benefits of products from various sectors. Some studies have demonstrated that such a high amount of labels create confusion and that consumers are not able to use them as a decision factor. Lack of acceptance of labels makes the cycle

of blind customers continue to exist. This is why a unique measure that indicates the general state of sustainability of a product is needed.

The Clever Clover (CC) team is created to understand and take advantage of the strengths of the most important food labels that consider social, environmental and ethical factors. A deep analysis of the labels and certifications that assess raw material extraction, energy consumption, efficiency of processes, supplier conditions, use of natural resources, human factors and contribution to development will result in a label that reflects how sustainable a product is. This will not only provide accurate information for customers to take responsible decisions, but it will also help food companies to reach a more efficient and sustainable supply chain. At the same time, a single and clear label that provides thorough information about the sustainable status of a product, together with education and awareness raising campaigns will facilitate the buying process and will lead to a more responsible consumption.

But, what does a sustainable product mean? Sustainable products are those that meet certain social, environmental and economic standards; they minimize the harm on the environment and respect human dignity. Besides from having an environmentally friendly supply chain and an efficient production process, sustainable products and processes satisfy employees, suppliers and consumers, and make them perceive fair conditions and returns. Achieving sustainable products is especially important for food. Everyone needs food to live. No matter income or geographical location, food consumption will never stop. Having available information about how sustainable food production and distribution can be makes a big difference regarding to decisions that are taken by customers.

Responsible consumption cannot be achieved if companies do not start providing appropriate information about their products and processes. As customers start demanding more sustainable products, companies will need to improve their supply chain standards and blind consumerism could be reduced.

2. Goal and objectives

2.1. Goal

The CC team will provide information, explanations and suggestions about sustainable practices in order to promote responsible consumption and production in the European Union.

2.2. Specific Objectives

1. To assess 8 relevant labels related to the food value chain existing in the European Union.
2. To develop a labelling tool for companies that will help them to reach more efficient and sustainable products, in order to improve their Corporate Responsibility (CR) position through transparency and higher customer loyalty.
3. To create a label that reflects the sustainability status of food products that will enable customers to compare products and to take more responsible decisions.
4. To design an awareness raising campaign about responsible consumption and promote the labelling tool.

3. Scope

- Crops (grains, vegetables and fruits) and processed products made out of these.
- The label will be given to products in any stage of the supply chain (producers, processors, retailers). Consumers are an integrated part throughout the process.
- Small and medium enterprises (SME's) in the European Union.

4. Justification

In given circumstances and with the above mentioned goal, the CC team identified a need in the market for a tool, which serves both, the company (producer or distributor) and the consumer. This tool has to be simple to use and cost efficient for the company, but enabling to see the whole process where the product goes through until it gets to the end consumer or even further (recycling, cradle-to-gate, waste). This way, the company can identify potentials in the chain where through changes it can achieve a more efficient and therefore a more sustainable process. This usually goes along with cost savings (energy, CO₂ emission, use of resources, process length and time), which makes the tool an attractive instrument to be used by the companies that are struggling to invest in an expensive labelling process (tracking and labelling), where the most cost- and time-intensive part is tracking each of their products.

As of today, many companies are not aware of the details of the purchased products - other than quality and price - they are more interested in how to sell the product on their market. The Clever Clover Tool will provide clear and valid data about all the impacts (environmental, social, market and internal management impacts) the product has made so far.

The other main feature of the tool is to be recognized, read and understood easily by the customer. It has to serve as a helping instrument for the consumer in making a conscious decision, based on the information on the label. Furthermore, he/she has to be able to trust in the validity of the data printed on the label. Also the consumer should remember the label next time he/she goes to a shop. For this the sustainability label will have a unique form, which is easy to remember and has positive connotations. After having an optimum label, even if it is simple, the customer has to be educated on what it means, how to read the data correctly and what to expect from it. Once understood fully and used by the consumer to make purchasing decisions, the company can see a further advantage of introducing the tool. Nowadays, many companies are not willing to use labelling, as the costumers are not aware of the meanings of these and can not make a competitive advantage out of it compared to those companies without a label on their products. The CC team is also targeting the current confusing situation of too many labels on the market. This report aims to assess the most important food labels and to achieve a clear perception of the meanings of each one of them.

A further unstable situation is caused by the currently available labels - limited to certain criteria - on the market. They usually concentrate on one of the possible impacts e.g. the Carbontrust's carbon footprint¹ (CO₂ emission) label, the fair trade² (social impact) or an organic (health) label. There is no generally accepted label currently, which would consider environmental, social and ethical impacts of a product throughout its life cycle.

The CC team concentrates on food products first, as the agriculture sector has the highest environmental impact (higher CO₂ emission than travel industry), food producers face extraordinary social and financial challenges, but most importantly, as it was mentioned before, because of the fact that everyone on the planet needs food every day. If a higher level of sustainability in this sector is achieved, the negative impacts caused by the product will decrease.

¹ The Carbon Reduction Label (2010)

² Fairtrade Labelling Organizations International, e.V. (2011)

The team directs its focus on SME's, since in Europe 99,1% of food and drink companies are small or medium enterprises. They also accounted for 48.7% of turnover and 63% of employment in the food and drink industry in 2010. Therefore they deserve a special attention.³

After identifying the above mentioned focus, concerns and issues, the CC team plans to address them and reduce the gap between labelling and consumer awareness.

5. Target

The CC team will start by aiming both, consumers and companies, creating the demand and the market for sustainable products inside the Spanish market for a start. It is also important to keep in mind that the application of the CC Tool can report benefits to the company in areas such as reputation, customer loyalty, cost reductions and efficiency, impacting positively in society and the environment as well. Considering the interdependence of consumers and companies, it's pertinent to tackle both.

Consumers are the main drivers for companies to change, considering that they are the decision makers when shopping and their selection are everyday incorporating new aspects further than price. Even if price and quality are still the main drivers for shopping, consumers are now demanding sustainability with their purchases. Sustainability is not just related with environmental concerns but also with social aspects (SustainAbility, 2011).

Labelling has been providing information over products to capture consumers which want to buy in a more sustainable way. The problem that consumers find with labels is that these are becoming too many and confusion has been arising (SustainAbility, 2010). The CC label will present the sustainability information in a unified way so consumers can easily read it and take conscious sustainable decisions.

In parallel with the previous explanation, the CC team will not just tackle consumers by labelling, but with information that could set behaviour patterns. As mentioned, a change in consumer decisions could drive changes in the supply chain towards sustainability, reason why tackling misinformation on

³ FoodDrinkEurope (2012)

consumers is stimulating the necessary changes that companies have to make to capture this increasing sustainable consuming trend (SustainAbility 2010).

Companies will be targeted to include into their processes fundamental dimensions which go along with profit: the environment and society. These two areas in fact are the ones companies need to work on to capture the consumers of today, ending in profit for companies as well. The basis upon which companies include these three aspects together is better known as the Triple Bottom Line proposed by John Elkington. Companies have to go in a more sustainable direction and offer products which don't compromise primary resources and the health of the people who consumes them. Consumers with responsible choices are fundamental to foster sustainable supply chains and diminishing waste through their habits. A sustainable supply chain needs a sustainable consumer mind set.

6. Sustainable consumption and production

According to the UN Commission for Sustainable Development the definition of sustainable consumption is: "...the use of services and products which respond to basic needs and bring a better quality of life while minimizing the use of natural resources and toxic materials as well as the emissions of waste and pollutants over the life cycle of the service or product so as to not jeopardize the needs of future generations."⁴ The UNEP SCP program promotes sustainable production with "to do more and better with less, by reducing resource use, degradation and pollution along the life cycle of goods and services, while increasing the quality of life for all".⁵

Sustainable consumption is more than "consuming green", it is about meeting basic needs, while changing patterns: consuming differently and efficiently. There are several questions to answer to understand the real meaning of sustainable/responsible consumption. Can consumption be optimized with changes in choices satisfying consumer demand? How can consumers increase their quality of life by choosing and using more conscious? Are consumption levels sustainable? Is consumption the best way to achieve every type of quality of life? What is the role of production companies in sustainable consumption? How can sustainable ingredients contribute to the ecological and social footprint of such products? To get a clearer picture, consumers have to know about the impacts (social, environmental, ethical) the food made until it got on his table. Food provision accounts for a significant portion of

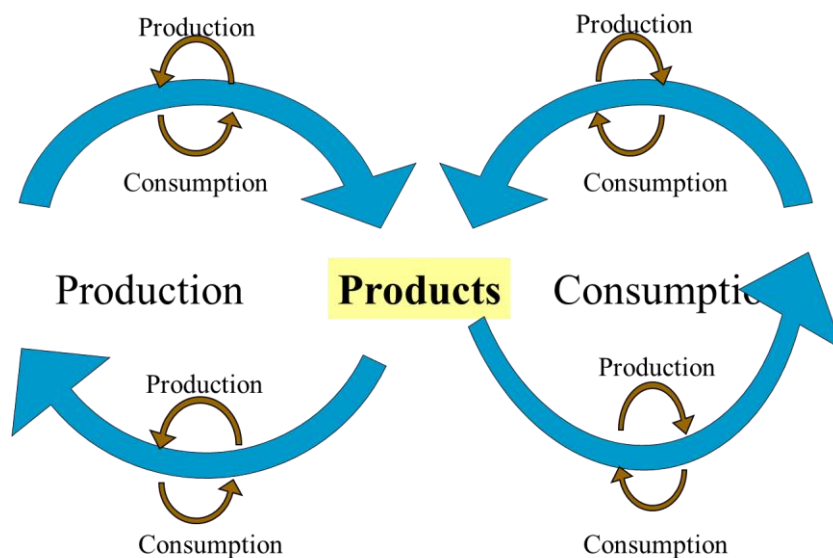
⁴ United Nations Commission on Sustainable Development (1995)

⁵ United Nations Environment Programme Regional Office for North America (2012)

global environmental impacts. Life-Cycle Assessment (LCA) includes all the stages from resource extraction to processing and delivery of a single product.⁶ In the European Union, the provision of food and beverages accounts for roughly 31 per cent of life cycle contributions to global warming, according to a 2006 report by the European Commission Joint Research Center. The report finds similarly significant results for the contribution of food and beverage provision to acidification potential, human toxicity potential and other measures of environmental impact.⁷ In addition, the importance of social impacts has to be mentioned here: employees, their families, local communities are influenced by every decision, which has been made by a company.

There is a strong interrelation between sustainable consumption and sustainable production.

Figure 1. Interrelation between consumption and production



Source: UNEP Division of Technology, Industry & Economics presentation on sustainable consumption (Ppt)

The aim is to identify opportunities for leveraging sustainable consumption and production in their activities. Sustainability initiatives in the food industry place emphasis on supply chain efficiency, because it is a complex sustainability challenge. Klaus Toepfer, UNEP Executive Director said that “Life Cycle Thinking implies that everyone in the whole chain of a product’s life cycle, from cradle to grave, has a responsibility and a role to play, taking into account all the relevant external effects.” He added that “consumers are increasingly interested in the world that lies behind the products. They want to know how and where and by whom the products have been produced. This increasing awareness is a sign of hope. Business and governments must build on that”.

⁶ Ecotrust (2010)

⁷ European Commission Joint Research Centre 2006

This statement is also reflected in the results of the survey, which was put together by the CC team.⁸ 66% of respondents think that people want to know more about the background of the food products and 75% of them believe they can make a difference with conscious consuming. To achieve a real change in the mind-set and the behaviour of consumers and producers, all the stakeholders in the sustainable food production industry should be addressed. The group of stakeholders includes but is not limited to: government, producers, retailers, consumers, chemicals producers, packaging industry, media.

7. PESTEL Analysis

- **Political factors:**

Since the attention on sustainability issues is rising, especially among European governments and institutions⁹, this new tool could foster policy makers' efforts towards this topic. This could mean the possibility to have access to incentives¹⁰ or to become part of a mandatory regulation suggested by the government. If politicians see in our tool the way to achieve a more sustainable food supply chain and to raise the awareness of the consumers/producers, this will foster their commitment and responsibility.

- **Economic factors:**

The main economic risk is the willingness of the producers/retailers to pay the cost of including the labelling in their products. Under the current European economic crisis, companies need to survive financially, and if they do not identify economical results with sustainability this might make sustainability a secondary issue for them.

- **Socio-Cultural factors:**

"Green and ethical values" are becoming more and more important in the European Union's societies. Apart from the efficiency benefits for the producers, the idea of sustainability should also be valued in order to sell the product and share a new green image of the company.

⁸ See the survey and its assessment in Annex 1. The online survey about responsible consumption habits and expectations and about recognition of sustainability labels was answered by 73 people, who were in majority in the age between 21 and 40 and had at least a Bachelor's degree, 56% of them were female (upon voluntary data providing).

⁹ European Commission Environment (2012)

¹⁰ National Reform Programme Spain (2011)

Sustainable products can become a competitive advantage for companies and result in loyalty of their aware consumers.

- **Technological factors:**

The market of the labelling is highly dynamic nowadays, and it's likely to expect that some other competitors develop a similar technology to unify the existing certifications, and come out with a final technological tool. Since market players could develop a similar tool and be interested in our methodology, it will be taken into account the idea of a partnership.

- **Environmental factors:**

The environment is not a risk for our product; it will not affect the business, but on the other hand it will be the source and provider of our information.

- **Legal factors:**

In Spain there's a recent law (Ley 2/2011, de 4 de marzo, de Economía Sostenible¹¹) which encourages through tax deductions those who set up a sustainable [economy] initiatives/activities. The 2nd article of this law defines "sustainable economy" as: "a growth pattern that reconciles economic, social and environmental development in a productive and competitive economy, which favours quality employment, equal opportunities and social cohesion, and ensures environmental respect and rational use of natural resources thus to meet the needs of present generations without compromising the ability of future generations to meet their own needs."

This is certainly favourable for the CC activity implementation, in order to have a competitive advantage compared with a "non- sustainable economy" business.

¹¹ Spanish Law 2/2011: A los efectos de la presente Ley, se entiende por economía sostenible un patrón de crecimiento que concilie el desarrollo económico, social y ambiental en una economía productiva y competitiva, que favorezca el empleo de calidad, la igualdad de oportunidades y la cohesión social, y que garantice el respeto ambiental y el uso racional de los recursos naturales, de forma que permita satisfacer las necesidades de las generaciones presentes sin comprometer las posibilidades de las generaciones futuras para atender sus propias necesidades. <http://www.meh.es/Documentacion/Publico/GabineteMinistro/Varios/02-12-09%20LEY%20ECONOMIA%20SOSTENIBLE.pdf>

Moreover, the European Union playground has been moving to “Europe 2020” which is the EU’s growth strategy for the coming decade, pushing the EU to become “a smart, sustainable and inclusive economy”. Under the Europe 2020 strategy, the flagship initiative for a resource-efficient Europe¹² points the way towards sustainable growth and supports a shift towards a resource-efficient, low-carbon economy.

The roadmap recommends an integrated approach across many policy areas at European Union and Member States levels and focuses on the efficient use of resources. The instruments employed will include legislation, market-based instruments, refocusing on funding and promotion of sustainable production and consumption. Clear targets and indicators providing predictability and transparency will be developed by 2013, through a participative process involving policy makers, experts, NGOs, businesses and consumers¹³

8. Methodology

The aim of the first section of the report is to answer questions about what is happening in the market in relation to sustainability; what are the consumers and the companies demanding? What labelling and information tools are currently available? What is the level of consciousness of people about sustainable products? Information from various studies, surveys, consumer trends and expectations, information tools and sustainability awareness analysis will be provided to the reader. Even though the analysis will have an international scope, the main focus will be the European Union.

The baseline for developing the new tool is the analysis of 8 existing food labels/certifications. Standards from different geographical regions that deal with various social, ethical and environmental variables will be studied to understand the market and to identify patterns, positive and negative aspects. An evaluation system will be established to determine the importance of each issue for the new sustainable label that will be developed. In this way, an inventory of the most important variables will be the starting point to define the criteria of the CC labelling tool. In addition, the group will define other key aspects that should be considered and measured to determine the level of sustainability of a product. Similarly, definitions sustainability levels will be provided.

¹² Europe 2020 (2012)

¹³ European Commission Press release (2011)

Subsequently, detailed criteria and an evaluation method to assess the food products will be defined. Finally, based on studies of successful labelling, the look and feel of the CC label will be defined.

Case studies will proof the functionality and feasibility of the tool.

Once the labelling method is defined and confirmed, increasing the level of understanding and awareness of sustainable consumption are the main challenges that the CC team will have to face. Therefore, in the awareness raising strategy lines of action and creative methods will be defined; mass media communication, events, online communication and consumer integration tools will be fundamental to achieve attention and positioning. The strategy will consider the participation of different actors of the market including government, media and companies from the food sector.

9. Analysis of the Situation

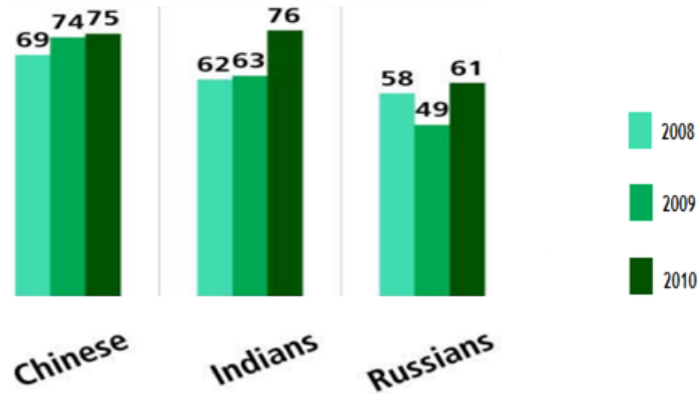
9.1. International Consumer Trends

9.1.1. Where environment concerns humanity

According to a study guided by a partnership between National Geographic and Globescan¹⁴, environmental impact worldwide is being taken more seriously. In India, China and Brazil, consumers overall tend to be more concerned about diverse environmental issues. In China, and increasingly in India and Russia, consumers perceive environment as the most important national issue. Even if China, Brazil and India concentrate around 40% of the global population, the study stresses that the majority of the population worldwide has not yet included environmental factors in their purchasing habits; nonetheless, environmental awareness is experiencing continuous growth in general terms. As seen in the following graph, the trend has grown from 2008 to 2010, being colours a reference to its specific year, as shown in the right of the graphic:

¹⁴ National Geographic (2010). Study made for measuring consumer choices according to environmental criteria in 17 countries: Argentina, Australia, Brazil, Canada, China, France, Germany, Great Britain, Hungary, India, Japan, Mexico, Russia, South Korea, Spain, Sweden and the United States of America.

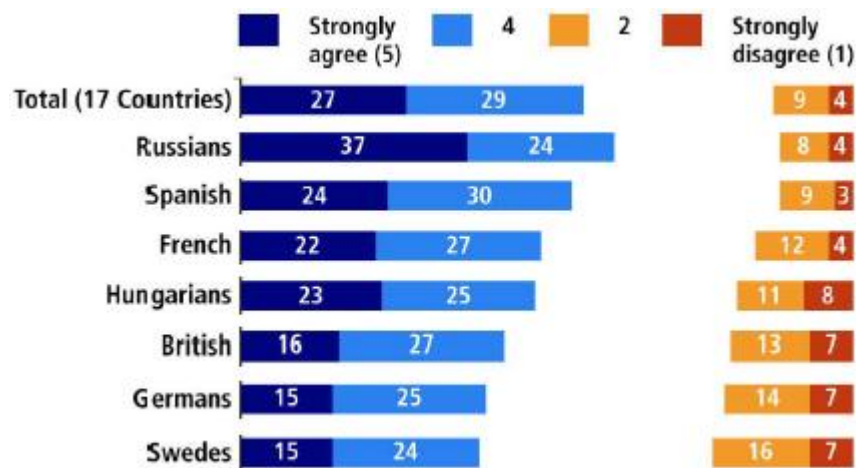
Figure 2. Percentage of consumers that are concerned about environmental issues (2010)



Source: National Geographic and Globescan 2010

In Europe, only Russians surpass the average over environmental considerations. European consumers care less about the environment in comparison with the world average. Inside the European Union Spanish consumers are the closes ones to reach the world average, followed by the French as seen on the next graph¹⁵:

Figure 3. Percentage of consumers that are concerned about environmental issues (2010)



Source: National Geographic and Globescan 2010

¹⁵ National Geographic (2010)

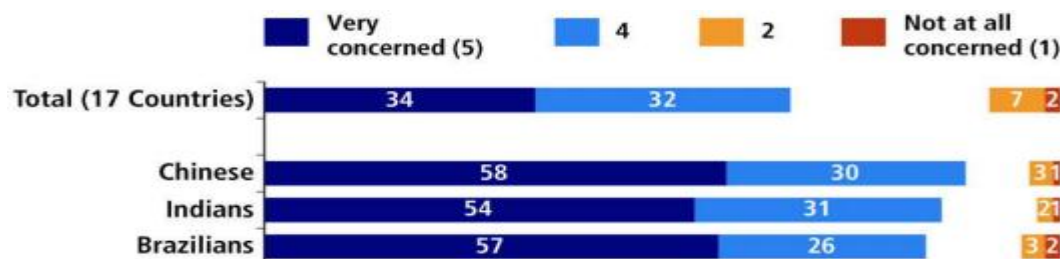
Types of environmental concerns:

Depending on the issue, each country has its particular vision over its relevance.

Air pollution

Air quality seems to worry more consumers in China, Brazil and India, surpassing by a great difference the world average on this topic, as shown on the next graph. The survey shows the trend for 2010. The white area represents contradictory responses or lack of answer to the question, which were not counted¹⁶:

Figure 4. Percentage of consumers that are concerned about air pollution (2010)



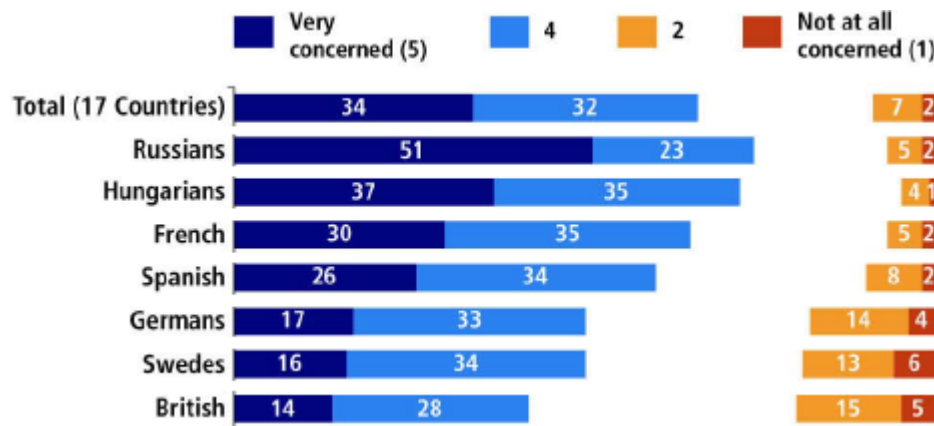
Source: National Geographic and Globescan 2010

In Europe, air pollution presents high contrast when comparing consumers from one country to the other. Russians have the highest concern on this topic, highly over all the rest of the European nations in question. Hungarians follows Russians with a considerable percentage over French (The third most concerned) and with a big difference below Russians. These first two nations are over the world average in relation with the awareness; meanwhile, France doesn't seem to be as concerned in this sense, being below the world average. The following graph illustrates better this trend¹⁷:

¹⁶ National Geographic (2010)

¹⁷ National Geographic (2010)

Figure 5. Percentage of consumers who are concerned about air pollution (2010)

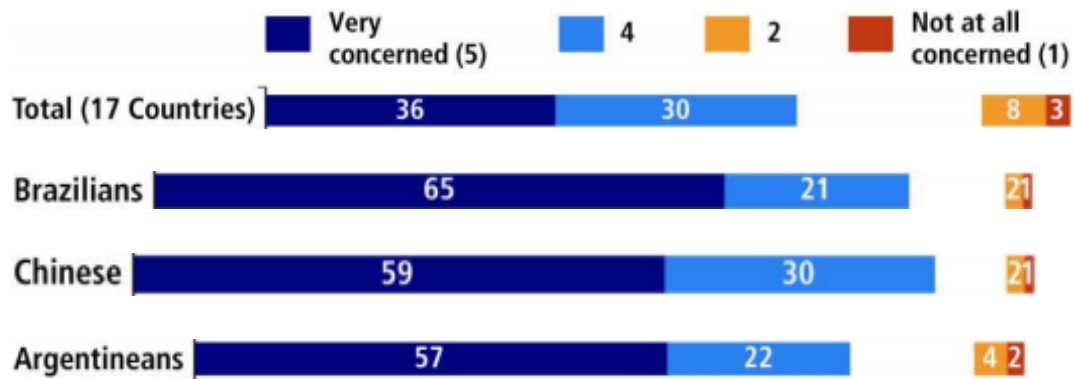


Source: National Geographic and Globescan 2010

Water pollution

Water quality concerns more Brazilians, Argentineans and Chinese, being as well a more important issue in these countries in comparison with the rest of the world. The study shows the picture for the year 2010.¹⁸

Figure 6. Percentage of consumers who are concerned about water pollution (2010)

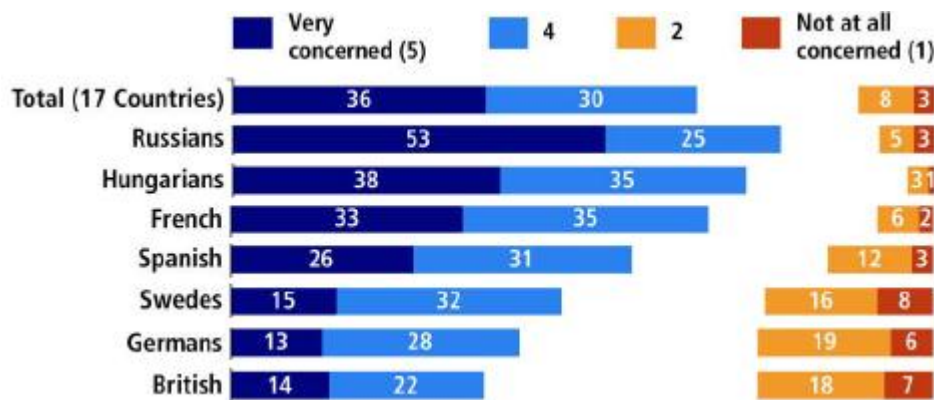


Source: National Geographic and Globescan 2010

¹⁸ National Geographic (2010)

Regarding to this point, a similar result to the trend experimented just in the previous point is repeated here, as Russian consumers are very concerned about water issues. Hungarian consumers have the silver medal over water pollution awareness; however, the gap between Russians and Hungarians is quite big. What both countries have in common is that they are over the world average. The third most aware consumers are French, even though they are below the world average in relation to this topic. The following graph shows the trends just explained:

Figure 7. Percentage of consumers who are concerned about water pollution (2010)

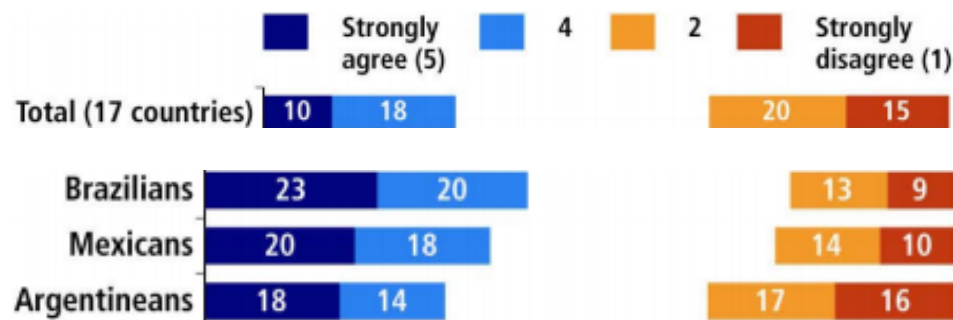


Source: National Geographic and Globescan 2010

9.1.2. Word of mouth for responsible consumption

Under the question if people have “encouraged me to become a more environmentally responsible through word and action”, the survey suggests that Brazilians, Mexicans and Argentineans are the people that have the strongest culture in terms of promoting environmentally friendly behaviours¹⁹. The graph shows the trend for 2010.

Figure 8. Percentage of people who promote responsible consumption (2010)

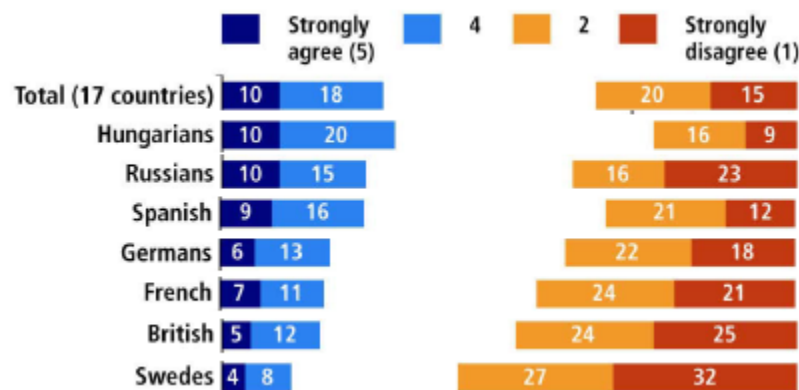


¹⁹ National Geographic (2010)

Source: National Geographic and Globescan 2010

In Europe, the trend is quite different from Latin American countries. As seen before, these nations performed highly over the average, meanwhile, Hungarians and Russians are the only consumers which are in line with the world average, meanwhile, Spanish are the most likely to reach the world trend, finding themselves slightly below as shown ahead²⁰:

Figure 9. Percentage of people who promote responsible consumption (2010)



Source: National Geographic and Globescan 2010

According to statistics developed by Datamonitor, disclosed by Agriculture and Agri-food Canada²¹, the ethical awareness in the food sector has already surpassed half of the consumers worldwide. Even if awareness is very important for the existence of a market for sustainable products, this is just the start of the process. Real change starts when consumers start deciding individually to favour the acquisition of some specific products because of their minimized negative impact over society.

When considering just European consumers, the trend for change is different. Among the eight European countries analysed, only two countries- Spain and France- are over the world average when considering that ethical consumption is important. Additionally, only one is just in line with the world average under the same question, which is Italy. As mentioned before, not because consumers think

²⁰ National Geographic (2010)

²¹ Agriculture and Agri-food Canada. International Market Bureau (2011). Study made to measure world trends over purchasing with Ethical and Environmental purchasing criteria in 15 countries: Australia, Brazil, China, France, Germany, India, Italy, Japan, Netherlands, Russia, South Korea, Spain, Sweden, United Kingdom and United States of America.

that ethical topics should be in their purchasing decisions means that they actually decide according to these principles, in fact, only Spanish and French have performed over the world average when it comes to changes in their shopping habits. The rest of the European consumers analysed, clearly show improvement, but in general terms Europe seems to be moving at a lower speed than the rest of the world. In the following table, we will be able to appreciate this difference between awareness and effective responsible consumption, being able to see as well how the trend varies from country to country:

Figure 10. Awareness or effective responsible consumption

To what extent do you agree or disagree with the following statements?						
	<i>It is important to buy ethical or socially responsible products</i>			<i>I have altered my purchasing habits to purchase more ethical or</i>		
	Agree	Neither agree nor disagree	Disagree	Agree	Neither agree	Disagree
ASIA PACIFIC						
Australia	57%	33%	9%	44%	38%	18%
China	83%	16%	1%	69%	28%	3%
India	80%	13%	7%	75%	18%	8%
Japan	51%	44%	5%	27%	61%	11%
South Korea	74%	24%	2%	55%	38%	7%
EUROPE						
France	61%	32%	7%	45%	36%	19%
Germany	41%	45%	14%	27%	46%	27%
Italy	58%	36%	6%	39%	43%	18%
Netherlands	35%	50%	15%	16%	43%	41%
Russia	49%	32%	19%	39%	36%	25%
Spain	62%	30%	8%	47%	41%	12%
Sweden	41%	45%	14%	27%	51%	22%
U.K.	44%	42%	13%	35%	38%	27%
LATIN AMERICA						
Brazil	86%	11%	3%	65%	27%	8%
NORTH AMERICA						
U.S.	50%	40%	10%	36%	41%	23%
GLOBAL						
Overall	58%	33%	9%	43%	39%	18%

Source: Datamonitor, 2010.

The data shown above is relevant, as it proves that even if 58% of the world population surveyed believes in ethical purchasing, only 43% of these really have moved on forward with turning their beliefs into action.

This Datamonitor study also shows how Brazil, China and India are the most aware nations in terms of ethical purchasing. In the same direction, these nations are host to the most proactive societies in including the ethical criteria in their decisions as consumers. Especially India plays an important part in

this sense, considering that it has the highest percentage in defending ethical consumption and the highest percentage in the practice of ethical purchasing as a consequence of their belief in it. It's also fair to mention that these three countries are highly over the world average in terms of considering ethical consumption a relevant topic and acting responsibly in their shopping habits.

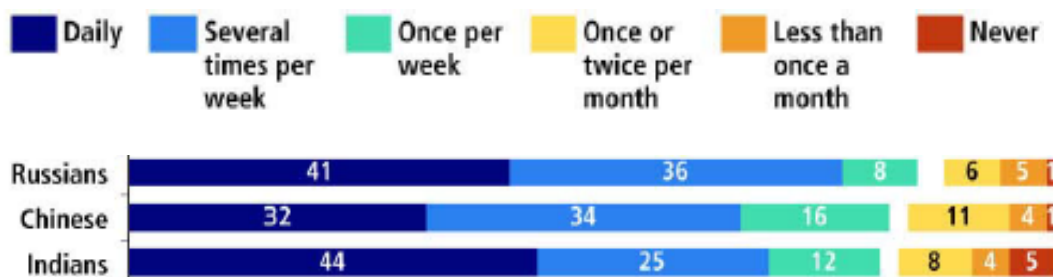
9.1.3. Geographical and organic consumer considerations

In regard to food consumption, trends are various because they tend to depend on the local culture and geographical location of the country.

Local production

According to National Geographic with GlobeScan²², in response to the question if consumers liked to support local production through their purchasing, India, Russia and China were the countries which were more favourable of doing so, as the following graph represents it:

Figure 11. Percentage of consumers who consume locally grown food (2010)



Source: National Geographic and Globescan 2010

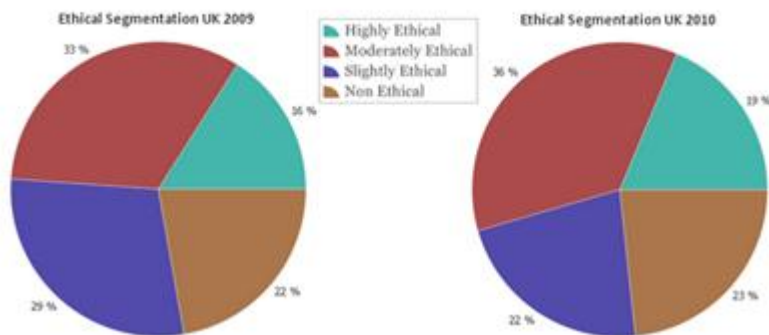
It is pertinent to mention that even if China is one of the world leaders in this trend, its willingness to keep itself compromised with it has decreased in the last survey done in 2010 by National Geographic with GlobeScan (2010). Meanwhile, countries like the United Kingdom and especially France have shown important progress in this sense. Even if percentages vary depending on the survey for different

²² National Geographic (2010)

reasons, Goodbrand²³ and National Geographic/Globescan show the increase in responsible consumption in the United Kingdom. Even when the non-ethical consumers scaled up one point, the highly ethical scaled up three points and the moderately ethical scaled up three points, evidencing progress in favour of ethical consumption:

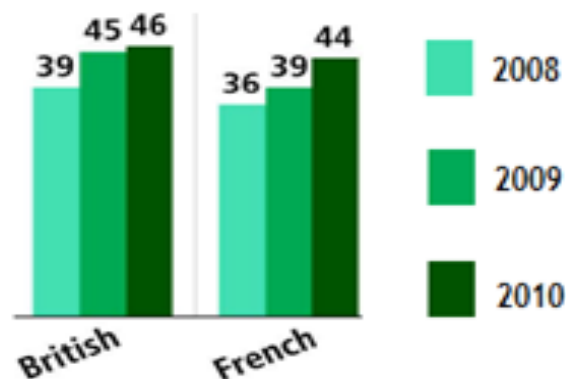
Figure 12. Ethical consumerism in the UK (2010)

Ethical consumerism is increasing in the UK. Highly and moderately ethicals now account for over 50% of the adult population



Source: Gillian Woodward Harris, Goodbrand (2010)

Figure 13. Frequency of consuming locally grown food (daily or weekly)



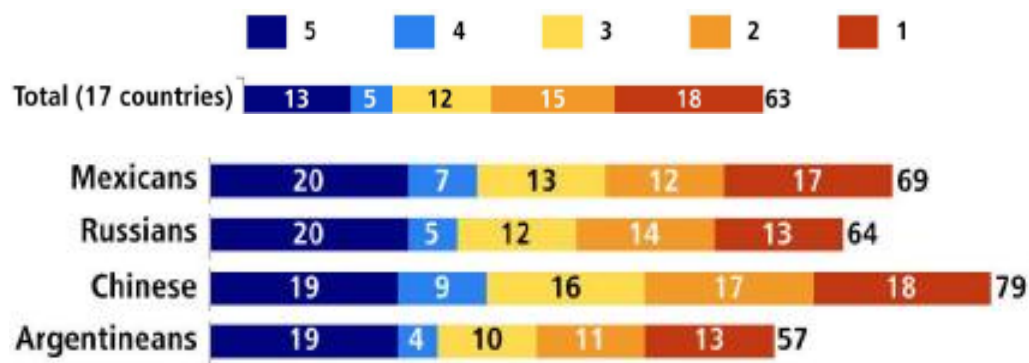
Source: National Geographic and Globescan 2010

²³ Gillian Woodward Harris (2011)

Organic production

Organic production is more important in countries like Russia, China, Mexico and Argentina. It's also fair to say that depending on the selected product, these 4 countries tend to fight themselves for the highest averages; nonetheless, Sweden and India are also playing leader positions in some of these. In the following graphs, National Geographic together with GlobeScan²⁴ asked consumers in how many purchases from five, have they included organic products. The results are as follow:

Figure 14. Percentage of consumers that buy organic fruits and vegetables (daily or weekly)



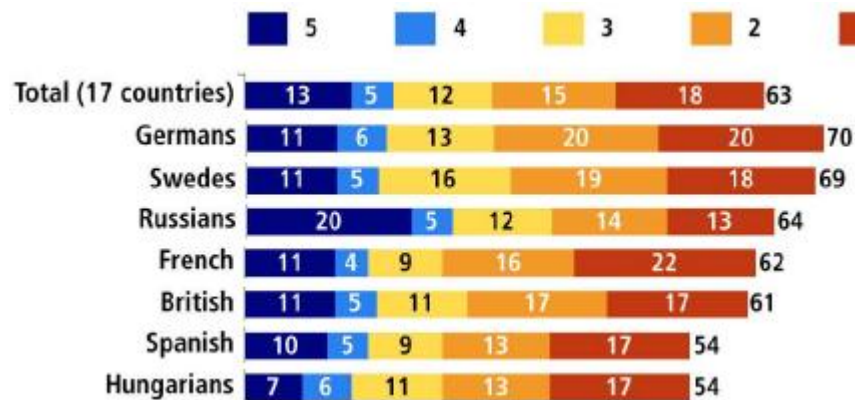
Source: National Geographic and Globescan 2010

As visible, all of the above mentioned countries show tendency to be over the world average by a considerable basis.

The trend for Europe is quite different. In first place, Russia is the only country which is far above the average when it comes to consumers buying constantly organic fruits and vegetables. As a second consideration, when looking at European consumers which buy not as frequent, it's not common to find countries over world averages. The following graph illustrates it better:

²⁴ National Geographic (2010)

Figure 15. Percentage of consumers who buy organic food and vegetables (daily or weekly)



Source: National Geographic and Globescan 2010

Money for organic

Datamonitor²⁵ reveals that the three countries in the world in which more consumers are strongly willing to pay more for organic products are Russia, Brazil and India. Considering the size of each of these markets, there is still room for growing demand in ecological products:

Figure 16. Percentage of people who are willing to pay more for organic products-World (2010)

Organic is worth paying extra for		
Country	% Tend to Agree	% Strongly Agree
Russia	43	24
Brazil	35	22
India	39	16

Source: Datamonitor (2010)

In Europe, only Russians and Swedes are over the average in relation with their belief that organic has and added value which is worth to pay extra for. All the rest of the analysed European nations don't seem to appreciate very much if products come from organic sources. Germany is the nation which is

²⁵ Agriculture and Agri-food Canada. International Market Bureau (2011)

closest to reach the world average. The following table shows the weak performance of European consumers to give something extra for organic production in comparison with the rest of the globe:

Figure 17. Percentage of people who are willing to pay more for organic products - Europe (2010)

Organic is worth paying extra for		
Country	% Tend to Agree	% Strongly Agree
Russia	43	24
Brazil	35	22
India	39	16
Saudi Arabia	22	10
UAE	26	10
Sweden	23	8
Global	27	8
Australia	20	7
China	38	7
Germany	24	7
France	23	6
South Korea	39	6
Italy	25	5
Spain	27	5
US	20	5
Japan	30	3
Netherlands	13	3
UK	17	3

Source: Datamonitor (2010)

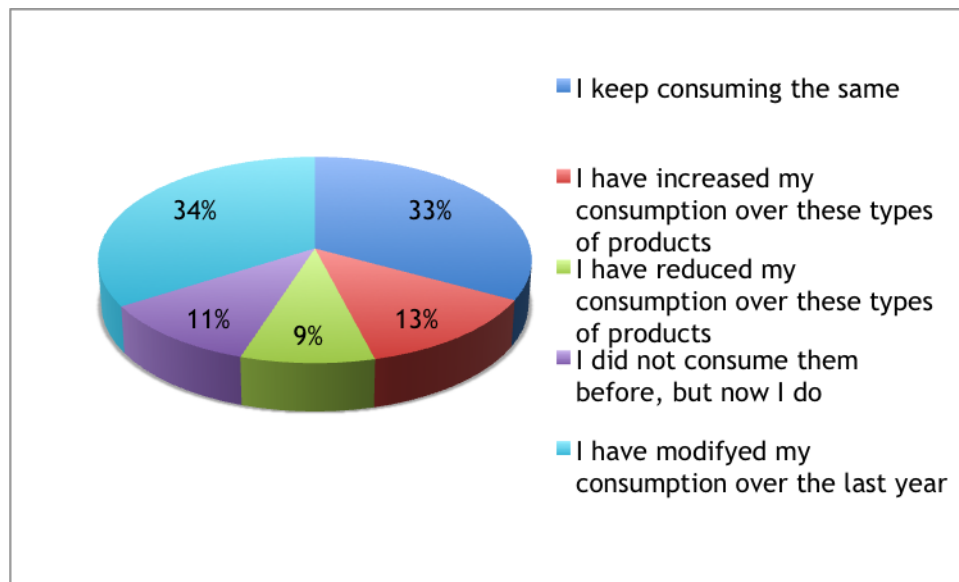
9.1.4. The organic market shown in numbers by world region

United States represents the biggest market (48.6% of the world market) according to a survey (2009) conducted by Datamonitor. The size of the market may be the biggest nonetheless, the willing of Americans for consuming organic products is really low. The main driver for American consumers is cost, but on the other hand, people that support organic production are eager to pay more under criteria such as personal health, the environment or the social issues that are around their purchases. According to information provided by the Consumer Union by the year 2007, Americans also want to push their organic production further, considering that 86% want that processed foods that are labelled as natural really don't contain artificial ingredients.

This study from Datamonitor (2010) also shows Europe as the second biggest market (counting Russia as a part of it), representing 47.9% of the global market. Denmark, Austria and Luxembourg are the most

important per capita organic consumers of Europe, while Spain's demand is projected to grow. According to a survey conducted by the Spanish Ministry of Environment, Rural and Marine Environment²⁶, even if 13% of the consumers have dropped their ecological consumption, 18% have started to do so, and 20% have increased their share of ecologic products in their purchases, showing clear signs of growth.

Figure 18. Ecological consumption in Spain (2011)



Source: Ministerio de Medio Ambiente y Medio Rural y Marino (2011)

According to Datamonitor (2010)²⁷, the Asia- Pacific region accounts for 3.4% of the market, however, this region holds highly populated countries as China, India and Japan, which are expected to demand more organic products in the near future. This same study reveals also how food scares in China pushed the demand for organic products in 27.1% from 2004 to 2009, raising the awareness as well.

9.1.5. Ethical values and brand values

Fair trade products have also shown growing performances. Different private brands around the world have been raising awareness of ethical topics, providing information about the way their products are

²⁶ Gobierno de España. Ministerio del Medio Ambiente y del Ambiente Rural y Marino (2011)

²⁷ Agriculture and Agri-food Canada. International Market Bureau (2011)

made. This action has helped the consumers to get additional information and push the trend towards ethical consumption²⁸.

In addition to brands and their voluntary disclosure of ethical and environmental information, several standards have appeared around the world to help companies achieve better ethical and environmental performance. These standards have tried to inform consumers through labelling about what's behind their purchases, so they can decide with ethical and environmental criteria, moreover than the simple price criteria.

There are several reasons why companies have preferred to disclose information by themselves instead of letting a third party assess their processes to obtain a certification (which seek to prove externally companies' compliance to several principles and standards). Confusion from consumers and companies together tend to be the main motive why companies prefer to have internal standards and voluntary disclosure of information. In further sections "What consumers think" and "What companies think" these arguments will be explained in depth.

9.1.6. Are consumers really switching to responsible consumption?

Globally speaking, consumers still haven't changed much their habits when buying. Nonetheless, there are consumers who have already changed their patterns and are opening doors for implementing new strategies to push the trend. The latter believe that sustainability should be included with the products. In the next graph, SustainAbility²⁹ shows the actual stage of responsible consumption:

²⁸ SustainAbility (2010)

²⁹ SustainAbility (2010)

Figure 19. Population that is considered as responsible consumer



Source: SUSTAINABILITY (2010)

Even if these results may be powerfully revealing, it is important to say that according to GlobeScan³⁰, 59% of the consumers are willing to make a change and support farmers with their purchases. According to SustainAbility, the market of consumers is there, although not strongly captured, but marketing may be the ally for this issue. Awareness and consumer response to the labelling should go together to generate responsible consumer habits. Information is currently on the labels, but in the eye of consumers and producers is confusion. Marketing might be the strategy to push the labelling towards the level of understanding that consumers are demanding to use it as a decision factor in their choices³¹, and companies will be motivated to put the labels on their products.

Main Responsible Consumption International Trends:

- Consumers are demanding more organic products.
- Ethical products are experiencing growth
- Responsible consumption can also come from companies, which fosters consumer awareness.
- Awareness is the first step for consumers to take responsible decisions

³⁰ Agriculture and Agri-food Canada. International Market Bureau (2011)

³¹ SustainAbility (2010)

- Responsible consumption is still in an early stage.
- There is still a threshold from awareness to action in responsible consumption.
- Confusion is the main problem for consumers and producers against labelling.
- Emerging economies are leading the different responsible consumer trends. Russia, Brazil, India, Argentina and Mexico figure as the most active in this sense.
- Spanish consumers are the most environmentally concerned, followed by French inside the EU.
- Spanish and French have changed the most in their consumption habits in terms of average inside the EU, being over the world average.
- When mentioning specific issues like water or air pollution, Hungarians followed French seems to be the most concerned inside the EU.
- Organic production is more likely to be supported in countries like Sweden or Germany; nonetheless, European consumers are under worldwide average.
- Spanish consumers pay more attention if the product has been done under ethical conditions among the EU, being as well over the world average.

9.2. European legislation

Currently the European Union has 2 pieces of legislation with regard to food labelling. The existing Directives are related to the products' composition and not directly to its sustainability or to the way in which they are produced.

Directive 1990/496: Nutritional Information of food products

This Directive covers foodstuff for consumer purchase as well as for the distribution channel. Even though it is a voluntary label, if there is a special health claim or if the food has been supplemented with additional vitamins or minerals, it becomes mandatory.

Directive 2000/13: Labelling Information

This is a mandatory Directive that aims to ensure that customers and manufacturers are informed about the composition of the product. The label must show the product's name, ingredient list, use-by date, and any specific instructions or conditions of use.

Directive 2008/40 contains new food labelling requirements for the European Union. Food products will have to include complete information: identity of goods, composition and nutritional characteristics, origin and conditions for safe use. Information should be displayed in a simple and understandable way. This is why the 2008/40 Directive will be applied in the European Union from 2014 with consistent information that will enable product comparison.

France is one step ahead of other countries and is an international example because it requires the disclosure of the greenhouse gas emissions of all food products, including imported ones. This is the first mandatory environmental-oriented label in Europe.³²

9.3. Existing food labelling

9.3.1. Existing labels

According to Mintel, an international market intelligence group, almost 30,000 socially and environmentally responsible products were introduced to the markets of United States, France, Germany, and United Kingdom in 2009 - 2010. Having thousands of brands to choose from, shopping decisions become more difficult every day. Food labels are a useful tool to communicate customers certain characteristics of the products and therefore can help to educate and to take informed decisions. The market of sustainable food labels has grown in the last years, but it is uncertain what their future will be because they are creating market confusion.³³

There are 2 types of ecolabels. On one hand the single-attribute labels measure one characteristic of a product, for instance energy efficiency or carbon footprint. On the other hand, multi-attribute

³² Agriculture and Agri-food Canada. International Market Bureau (2010)

³³ Agriculture and Agri-food Canada. International Market Bureau (2011)

ecolabels assess the product from different sustainability aspects, but they are not as complete as full lifecycle assessments. Although single-attribute labels tend to simplify the products, they are usually preferred by retailers for their simplicity.³⁴

There are different kinds of food labels. Among the most important ones are nutrition facts, organic, local food, fair trade, carbon footprint and ecological packaging. Even though most food labels are the result of voluntary initiatives of the food producers, some of them, like the nutrition facts labels are required by law. According to the Ecolabel Index, the largest directory of ecological and ethical labels, there are over 430 labels in 246 countries around the world and from 25 industry sectors. Only in Europe there are almost 50 ecolabels.³⁵ Even though most certified products on environmental and ethical issues are sold in developed markets such as United States, Canada, the United Kingdom and Germany, labelling is an international topic that is gaining global importance.³⁶

The sustainable label market is dominated by the environmental marks, which consider topics as carbon and water footprint, biodiversity conservation, environmentally friendly agricultural practices, organic production, waste management procedures and forestry protection among others. Similarly, ethical labels take into account subjects as working conditions, local production, good governance, equal opportunities and fair prices through the supply chain. Some important international trends have been identified in the labelling schemes as follows.

Organic Labels

Many retailers are certifying their organic products with private premium labels. This way they are starting to compete on characteristics different than price. Big retailers have even developed their own organic labelling system such as Carrefour's Bio, Lidl's Biotrend, Metro Group's Real Bio and Target's Archer Farms Organic, among others. A global market analysis conducted by the Canadian Agriculture and Agri-Food Agency (2011) affirms that as organic products are for a specific niche, if they become mainstream they will lose their differentiation and labelling will not be necessary anymore.³⁷

³⁴Corporate Sustainability Initiative, Nicholas Institute for Environmental Policy Solutions, Duke University (2010)

³⁵Ecolabel Index (2012)

³⁶Agriculture and Agri-food Canada. International Market Bureau (2011)

³⁷Agriculture and Agri-food Canada. International Market Bureau (2011)

Organic certification labels:

Local production marks

There are no specific labels that certify that a product was produced locally. This information can be easily shown on the product's packaging by saying how many miles it travelled to get to the shop. The Canadian Agriculture and Agri-Food study (2011) revealed that 55% of global consumers believe that buying food and beverages that are locally produced is important or very important and that consumers that buy organic products are more likely to buy locally produced goods.³⁸

Fair Trade Label

Until 2011 there were 827 fair trade certified producer organizations from around 1.2 million farmers in 58 countries. According to the Fair Trade Labelling Organizations International (FLO), global sales of fair trade products have almost tripled in the past 4 years, a fact that reflects the importance that this certification has gained in the last years. Some main retailers in Europe have developed their own fair trade labels such as Carrefour's Solidaire, Schwarz's Fairglobe.³⁹

This is an example of a coffee certified with Fair Labor and FairGlobe.



³⁸ Agriculture and Agri-food Canada. International Market Bureau (2011)

³⁹ Agriculture and Agri-food Canada. International Market Bureau (2011)

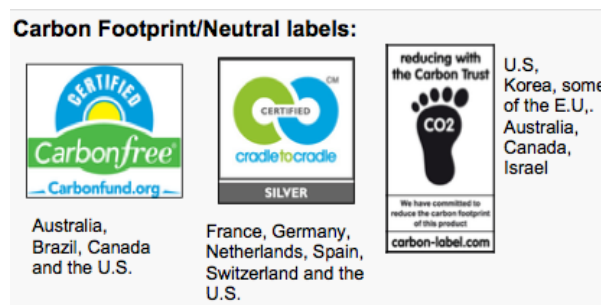
Packaging

A general trend of reducing packaging and buying products packed with environmentally friendly materials, for instance bio-plastic, recycled paper, vegetable inks and biodegradable packaging is emerging. According to Mintel, more than 24.000 products were introduced into the world market from 2009 to 2010 that have environmentally friendly packaging claims. The leading industries in this field are non-alcoholic beverages and bakery. There are several marks that certify how environmentally friendly materials are used in the packaging such as the paper FSC.⁴⁰



Carbon Footprint

Carbon footprint label and carbon neutral labels have been introduced recently to the market. Renowned companies such as Coca Cola, Cadbury, Walkers, Kimberly Clark and Boots are publishing the carbon footprint and offsetting directly on their products and some big retailers are also calculating and publishing their carbon footprint. Some of the critiques against this kind of labelling say that it only looks at the greenhouse gas emissions from the climate change perspective, but it does not look at other aspects of sustainability such as origin and way of production of the products.⁴¹





⁴⁰ Agriculture and Agri-food Canada. International Market Bureau (2011)

⁴¹ Agriculture and Agri-food Canada. International Market Bureau (2011)

9.3.2. Top Labels

The World Resource Institute and Ecolabels.org together with the Duke University conducted a web survey (Duke University, 2009) and pointed out that some of the most recognized environmental and ethical labels and certifications that are currently available at the European market are the following:⁴²



Figure 20. The most recognized environmental and ethical labels and certifications

Label / Certification	Issues that it deals with	Scope and impacts
USDA Organic Label 	<ul style="list-style-type: none"> • Apply to raw, fresh products and processed products that contain organic agricultural ingredients • Products labelled “organic” must consist of at least 95 per cent organically produced ingredients (excluding water and salt) 	<ul style="list-style-type: none"> • Worldwide, there are now 28,386 certified organic operators across 133 countries • In 2011, 17,281 organic farms and processing facilities in the United States were certified⁴³
Rainforest Alliance Sustainable Agricultural Network 	<ul style="list-style-type: none"> • Offers certification, validation and verification services. • Uses the power of markets to arrest the major drivers of deforestation and environmental destruction: timber 	<ul style="list-style-type: none"> • 250.000 certified farms worldwide • 161 million certified forested acres • Presence in 70 countries • 7.000 entrepreneurs trained in forest management⁴⁴


⁴² Corporate Sustainability Initiative, Nicholas Institute for Environmental Policy Solutions, Duke University (2010)
This research examines the scientific underpinnings, transparency, and use of eco-labels and certifications in the global marketplace. The study used relevant literature related to labelling, a review of key findings resulting from a global survey of over 150 existing ecolabels and certifications and a series of parallel studies of ecolabels and certifications as they have evolved in the food and agriculture, personal care and electronics among other sectors.

⁴³ United States Department of Agriculture (2011)

⁴⁴ The Rainforest Alliance (2012)

 <p>FSC-ACC-004 © 1996 Forest Stewardship Council A.C. The mark of responsible forestry</p>	<p>extraction, agricultural expansion, cattle ranching and tourism</p> <ul style="list-style-type: none"> • Rainforest Alliance offers a family of marks such as FSC • Ensuring sustainable livelihoods by transforming land-use practices, business practices and consumer behaviour 	
<p>Fairtrade</p> 	<ul style="list-style-type: none"> • Works for disadvantaged farmers and workers in developing countries get a better deal through the use of mark • Over 3.000 product types can obtain the certification: beauty products, coffee, flowers, cocoa, gold, cotton, fruits and vegetables, among others. 	<ul style="list-style-type: none"> • 408 UK licensees at the end of 2010 • Farmers and workers from 54 countries sell Fairtrade products • Over 780.000 farmers and workers are part of Fairtrade in Africa • 77% of recognition of the mark in the UK, 37% in Australia and 51% in New Zealand in 2010 • 1 billion pounds of certified Fairtrade products on retail sales in the UK in 2011⁴⁵
<p>Marine Stewardship Council</p>	<ul style="list-style-type: none"> • Contribute to the health of the world's oceans by recognising 	<ul style="list-style-type: none"> • 278 fisheries engaged in the MSC programme • 161 certified fisheries

⁴⁵ Fairtrade Foundation (2011)

 <p>Marine Stewardship Council Certified sustainable seafood</p>	<p>and rewarding sustainable fishing practices, influencing the choices people make when buying seafood, and working with partners to transform the seafood market to a sustainable basis</p>	<ul style="list-style-type: none"> • 116 fisheries in assessment and 40 in pre-assessment • Certified or in full assessment fisheries record annual catches almost 10 million metric tonnes of seafood, which represents over 11% of the annual global harvest of wild capture fisheries⁴⁶
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Source: Duke University (2009)

9.3.3. European Union Ecolabel: combining labelling and laws as an answer

In the European Union- in response to the challenges mentioned above- Brussels has tried to combine standards with laws. The European Union Organic Farming label obliges products to comply with the law approved in 2010 to consider any product as “BIO”. Once products are verified as compliant with the law, they get the EU Organic Farming label on their products, simplifying the excessive number of labels and making the message stronger for consumers. This law also applies to imported products, taking even further their task of unifying standards.

The EU Organic Farming label still has aspects to improve and recognition to be built. In Spain, for instance, even if efforts are being done from Brussels, the market still has different labels, which keep the EU label with very low recognition. According to the Ministry of Environment, Rural and Marine Environment, among different labels surveyed, the EU Farming (second one from left) has the least recognition from consumers⁴⁷:

⁴⁶ Marine Stewardship Council (2012)

⁴⁷ Gobierno de España. Ministerio del Medio Ambiente y del Ambiente Rural y Marino (2011)

Figure 21. Recognition of the EU Farming label

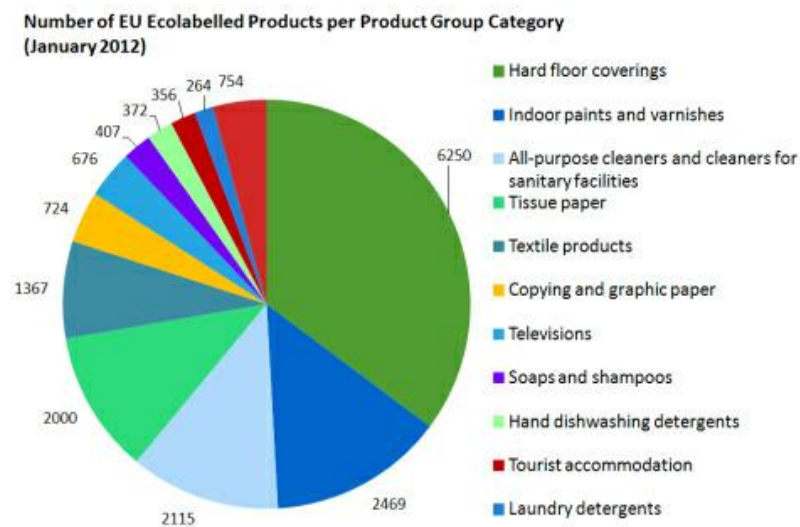


Source: Ministerio de Medio Ambiente y Medio Rural y Marino (2011)

Also the EU Ecolabel is a voluntary scheme that aims to encourage more sustainable consumption and production in the European Union. The labelling system analyses the environmental impact of products through their supply chain, from the extraction of the raw materials to disposal and recycling. By the end of 2011 more than 17,000 products obtained the Ecolabel.

The following graphs show how most of the industries are complying with environmental standards in order to get the Ecolabel. It can also be observed how Italy, France and the United Kingdom are the countries with more labelled products.⁴⁸

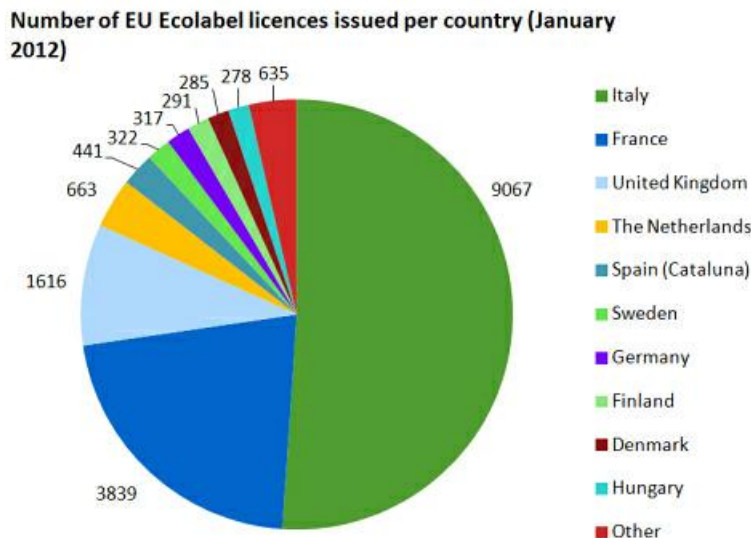
Figure 22. Number of EU Ecolabelled products per product group category



Source: European Commission Environment (2012)

⁴⁸ European Commission Environment (2012)

Figure 23. Number of EU Ecolabel licenses issued per country



Source: European Commission Environment (2012)

Even though until 2012 it does not include the food sector, this is an example of a labelling system that has grown in an exponential way since it was launched in 1992. The feasibility of including it is being analysed. Organizations such as IFOAM (European Group of the International Federation of Organic Agriculture Movements) that are against extending the Eurolabel to foodstuff argue that it can create consumer confusion with the organic label and that the term “eco” has some legal implications that have to be considered.⁴⁹

9.3.4. What consumers and companies think

What consumers think

A research study about barriers to healthy eating conducted by the consumers group Which? in (Food Navigator, 2010) revealed that consumers are confused by high amount of the existing environmental and ethical food labels. Seven out of ten people in the United Kingdom affirmed that they would pay more attention to the environmental impact of food they buy if labels were clearer. Also, the study concluded that current labelling schemes are “generally not well known, poorly understood and on the

⁴⁹ Research Institute of Organic Agriculture (2012)

whole do not help consumers understand how different aspects of sustainability have been addressed.”⁵⁰

According to a study made by SustainAbility⁵¹, consumer confusion arises from different factors:

- Not recognizing any label: The first point stresses a very important issue, which is that many consumers are not even aware of what the different labels are saying to them. Even though there is a great market to be tackled, as evidenced in the above-mentioned statistics, labelling seems to be only the top of the iceberg. For this reason, this report suggests that marketing is very important in order to make consumers recognize the different labels and to be aware of what is the message behind the labels.
- Recognizing some but acknowledging there are too many: The second consideration raises the confusion what consumers experiment when they check the labels on the product, as for there are more labels that they can memorize, sometimes even measuring the same. This fact diminishes the impact of the message behind the label, bearing in mind that consumers wonder if one label is better than the other, or worse, because they don't even know the meaning of the label. In one of the surveys of the report made to American consumers, 59% of the surveyed wished there was a universal and recognizable label.
- Not understanding the added value of labelled products: As a third point to keep in mind, many consumers wonder what the added value is that labelled products bring to them. Even if we're talking about better ethical or environmental topics, consumers might not see the link between these types of considerations and their lives, while asking the typical question “what's in it for me?”

What companies think

For the reasons mentions, the study stresses that companies are not seeing the point of having sustainability related labels on their products, as for they don't help them differentiate themselves from their competitors, additionally, consumers are not catching the message they try to send.

⁵⁰ Jess Halliday (2010). UK based study that was conducted with qualitative research about the general understanding of labelling, focus groups with those who showed interest for environmentally and ethically friendly choices and face-to-face surveys to review the recognition of labels and people's views of their importance.

⁵¹ SustainAbility (2010)

Another constraint that companies face when considering labels is cost. The auditing process and the time invested on them tend to be resource intensive. Considering that the main driver for purchasing is price or quality, whenever products have added costs for certifying themselves, they actually face the risk to become more expensive, excluding them from competing with non-labelled products.

Which?' study resulted in the six principles of the future labelling were identified that should be taken into account when dealing with labels:

1. Simple: short and clear
2. Impact: noticeable and understandable
3. Consistent: avoid too many different label positions
4. Coherent: label that combines different issues
5. Evident: scientific evidence
6. Independent⁵²

9.3.5. Available communication tools for product sustainability

GOOD GUIDE

The Good Guide is an online tool that rates products and companies on their health, environmental and social performance. It gives a 0 to 10 grade for each field to provide information about of how sustainable products are. Among the products that the tool analyses are food, personal care, household, electronics, apparel and cars. More than 100,000 products have been evaluated.

⁵² Jess Halliday (2010)



- + It enables consumers to evaluate and compare products by providing an overall grade and a grade for each aspect that was analysed to get to that
- + A wide range of industries can be analysed with this tool.
- + The Good Guide team is multidisciplinary and it includes nutritionists, toxicologists, life cycle analysts and chemists.
- + The tool gives the option to personalize the evaluation depending on the issues that interest them the most.
- + It also includes information about costs and what users think of the products.
- + It developed a mobile app that scans products' barcode.
- + Certifications that the product has are taken into account for the assessment.
- + It gives to the customer the top alternatives according to the type of product and brand.
- Currently the Good Guide is focused only for the US market.
- The Good Guide is directed only to consumers, not to companies to improve their performance.

- They do not place labels on the products, so consumers must have Internet access or smart phones to use them while shopping.⁵³

SMARTER LIVING

This is an online and iPhone app guide developed by the Natural Resources Defence Council (NRDC). On a 0 to 4 basis, it evaluates different product categories such as food, personal care, wood and paper, cleaning, paint, tourism and clothing. Evaluation is based on the standards behind each label and on how they are verified.

• **Salmon Safe**  [\(more info\)](#) ↓

Rating explained: Claim is third-party verified and meets detailed and rigorous standards, but standard development was not open or consensus based.

Description: Protects wetlands and watersheds through the planting of trees and cover crops, natural pest control, and other methods.

Certified products: [Find Salmon Safe Certified products.](#)

Issues addressed by this claim: Biodiversity, chemicals, natural resources, pesticides/herbicides/fungicides, soil, toxins, water quality, water use

Verification process: Following an audit, a report is sent to FLO-CERT for evaluation. The decision to certify is made by a specialized certifier, who is supervised by an independent certification committee.

Standards development process: Standards developed by Technical Advisory Committee of the Salmon-Safe board

Claims seen on these product types: Wine, eggs, milk, fruit, meat, vegetables, juice

Managing organization: [Salmon Safe](#)

Learn more: [Salmon Safe](#), [Ecolabel Index](#), [Greener Choices](#)

• **Soil Association Certified**  [\(more info\)](#) ↓

• **Treated With Irradiation**  [\(more info\)](#) ↓

• **USDA Certified Organic**  [\(more info\)](#) ↓



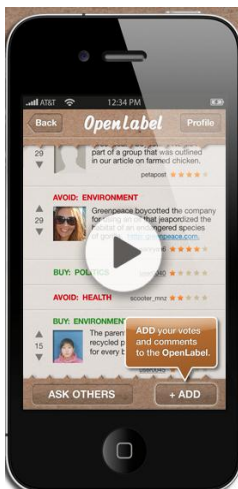
- + Only in the food category more than 80 labels and certifications are evaluated.
- + The webpage is easy to understand, uses simple language and has appealing look and feel.
- + It provides links for further information and other kind of complementary information such as recipes and chemical index.

⁵³ GoodGuide (2012)

- The tool does not reveal exactly how it is measures and therefore it can be perceived as subjective evaluation.
- Limited scope for smartphone users because it is only available for iPhone.⁵⁴

OPEN LABEL

Open Label platform to share information about products, it is a smart phone app that allows users to scan a bar code of any product and get information about what people say about it.⁵⁵



- + Big database, updated information about products.
- + Permits interaction: publishes what people say about certain products in several categories.
- + Users have the opportunity to add information, say if a comment should not be there, follow different organizations and ask questions.

⁵⁴ Natural Resource Defense Council (2012)

⁵⁵ The Open Label (2012)

- Currently it only works for Apple users. Even though they affirm that Android will follow, the current coverage is limited.
- It is not available on the web.
- It is a consumer tool, but it is not for companies to improve performance⁵⁶

GREEN CHOICES

Green Choices is an online tool for green shopping and for achieving a more environmentally friendly way of life. In one of its sections, it analyses and evaluates existing ecolabels where it explains to consumers what each label means, where it can be found, which organization is behind and how meaningful and transparent they are.



Food Alliance (FA)

Print this page

click to magnify

LABEL REPORT CARD						
How meaningful is the label?	Is the label verified?	Is the meaning of the label consistent?	Are the label standards publicly available?	Is information about the organization publicly available?	Is the organization free from conflict of interest?	Was the label developed with broad public and industry input?
Highly	Yes	Yes	Yes	Yes	Yes	No

LABEL CATEGORY:

Pest Management, Social Responsibility, Not Genetically Modified (non-GMO/GMO free), Sustainable Agriculture, Animal Welfare

- + Comprehensive guide that includes: appliances, cars, food, electronics, home and garden, natural health and personal care.
- + The webpage provides environmental tips, news and useful links where people can find further information about certain topics.

- It only analyses environmental aspects of products.

⁵⁶ Gina-Marie Cheeseman (2012)

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- Although the webpage is easy to follow, it is crowded and does not invite the reader to read all the information.⁵⁷

FREE2WORK

Free2Work provides information on how products relate to modern-day slavery; it shows consumers how companies are addressing forced and child labour issues. The tool promotes transparency among the supply chain. Based on publicly available information Free2Work evaluates the policies, transparency and traceability, monitoring and training and worker rights.

INDUSTRY: BEANS & GRAINS

Grains are the staple of many meals worldwide, and beans and nuts can make a dish more interesting. However, these important foods may arrive on our plates from plantations where human rights abuses occur. In the Bolivian departments of Beni and Pando, forced labor takes place in the harvesting of Brazil nuts. Every year, approximately 31,000 men, women, and children travel to these regions to find work. Before they begin, they are asked...

Company	Score
Vahine	D-
McCormick	D-
Lawry's & Adolph's	D-

INDUSTRY NEWS

BUSINESS IN BRIEF 31/5 – VietNamNet Bridge
BUSINESS IN BRIEF 31/5 VietNamNet Bridge Many farmers in the southeastern province of Binh Phuoc, the country's largest cashew cultiv...

REAL AND PRESENT DANGER: THE GMO ASSAULT ON AFRICA! – Spyghana.com
REAL AND PRESENT DANGER: THE GMO ASSAULT ON AFRICA! Spyghana.com In fact, this more reeks of Monsanto's campaign: & #x201c;Let the Harvest ...

Deans Beans strives for fairness
... exist most commonly for coffee, bananas and chocolate. & #x201c;Most of the chocolate we eat is grown in West Africa, with child labor and...

Argentine truckers strike as soy harvest starts – Reuters Africa
Argentine truckers strike as soy harvest starts Reuters Africa Most of Argentina's grains are taken by truck to port "Work stoppag...

Australia floods fail to dampen big cotton crop – Reuters
Australia floods fail to dampen big cotton crop Reuters By James Regan I SYDNEY (Reuters) – Australia's projections for a bumper...

VIEW FULL SCORECARD





















- + It has a wider scope because it works both for iPhone and Android
- + Free2Work is working to provide industry best practice reports and maintains constant dialogue with companies.
- + Contains complete disclosure of information.
- + It enables brand comparison.
- + Has simple and understandable information.

⁵⁷ Green Choices (2012)

- + It shares news about working conditions and companies.
- This is a very specific tool centred on labour conditions and abuses.
- It is only based on public information, which is not always complete and trustful.
- No interaction with users.
- It is a consumer tool, but it is not for companies to improve performance⁵⁸

ETHICAL CONSUMER GUIDE

Under the philosophy that every purchase makes an impact, this Australian tool offers a book and an app in order to promote responsible consumption. The tool provides information about positive and negative aspects of different kinds of products that can be filtered by category, product type, brand or company.

PRAISE	CRITICISM	INFORMATION
Kraft Foods Australia Pty Ltd		
 Australian Packaging Covenant signatory		 Possible GE in brands
		 Breaching advertising codes
Kraft Foods Inc		
 Rainforest Alliance partner	 Use of Genetically modified ingredients	 GE in Taco Shells
 Green rating (70/100) at ClimateCounts.org	 Poor wages for coffee farmers	 Possible GE in US brands
 100% on Corporate Equality Index	 Workers rights	 Previous Boycott Call
	 BPA policy	 Concerns with Rainforest Alliance & Kraft
	 Labour rights	 Cancelled Sinar Mas contracts
	 Fined for 'anti-competitive' behaviour	 Responsible Shopper profile
		 ethiscore.org profile (1.5/15)
		 BOTTOM Rating - 44/100 for Good Shopping Guide rating

⁵⁸ Free2work (2012)

- + Comprehensive: deals with environmental and social impact, treatment of animals and business practices for a wide range of products from several industries.
 - + The tool explains and discloses information about each of the issues that was analysed to reach to a conclusion.
 - + It has a simple evaluation system that indicates if the product has no criticism, no available information or substantial criticism.
 - + The webpage provides reviews about ethical consumption.
-
- No interaction with consumers, it only provides information.
 - Even though it includes many international products, its main scope is Australia.
 - It is a consumer tool, but it is not for companies to improve performance⁵⁹

WE GREEN COMPANIES

We Green is a search engine for sustainability, which is centered on the sustainability footprint of products (measured by Working conditions and environmental reliability of a product or brand). It evaluates companies, brands and products in their social and environmental performance and in their transparency. We Green obtains the information from different partners, it does not conduct assessment, it uses existing assessments of CSR information sources.

⁵⁹ Ethical Consumer Guide (2012)

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The Clever Clover Tool

Hersteller

● Moltex



Bewertung des Produktsortiments
Die Nachhaltigkeitsbewertung des Produktsortiments basiert auf der Nachhaltigkeitsbewertung der Produkte, die von Moltex hergestellt werden:



4 grüne Produkte
1 weitere Produkte

[more...](#)



WeGreen Voting

Be the first user of WeGreen that rates Moltex!

What's your rating of the sustainability performance of Moltex?



Average

[Show voting result](#)

Produkt

● Öko Peanuts Windeln Mini 3-6 kg Nr. 2

Forest Stewardship Council (FSC)



Das FSC-Label des Forest Stewardship Council (FSC) zertifiziert diverse Holzprodukte aus sozialer und ökologischer Waldwirtschaft. Das internationale Gütesiegel wird für verschiedene Produktkategorien mit jeweils unterschiedlichen Vergabekriterien vergeben. Es wird dabei jedoch nur auf die nachhaltige Herkunft des Holzrohstoffs geachtet, nicht auf die ökologische Qualität des Endprodukts. Der Bewertung liegen umfangreiche soziale, ökologische und ökonomische Kriterien zu Grunde, die zu einer Vermeidung von illegalen Rodungen und Waldmissbrauch führen sollen.

[more...](#)

- + It targets both companies and final consumers. Manufacturers can have the sustainability footprint integrated on their website.
- + The tool enables users to rate the sustainability performance of companies and products and mediates dialogue between companies and consumers.
- + It is also an online shop platform.
- + Understandable: use of colours to indicate level of sustainability.
- A significant part of the information on their webpage is in German.
- No direct assessment, all is third-party information.⁶⁰

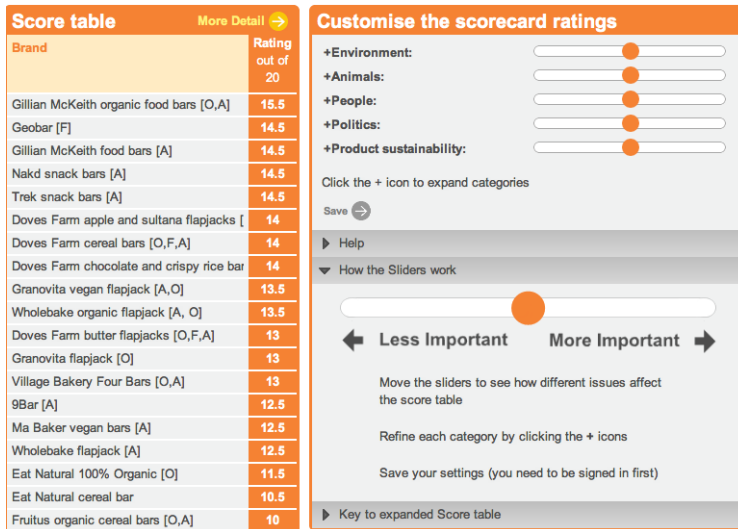
ETHICAL CONSUMER

On a 1 to 20 rating, the Ethical Consumer guide evaluates 300 topics in 19 areas in 5 main categories: animals, environment, people, politics and sustainability. The evaluation is based on primary and secondary research. The report also gives an analysis of the situation of each industry, news, costs and marketing campaigns. To have access to complete reports a subscription is needed.

⁶⁰ WeGreen 2012

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The Clever Clover Tool



- + The tool enables consumers to evaluate products according to what they consider more important.
- + It has an appealing format.
- + Comprehensive: various indicators for each topic.
- + The system is updated daily.
- + Provides complete disclosure of methodology.

- Charges for some of their reports. ⁶¹

PIENSAENELCLIMA (THINK ABOUT CLIMATE)

Pienzaenclima.org does a yearly environmental study on how companies are addressing climate change. It analyses companies from various industries such as food distribution, apparel, electronics and personal care among others. The tool says if the companies consider climate change, could improve their practices against climate change or if it does not take climate change into account. It gives an

⁶¹ Ethical Consumer 2012

overall punctuation of the company's performance in relation to climate change and it also measures progress in relation to previous years.



- + They offer online information, an Android app and a useful pocket guide.
- + It uses a simple and attractive way of showing the information.
- There is no interaction with consumers or companies.
- It is only in Spanish
- Does not disclose information about how companies were evaluated or why they get that grade.⁶²

⁶² Piensa en clima (2012)

Findings about existing tools

- Interaction with consumers is a key for success. The tool must enable clients to ask questions and share their experiences and ideas about products and brands.
- Detailed information about each indicator or each field that is measured is also very important.
- There are no tools that are directed both to companies and to consumers.
- Simple and understandable tools are preferable. Form is very important.
- The tool should enable comparison of different products.
- The tools are linked to social media such as Facebook, Twitter and YouTube
- Tips on how they can contribute to the environment can be shared with the users of the tool
- Visual effects used to communicate information about products and tools are gaining importance.
- Tips, reviews and ideas about responsible consumption in general are widely used.
- Providing different formats for all kind of consumers required: apps, pdf's, web platforms, books and pocket guides.
- Providing updated information is crucial.
- Labelling without certifying is a cheaper practice for companies that can enable them to show their sustainable performance
- The support from States and laws can have an impact on consumer awareness through simplifying criteria and labels, yet the real impact is still requiring time.

9.4. Definition of the problem

As it can be seen above, consumers are exposed to many different labelling schemes that generate confusion and generally do not facilitate product comparisons. Users do not identify a single label that provides enough information about the sustainability status of the food products.

“Consumers should be able to have confidence in their food purchase choices, and be able to buy according to their health, diet, allergy, or preferential requirements, without question. They should also be able to easily make comparisons between different products based on such information, and trust the information they are basing such decisions on, is accurate. They have

the right to expect that the product they purchase, is indeed what is described on the label, and to make judgments regarding price or value, using this information”⁶³

10. Evaluation criteria

10.1. General assessment of the indicators

Since the customers are under the threat of misleading food market made of hundreds of certifications and labels, the CC team has decided to create a single label which would include the meaningful indicators of the most important tools present nowadays.

The optimal situation would be to assess all the recognized tools of the food market that are related to sustainability, but since in this project CC team would like to outline a guideline, and for the lack of time CC team cannot assess all these, following CC team has chosen eight well recognized certifications, which are coming from different geographic areas (special areas and internationals) and which cover different fields (trading, social impacts, labour conditions, environmental impacts), that would provide the methodology that it could be extended throughout all the other existing tools to create finally our label.

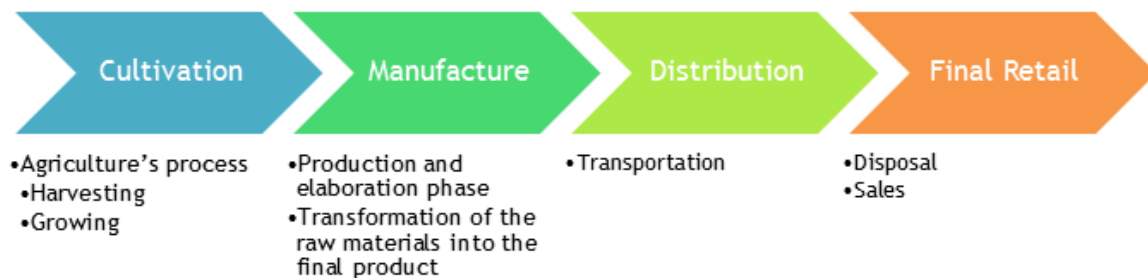
The first part of this assessment will cover the general description then the governance and credibility of the certification tools, which are essential features for the tools that would be part of our final label.

The next step has been the first assessment of the indicators (see the ANNEX 1) which has included the definition of:

- a) **Description:** provide an entire summary of what the indicator is going to monitor and what is including.

⁶³ Agriculture and Agri-food Canada. International Market Bureau (2010)

Figure 24. Stages of Crops Value Chain



Source: own application

b) Stage of the Value Chain Affected: after a process mapping, CC team has defined in the 4 stages of the food production (as shown in Fig. 24.), which includes I) Cultivation, including all the agriculture's process such as harvesting, growing, etc., II) Manufacture, including all the production and elaboration phases such as the transformation of the raw materials into the final product, III) Distribution, including the transportation phase and finally IV) Final retail, including the disposal phase and sales.

c) Field: according to the indicators, CC team has defined four main areas which could be influenced and which are integral part of the sustainability definition; these are:

- Social (which includes as sub-categories: community, employees, direct and indirect workers' rights)
- Ethical (which includes as sub-categories: fair practices, GMOs, transparency, supply chain)
- Environmental (which includes as sub-categories: energy, water, soil, air, waste, natural resources)
- Governance (which includes as sub-categories: training, policy, financial, documentation, management, technology).

d) Responsible (the auditor to contact) and rules for the business: the business should designate one person who is in charge of being the official communication channel between the company and the Clever Clover team.

The business representatives should provide all the requested information in order for the Clever Clover team to define their status of sustainability in the time scale defined by both parts. If there is some information that is not available, the business representatives should provide a coherent explanation why they cannot provide it. If 25% of the information is not provided by the client company, the Clever Clover team will not be able to assess the product and will not give a label.

The business representatives are responsible for attending the accorded appointments with the Clever Clover team and to inform at least one day before the meeting if they are not able to attend. After the Clever Clover team draws and shares conclusions with the management team, a detailed 5 year continuous improvement action plan should be established, with defined targets, time frame to achieve the objectives and with a responsible leader for each target. The Clever Clover team will make periodic audits on the achievement of the targets and the business representatives are committed to proportionate all the required information to the auditors within one week after requested. The plan should be revised on a yearly basis. It is the manager of the business who has to share the most important conclusions and sustainability goals with all the members of the company. In case of surprise audits, the company should provide the required information maximum 1 week after requested. The business is in charge of paying for all the expenses of auditors, according to what was previously established in the contract. The business commits to use the label as provided by the Clever Clover team without modifying it. The business representatives should not share information about the methodology used by the Clever Clover team with other companies.

e) Relevance: Hence, the evaluation will shift into the most valuable indicators that CC team has identified from these certifications, and in some cases re-framed them, adding some important sustainable considerations and indicators, taking into account the pertinence with our sustainability disclosure goals; initially CC team has selected approximately 100 indicators, therefore throughout these CC team has marked each one with a “Relevance” level from 1 to 5 as follow:

- 1 - Irrelevant for sustainability,
- 2 - Relevant but not necessary for achieving sustainability,
- 3 - Moderate relevance for sustainability,
- 4 - Very important for sustainability,
- 5 - “*Sine qua non*”. It is a must. It is necessary to be considered sustainable.

Afterwards, CC team has discarded all the indicators which have been performed below 4 or 5, considering for this project just the most pertinent ones, thus just the best indicators among all the certifications has been selected to go further in our process. After this filtering, finally, CC team has reached about 48 indicators to work on.

Among these indicators CC team has proceeded with some further steps of the assessment to gain an effective utilize of these indicators applied to the project, defining for each one:

f) **Grade:** it's defined in a range between 0 and 4, whereas:

Figure 25. Sustainability grades

Grade	Description	Colour
0	Unacceptable sustainability performance	Red
1	Not yet sufficient, existing internal policy but no compliance	Orange
2	Minimum for a sustainable performance	Yellow
3	Beyond the minimum sustainability performance	Light green
4	Exceptional performance, sustainability leadership	Green

Source: own invention

In every single indicator it will be provided an explanation of the Grade's correspondence from 0 which it corresponds to the unacceptable sustainability performance or not complying (or violating) the local law to 4 which represents the sustainability leadership, as in the example below:

<p><i>Percentage of subsidies on total assets of the company:</i></p> <p>0 - More than 50%.</p> <p>1 - Between 50% and 25%.</p> <p>2 - Between 24% and 15%.</p> <p>3 - Between 14% and 5%.</p> <p>4 - Less than 5%.</p>

However, there are some exceptions, whereas the grade would vary between 0 and 2; these are indicators, which define a status: 0 represents the non-compliance and 2 the compliance according to the KPI. In these kinds of indicators there cannot be outstanding performance.

<p><i>Number of workers under the age established by national law or under 15 depending on the country:</i></p> <p>0 - Unacceptable: the company has workers that are under the allowed working age.</p> <p>2 - Acceptable: The company complies with the national law.</p>

g) KPIs: key performance indicators are the tool to access the performance of the product throughout the different phases of the value chain; the team has defined for every indicator one or more clear and effective KPIs, which are the spine bone of the monitoring process.

10.2. Description of existing labels and certification tools

10.2.1. Fair Labor Practices and Community Benefits

Description

Born as pilot program in 2009 it belongs to Scientific Certification System SCS and it validates socially responsible practices in agricultural production and processing. Deals with: equitable hiring and employment practices, safe working conditions, access to health, education and transportation, support to local and regional communities, appreciation of cultural and environmental impacts, continuous improvement at international level. It is possible to apply this assessment on the labour food and fibre crops, all agricultural supply chains, all agricultural operators, from producer organizations to large-scale growers. In addition, the Criteria are applicable both domestically and internationally to all types of agricultural commodities and production processes, including dairy and livestock. It has a period of validity of 3 years with annual audits and the prerequisites to get this certification are: must possess a valid certificate in one of the following agricultural certification programs: 1) the USDA National Organic Program, or another nationally recognized organic program outside the U.S.; 2) the Global GAP Standard. Additional programs will be considered as prerequisites on a case by case basis. The costs for the company which would require this service depends case by case.

Fair Labor Practices includes comprehensive criteria that directly benefit workers, their families and communities.

The program helps ensure:

- Equitable hiring and employment practices
- Safe working conditions
- Access to health, education and transportation services
- Support of local and regional communities
- Appreciation of cultural and environmental impacts
- Benefits of Certification
- Meets consumers' growing demand for ethically produced products
- Demonstrates a commitment to socially responsible sourcing

- Complements the value of organic and other environmental labelling by addressing social issues
- Enhances worker productivity and job satisfaction
- Improves relationships with local communities and cultural institutions

Website: http://certi-clean.com/fff/fair_labor_practices.php



10.2.2. ABNT

Description

ABNT Ecolabel is a life cycle based ecolabel that is a voluntary method of environmental performance certification and labelling for products and services in Brazil. It is run by the Associacao Brasileira de Normas Tecnicas (ABNT) (the Brazilian Association of Technical Standards) and is a member of the Global Ecolabelling Network. ABNT is also a certification body accredited by Inmetro for certification of products, services, systems and people.

ABNT Ecolabel was created in 1940 and it assesses products which are comparable in the market in order to find the most sustainable one in terms of resource efficiency, labour practices and economic viability through a forum. It has an Environmental, Social and Economic scope and it has a labelling. The methodology sets a number of indicators applicable for the specific product in analysis, quantitative and qualitative. These must be applicable to the rest of the alike products and should consider the life cycle of the product(s). The committee that decides this uses scientific criteria and is composed by multidisciplinary personalities. The suggested criteria should be aligned with WTO and ISO. Disclosure must occur specifying the tests, audits and methods used. Revisions process must be defined once the information is obtained.

Website: <http://www.abntonline.com.br/rotulo/en/Default.aspx>



10.2.3. EU Organic Farming Ecolabel

Description

The organic product label indicates that the product has been grown within sustainable cultivation systems. Foods may only be marked as "organic" if at least 95% of their agricultural ingredients are organic. Organic ingredients in non-organic food may be listed as organic in the list of ingredients, as long as this food has been produced in accordance with the organic legislation. In order to ensure better transparency, the code number of the control body must be indicated.

The regulations of January 2009 brought greater emphasis on environmental protection, biodiversity and high standards of animal protection.

Organic production respects natural systems and cycles. Sustainable production should be achieved insofar as possible with the help of biological and mechanical production processes, through land-related production and without the use genetically modified organisms (GMO). In organic farming, closed cycles with the use of the internal resources are preferred to open cycles with the supply of external resources. Ideally, external resources should be limited to organic resources from other organic farms, natural or naturally obtained materials and low soluble mineral fertilisers. In exceptional cases, however, chemical synthetic resources may be permitted if suitable alternatives are lacking. These are only authorised and listed in positive lists in the Annex of the Commission Regulation after a thorough investigation by the Commission and the Member States.

The European Action Plan for Organic Food and Farming sets out 21 initiatives to achieve the objectives of developing the market for organic food and improving standards by increasing efficacy, transparency and consumer confidence.

The plan aims to achieve measures such as improving information about organic farming, streamlining public support via rural development, improving production standards or strengthening research. It follows the rapid increase in the number of farmers producing organically and strong demand from consumers during the past few years.

Consultation: The plan was based on extensive consultations with Member States and stakeholders including an online consultation in 2003, a public hearing in January 2004 and meetings with Member States and stakeholder groups.

Website: http://ec.europa.eu/agriculture/organic/home_en



10.2.4. Proterra

Description

ProTerra is for all commodity crop producers, sugar cane, maize, soya, palm oil, coffee etc. who wish to demonstrate class leading corporate social, ethical and environmental excellence and be able to confidently communicate corporate policy through independent certification to their target market.

Based on the Basel criteria, developed by the World Wildlife Fund and COP Switzerland, ProTerra is a certification standard which is both achievable and applicable to industry. ProTerra covers:

- Ethics and Social Responsibility
- Employment
- Health & Safety
- Welfare & Recruiting
- Training
- Environmental Sustainability
- Environmental Impact
- Genetic Modification
- Pollution & Waste Management
- Product Traceability
- Continuous Improvement

Evaluation: meetings and documentation, unannounced inspection, Action Plan and monitoring program for continuous improvement in Social and Environmental Responsibility, consultation with the industry and the public.

Website: <http://www.cert-id.eu/Certification-Programmes/ProTerra-Certification>



10.2.5. Fairtrade

Description

Fairtrade is an ethical trade system that puts people first. Fairtrade offers farmers and workers in developing countries a better deal, and the opportunity to improve their lives and invest in their future. Fairtrade gives consumers the opportunity to help reduce poverty and instigate change through everyday shopping.

When a product carries the Fairtrade Certification Mark, it means the producers and traders have met Fairtrade Standards. Fairtrade Standards include social, environmental and economic criteria, as well progress requirements and terms of trade. The Standards are designed to support the sustainable development of small-scale producers and agricultural workers in the poorest countries in the world.

When new Fairtrade Standards are proposed or reviews of existing Fairtrade Standards are undertaken, consultation with all relevant stakeholders is requested by Fairtrade Labelling Organization's (FLO) standard setting procedures. Each standard normally involves several steps where stakeholders may comment:

1. Project description: comments mainly relate to scopes and objectives.
2. Standard concepts or drafts: comments mainly relate to specific questions or contact as suggested.
3. Final drafts: comments mainly relate to content as suggested.
4. Synopsis papers: these are summarizing the stakeholder comments and how they are taken on for the next step. They are not meant for comment, but for information only.
5. Comment period: after publication of a standard, stakeholders may formally comment within a given time frame. Comments are considered for planning of the review cycle of the applicable standard.

Website: <http://www.fairtrade.net/>



10.2.6. Fair For Life

Description

"Fair for life" is a brand neutral third party certification programme for social accountability and fair trade in agricultural, manufacturing and trading operations. The programme complements existing fair trade certification systems.

Social accountability and fair trade have become important indicators to select business partners in a global market place. Existing systems unfortunately exclude many agricultural, manufacturing and trading operations worldwide that practice social responsibility and fair trade from independent verification and certification of their performance.

The Fair for Life Social & FairTrade Certification Programme offers operators of socially responsible projects a solution for objective inspection and certification by a highly qualified external verifier. It combines strict social and fair trade standards with adaptability to local conditions.

Socially responsible and fair trade operators also need to take care to protect the environment at and around their production or processing sites. For this reason, the 'Fair for Life' programme includes detailed environmental criteria.

The system is designed for both food and non-food commodities (cosmetics, textiles etc.).

Fair for Life Social & Fairtrade Certification is available for products, like agricultural products (oils, herbs, spices, vegetables & fruit etc.), seafood, cut flowers, handicrafts, cotton and textiles and toys. Because CC team does not use a product-specific standard for certification, certification of your entire assortment of raw materials or any multi-ingredient and finished products may be possible if they

originate from certified fair trade sources. It combines strict social and fair trade standards with adaptability to local conditions. All operations have to be certified according to an acknowledged organic or ecological minimum standard, e.g. Global Organic Textiles Standard (GOTS), FSC, GlobalGAP, UTZ Certified. Operations that are not certified according to one of these standards must fulfil the additional Integrated Production Criteria which constitute separate documents and are industry specific.

Application for Certification

Self-assessment and first improvement measures by company

On Site Audit

- Done by specifically trained and qualified auditor
- Can be done in combination with audits for other standards (e.g. organic, GlobalGAP, organic textiles, FSC, MSC etc.)
- Covers all relevant control points of the Fair for Life Social & FairTrade Programme
- Verification of staff files, company policies, visit of product premises, interview with workers and stakeholders
- Detailed audit report assesses performance for all control points
- Evaluation and Certification
- IMO Head office evaluates performance based on audit report
- Certification decision and notification communicated to operator
- Certificate issued as soon as certification requirements fulfilled
- Annual Update audit
- Each year a complete update audit is done

Website: www.fairforlife.net



10.2.7. GRI - Food

Description

GRI provides sector guidance for all reporting organizations in the food processing sector, enabling them to measure and report their sustainability performance.

The Food Processing Sector Supplement (FPSS) provides organizations in the sector with a tailored version of GRI's G3.1 Sustainability Reporting Guidelines. It includes the original Guidelines, which set out the Reporting Principles, Disclosures on Management Approach and Performance Indicators for economic, environmental and social issues. Sector-specific categories on Sourcing and Animal welfare are included for the food processing sector. The Supplement's additional commentaries and Performance Indicators, developed especially for the sector, capture the issues that matter most for food processors.

The Food Processing Sector Supplement covers key sector-specific issues, including:

- Sourcing practices
- Community investment
- Impact of governmental support
- Labour and management relations
- Practices that promote healthy and affordable food
- Customer health and safety
- Product information, and communication to consumers
- Animal welfare including breeding and genetic, animal husbandry, and transportation, handling, and slaughter.

The Organizational Stakeholder (OS) Program convenes a network of more than 600 organizations from over 60 countries, committed to advancing sustainability reporting. OS are GRI's core supporters - they play an important governance role, and provide key funding for GRI's activities.

Website: <https://www.globalreporting.org/Pages/default.aspx>



10.2.8. PAS 2050

Description

PAS 2050 is a publicly available specification for assessing product life cycle GHG emissions, prepared by BSI British Standards and co-sponsored by the Carbon Trust and the Department for Environment, Food and Rural Affairs (Defra). PAS 2050 is an independent standard, developed with significant input from international stakeholders and experts across academia, business, government and non-governmental organisations (NGOs) through two formal consultations and multiple technical working groups. The assessment method has been tested with companies across a diverse set of product types, covering a wide range of sectors including:

- Goods and services
- Manufacturers, retailers and traders
- Business-to-business (B2B) and business-to consumer (B2C)
- UK and international supply chains

PAS 2050 can deliver the following benefits for companies:

- Internal assessment of product life cycle GHG emissions
- Evaluation of alternative product configurations, operational and sourcing options, etc. on the basis of their impact on product GHG emissions
- A benchmark for measuring and communicating emission reductions
- Support for comparison of product GHG emissions using a common, recognised and standardised approach
- Support for corporate responsibility reporting

PAS 2050 creates a platform where stakeholders can collectively debate contentious issues and seek consensus. It is regarded as objective and independent, and engendering constructive dialogue. The result: consensus and agreement, in place of discord and dissent.

Website: <http://www.bsigroup.com/Standards-and-Publications/How-we-can-help-you/Professional-Standards-Service/PAS-2050>



10.2. Description of best indicators

This is the list of the indicators, divided by fields, which have been selected with the higher grade of relevance (4 or 5) after the first assessment and which will compose the guideline assessment of this project:

Social indicators:

1. Child labour (Fair Labor / ABNT)

- Description: The employer must comply with the national law in terms of working age. In case of legal vacuum, 15 will be the minimum hiring age, in accordance with ILO Convention 138 [Add. Ref. 5].
- Stage of the Value Chain Affected: 1) Cultivation 2) Manufacture 3) Distribution 4) Retail.
- Responsible (the auditor to speak to): HR Manager
- KPIs: Number of workers under the age established by national law or under 15 depending on the country
- Grade: 0 - Unacceptable: the company has workers that are under the allowed working age; 2 - Acceptable: The company complies.

2. Forced Labour (Fair Labor)

- Description: The employer must have internal policies which prohibit forced labour, compulsory labour, slave labour, bonded labour, indentured labour or involuntary convict labour.
- Stage of the Value Chain Affected: 1) Cultivation 2) Manufacture 3) Distribution 4) Retail.
- Responsible (the auditor to speak to): General Director.
- KPIs: Number of forced, compulsory, slave, bonded, indentured or involuntary convict labour cases. Reported cases by Governance and random interviews to employees.

- Grade: 0 - Unacceptable: there is evidence of forced, compulsory, slave, bonded, indentured or involuntary convict labour 2 - Acceptable: the company complies.

3. Addressing Local/ Regional Community Impacts (Fair Labor)

- Description: The employer must identify all ways in which the Operation has (or could) contribute to significant community impacts on the cultural, religious or historical sphere (e.g., noise, transportation impacts, resource overuse, visual impacts). This assessment must include a formal process for gathering inputs from neighbours and local stakeholders, including indigenous and tribal peoples where applicable. The employer must hold an audible record of this community engagement.
- Stage of the Value Chain Affected: 1) Cultivation 2) Manufacture 3) Distribution 4) Retail.
- Responsible (the auditor to speak to): General Director.
- KPIs: Existence of document where community impacts are described and prevention and mitigation mechanisms are established / evidence of community engagement.
- Grade: 0- No identification of community impacts 1- Community impacts are identified but no action is taken to minimize negative impacts 2- General community impacts are identified regarding to the operation of the business and general preventive and mitigation measures are established. The scope of the plan should consider entering, operating and exiting 3- Written documentation is required by the company in which community impacts are identified before implementing any new project and prevention and mitigation plans that show community engagement are required in order to implement the project. A general community impact action plan which considers entering, operating and exiting exists 4- Written document in which community impacts are identified before implementing any new project is required by the company and prevention and mitigation plans that show community engagement are required in order to implement the project. A general community impact action plan which considers entering, operating and exiting exists. The company has a plan which was agreed with the community in order to improve their quality of life.

4. Rights to use land (Proterra / ABNT)

- Description: Evidence that the rights of the local, traditional, and indigenous populations are respected; evidence that the borders between neighbouring or bordering areas are identified, delimited, and respected; existence of document of direct use, domain or land tenure, according to the current agrarian legislation; evidence that the organization acts in an effective

form for the resolution of possible conflicts or legal disputes related to land tenure and losses inflicted to third parties.

- Stage of the Value Chain Affected: 1) Cultivation 2) Manufacture.
- Responsible (the auditor to speak to): General Manager.
- KPIs: Legally owned land or property, fair price and no evidence of unfair displacement.
- Grade: 0- No legally owned land, no fair price paid for the land and/or evidence of unfair displacement 2- Legally owned land, fair price paid for the land and no evidence of unfair displacement.

5. Sexual harassment (Fair For Life)

- Description: Behaviour that is sexually coercive, threatening, abusive or exploitative is not tolerated.
- Stage of the Value Chain Affected: 1) Cultivation 2) Manufacture 3) Distribution 4) Retail.
- Responsible (the auditor to speak to): HR Manager.
- KPIs: Number of sexual harassment cases taking the information from random and anonymous interviews.
- Grade: 0- Confirmed case of sexual harassment, not followed up, 1- No clear policy or company instruction on sexual harassment, but no case of sexual harassment, 2- Behaviour that is sexually coercive, threatening, abusive or exploitative is not tolerated, any case of sexual harassment are followed up by Governance and resolved within a reasonable time frame, 3- Policies against sexual harassment are available and effectively implemented, 4- Policies against sexual harassment are available and effectively implemented and preventive actions are taken by the company.

6. Equal treatment & opportunities (Fair For Life / Fair Labor / GRI Food)

- Description: "No indication of systematic discrimination of workers (based on gender, race, caste, origin, religion, etc.). Any distinction, exclusion or preference made on the basis of race, colour, sex, religion, political opinion, national extraction or social origin, which has the effect of nullifying or impairing equality of opportunity or treatment in employment or occupation, ... Any distinction, exclusion or preference in respect of a particular job based on the inherent requirements thereof shall not be deemed to be discrimination"⁶⁴.
- Stage of the Value Chain Affected: 1) Cultivation 2) Manufacture 3) Distribution 4) Retail.

⁶⁴ ILO Convention 111, Articles 1 and 2

- Responsible (the auditor to speak to): HR Manager.
- KPIs: Total number of incidents of discrimination and actions taken.
- Grade: 0 - Evidence of systematic discrimination of workers (based on gender, race, caste, origin, religion etc), 2 - No indication of systematic discrimination of workers (based on gender, race, caste, origin, religion, etc.), 3 - Employer is active in promoting mutual respect and harmony between workers or has policies against discrimination written and implemented, 4 - actively supporting discriminated groups.

7. Protection of risk groups (Fair For Life / Fair Labor)

- Description: Pregnant, nursing women, youth and other risk groups are excluded from potentially hazardous work.
- Stage of the Value Chain Affected: 1) Cultivation 2) Manufacture 3) Distribution 4) Retail.
- Responsible (the auditor to speak to): HR Manager.
- KPIs: Number of risk group members that are involved in potentially hazardous work or that work at night.
- Grade: 0 - Pregnant or nursing women and other risk groups are engaged in potentially hazardous work, 2 - Pregnant or nursing women and other risk groups are excluded from potentially hazardous work, do not work at night.

8. Potable water & Sanitary Facilities (Fair Labor)

- Description: "The employer shall provide workers with a clean, safe and litter-free working environment that includes, but is not limited to, potable water, convenient access to toilet facilities in adequate numbers, adequate lighting, access to clean eating areas, sufficient ventilation and/or heating".
- Stage of the Value Chain Affected: 1) Cultivation 2) Manufacture 3) Distribution 4) Retail.
- Responsible (the auditor to speak to): Health and Safety Manager.
- KPIs: Evidence of water and sanitary facilities for all workers.
- Grade: 0 - No evidence that employer provides workers with a clean, safe and litter-free working environment that includes, but is not limited to, potable water, convenient access to toilet facilities in adequate numbers, adequate lighting, access to clean eating areas, sufficient ventilation and/or heating, 2 - Evidence that employer provides workers with a clean, safe and litter-free working environment that includes, but is not limited to, potable water, convenient access to toilet facilities in adequate numbers, adequate lighting, access to clean eating areas, sufficient ventilation and/or heating.

9. Written employment contracts (Fair For Life)

- Description: The employer must provide workers with a written agreement (e.g., employment contract) describing the terms of hire.
- Stage of the Value Chain Affected: 1) Cultivation 2) Manufacture 3) Distribution 4) Retail.
- Responsible (the auditor to speak to): HR Manager.
- KPIs: Evidence of employment contract.
- Grade: 0 - No aspect of working conditions is defined in writing, 1- Written agreement on employment conditions only if permanent workers OR documents not covering all aspects (job position, wage, benefits if any, working times, leave entitlement), 2 - Written agreement on employment conditions for all workers 3 - Good and detailed contracts, outlining rights and duties of both sides, signed by employer and workers, worker receives a copy.

10. On-time payment (Fair For Life)

- Description: Payment done regularly and on fixed days in accordance with national law, in cash or cash equivalent (check, direct deposit or agreements).
- Stage of the Value Chain Affected: 1) Cultivation 2) Manufacture 3) Distribution 4) Retail.
- Responsible (the auditor to speak to): HR Manager.
- KPIs: Evidence of payments on time.
- Grade: 0 - Payments not on-time, delayed, very irregular 1 - Payments not on fixed days or occasionally slightly delayed payments 2 - Payments are done regularly and on fixed days.

11. Documented payments (Fair For Life)

- Description: Payments are well documented containing particulars of wages and confirmed by cross checking with other documentation (e.g. time records).
- Stage of the Value Chain Affected: 1) Cultivation 2) Manufacture 3) Distribution 4) Retail.
- Responsible (the auditor to speak to): HR Manager.
- KPIs: Evidence of payments documentation / wage slip.
- Grade: 0 - Payments are not documented 1 - Payments are poorly documented 2 - Payments are well documented and confirmed by cross checking with other documentation (e.g. time records, contract, bookkeeping).

12. Social benefits (Fair For Life / Fair Labor / ABNT)

- Description: Social legal benefits (sick leave, pensions, retirement, medical insurance, maternity, unemployment benefits) for all workers according to national legislation. Adequate reporting must be handled for this purpose.
- Stage of the Value Chain Affected: 1) Cultivation 2) Manufacture 3) Distribution 4) Retail.
- Responsible (the auditor to speak to): HR Manager.
- KPIs: Evidence of providing social benefits.
- Grade: 0- No compliance with national labour legislation in regard to social benefits (sick leave, retirement, medical insurance, maternity, unemployment benefits), 2 - Compliance with national labour legislation in regard to social benefits (sick leave, retirement, medical insurance, maternity, unemployment benefits) for all workers, 3 - Better social benefits than legally required.

13. Weekly working hours and rest (Fair For Life / Fair Labor)

- Description: weekly working hours and rest days according to national legislation (≤ 48 hrs), at least 1 rest day out of seven.
- Stage of the Value Chain Affected: 1) Cultivation 2) Manufacture 3) Distribution 4) Retail.
- Responsible (the auditor to speak to): HR Manager.
- KPIs: Number of weekly working hours.
- Grade: 0 - weekly working hours are more than 20% higher than national labour legislation: equal or less than 48hrs 1- weekly working hours are 5% - 20% higher than national labour legislation: equal or less than 48hrs 2 - weekly working hours are in line with national labour legislation: equal or less than 48 hours, at least 1 rest day out of seven 3 - weekly working hours lower than legal maximum hours.

14. Overtime remuneration (Fair For Life / Fair Labor)

- Description: Overtime is voluntary, not demanded on regular basis and remunerated as per legal requirements. Employers shall permit workers, at a minimum, twenty-four consecutive hours off in every seven day period or what is required by local law, whichever is greater, except during peak harvest/production periods, provided such a period does not exceed 30 days and that workers are paid for overtime.
- Stage of the Value Chain Affected: 1) Cultivation 2) Manufacture 3) Distribution 4) Retail.
- Responsible (the auditor to speak to): HR Manager.
- KPIs: Remuneration of overtime.

- Grade: 0 - Overtime is compulsory, not remunerated extra, 1 - Overtime is voluntary, not remunerated extra, 2 - Overtime is voluntary, not demanded on regular basis and remunerated as per legal requirements, 3 - All overtime remunerated at premium rate.

15. No hiring & firing on continuous basis (Fair For Life)

- Description: No hiring & firing on continuous basis to avoid regular employment. Regular employment for regular workers (working basically all year): no indication that sub-contracting, homeworking, apprenticeships etc. are used to avoid regular obligations to workers under labour law.
- Stage of the Value Chain Affected: 1) Cultivation 2) Manufacture 3) Distribution 4) Retail.
- Responsible (the auditor to speak to): HR Manager.
- KPIs: Status of employment: number of permanent contracts over total contacts.
- Grade: 0 - Employer does hire and fire on continuous basis to avoid regular employment (e.g. social security payments), 2 - Employer does not hire and fire on continuous basis to avoid regular employment (e.g. social security payments), 3 all workers doing regular work are employed as permanent workers.

Ethical indicators:**1. GMO's (EU Organic Farming Ecolabel)**

- Description: For products to be BIO, 95% of its ingredients must be organic. Pellets are included in this principle as they are used to feed animals.
- Stage of the Value Chain Affected: 1) Cultivation 2) Manufacture.
- Responsible (the auditor to speak to): Farmer.
- KPIs: Status of employment: Percentage of GMO's present in the provided ingredients of the product.
- Grade: 0- more than 5% GMO's contained in the product 2- 5% or less GMO's contained in the product.

2. Minimum price (Fairtrade)

- Description: It is not a fixed price, but should be seen as the lowest possible starting point for price negotiations between producer and purchaser. It is set at a level which ensures that Producer Organisations receive a price which covers the cost of sustainable production for their

product. This means it also acts as a safety net for farmers at times when world markets fall below a sustainable level. However, when the market price is higher than the Fairtrade minimum, the buyer must pay the market price.

- Stage of the Value Chain Affected: 2) Manufacture 4) Retail.
- Responsible (the auditor to speak to): Purchase Manager.
- KPIs: Purchase price compared to market price.
- Grade: 0 - Price paid is below market price, 1 - Price is the market price, 2- Price is at level which ensures that producer covers the cost of sustainable production for their product.

3. Respecting human dignity and transparency (Fair For Life)

- Description: Employer does not retain any part of workers' salary, benefits, property or documents in order to force workers to remain on the operation; workers are free to leave after reasonable notice; no deductions from wages without agreement of worker.
- Stage of the Value Chain Affected: 1) Cultivation 2) Manufacture 3) Distribution 4) Retail.
- Responsible (the auditor to speak to): HR Manager.
- KPIs: Number of retained documents by employer taking the information from random interviews.
- Grade: 0-Employer retains original legal workers documents, wages for any period longer than demanded by law 2 - Employer does not retain original legal workers documents, wages for any period longer than demanded by law.

4. Minimum wages (Fair For Life / Fair Labor / ABNT)

- Description: The employer must pay workers at least the cash equivalent of the national minimum legal wage or a wage that is consistent with local industry standards, whichever is greater. If workers are paid by production, an objective appraisal of the amount of work to be performed shall be conducted as per ILO Convention 100, and the resultant wages must comply the above requirements. An exception must be made for migrant workers if national wage laws indicate an alternative wage scale, or allow for partial in-kind payments in accordance with ILO Convention 110.
- Stage of the Value Chain Affected: 1) Cultivation 2) Manufacture 3) Distribution 4) Retail.
- Responsible (the auditor to speak to): HR Manager.
- KPIs: Wages compared to minimum wages and benchmarking (if available).
- Grade: 0- Wages of workers are far below (20% or more) the official minimum wages or official industry benchmark standards, whichever is higher, 1 - Wages of workers are slightly below (5%

- 20%) the official minimum wages or official industry benchmark standards, whichever is higher, 2 - Wages of workers are in line (-5% - 5%) with the official minimum wages or official industry benchmark standards, whichever is higher, 3 - Wages of workers are clearly above (5% - 25%) minimum wages for respective activities (in comparison with other companies if minimum wage not really applicable for the nature of work done), 4 - Wages are substantially higher (more than 25%) than common for the specific task/region.

5. Supplier compliance to ESG policies (GRI - Food)

- Description: Increasing the volume of material bought from suppliers that comply to the company's ESG (Environment, Social, Governance) policies in order to promote sustainable supply chains.
- Stage of the Value Chain Affected: 1) Cultivation 2) Manufacture 3) Distribution 4) Retail.
- Responsible (the auditor to speak to): Purchase Manager.
- KPIs: Percentage of purchased value from suppliers compliant with company's ESG policies.
- Grade: 0 - The company does not have an ESG policy or 0%-10% of the purchasing comes from supplier who is aware and comply with the company's ESG policies. 1 - 11%-25% of the purchasing comes from suppliers who are aware and comply with the company's ESG policies. 2 - 26%-50% of the purchasing comes from suppliers who are aware and comply with the company's ESG policies. 3 - 51%-75% of the purchasing comes from suppliers who are aware and comply with the company's ESG policies. 4 - More than 75% of the purchasing comes from suppliers who are aware and comply with the company's ESG policies.

6. Local suppliers (GRI - Food)

- Description: Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.
- Stage of the Value Chain Affected: 1) Cultivation 2) Manufacture 3) Distribution 4) Retail.
- Responsible (the auditor to speak to): General Director.
- KPIs: Percentage of local suppliers (within 100km from the company) among the total suppliers.
- Grade: 0 - Less than 5% of local suppliers. 1 - Between 6% and 15% of local suppliers. 2 - Between 16% and 25% of local suppliers. 3 - Between 26% and 50% of local suppliers. 4 - More than 51% of local suppliers.

7. Supply Chain Control (GRI - Food)

- Description: Checking that the supply chain is committed to respecting IFA (International Framework Agreements) principles (freedom of association, collective bargaining, non-discrimination, abolition of forced labour, elimination of child labour).
- Stage of the Value Chain Affected: 1) Cultivation 2) Manufacture 3) Distribution 4) Retail.
- Responsible (the auditor to speak to): General Director.
- KPIs: Percentage of significant suppliers and contractors that have undergone screening on IFA principles and actions taken.
- Grade: 0 - No supply chain screening 1 - Screening of supply chain but evidence of suppliers that do not comply with the IFA principles 2 - Screening of supply chain and no evidence of suppliers that do not comply with the IFA principles.

Environmental indicators:**1. Use of fertilizers and pesticide (EU Organic Farming Ecolabel)**

- Description: Employers must have record of organic and chemical fertilizer and pesticide purchases and usage and demonstrate the restriction of chemicals and the use of natural products.
- Stage of the Value Chain Affected: 1) Cultivation.
- Responsible (the auditor to speak to): Environmental Manager / Farmer.
- KPIs: Level of concentration of the chemical composition mix of the soil / Chemical data safety sheet (CLP Regulation).
- Grade: 0- No disclosure of soil analysis, no safety sheet. 1- Disclosure of soil analysis, keeping record of fertilizers or pesticide purchase and usage, 80- 50% usage of chemical fertilizers and pesticides. 2- More organic than chemical fertilizers and pesticides. Compliance to chemical data safety sheet. 3- 50 - 20% of chemical fertilizers and pesticides. Compliance to chemical data safety sheet. 4- Less than 5% usage of chemical fertilizers and pesticides. Compliance to chemical data safety sheet.

2. Environmental Impact Assessment (Proterra / Fair Labor/ EU Ecolabel / GRI Food / ABNT)

- Description: For implementing new projects, organizations must perform an environmental impact study to identify environmental effects. Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation potentially harmful or damaging impacts of the operation. The action plan should be defined and it should prioritize impacts and

establish time lines and milestones for addressing and minimizing these impacts, and will also identify persons within the organization responsible for carrying out various aspects of the plan. The action plan must be reviewed and revised annually. Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation should be defined.

- Stage of the Value Chain Affected: 1) Cultivation 2) Manufacture 3) Distribution 4) Retail.
- Responsible (the auditor to speak to): Environmental Manager / Farmer.
- KPIs: Existence of an Environmental Impact assessment including an action plan for prevention and mitigation.
- Grade: 0- No identification of environmental impacts 1- Environmental impacts are identified but no action is taken to minimize negative impacts 2- General environmental impacts are identified regarding to the operation of the business and general preventive and mitigation measures are established and documented. The scope of the plan should consider entering, operating and exiting 3- Written documentation is required by the company in which environmental impacts are identified before implementing any new project and prevention and mitigation plans that show community engagement are required in order to implement the project. A general community impact action plan which considers entering, operating and exiting exists 4- Written document in which environmental impacts are identified before implementing any new project is required by the company and prevention and mitigation plans that show community engagement are required in order to implement the project. A general environmental impact action plan which considers entering, operating and exiting exists. The company has a plan which was agreed with the community in order to improve the current environmental status.

3. Pollution control (Proterra / GRI Food)

- Description: Systems and procedures must be in place to comply with pollution emission limits for specific pollutants set by local law. In case that there is no applicable local law, European Directive should be applied.
- Stage of the Value Chain Affected: 1) Cultivation 2) Manufacture 3) Distribution 4) Retail.
- Responsible (the auditor to speak to): Environmental Manager.
- KPIs: Compliance with EU directive on pollutants: DIRECTIVE 2008/1/EC of 15th Jan 2008.
- Grade: 0 - The company does not comply with the EU directive. 2 - The company complies with the EU directive.

4. Low carbon practices (Fair For Life/ ABNT / GRI Food / Proterra)

- Description: Low carbon energy sources, electricity is used efficiently, efforts to minimize consumption. Define and action plan to increase percentage of renewable and/or sustainably harvested energy sources.
- Stage of the Value Chain Affected: 1) Cultivation 2) Manufacture 3) Distribution 4) Retail.
- Responsible (the auditor to speak to): Environmental Manager.
- KPIs: Direct energy consumption by primary energy source.
- Grade: 0 - No efforts to minimize energy consumption and only non-renewable energy sources
1 - Awareness of renewable energy sourcing but due to local situation not possible 2 - Adequate efforts to increase percentage of renewable and low carbon energy sources, electricity is not wasted and efforts to minimize consumption 3 - Improvement to convert to renewable/low carbon energy sources, high efficiency (in comparison with previous years) in electricity use or investment in alternative sources of electricity 4 - Exceptional efforts or all energy used is from renewable sources and minimizing electricity consumption.

5. Responsible water Management (Fair For Life/ ABNT)

- Description: Rational use of water.
- Stage of the Value Chain Affected: Manufacture 3) Distribution 4) Retail.
- Responsible (the auditor to speak to): Environmental Manager.
- KPIs: Water consumption (Litre) in comparison to local standard.
- Grade: 0 - 20% higher than the local standard in water consumption, 1- 5% - 20% higher than the local standard in water consumption, 2 - In line with the local consumption standard 3 - Very good water conservation practices compared to local standards 4 - Exceptional efforts, minimisation of water use compared to local standards.

6. Rainwater collection (Own)

- Description: Rainwater collecting facility, capacity and use of rainwater for irrigation instead of utility and river water.
- Stage of the Value Chain Affected: 1) Cultivation.
- Responsible (the auditor to speak to): Farmer.
- KPIs: Capability of rainwater collecting (Litres) / Agricultural land (Hectares).
- Grade: 0 - No infrastructure for rainwater collecting 1 - Infrastructure available to irrigate from rainwater less than 50% of land 2 - Infrastructure available to irrigate from rainwater 50%-75% of land 3 - Infrastructure available to irrigate from rainwater more than 75% of land 4 - Infrastructure available to irrigate from rainwater 100% of land.

7. Waste water handling (Fair For Life/ ABNT)

- Description: Waste water handling. Existence of water treatment infrastructure.
- Stage of the Value Chain Affected: 1) Cultivation 2) Manufacture.
- Responsible (the auditor to speak to): Environmental Manager.
- KPIs: Waste water treatment facility.
- Grade: 0 - No waste water treatment facility 2 - Waste water treatment facility available and used 4 - More than 50% of waste water handled in water treatment facility.

8. Composting, recycling & waste reduction (Fair For Life / GRI Food)

- Description: Adequate efforts with regard to recycling, composting and reduction of waste production compared to local/sectorial standards.
- Stage of the Value Chain Affected: 1) Cultivation 2) Manufacture 3) Distribution 4) Retail.
- Responsible (the auditor to speak to): Environmental Manager.
- KPIs: Total weight of waste by type and disposal method / unit produced.
- Grade: 0 - No efforts for composting, recycling and waste reduction 2 - Facilities for composting, recycling and waste reduction compared to last year 4 - Adequate waste management to the highest sustainability level.

9. Packaging (GRI - Food/ EU Ecolabel)

- Description: Using the minimum amount and most ecological packaging materials.
- Stage of the Value Chain Affected: 1) Cultivation 2) Manufacture 3) Distribution 4) Retail.
- Responsible (the auditor to speak to): Production Manager.
- KPIs: Reduction rate of amount of materials used for packaging / Percentage of recycled and reused materials for packaging / Percentage of ecological materials over total packaging.
- Grade: 0 - No use of ecological, recycled or reused materials and no reduction of packaging compared to last year, 1 - At least 10% among all the material's total volume used is recycled, reused or ecological and reduction of packaging under 5% compared to last year, 2- At least 25% among all the material's total volume used is recycled, reused or ecological and reduction of packaging from 6% to 25% compared to last year, 3- Over 25% among all the material's total volume used is recycled, reduced or ecological and reduction of packaging from 26% to 50%, 4- More than 50% among all the material's total volume used is recycled, reused or ecological and reduction of packaging of more than 50%.

10. Carbon footprint measurement and reduction (Pas 2050)

- Description: a) energy use (including energy sources, such as electricity, that were themselves created using processes that have GHG emissions associated with them; b) combustion processes; c) chemical reactions; d) loss to atmosphere of refrigerants and other fugitive GHGs; e) process operations; f) service provision and delivery; g) land use and land use change; h) agricultural processes; i) waste management.
- Stage of the Value Chain Affected: 1) Cultivation 2) Manufacture 3) Distribution 4) Retail.
- Responsible (the auditor to speak to): Environmental Manager.
- KPIs: Existence of a Carbon Footprint calculation and reduction trend.
- Grade: 0 - The company hasn't a Carbon Footprint calculation. 1 - The company is in the first year of the Carbon Footprint calculation, without possibility to have a benchmark to reduce it. 2 - The company has a previous data of its Carbon Footprint and it has reduced it by up to 5%. 3 - The company has a previous data of its Carbon Footprint and it has reduced it by up to 15%. 4 - The company has a previous data of its Carbon Footprint and it has reduced it by up to 25%.

Governance indicators:**1. Technical training (Fair Labor / GRI Food)**

- Description: The employer must provide periodic training on: use of machinery, chemical management, use of protective equipment, proper operational procedures and specific job skills.
- Stage of the Value Chain Affected: 1) Cultivation 2) Manufacture 3) Distribution 4) Retail.
- Responsible (the auditor to speak to): HR Manager.
- KPIs: Percentage of employees that were given technical training.
- Grade: 0- Employees did not receive technical training 1- Not all of the employees that need technical training received it 2- All the employees that need technical training received it 3- All the employees that need technical training received it and receive yearly reminders and updates 4- All the employees that need technical training received it and they receive reminders and updates whenever it is necessary.

2. Freedom of Association (Fair Labor / Proterra)

- Description: Employees should be allowed to create and join trade unions without experiencing any kind of discrimination in accordance with ILO Convention 87 [Add. Ref. 5].
- Stage of the Value Chain Affected: 1) Cultivation 2) Manufacture 3) Distribution 4) Retail.
- Responsible (the auditor to speak to): General Director.
- KPIs: Existence of communication method to spread the right of association.
- Grade: 0 - No allowance of association, punishment or discrimination against associated workers
1- Seldom communication about workers' right to associate 2- Communication of rights to associate whenever a new worker enters the company 3- Periodic communication about association rights 4- Existence of written and/or other kind of visual communication form to periodically inform all workers of their right to associate where it can be read by all employees and in a language/terminology that they can readily understand.

3. Financial Indicators (Fair Labor)

- Description: The employer must provide documentation to prove that the Production Operation is financially feasible in accordance with its Management Plan, and that financial exigencies do not lead to decisions that compromise environmental protection and social sustainability objectives.
- Stage of the Value Chain Affected: 1) Cultivation 2) Manufacture 3) Distribution 4) Retail.
- Responsible (the auditor to speak to): Production Manager.
- KPIs: ROE of the product / ROA / Leverage / Profit margin - not sure if with these indicators we can show that it does not harm environment.
- Grade: 0- audit shows evidence of high financial risk of the company 2- audit shows no evidence of financial risk of the company.

4. Investment on efficiency (Fair Labor)

- Description: The employer must demonstrate that investment and reinvestment decisions support Management objectives with respect to environmental protection and social sustainability.
- Stage of the Value Chain Affected: 1) Cultivation 2) Manufacture 3) Distribution 4) Retail.
- Responsible (the auditor to speak to): Financial Manager.
- KPIs: Percentage of investment that was used for efficiency, biofuel machinery, clean energy, social investment or organic products.
- Grade: 0- The company does not provide information about how invested or reinvested funds were used by the company 1- The company is transparent about investment and reinvestment

but does not invest in environmental or social fields 2- The company keeps record of how funds are invested and from 50% - 70% of the investment take into account environmental protection and social sustainability (efficiency, biofuels machinery, clean energy, social investment, organic products) 3- The company keeps record of how funds are invested and from 70% - 90% of the investment take into account environmental protection and social sustainability (efficiency, biofuels machinery, clean energy, social investment, organic products) 4- The company keeps record of how funds are invested and more than 90% of the investment take into account environmental protection and social sustainability (efficiency, biofuels machinery, clean energy, social investment, organic products).

5. Ethical training (Fair Labor / ABNT/ GRI Food)

- Description: The employer should provide training to all workers covering the following topics: worker rights; employer responsibilities to workers; non-discrimination and sexual harassment; policies related to workers and working conditions; and work place hygiene.
- Stage of the Value Chain Affected: 1) Cultivation 2) Manufacture 3) Distribution 4) Retail.
- Responsible (the auditor to speak to): HR Manager.
- KPIs: Percentage of employees who have received ethical training.
- Grade: 0- Employees did not receive ethical training 1- Not all of the employees received ethical training 2- All the employees received ethical training 3- All the employees received ethical training when entering the company and receive yearly reminders and updates 4- All the employees received ethical training, existence of code of conduct which is received, signed and understood by the employees when they enter the company. Employees receive yearly reminders on this topic.

6. Tax declaration (ABNT)

- Description: Must show compliance with fiscal and tax obligations.
- Stage of the Value Chain Affected: 1) Cultivation 2) Manufacture 3) Distribution 4) Retail.
- Responsible (the auditor to speak to): Financial Manager.
- KPIs: Tax office declaration.
- Grade: 0- Non-compliance 2- Compliance.

7. Organic and non-organic separation (EU Organic Farming Ecolabel)

- Description: Organic crops must be clearly separated from non organic with adequate documentation of support. Products for each type of activity cannot be mixed.
- Stage of the Value Chain Affected: 1) Cultivation 2) Manufacture.
- Responsible (the auditor to speak to): Farmer / Production Manager.
- KPIs: Evidence of Organic Agriculture Certification.
- Grade: 0- No Organic Agriculture Certification obtained 1 - Organic Agriculture Certification in progress 2- Organic Agriculture Certification obtained (for companies where it is applicable).

8. Health & Safety Program (ABNT / GRI Food)

- Description: Existence of health and safety management program that includes at least: policy, objectives, targets, planning, procedures, resources, measurement, analysis, and improvement.
- Stage of the Value Chain Affected: 1) Cultivation 2) Manufacture 3) Distribution 4) Retail.
- Responsible (the auditor to speak to): General Manager.
- KPIs: Rates of injury, occupational diseases, lost days, absenteeism, number of work related fatalities should be reported and tracked year by year / All the measures required by law have to be fully complied.
- Grade: 0 - The company does not comply with the law and it does not have a tracking record of the cases. 1 - The company is aware of the issues, but it does not disclose it, and it does not tackle with any initiative, and partially comply with the law. 2 - The company complies with the law in terms of health and safety standards and monitors the circumstances of the incidents 3 - The company complies with the standards and adopts measures to improve these. 4 - The company complies with the standards and a strategy to mitigate the issues with different tools.

9. Fire safety (Fair For Life / Fair Labor / ABNT)

- Description: Evidence of fire protection equipment and training.
- Stage of the Value Chain Affected: 1) Cultivation 2) Manufacture 3) Distribution 4) Retail.
- Responsible (the auditor to speak to): Health and Safety Manager.
- KPIs: Evidence of fire protection equipment and training.
- Grade: 0 - Fire protection and Governance not available, 1 - Fire protection and Governance present but in poor condition or not accessible 2 - in companies with less than 50 workers: simple alarm system, workers know overall procedures and adequate equipment available; in companies with more than 50 workers: adequate equipment: fire detectors and alarms available and accessible, fire drills at least once a year 3 - well monitored and maintained

system, regular safety trainings and fire drills, documented inspection and maintenance of detectors and alarms.

10. Emergency procedures (Fair For Life / ABNT)

- Description: Emergency procedure in place (written/signposted) and known by workers; emergency exits identified and unobstructed.
- Stage of the Value Chain Affected: 2) Manufacture 3) Distribution 4) Retail.
- Responsible (the auditor to speak to): Health and Safety Manager.
- KPIs: evidence of emergency procedures.
- Grade: 0 - Emergency procedures are not in place, no emergency exits, 1 - Emergency procedures are in place but not known fully by workers, emergency exits are not unobstructed, 2 - Emergency procedures are in place (written/signposted) and known by workers, emergency exits are unobstructed and clearly identified and are sufficient for quick and safe evacuation in an emergency 3- Advanced procedures are in place including training of staff on evacuation procedures and well-designed emergency evacuation system (if applicable).

11. Safety training (Fair For Life / GRI Food)

- Description: One person trained as safety officer with sufficient qualification and competence.
- Stage of the Value Chain Affected: 1) Cultivation 2) Manufacture 3) Distribution 4) Retail.
- Responsible (the auditor to speak to): Health and Safety Manager.
- KPIs: Average hours of training per year per employee by employee category / Designated health and safety officer.
- Grade: 0 - No safety management and risk analysis although safety problems 1 - No formal safety officer but management is aware of safety aspects 2 - One person trained as safety officer with sufficient qualification and Governance power, safety risk analysis is done regularly and employees are aware of safety risks, 3 - Safety committee with participation of workers, high health and safety awareness.

12. Safety equipment (Fair For Life / Fair Labor)

- Description: Adequate equipment availability, maintenance and usage, including First Aid equipment.
- Stage of the Value Chain Affected: 1) Cultivation 2) Manufacture 3) Distribution 4) Retail.
- Responsible (the auditor to speak to): Health and Safety Manager.

- KPIs: Evidence of sufficient protection equipment.
- Grade: 0 - Missing equipment although necessary 1- Equipment is provided in acceptable condition 2 - Suitable and adequate personal protection equipment provided, maintained in good condition and used OR not necessary, 3 - Very good protection efforts.

13. Chemical storage (Fair For Life/ EU Ecolabel)

- Description: Separate, locked and clearly identified storage with access restriction.
- Stage of the Value Chain Affected: 1) Cultivation 2) Manufacture 3) Distribution 4) Retail.
- Responsible (the auditor to speak to): Health and Safety Manager.
- KPIs: Adequate storage of chemicals: yes or no.
- Grade: 0 - On worker's areas or together with household goods 2 - Separate, locked and clearly identified storage with access restriction (if no critical chemicals: not applicable).

14. Government incentives (GRI - Food)

- Description: Significant financial assistance received from government (direct subsidies, tax exemptions, etc.).
- Stage of the Value Chain Affected: 1) Cultivation 2) Manufacture.
- Responsible (the auditor to speak to): General Director.
- KPIs: Percentage of subsidies on total assets of the company.
- Grade: 0 - More than 50%. 1 - Between 50% and 25%. 2 - Between 24% and 15%. 3 - Between 14% and 5%. 4 - Less than 5%.

15. Sustainable Certifications (GRI - Food)

- Description: Amount of food processed in sites certified by third party international sustainability standards.
- Stage of the Value Chain Affected: 1) Cultivation 2) Manufacture 3) Distribution 4) Retail.
- Responsible (the auditor to speak to): General Director.
- KPIs: Percentage of production volume manufactured in sites certified by an independent third party according to international food sustainability standards / Percentage of purchased volume which is verified as being in accordance with international food sustainability standards.
- Grade: 2- 10%-30% of the production volume comes from sites which are certified by third party international food sustainability standards, 3- 31%-70% of the production volume comes from sites which are certified by third party international food sustainability standards, 4- More than

70% of the production volume comes from sites which are certified by third party international food sustainability standards.

16. Record keeping (Proterra/ Fair for Life)

- Description: Keeping record of trainings, regular payment, contracts, signed code of conduct, personnel, Occupational Safety and Health Administration, community engagement.
- Stage of the Value Chain Affected: 1) Cultivation 2) Manufacture 3) Distribution 4) Retail.
- Responsible (the auditor to speak to): HR Manager.
- KPIs: Existence of the following documentation: trainings, regular payment, contacts, signed code of conduct, personnel, Occupational Safety and Health Administration, community engagement
- Grade: 0 - The company can not provide the required documentation of information. 2 - The company provides records for all the information.

10.3. Description of calculation

Following the principles already explained of “relevance” and “grade defining”, the CC team, once it will finish the assessment of the product, will proceed to fulfil the indicator’s table.

According to the data collected, the CC team will give a proper evaluation to every single indicator (in this guideline just the indicators with a relevance of 4 and 5, not dismissing indicators with relevance 2 and 3 for further assessments), but in some cases there would be the possibility of non-applicability (NA) of the grade, which it has not to be confused with “data not provided”, in these cases the CC team won’t give an evaluation to the indicator so this won’t influence the average of the final result. Once the CC team finishes giving the evaluation to all indicators, then it will start the calculation of the final grade, for every single field (Ethical, Environmental, Governance, Social) of the label:

considering that the indicators have different relevancies, it has been adopted a “leverage system” (see Fig.26) to give a different weight and importance to the different levels of relevance; as it can be seen, the higher is the relevance the higher is the leverage, in both, positive and negative values.

Leverage

Relevance	0	1	2	3	4
5	-0,50	-0,25	0,05	0,25	0,50
4	-0,40	-0,20	0,04	0,20	0,40

3	-0,30	-0,15	0,03	0,15	0,30
2	-0,20	-0,10	0,02	0,10	0,20
1	-0,10	-0,05	0,01	0,05	0,10

Relevance	0	2	0	1	2	3
5	-0,50	0,20	-0,50	-0,25	0,25	0,45
4	-0,40	0,15	-0,40	-0,20	0,20	0,35
3	-0,30	0,10	-0,30	-0,15	0,15	0,25
2	-0,20	0,05	-0,20	-0,10	0,10	0,15
1	-0,10	0,025	-0,10	-0,05	0,025	0,05

Figure 26. Leverage values according to relevance

Source: own invention

Thus, with a relevance of 5 the leverage will vary between -0,50 and +0,50, while in the case of relevance 1 the leverage will vary between -0,10 and +0,10, hence having a lower impact on the final result. E.g.: Relevance 5, Grade 4, calculation $4+0,50=4,50$; Relevance 5, Grade 0, calculation $0-0,50=-0,50$.

The leverage will be negative in the case of unsustainable grades, which are 0 and 1, so it

will influence even more negatively the field of the evaluation, while it will be positive between the grades 2 and 4, giving a premium to sustainable grades, influencing positively (creating a leverage effect) the field of the average and then the final result.

The maximum grade of each field can vary according to the number of indicators applicable to the specific case. The indicators are scaled in different manners. Some indicators are scaled from 0 to 4, others from 0 to 3, while certain indicators go from 0 to 2. The intention of the leverage system is to solve the problem that scaling generated, considering that scaling generated different scores, it has been taken into account that the indicators, which reach the maximum of 2 have to be over-weighted in the general calculation. The difference can be observed in the table above; for example comparing the grade 2 in relevance 5, whereas the indicator reaches 4 as maximum it will add just +0,05 to the grade. If the same grade 2 with the same relevance 5, calculating an indicator which reaches just 2 as maximum grade, a premium of +0,20 will be given to the final grade.

Having explained this methodology the team fulfilled the calculation sheet (see ANNEX 4) where all the grades are modified according to the leverage (as in the example in the following picture).

Figure 27. Calculation in each area

Ethical	Mark	Relevance	Leverage	Environmental	Mark	Relevance	Leverage	Governance	Mark	Relevance	Leverage	Social	Mark	Relevance	Leverage
1 (0,2)	NA	5	FALSE	1 (0,1,2,3,4)	4	4	4,40	1 (0,1,2,3,4)	3	4	3,20	1 (0,2)	2	5	2,20
2 (0,1,2)	1	5	0,75	2 (0,1,2,3,4)	2	5	2,05	2 (0,1,2,3,4)	2	4	2,04	2 (0,2)	NA	5	FALSE

Ethical	Mark	Relevance	Leverage
1 (0,2)	NA	5	FALSE
2 (0,1,2)	1	5	0,75
3 (0,2)	2	5	2,20
4 (0,1,2,3,4)	2	5	2,05
5 (0,1,2,3,4)	3	5	3,25
6 (0,1,2,3,4)	4	5	4,50
7 (0,2)	2	4	2,15

TOTAL 2,98

Tot. of the example 3,35

% of Total 0,89

Final grade 3,56

Once all the grades will be multiplied according to the relative leverage values, for each field it will reach the first result; still this is not the final one, but just the sum of all the marks modified according to the leverages and then divided for the number of indicators fulfilled, thus it gives the average of the marks weighted according to the leverage system.

Now it is important to understand what it would be the maximum achievable for this assessment (remembering that there's the possibility of "non-application" of all the indicators) to fix the top, which represents the complete fulfilment of the clever clover label.

Once it's defined the total reachable for the example (in the picture in the side 3,35), it is necessary to build a ratio between that figure and

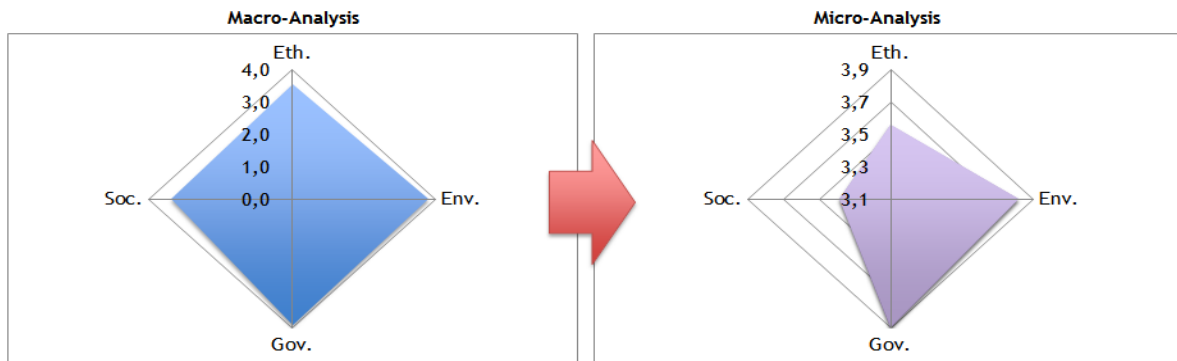
Source: own invention the first result that it achieved (in this example 2,98); hence the ratio (% of Total) it gives the percentage of the fulfilment on the total amount achievable in this field, according to the available data (in this case 0,89 which represents the 89% of the total achievable).

Finally, this percentage has to be translated into figures between 0 and 4, as the CC team has defined in its methodology before, and it brings to the final results of sustainability (in this case 3,56 which it represents a result over the "beyond the minimum sustainability performance").

This process has to be repeated for each single field to reach the four final results in every single topic.

With these results the CC team would elaborate the first raw tool for the companies, which represents a radar-risk analysis that gives the first indication of the efficiency and non-efficiency and finally fields of improvement in terms of sustainability in the 4 different fields: Social, Ethical, Environmental and Governance (see the graph below).

Figure 28. Macro- and Micro Analysis



Source: own invention

11. Case studies

11.1. Description of the case study companies

According to the methodology described above, a real example was made to experience the dynamic of the methodology. A set of questions- to which indicators were applied afterwards- were sent to a company in Northern Spain, which produces flour from not own produced wheat to obtain the necessary information.

Questions asked needed double checking in order to get further information due to misunderstandings or gaps. For this purpose, a Skype conversation was held with the general manager of the flour company. The information was matched with the indicators and the final grades came out. Certain premises needed peer discussion for fair evaluation, considering that the information obtained was atomized and reordering was needed to evaluate according to the field (Social, Environmental, Ethical or Governance) and its particular scale. In case information was not received on spot, email communication was useful to obtain additional information.

The Company preferred not to reveal the name, but it's registered as Casa Rural de Navarra. All year round, it employs about 60 people. Employees count with adequate training and all of them go through

an initial preparation when entering the company. All their rights are defended according to the law and sufficient protection equipment is available for the employees.

The process of this flour enterprise consists in buying wheat from different providers, transforms it in the factory and sells it afterwards in big amounts. During the process, no owned renewable energies are used. The product is packaged in big paper bags. Even though there is no recycling done over these, the company pays a fee in favour of recycling. The enterprise possesses no sustainability labels and ignores sustainability practices from its suppliers. Additionally, they don't possess a Code of Conduct for the employees.

Another example was inspired over a real company that exists in Almería, Spain, in order to have a benchmark and a different result.

Clever Oil is an olive oil producer and distributor company located in Almería, in Southern Spain. Its extension is of 250 hectares and runs its production under organic methods. The maintenance and the productivity of the land is possible through a team of 50 permanent workers and 30 other seasonal workers, which incorporate themselves from November to January when it's harvesting time for the olives.

In order for the company to prove its sustainability, the business counts with several certifications which have national and international background, such as the Agricultura Ecológica Andalucía (CAAE, Spain), European Certification for Organic Farming (EU), just to mention some.

The process of the olive oil is highly circular, in the sense that even waste is used for fertilizing and energy generation. Sheep from a neighbour farm are fed in the olive plantation and their waste is managed for composting. Aside from this, the pulp is transformed for producing heat for the ovens. Rainwater is scarce but a system of isolated tubes nailed into the ground makes the rainwater reach directly to the plants and avoids evaporation, making the scarce resource used efficiently. Water efficiency is also applied to the processing, which used less water considering that the ecological methods do not generate the need of washing the yield as strictly as the non-organic production. Apart from these facts, the machinery used for processing the olives are powered by the companies' own solar PV panels, as well as the general electricity comes from these.

The disposition of the cultivation respects the diversity of the local species, whereas different types of olives are in the farm to favour pollination and impact positively in the productivity of the plants. Other local plants are kept to protect local species and avoid plagues which can damage the plantations, which favours the overall sustainability.

The distribution is made by a conventional-fuelled truck which contains the oil and package is provided in the city to avoid weight and fuel consumption when transporting the oil to the city. Consumers are fostered to recycle their oil containers by giving them back to the company for re-use to minimize the expenditure in packaging and promote sustainability. The strategy is to stop at several points of the city where they can distribute their product to the end consumer in certain time.

Once there was sufficient information to apply the methodology, final grading was obtained. It is important to mention that not all indicators apply to all cases, reason why the assessments between one case or the other had slight differences. For instance, a farm that produces its own olives is different from a flour company which buys its raw materials to produce the flour, so in case of indicators related to the supply of organic raw materials, the approach was different.

These examples gave light to the differences that can be found in each assessment, and also the functionality of the methodology, which proved its efficiency. According to the results, tailored suggestions were given in the four fields that the Clever Clover covers. It's important to recall that the Tool does not only provide the sustainability picture of products, but also provides information and guidelines for companies to improve the sustainability of their value chain.

11.2. Questionnaire and assessment of the answers

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Flour Company in Spain

Questionnaire	Data	Comment	GRADES
Existence of an Environmental Impact Assessment including an action plan for prevention and mitigation		No existence. In terms of environmental protection we comply with EU regulation and the 14001 ISO standards	2
Compliance with EU directive on pollutants: DIRECTIVE 2008/1/EC of 15th Jan 2008 (http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2008:024:0008:0029:ES:PDF)		Yes	2
Energy consumption: % of renewable energy sources, efficiency measures		We do not have any renewable energy generation installation	0
Water consumption (Liter/year) in comparison to local standard		We add about 7.000 cubic metres/year to our manufacturing process. Most of this water evaporates due to the mechanical process of grinding. The rest of added water is kept by the product.	2
Description of waste water treatment facility		We do not have any waste water treatment facility: no waste water from our industrial process. Sanitary water is recycled by local government facility: we pay a tax according to water consumption.	NA
Total weight of waste by type and disposal method / unit produced		A tax is facilitated for recycling	1
Reduction rate of amount of materials used for packaging		We produced bulk and packed flour so the volume of packaging materials depend on sales. No action have been taken to reduce our packed sales	2
Percentage of recycled and reused materials for packaging		We do not recycle or reused materials for packaging: according to regulations we	2
Percentage of ecological materials over total packaging		Unknown	2
Existence of a Carbon Footprint calculation and reduction trend		No	0
If you grow your own crops: Level of concentration of the chemical composition mix of the soil / Chemical data safety sheet (CLP Regulation)		We do not grow our own crops.	NA
If you grow your own crops: Capability of rainwater collecting (Liters / Agricultural land in hectares)		-	NA

Questionnaire	Data	Comment	GRADES
Percentage of GMOs present in the provided ingredients of the product		0% - GMO's are excluded from the ingredients we buy by contract	2
Purchase price is higher (%) / in line with / lower (%) than market price		I do not understand the question	1
Any employee documents retained by employer?		No	2
Wages are higher / in line with / lower than industry average		In line, according to global agreement for the milling industry	2
If you have an ESG (Environmental, Social, Governance) policy: the percentage of purchased value from suppliers compliant with company's ESG policies		We do not have any.	0
Percentage of local suppliers (within 100km from the company) on total suppliers.		30%	3
Percentage of significant suppliers and contractors that have undergone screening on IFA principles (freedom of association, collective bargaining, non-discrimination, abolition of forced labour, elimination of child labour) and actions taken.		Unknown	0

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Questionnaire	Data	Comment	GRADES
Percentage of employees that were given technical training (use of machinery, chemical management, use of protective equipment, proper operational procedures and specific job skills)		100% of our employees received proper training prior to develop any position at the plant	2
Existence of communication method to spread the right of association (if yes:frequency, form)	Meeting room / Wall / Permission of clustering (50 - 60 employees)	Workers union is recognized by company. Company complies with regulation related to workers rights.	2
ROE, ROA, Leverage and Net Profit		Sorry, I must not provide this information	2
Percentage of investment that is used for efficiency, biofuel machinery, clean energy, social investment or organic products		0%	1
Percentage of employees who have received ethical training (worker rights; employer responsibilities to workers; non-discrimination and sexual harassment; policies related to workers and working conditions; and work place hygiene)		0%	0
Tax office declaration done on time and appropriately		Yes	2
Evidence of Organic Agriculture Certification		We are on the certification process	1
Reports of injury on workplace, occupational diseases, lost days, absenteeism, number of workrelated fatalities		Availables	2
Evidence of fire protection equipment and training		Fire protection instalation complies with goverment requeriments. It is maintenance by a authorised contractor	2
Evidence of emergency procedures (incl. Emergency exits)		Evidence of Emergency Plan existence	3
Designated health and safety officer		It is designated, it is mandatory by law	2
Evidence of sufficient protection equipment		Available for every worker: evidence that workers get proper protection equipment and formation. Other protection equipment is available throught the plant.	3
Adequate storage of chemicals		Specific warehouse is available	2
Percentage of direct subsidies received on total assets of the company		0.015%	4
Percentage of production volume manufactured in sites certified by an independent third party according to international food sustainability standards (By which certifier)		0%	N/A
Percentage of purchased volume which is verified as being in accordance with international food sustainability standards . (By which certifier?)		0%	N/A
Existence of the following documentation: trainings, regular payment, contacts, signed code of conduct, personnel, Occupational Safety and Health Administration, community engagement		All documents are available	2

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Questionnaire	Data	Comment	GRADES
Number of workers under the age of 16		0	2
Existence of document where community impacts are described and prevention and mitigation mechanisms are established / evidence of community engagement		Noises and dust emissions are followed by external audits: actions are taking if regulations are not complied.	2
Legally owned land or property, fair price and no evidence of unfair displacement			2
Number of followed-up sexual harassment cases		No cases to be followed	1
Total number of incidents of discrimination and actions taken		0	2
Number of risk group members (pregnant or nursing women, young workers etc) that are involved in potentially hazardous work or that work at night		0	2
Evidence of water and sanitary facilities for all workers (+explanation)		Appropriate wardrobes including showers, etc. are available for all plant workers.	2
Evidence of employment contract (covering job position, wage, working times, leave entitlement) and signed by both parties		Yes - 100%	3
Evidence of payments (wages, salaries) on time		Yes - 100%	2
Evidence of payments documentation / wage slip		Yes - 100%	2
Evidence of providing social benefits (sick leave, retirement, medical insurance, maternity, unemployment benefits)		No social beneficts provided	2
Number of weekly working hours		40	2
Remuneration of overtime (in line with or higher than legal requirement)		In line with legal requeriment	2
Status of employment: number of permanent contracts over total contracts		95%	3

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Clever Oil

Questionnaire	Answer (Data or explanation)	Comment	Final Mark
Existence of an Environmental Impact Assessment including an action plan for prevention and mitigation	Yes	Has an EIA. Organic fertilizing and dry location of the farm minimize erosion and loss of biodiversity. Tubes for water conservation minimize its consumption. Fertilizers were produced locally in an organic way, clearly documented. Soil chemical test are done yearly with documented results.	2
Compliance with EU directive on pollutants: DIRECTIVE 2008/1/EC of 15th Jan 2008 (http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2008:024:0008:0029:ES:PDF)	Yes	Has complied with the EU directive on pollutants	2
Energy consumption: % of renewable energy sources, efficiency measures	100% locally produced renewable energies.		4
Water consumption (Liter/year) in comparison to local standard	27% of less water used for the industry		3
Description of waste water treatment facility	N/A		0
Total weight of waste by type and disposal method / unit produced	100% of the organic waste is composted. Reduced 20% of cardboard waste; change from cardboard to plastic containers. 5% of reduced glass bottles usage		4
Reduction rate of amount of materials used for packaging. Percentage of recycled or reused materials. Percentage of ecological materials	From 10 to 15% from last year to this year of reused containers. 100% of the boxes are sent to a recycling facility. 50% of the glass from bottles are recycled. 50% of the materials	Reduction rate of amount of materials used for packaging / Percentage of recycled and reused materials for packaging / Percentage of ecological materials over total packaging	4
If you grow your own crops: Level of concentration of the chemical composition mix of the soil / Chemical data safety sheet (CLP Regulation)	Yes	The company has record of soil analysis, complying with the CLP regulation. The company produces 50% of its fertilizers and keeps records of fertilizers bought, which are organic	4
Existence of a Carbon Footprint calculation and reduction trend	Yes	The company is in the first year of the Carbon Footprint calculation, without possibility to have a benchmark to reduce it	1
If you grow your own crops: Capability of rainwater collecting (Liters / Agricultural land in Hectares)	Yes	Rainwater is scarce in the field. Water efficiency systems are implemented over the field	2

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Questionnaire	Answer (Data or explanation)	Comment	Final Mark
Percentage of GMO's present in the provided ingredients of the product	N/A		
Purchase price is higher (%) / in line with / lower (%) than market price	Purchases are bought with the suppliers price		1
Any employee documents retained by employer?	After surveying 10% of employees, no evidence of forced retention of documents or salary was found		2
Wages are higher / in line with / lower than industry average	Salaries of workers found to be compliant with Spains' minimum wages or higher		2
If you have an ESG (Environmental, Social, Governance) policy: the percentage of purchased value from suppliers compliant with company's ESG policies	52% of the suppliers are aware and comply with the companies' Code of Suppliers		3
Percentage of local suppliers (within 100km from the company) on total suppliers.	52% of suppliers found within 100 Km from the companies' location		4
Percentage of significant suppliers and contractors that have undergone screening on IFA principles (freedom of association, collective bargaining, non-discrimination, abolition of forced labour, elimination of child labour) and actions taken.	Not evidence that suppliers don't comply with the IFA principles		2

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Questionnaire	Answer (Data or explanation)	Comment	Final Mark
Percentage of employees that were given technical training (use of machinery, chemical management, use of protective equipment, proper operational procedures and specific job skills)	All of the employees were given adequate training. Once employees enter the company, training is received and refreshed yearly. 10% of the employees were randomly surveyed		3
Existence of communication method to spread the right of association (if yes: frequency, form)	Contracts have explicitly this right.		2
ROE, ROA, Leverage and Net Profit	Low financial risks had been determined during the audit		
Percentage of investment that is used for efficiency, biofuel machinery, clean energy, social investment or organic products	72% of the investment is made considering efficiency and environmentally friendly technologies		3
Percentage of employees who have received ethical training (worker rights; employer responsibilities to workers; non-discrimination and sexual harassment; policies related to workers and working conditions; and work place hygiene)		Existence of a signed code of conduct by all employees. Only office employees have received ethical training	1
Tax office declaration done on time and appropriately	Tax declaration is done on time as evidence support the consecutive declarations		2
Evidence of Organic Agriculture Certification	Agricultura Ecológica certifies the product		2
Reports of injury on workplace, occupational diseases, lost days, absenteeism, number of workrelated fatalities	Reports were held and showed		2
Evidence of fire protection equipment and training	The Company checks quarterly if the fire alarm and mechanisms are functional. Workers are reminded of the security procedures yearly.		2
Evidence of emergency procedures (incl. Emergency exits)	Training to employees is done yearly over emergency procedures. Adequate signalization is held on the factory		2
Designated health and safety officer	Yes, there's a designated person for these responsibilities (Environmental Manager)		2
Evidence of sufficient protection equipment	Equipment available, used by personnel and maintained in a good condition		2
Adequate storage of chemicals	The company has a special room for the storage of hazardous chemicals		2
Percentage of direct subsidies received on total assets of the company	20% of direct subsidies		2
Percentage of production volume manufactured in sites certified by an independent third party according to international food sustainability standards (By which certifier)	100%. CAAE. Agricultura Ecológica Andalucía (Spain). Certificado Europeo de Agricultura ecológica (EU). KRAV (Sweden). Agriculture Biologique (France).	Rely on the EU organic farming laws	4
Percentage of purchased volume which is verified as being in accordance with international food sustainability standards. (By which certifier?)	N/A		
Existence of the following documentation: trainings, regular payment, contracts, signed code of conduct, personnel, Occupational Safety and Health Administration, community engagement	Yes, all of the information required was shown. The Company has bridges with the municipality for evaluating complaints every three months, adequately documented		2

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Questionnaire	Answer (Data or explanation)	Comment	Final Mark
Number of workers under the age of 16	None. Contracts were checked and random surveys were held		2
Existence of document where community impacts are described and prevention and mitigation mechanisms are established / evidence of community engagement	The Company has bridges with the municipality for evaluating complaints every three months, adequately documented. No complaints were found		2
Legally owned land or property, fair price and no evidence of unfair displacement	Adequate documentation was found regarding to permission, acquisition and land exploitation		2
Number of followed-up sexual harassment cases	No sexual harassment cases found. Code of Conduct explicitly condemns any sexual coercitive behaviors	10% of the employees were surveyed to check over the information provided	2
Total number of incidents of discrimination and actions taken	No discrimination cases were found	10% of the employees were surveyed to check over the information provided	2
Number of risk group members (pregnant or nursing women, young workers etc) that are involved in potentially hazardous work or that work at night	No nursing women or young workers are working in potentially hazardous work or work at night		2
Evidence of water and sanitary facilities for all workers (+explanation)	Twelve sanitary facilities found. Men a women bathrooms were clearly diferenciaded, having three urinal and toilets for men and six toilets for women. All bathrooms were found in good and operative conditions and are connected to a potable source of water. Al area designated for eating was found among the instalations. Both instalations count with sufficient heating equipment if necessary		2
Evidence of employment contract (covering job position, wage, working times, leave entitlement) and signed by both parties	Contracts were proved to contain the job positions, responsibilities, legal hours for working, salary and conditions. Communication methods were also clear. Both parties had signed contracts. Rights were clearly identified. Cross checking evidence proved that the employees had a copy of the contract		3
Evidence of payments (wages, salaries) on time	Payments are documented and adequately archived. Cross evidence was found		2
Evidence of payments documentation / wage slip	Wage slips were found surveying 10% of the employees. The company keeps record of the payments		2
Evidence of providing social benefits (sick leave, retirement, medical	Social benefits were found to be in line with the labor legislation		2
Number of weekly working hours	Weekly working hours and rest days were found to be in line with the local labor legislation. Surveys were done randomly to 10% of the employees		2
Remuneration of overtime (in line with or higher than legal requirement)	Documented overtime was found to be remunerated according to legal requirements		2
Status of employment: number of permanent contracts over total contracts	52% of the contracts are permanent. Seasonal regime has an influence about this		2

11.3. Calculation of the case study results

11.3.1. Results of the Flour Company

[illegible]

Leverage

Relevance	0	1	2	3	4
5	-0,50	-0,25	0,05	0,25	0,50
4	-0,40	-0,20	0,04	0,20	0,40
3	-0,30	-0,15	0,03	0,15	0,30
2	-0,20	-0,10	0,02	0,10	0,20
1	-0,10	-0,05	0,01	0,05	0,10

Relevance	0	2
5	-0,50	0,20
4	-0,40	0,15
3	-0,30	0,10
2	-0,20	0,05
1	-0,10	0,025

Relevance	0	1	2	3
5	-0,50	-0,25	0,25	0,45
4	-0,40	-0,20	0,20	0,35
3	-0,30	-0,15	0,15	0,25
2	-0,20	-0,10	0,10	0,15
1	-0,10	-0,05	0,025	0,05

The details for each area can be found in Annex 3.

11.3.2. Results for the Oil Company

Ethical	Mark	Relevance	Leverage	Environmental	Mark	Relevance	Leverage	Governance	Mark	Relevance	Leverage	Social	Mark	Relevance	Leverage
1 (0,2)	NA	5	FALSE	1 (0,1,2,3,4)	4	4	4,40	1 (0,1,2,3,4)	3	4	3,20	1 (0,2)	2	5	2,20
2 (0,1,2)	1	5	0,75	2 (0,1,2,3,4)	2	5	2,05	2 (0,1,2,3,4)	2	4	2,04	2 (0,2)	NA	5	FALSE
3 (0,2)	2	5	2,20	3 (0,2)	2	4	2,15	3 (0,2)	2	5	2,20	3 (0,1,2,3,4)	2	4	2,04
4 (0,1,2,3,4)	2	5	2,05	4 (0,1,2,3,4)	4	5	4,50	4 (0,1,2,3,4)	3	4	3,20	4 (0,2)	2	4	2,15
5 (0,1,2,3,4)	3	5	3,25	5 (0,1,2,3,4)	3	5	3,25	5 (0,1,2,3,4)	1	4	0,80	5 (0,1,2,3,4)	2	5	2,05
6 (0,1,2,3,4)	4	5	4,50	6 (0,1,2,3,4)	2	5	2,05	6 (0,2)	2	4	2,15	6 (0,1,2,3,4)	2	5	2,05
7 (0,2)	2	4	2,15	7 (0,2,4)	NA	5	FALSE	7 (0,2)	2	4	2,15	7 (0,2)	2	4	2,15
TOTAL	2,98			8 (0,2,4)	4	5	4,50	8 (0,1,2,3,4)	2	5	2,05	8 (0,2)	2	4	2,15
Tot. of the example	3,35			9 (0,1,2,3,4)	4	5	4,50	9 (0,1,2,3)	2	4	2,20	9 (0,1,2,3)	3	4	3,35
% of Total	0,89			10 (0,1,2,3,4)	1	4	0,80	10 (0,1,2,3)	2	5	2,25	10 (0,1,2)	2	5	2,25
Final grade 3,56				TOTAL	4,03			11 (0,1,2,3)	2	4	2,20	11 (0,1,2)	2	5	2,25
				Tot. of the example	4,22			12 (0,1,2,3)	2	5	2,25	12 (0,1,2,3)	2	5	2,25
				% of Total	0,955			13 (0,2)	2	4	2,15	13 (0,1,2,3)	2	5	2,25
				Final grade 3,82				14 (0,1,2,3,4)	2	4	2,04	14 (0,1,2,3)	2	5	2,25
								15 (2,3,4)	NA	5	FALSE	15 (0,1,2,3)	2	4	2,20
								16 (0,2)	2	5	2,20	TOTAL	2,63		
								TOTAL	3,31			Tot. of the example	3,11		
								Tot. of the example	3,40			% of Total	0,846		
								% of Total	0,973			Final grade 3,39			
								Final grade 3,89							

Eth.	3,6
Env.	3,8
Gov.	3,9
Soc.	3,4

Relevance	0	1	2	3	4
5	-0,50	-0,25	0,05	0,25	0,50
4	-0,40	-0,20	0,04	0,20	0,40
3	-0,30	-0,15	0,03	0,15	0,30
2	-0,20	-0,10	0,02	0,10	0,20
1	-0,10	-0,05	0,01	0,05	0,10

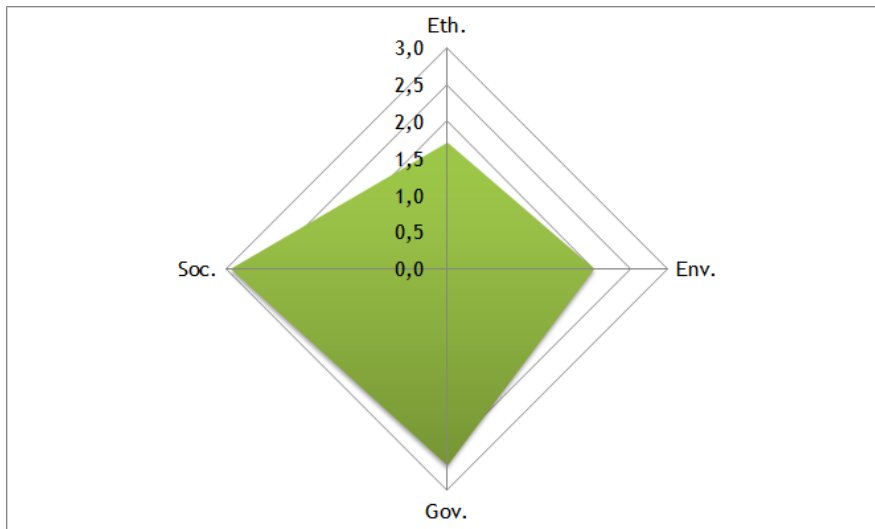
Relevance	0	2	0	1	2	3
5	-0,50	0,20	-0,50	-0,25	0,25	0,45
4	-0,40	0,15	-0,40	-0,20	0,20	0,35
3	-0,30	0,10	-0,30	-0,15	0,15	0,25
2	-0,20	0,05	-0,20	-0,10	0,10	0,15
1	-0,10	0,025	-0,10	-0,05	0,025	0,05

The details for each area can be found in Annex 3.

11.4. Recommendations for the case studies

11.4.1. Recommendations for the Spanish flour producer

Figure 29. Results for the Flour Company



Source: own invention

ETHICAL RECOMMENDATIONS

- A best practice for the company would be to develop a Code of Values and make all the employees aware of it.
- The company should establish the necessary KPI's in the ESG field (meaning beyond price and quality, to include considerations related to the environment, social topics and governance), in order to assess their suppliers to avoid reputation, market and brand risks and negative financial, social and environmental consequences.

ENVIRONMENTAL RECOMMENDATIONS

- Undertake measures to improve efficiency over water and energy consumption.

- Implement a two way communication with employees of all stages to determine the inefficiencies.
- Create an action plan tailored to the inefficiencies found. These should include specific feasible targets inside timeframes, in order to improve efficiency over the measuring.
- Adopt a carbon footprint assessment to determine the stages of energy intensity.
- Adopt low carbon practices according to the findings. Consider investments in renewable energy sources.
- Evaluate the possibility of using reusable textile bags instead of paper bags in order to reduce the amount of packaging

GOVERNANCE RECOMMENDATIONS

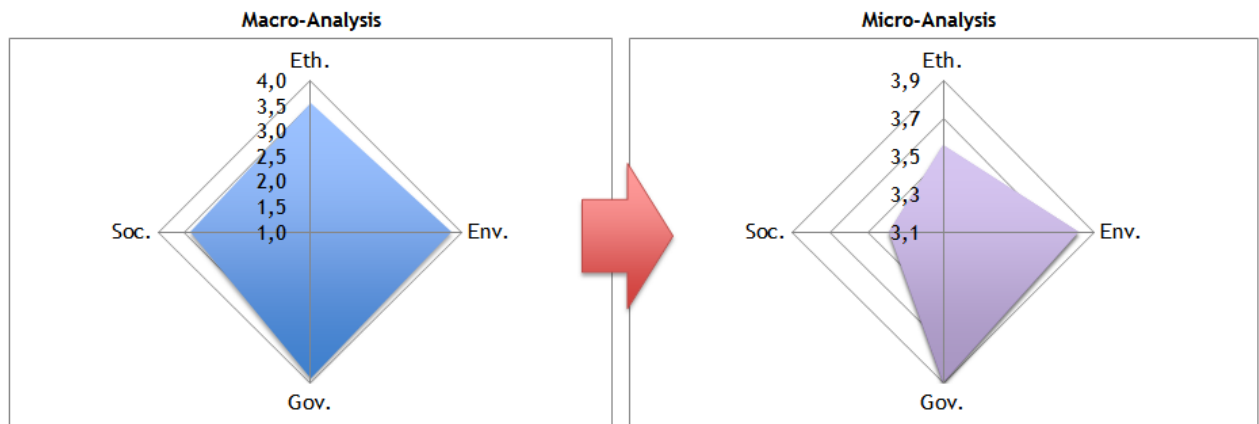
- Develop an internal ethical framework (Code of Values previously mentioned).
- Engage employees according to the developed code to create a better general work environment and develop an ethical corporate culture.
- Empower employees on labour rights through periodic training and reminders.
- Social investment: capacity building in local community, working together with the municipality which can provide information over local needs, avoiding migrations.

SOCIAL RECOMMENDATIONS

- Create an idea management communication platform to raise grievances, suggestions and needs to offer valued extra-legal benefits. This platform should be based on anonymity.
- Start running focus group talks to raise and understand employees needs
- Set communication channels to disseminate and reinforce policies against any type of discrimination and sexual harassment.

11.3.2. Recommendations for the Clever Oil

Figure 30. Results for the Olive Oil Company



Source: own invention

ETHICAL RECOMMENDATIONS

- Improve monitoring measures to ensure that suppliers are complying to ESG (Environmental, Social and Governance) policies. Determine further indicators which will give light about this.

ENVIRONMENTAL RECOMMENDATIONS

- To reach a leading position among the industry, the water efficiency criteria should extend to employees through training, reaching external spheres of impact.
- To achieve leadership in carbon practices, set regular carbon training programmes to employees and set 10% reduction targets in the most impacting activities.

SOCIAL RECOMMENDATIONS

- Establish community needs in cooperation with the City Council to set strategies for community improvement in the identified areas.
- Establish quarterly social programmes to empower employees over human and labour rights. Take the occasion as an open innovation discussion to raise problems and possible solutions.

GOVERNANCE RECOMMENDATIONS

- Set update sessions whenever there are changes that improves employees training.
 - Set quarterly meetings for spreading the knowledge over worker and human rights.
 - Have a visible table containing information over the right of association and other labour rights.
 - Establish bi-annual general meetings which are destined to safety behaviour and procedures.
- Use the sessions as an open innovation opportunity to develop strategies and raise problems with solutions.

The CC team did not have the possibility to verify the data of the case studies on the spot and get real time information from employees. In real case though, the field work will be an integrated and important part of the assessment.

12. Business model and Auditing

12.1. Business model scenarios

Scenario 1: owned methodology and outsources auditing

The direct contact with the client company will be in the hands of the Clever Clover management team, but the auditing process is outsourced. The mandated company goes to the client company and verifies that the information that they are providing is correct. Before becoming an auditing Clever Clover company all of the possible auditors will be trained by the Clever Clover team and they should approve a test before visiting client companies. The management of the tool, the assessment and the conclusion making are under the responsibility of the Clever Clover team.

Scenario 2: owned methodology supported by third-party verification

The Clever Clover team does the auditing process with the information provided by the company and with the field visits and a trained, experienced and well positioned third-party organization verifies the Clever Clover methodology.

Scenario 3: partnerships

The Clever Clover team will look for strategic partners from different sectors who can provide market knowledge, network, funding for further development of the tool and verification mark. The management of the methodology and labelling would be executed by this partnership.

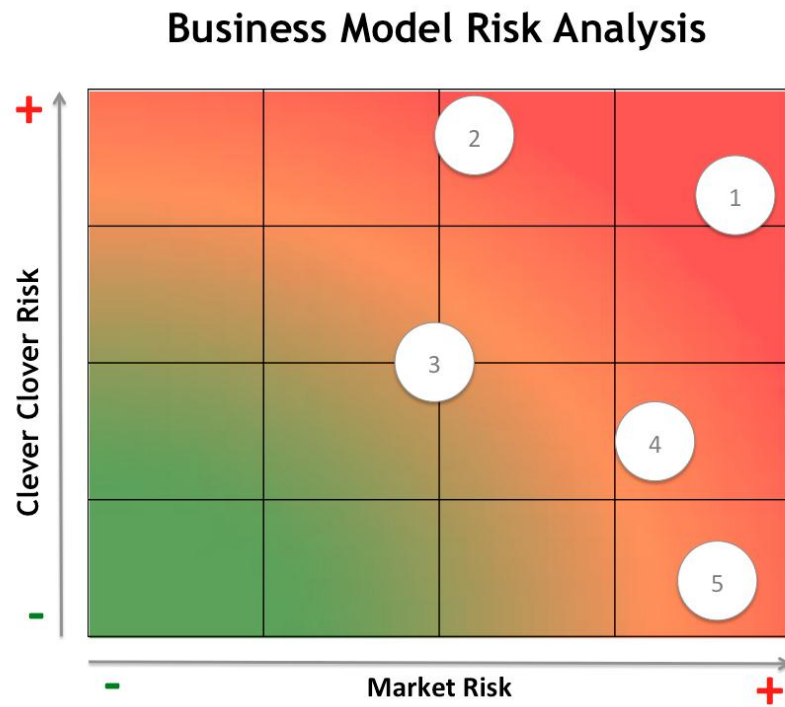
Scenario 4: sold methodology

The Clever Clover methodology is sold to big companies that will use it to do their own sustainability assessment and the Clever Clover team will act as a consultant. These companies will be able to decide if they use the Clever Clover label in order to be compared with other companies or if they want to create a new label with their own sustainability label. The Clever Clover team will require third-party verification to verify the transparency of the information.

Scenario 5: selling the tool

The Clever Clover team sells the tool to an experienced certifier or interested organization. These organizations will have the option to buy either the methodology or the methodology and the labelling system. The Clever Clover team will lose the rights over the tool and the new company will be able use their own brand on the label.

Figure 31. Risk Analysis



Source: own invention



Scenario 1: owned methodology and outsourced auditing

Represents both high market and own risk. Due to high investments and fixed costs for hiring employees, paying to the outsourced auditing company, training and offices this option will constitute a high risk for the Clever Clover investors. In the same way there is a very high market risk associated to the lack of credibility of a new and unknown brand. No third-party assurance or verification may move the potential clients to choose other labels that have been in the market longer and that are already recognized by some consumers.

DISCARDED

2

Scenario 2: owned methodology supported by third-party verification

This option represents high investment (own risk), even higher than the first alternative because by doing direct auditing, the human resource investment should be higher. Also, the third-party verification is a costly and time-consuming process that should be considered on the Clever Clover budget. Similarity, this option represents a high market risk because the Clever Clover brand will still be unknown and can lack credibility. By being supported by other organization (e.g. ISO) the market risk decreases but it still exists.

DISCARDED

3

Scenario 3: partnerships

The partnership option is the most convenient one because it does not represent extremely high market or self-risks. By partnering with already existing and positioned organizations the market risk associated to the lack of credibility diminishes significantly. It continues to exist in a lower level than in the other alternatives because it is related to the difficulty of finding and closing agreements with different type of organizations that may be interested. Own risks remain because operation costs will continue to exist, human resources, technology, training and infrastructure should be acquired. They are on a medium level because the costs will be shared with the partners. Partnerships enable networking, access to resources, credibility and legitimacy.

SELECTED

4

Scenario 4: sold methodology

By selling the methodology the team will be gaining some revenue and by providing constant sustainability consultancy the team will receive periodic income. The consultancy could be offered to various companies at the same time and the consultants can be hired according to the number of

contracts. Added to this, the consultancy services can be provided in the clients' offices, the fixed costs and investments are considerably lower than in other options. Although this is the second most convenient option for the Clever Clover, it has to be discarded because it has significantly higher market risk than the "partnership scenario"; big companies that may want to assess their sustainability status can be inclined to use more experienced and renowned consultancy companies. This market analysis is not at the higher level because by having the possibility to sell the tool to different types of companies it can be diversified.

DISCARDED



Scenario 5: selling the tool

Selling the tool represents the higher market. On one hand, the market risk is not diversified because there is an extensive commercial labour behind and only one company that will be willing to buy the tool. Also, if the Clever Clover team wants to make a profit, the price of the tool should be high, which makes the commercial efforts and the market risk even higher. Contrary to this, selling the tool will represent economic profit and therefore almost inexistent own risks.

DISCARDED

12.2. Business Model Description

Main Characteristics of the Partnership

Aim

To launch the Clever Clover label and make it the most used label by food companies, enabling easy product comparison and high consumer awareness.

Principles

The partnership and relations among the members will be guided by the following principles:

- Clarity
- Inclusivity
- Sustainability
- Mutual respect
- Risk sharing
- Benefits for partners and for society
- Continuous improvement
- Innovation
- Constant communication

Structure

The managers of the partnership will be the members of the Clever Clover team who will coordinate the co-work between the different actors. Therefore, the managers in cooperation with other members will be responsible for: commercial efforts, fundraising, measuring and reporting impact, financial management, arranging and documenting meetings, having the direct relation with the clients and setting rules.

The team will require the following skills:

- General manager who coordinates the partners and team members and sets up the long term strategy.
- Commercial team which is in charge of finding clients, finding and new strategic partners.
- Auditors who receive the information from the client companies and do fieldwork to gather and verify information.
- Analysis that analyses all the information about sustainability, make suggestions, create action plans and have constant contact with the company. This is the group that delivers the label.
- In order to assess the financial information and to define the risk level, a person with experience in financial analysis and/or risk assessment is required in the Clever Clover team.
- Administrative person in charge of day to day operation and payments.
- Outsourced verification team that will visit the retailers in order to randomly check the proper use of the labels.

Since equality is an important principle, all the members of the partnership will have the same voice and voting rights. Each partner will have one representative. The responsibilities of each member will be defined according to their degree of importance and to what each is going to provide to the partnership. Each partner will have one vote and decisions will be taken when the majority of the members agree. In order to avoid equal number of votes in favour and against decisions, the number of voters will always be uneven. The broker of the partnership will lead negotiations and conflict of interest resolution.

Expected Results

Increase the level of awareness of responsible consumption; move customers to buy products with high sustainability standards and companies to show to customers their sustainable practices through labels.

Profile of the possible partners

- Can provide useful resources for the partnership (monetary and in kind)
- Good reputation
- Legitimacy
- Capacity
- Readiness to deliver
- Motivation
- Complementarity

Once the partners are chosen, it has to be made sure that each of them has the same understanding of the project. It is advisable to set a written agreement between the partners, as the partnership might be voluntary (to take part in) but one has the obligation to achieve the common goal. In the agreement it can be involved the allocation of tasks and resources. One can use the concept of Core Complementary Competencies, which means that each partner should do what is its core business, core operation, what they do best to complement each other's competencies.⁶⁵ This might lead to a competition, if some partners want to do the same activity but double efforts have to be avoided. In

⁶⁵ Ken Caplan (2003)

this initiation part, the participants of the just established partnership have to agree on who does what and who brings what to the partnership.

Type of partners in a multi-sectorial partnership (public-private-civil)

- **Verification / Certifying organizations:** these companies would be very useful for the Clever Clover because they will be in charge of providing data for the assessment, improving the methodology, providing auditors and training and broadening the customer portfolio. Most importantly, they will be able to verify the methodology proposed by the Clever Clover and to increase credibility through their brand.
 - Big consultancies: ISO, BureauVeritas, KPMG, Deloitte, Accenture, ISEAL among others can be possible partners in this field.
 - Smaller consultancy companies should also be considered because they might be more interested in developing together new and innovative projects. Negotiation with them can be easier than with bigger companies and decision making processes can be more dynamic. Some examples of small consultancies that the CC team can approach are Sustainalytics⁶⁶, AccountAbility⁶⁷ and BSR⁶⁸.
- **Public agencies:** these could be useful both for funding the marketing campaign and for spreading the message of increasing responsible consumption through their allied companies. Public institutions can also provide accurate legal support on EU sustainability directive and can become a straight channel with policy makers, which could help sustainability to become more important in the national law. Also, public agencies are key for capacity building and training. Finally, working with government agencies in some cases can increase the reputation.
 - Agriculture and education agencies as well as communication departments can be useful to achieve these purposes.
- **European Consumer Associations:** consumer associations can provide valuable information (quantitative and qualitative) about the consumers' trends and interests. They can also provide consumer and company data bases to make directed marketing campaigns and training. Finally, they are key partners for fundraising.
 - Organizations such as the European Consumer Centres Network (EU-wide network co-sponsored by the European Commission and the Member States. It is made up of 29

⁶⁶ Sustainalytics (2012)

⁶⁷ AccountAbility (2012)

⁶⁸ BSR (2012)

centres, one in each of the 27 EU Member States and plus Iceland and Norway)⁶⁹, the European Consumer Organization (42 independent national consumer organizations from 31 European countries)⁷⁰, the Spanish Consumer Union (consumer association that works to improve the quality of life of people. It is present in several national and international consultation organisms)⁷¹, among others can show interest in working with the Clever Clover, especially to educate European consumers.

- **NGOs and international organizations:** since NGOs and international organizations can have a deep knowledge and the possibility to enter the farmers' community, they can be useful for stakeholder engagement in all the stages of the food supply chain. They can be able of sharing the needs and capabilities of farmers and also to provide training about sustainable farming procedures. NGOs and international organizations may open the doors for the Clever Clover in new markets as well.
 - Food and agriculture NGOs such as Oxfam could be interested in being part of this partnership. Their main aim would be to promote sustainable agriculture and to guarantee food security.
 - Other types of NGOs might want to use the Clever Clover methodology to use it as a baseline for other type of assessments. For instance WWF.
 - International Organizations such as the Food and Agriculture Organization (FAO) and Ecolabel could be interested in capacity building for farmers. Also, organizations that deal with sustainability issues can be interested in being partners in the Clever Clover project.
- **Media:** media is fundamental to spread the message of responsible consumption through announcements and advertisement. Media can also serve as the channel between opinion leaders and famous people and the Clever Clover team in order to implement part of the awareness raising campaign. Also, our expertise could bring us to talk for ourselves about our findings.
 - Different type of media outlets are possible channels to reach our desired targets of companies and consumers. They have a very high influence over people's decision-making.
- **Private sector:** the most important aspect that the private sector can provide is networking and spreading the word to influence other companies to become more sustainable and to use labels. Due to their expertise, they may also be able to provide financial management and

⁶⁹ UK European Consumer Centre (2012)

⁷⁰ BEUC The European Consumers' Organisation (2012)

⁷¹ Unión de Consumidores de España (2012)

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control. Retailers can provide key to promote adequately labelled products and sustainable consumption within their supermarkets and stores. The private sector can also contribute with infrastructure and to improve technological factor of the Clever Clover tool and processes.

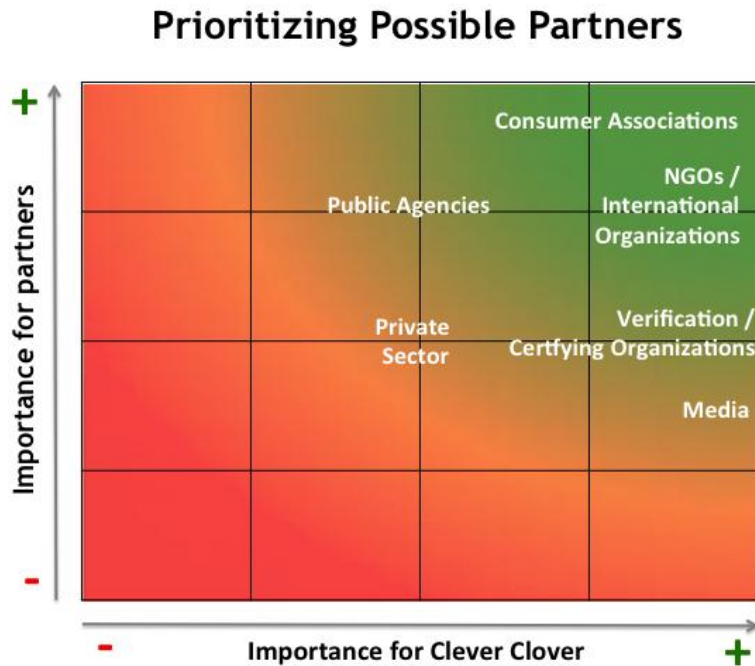
- Business associations, SME associations, retailers (especially supermarkets) and advertisement agencies may be interested in achieving a more sustainable supply chain and to raise awareness among consumers.

Figure 32. Partnership Matrix

	Human Resources	Verification	Information/ Data bases	Credibility/ Reputation	Funding / Fundraising	Legal advice	Networking	Advertisement & Communication	Management Skills	Community Engagement	Training	Infrastructure & Technology
Verification/Certifying organizations	X	X	X	X					X		X	
Public agencies			X	X	X	X	X				X	
European Consumer Associations	X		X		X		X	X		X	X	
NGO & international Organizations	X	X	X	X	X		X			X		
Media			X	X			X	X				
Private Sector	X		X		X	X	X		X		X	X

Source: own invention

Figure 33. Possible Partner Mapping



Source: own invention

12.3. Auditing and Monitoring

Who

The most suitable partners to provide the auditors are the certifying companies. The partner company should first certify the Clever Clover methodology and provide auditors that verify the assessment for specific labelling processes. Depending on the capacity of the partner, this service will be provided directly by the company or the company can commit to train other external auditors.

When

Initial audit:

The first audit will be done when the client company expresses its willingness to acquire the Clever Clover consultancy and label. After signing a contract with specific responsibilities, the assessment will

be conducted and the conclusions will be delivered to the company. If the sustainability status of the product is sufficient onwards the label will be delivered and the company will be in charge of printing it and putting it on the product. Specific suggestions for further improvement will be delivered to the client company. In contrast, if the product does not reach the sufficient sustainable level, fields of improvements, an action plan for further improvement will be discussed with the client company. Specific commitments will be set to achieve the sufficiency level and obtain the label in the following year. The Clever Clover should not be placed in case this minimum level has not been reached, in order to give a space for improvement for those products which have already been assessed.

The action plan will be based on the Corrective Action Request System (CARS). After conducting the assessment, non-conformance, which in this case are the indicators that were evaluated below 2 or that did not provide information. The Clever Clover team, together with the client company should identify the causes of those non-conformities and document them with specific prevention and improvement actions that will be taken on a defined period of time. The responsible person should keep record of all the achievements and evidence of the different improvements should be provided on time to the Clever Clover team.⁷²

Yearly renewal audit:

If the company decides to renew the right to have the Clever Clover label and wants to check the sustainability status of their products, annual assessments will be offered. The Clever Clover auditors will then conduct a complete assessment, where special attention will be given to the accomplishment of the targets defined in the action plan of the previous year. The new label will reflect the changes in the sustainability performance of the product.

If there is a significant change in the process for making the product, the client company should notify the Clever Clover team. A special audit should be conducted to verify improvements or worsening or that the new processes have no negative impacts on the sustainability performance of the product. If necessary the label will be modified.

⁷² R. M. Baldwin (2011)

Random/surprise audits:

The Clever Clover team saves the right to conduct surprise and random audits on the different stages of the supply chain of the labelled products. The client company has maximum 1 week to provide the requested documentation. Important changes will be shared with the client company, new action plans will be established and the label will be modified if it is necessary.

If there are evident violations in any of the sustainability fields the Clever Clover team will establish an action plan together with the company and will have the ethical obligation of modifying the label to reflect negative changes.

Funding

The main source of funding of the Clever Clover will come from the fee that will be charged to the companies for the assessment, consultancy, auditing and labelling. Fees will be defined based on the product, on the fieldwork and on the size of the supply chain. Since the main target is SMEs, that may not have the same economic capacity as big companies, this fee cannot be very high. Monetary donations from individuals, associations, public sector and private companies will be accepted. For specific projects and improvement of processes and communication the Clever Clover team will apply for EU funding. On the other hand, in kind contributions will be accepted as follows:

- Know-how
- Human resources (direct employees and volunteers)
- Advertisement and free press
- Infrastructure and facilities (office, office equipment)
- Hours of training
- Technological devices and technological development

The revenue that is generated with the operation will be shared among the members of the partnership.

Monitoring

The client company will be required to deliver the information about the projected number of sales of the labelled product and the percentage for each of its distribution channel. This information is very valuable for the Clever Clover team in order to estimate the number of labels that will be printed per product and to randomly visit the different retailers and distribution channels where the products are delivered. As mentioned previously, the verification team will be outsourced to visit the different distribution channels and check the labelled products on the following aspects:

- Usage of real label, no alteration of the label given by the Clever Clover team to transmit better sustainability performance
- No alterations on the colours, size or any other characteristic of the label that was negotiated between the client company and the Clever Clover team
- Unlabeled products using the Clever Clover labels illegally. If any case is reported research and legal actions will be taken against the company.

The QR code that each product will get after the assessment and that will be present on the label will also work as a monitoring system. Besides from showing details about the assessed product, when the QR code is scanned information that will facilitate monitoring will appear. Therefore, the verifiers that visit retailers and distribution channels will be able to efficiently check if the Clever Clover is real by verifying some online information: name of the auditor, auditing date and special monitoring number. This is how the Clever Clover labels will not have any addition bar code.

13. Creation of the Sustainable Label

13.1. Principles

It only takes between 3 and 5 seconds for a customer to select a product from the supermarket shelf. There is a big challenge for the Clever Clover label to catch the attention and be sufficiently clear for the consumer to prefer it.⁷³ This factor was also confirmed by the results of the survey done by the CC team: 67% of those who do not read the labels on the products explained that with the lack of time. The Clever Clover label is then based on the six future label principles defined by Which? combined

⁷³ Scovieawards (2009)

with other important market requisites. This is how the Clever Clover label is characterized by the following characteristics:

- **Coherent**
 - The label touches a trendy topic and takes into account the triple bottom line of sustainability plus ethical issues.
- **Simple**
 - One main message: the general sustainability status of the product reflected in the colours of the clover's leaves.
- **Noticeable**
 - The clover is a catching figure that is linked to positive thoughts.
 - The colours that the label is using stand out from the normal colours of labels.
- **Understandable**
 - Explanatory title which clarifies what is the label measuring.
 - The label will not only use words to transmit the core message but colours and pictures will be used as supportive tools for customers to understand more quickly.
- **Comprehensive**
 - The label will give the option to find out more information about the product either by accessing the Clever Clover webpage or by using a QR code.
- **Transparent**
 - Through the website or through the QR code the customers will be able to access to the methodology, will be able to contact the Clever Clover team and leave their comments about the products.

13.2. Look and Feel

Step 1: defining the title

The title should be visible and should include first the name of the label and second a brief explanation of what it measures. The main aspects that the title should suggest are: sustainability, responsible consumptions. Since the Clever Clover is a registered trademark symbol, it will have this symbol just after the name.

CLEVER CLOVER®

The Sustainability Choice

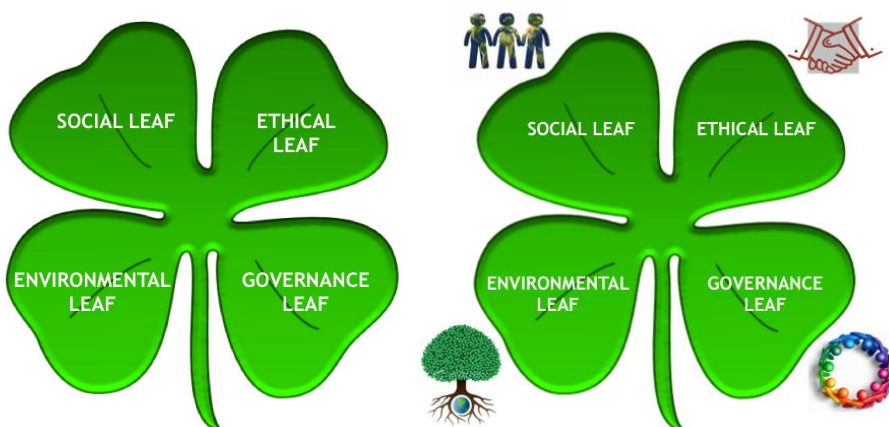
Step 2: shape and leaves

The main shape that can be seen in the Clever Clover label is a four-leaf clover. Apart from being a catching figure, their four leaves represent faith, hope, love and luck.⁷⁴

Each leaf of the clover represents one of the main fields of sustainability that the Clever Clover tool evaluates. All the leaves are the same size, which means that the label gives equal importance to all the fields. Even though the names of the fields are going to be written next to its corresponding leaf, a supporting picture for each field will be placed in order to increase quick understanding and to attract the attention of individuals with high visual memory. Chosen images are simple, international and can easily be related to the field that they represent:

- Environment: tree
- Social: people
- Ethical: handshaking
- Governance: circle diagram

Figure 34. Creation of the label stage 1



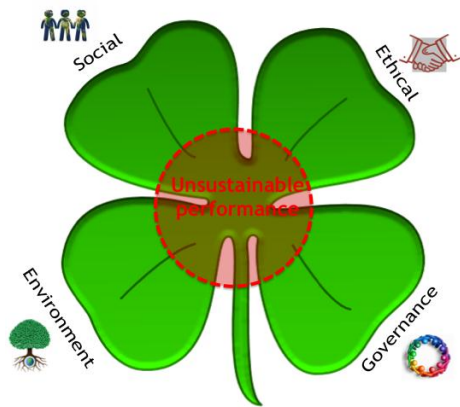
⁷⁴ Clover Specialty Company (2012)

Source: own invention

Step 3: minimum level of sustainability

The sustainability status of a product must show which is the baseline or minimum sustainable performance accepted by the Clever Clover labelling system. Therefore, this limited will be highlighted. Above this limit the sustainable performance of a product is accepted, and below this limit the product is considered unsustainable.

Figure 35. Creation of the label stage 2



Source: own invention

Step 4: reflecting the indicators

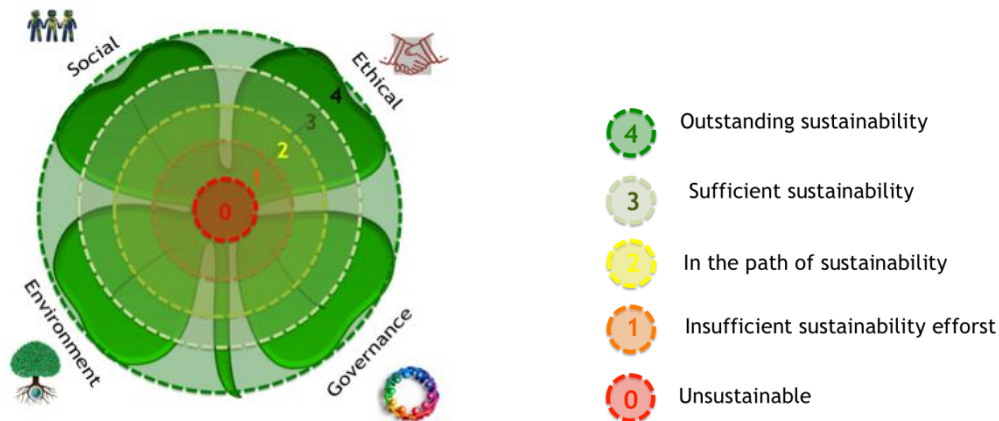
Each leaf will be divided in 5 parts that will reflect the 5 stages of sustainability that the company could obtain as the result of the analysis. The results will be shown on each leaf of the clover, so the label will state the performance of the product on the ethical, environmental, social and governance fields. All the indicators in the same field will have the same relevance and the final mark or colour that is going to be applied to the clover will be the average grades of the analysed indicators. From the centre of the clover to the end of each leaf, the colours will change from red to green.

Figure 36. Grades and colours

Average grade on one of the main fields (Ethical, Environment, Social, Governance)	Meaning of the grade	Color
0 (only 0.0)	Unacceptable sustainability performance	Red
1 (0.1 - 1.0)	Not yet sufficient, existing internal policy but no compliance	Orange
2 (1.1 - 2.0)	Minimum for a sustainable performance	Yellow
3 (2.1 - 3.0)	Beyond the minimum sustainability performance	Light green
4 (3.1 - 4.0)	Exceptional performance, sustainability leadership	Green

Source: own invention

Figure 37. Creation of the label stage 3



Source: own invention

Following this methodology, only when the product is considered sustainable in all of the fields the clover will be completely green. When exceptional performance is not achieved, the ending part of the clover will be uncoloured (grey).

If the client company has at least one indicator which is graded with 0, but the final grade of the field is above the accepted sustainability level (2.0), the Clever Clover team will suggest to improve its performance before labelling the product. It will be the client's decision to put or not the label on the assessed product.

Step 5: Further information

In case the customer is interested in having further information about each of the indicators and grades given to a specific product he/she will be able to access www.cleverclover.com through its smartphone. The customer will have a QR code to access the detailed information and will be given the website address in order to learn more about the assessment. A single QR code will be created per each product, but it will have links that lead to the www.cleverclover.com. If the customer chooses to access the webpage he/she will have to type the name/brand of the product. The QR code and webpage will be located at the bottom of the label.

Figure 38. QR code on the label



Source: own invention

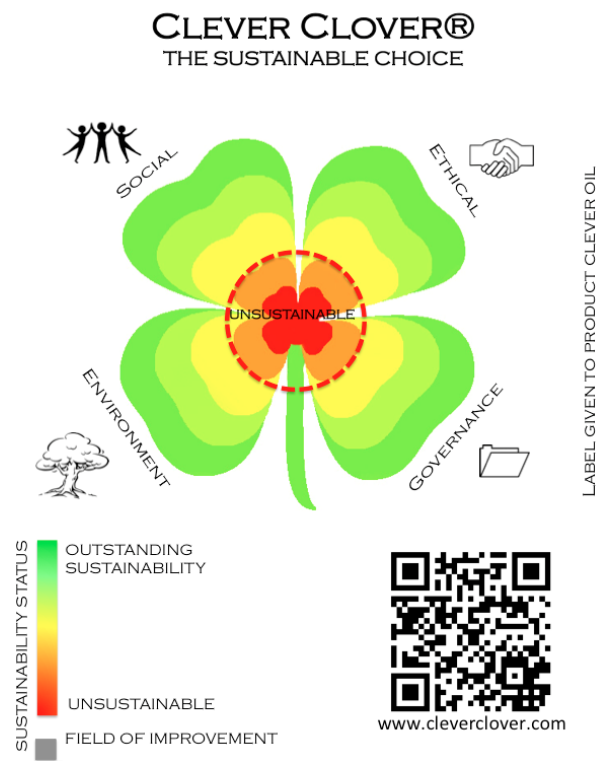
More information about the Clever Clover website will be provided in the website section of this project.

Step 6: final label

An online survey was carried out by the Clever Clover team in which 4 different options of final labels were given to the surveyed in order for them to evaluate simplicity, clarity and effectiveness.

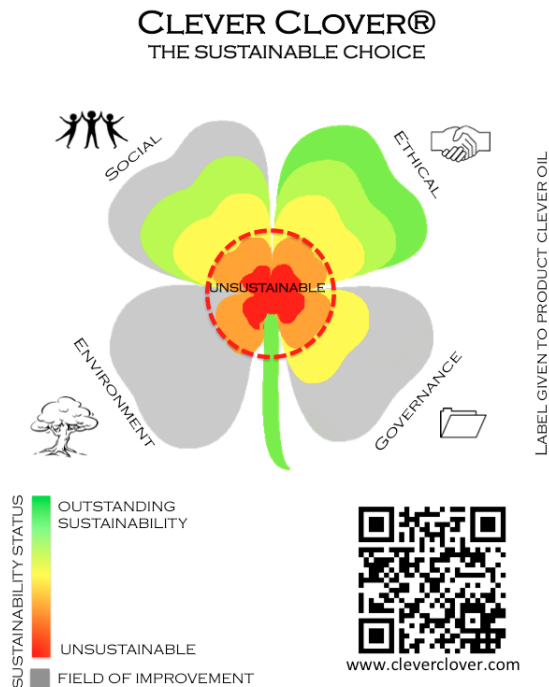
Comments and suggestions about the different options were taken into account for creating the final look and feel of the Clever Clover label. For details about the options that were considered and the survey results go to Annex 4. Different changes on the look and feel of the label regarding to pictures, usage of gradients in the scale, names of the different stages of the scale at the bottom and boundary indicating sustainability were followed. Considering these factors these factors and the considerations described previously, the final Clever Clover label will look like this:

Figure 39. Final label when the company achieves sustainability in all the fields



Source: own invention

Figure 40. Final label with different status of sustainability on each field

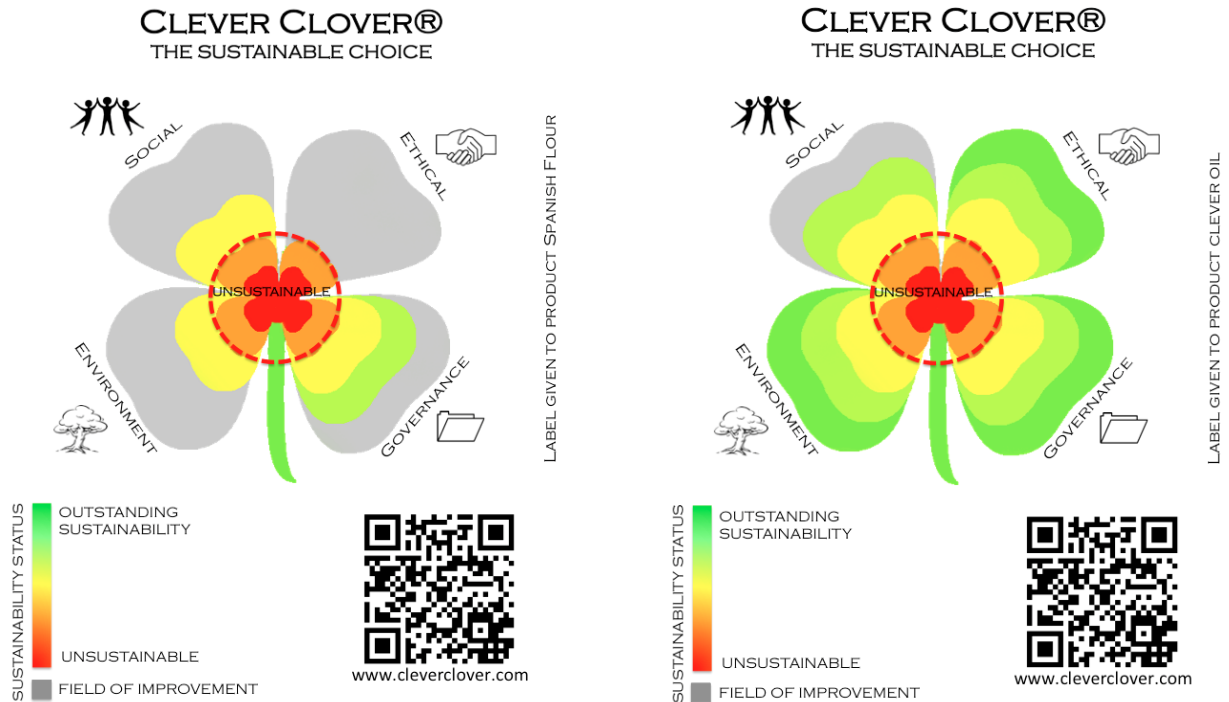


Source: own invention

Step 7: Materials

The Clever Clover will request the business that is using the label to print it in either recycled or FSC certified paper and with vegetable inks. Specific characteristics for refrigerated products will be maintained for the label to be durable.

13.3. The final label for the case studies

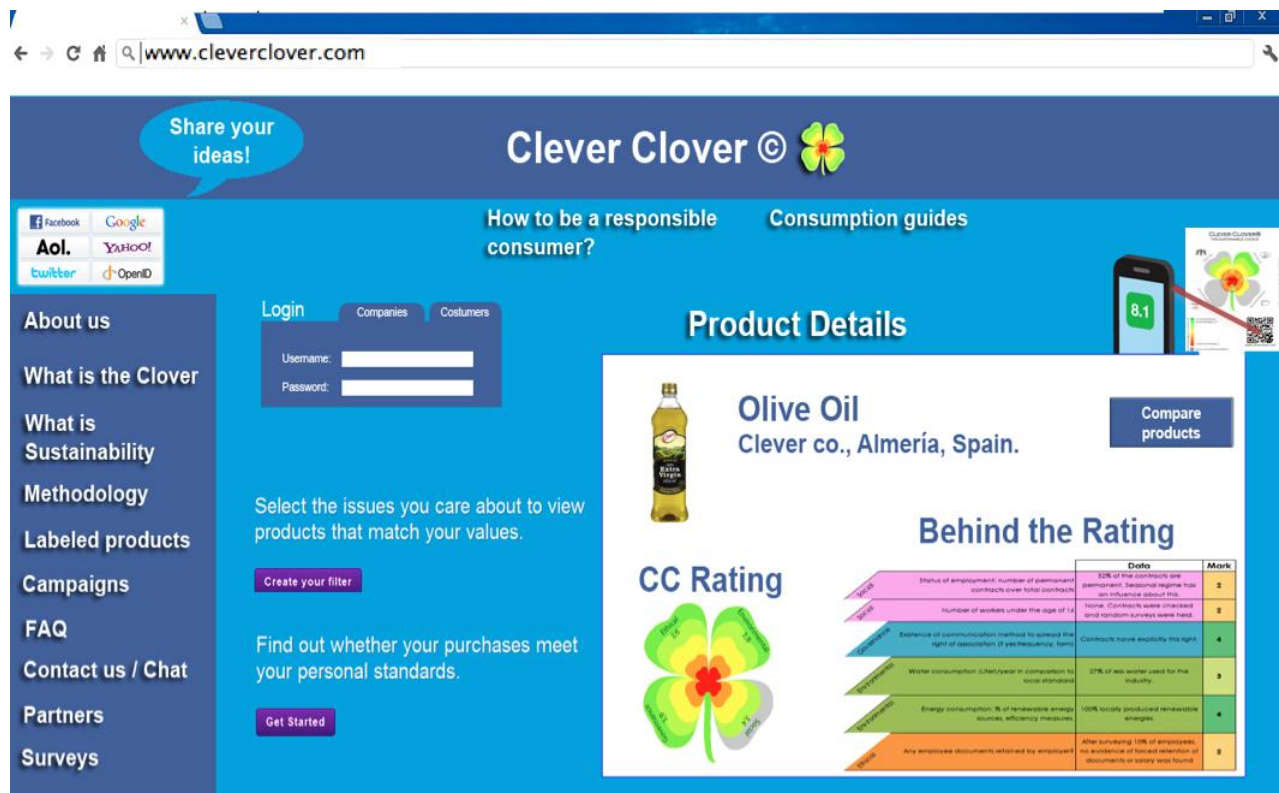


14. Webpage and mobile application

14.1. Webpage

The simplicity and size of the printed label requires only basic information about the product to be published. If a customer wants to know in depth why a certain product has that sustainability status he/she will be able to find detailed information and to interact with the Clever Clover in different ways. The Clever Clover webpage will be www.cleverclover.com and will be accessible by typing the address or by scanning the QR code on one of the labelled products. As it can be seen bellow, the webpage will be simple, interactive and aligned with the label's look and feel.

Figure 41. The Clever Cover webpage



Source: own invention

Webpage for consumers

The webpage will not only serve as a mechanism to find more information about the methodology behind labelled products, but it will provide different kind options for consumers and companies as follow:

- **Compare products:** the webpage will enable consumers to compare the sustainability status of different products. From a complete list of labelled products, visitors will be able to select the ones that they want to compare. The option of selecting all the indicators, a range of preferred indicators, or only one of the analysed fields will also be given to the reader.
- **Share your ideas:** this section will facilitate interaction between the Clever Clover and its visitors. Dialogue between visitors will be promoted through this forum where ideas, pictures and videos can be shared.
- **Social networks:** the Clever Clover webpage will be linked to different social media. Consumers will be able to find information about the tool and to interact with it through Facebook and

Twitter among others. Therefore, the target will always have updated information about new labelled products and sustainable consumption.

- **How to be a responsible consumer:** tips for responsible consumption will be given both by the Clever Clover and by the webpage visitors that want to share experiences. The tips will be given periodically making sure that readers understand one by one and are able to apply them.
- **Consumption guides:** guides in different formats will be available to be downloaded from the webpage. For example, pocket guides, customized shopping lists and pdfs with all the labelled products will be available.
- **What is the Clover:** explanation of the clover, each leaf and the evaluation scale will be provided in this section. The selected colours and their meaning will also be explained.
- **What is sustainability:** for those who do not have a clear concept of sustainability, an explanation will be provided. The triple bottom line and the ethical aspects will be also explained.
- **Methodology:** a detailed description of how the assessment and evaluation is carried out would be provided in this section. Each main field (environmental, ethical, social, governance) will be described and the indicators inside each field will be explained. Specific KPIs and calculation methodology will not be explained to protect the rights of the tool. How the results of the assessment are reflected on the clover will also be part of this section.
- **Labeled products:** the Clever Clover labelled products and as well as explanation the grade that the product got on each indicator will be disclosed in this section. The brand, the company that manages the product, a picture, strengths and fields of improvement will also be detailed here.
- **Campaigns:** written and recorded testimonials and important articles that have been published about the label will be available online for people to watch or read them. They will be able to share them in social media inviting others to become responsible consumers.
- **FAQ, Contact us, Chat:** general doubts that consumers and companies submit to the Clever Clover team will be collected and answered in the frequent asked questions here. This section will also provide contact information of the Clever Clover (e-mail address, telephone number, address) and a chat to solve doubts or to receive suggestions and grievances will also work online.
- **Partners:** list of partners with their logos will be available in this section. A short description of what they do and how are they contributing to the Clever Clover project will be provided.
- **Surveys:** simple surveys will be done to check periodic increase of consumer awareness about responsible consumption. Visitors can suggest new topics for the surveys and interesting results will be shared with the visitors.

- **Building databases:** the visitors will have the opportunity to leave their contact information to receive special news regarding to responsible consumption from the Clever Clover (e-mail marketing).

Login for companies

Companies will have a special login section. After typing their username and password, they will enter a company directed section where the record of their assessment will be kept. They will be able to see their final results, justification of each evaluation, disclosure of the methodology and recommendations. A copy of the supporting documents they provided for the assessment would be available as well. The webpage will be a platform of communication with the companies and all the consumers' comments about their products will be shared and answered if needed.

14.2. Smartphone application

For those customers that want to know more about how products were made, the Clever Clover will develop a mobile application (app) that will be compatible both with Apple and with Android. The app will contain the same information as the webpage but it will be adapted to be seen properly in mobile phones and tablets. It will be directed more to final consumers rather than to companies; information about the results of the assessment on each indicator will be disclosed and comparative and interactive will be available. The look and feel of the smartphone app will be in line with the one on the webpage.

Figure 42. Smartphone application



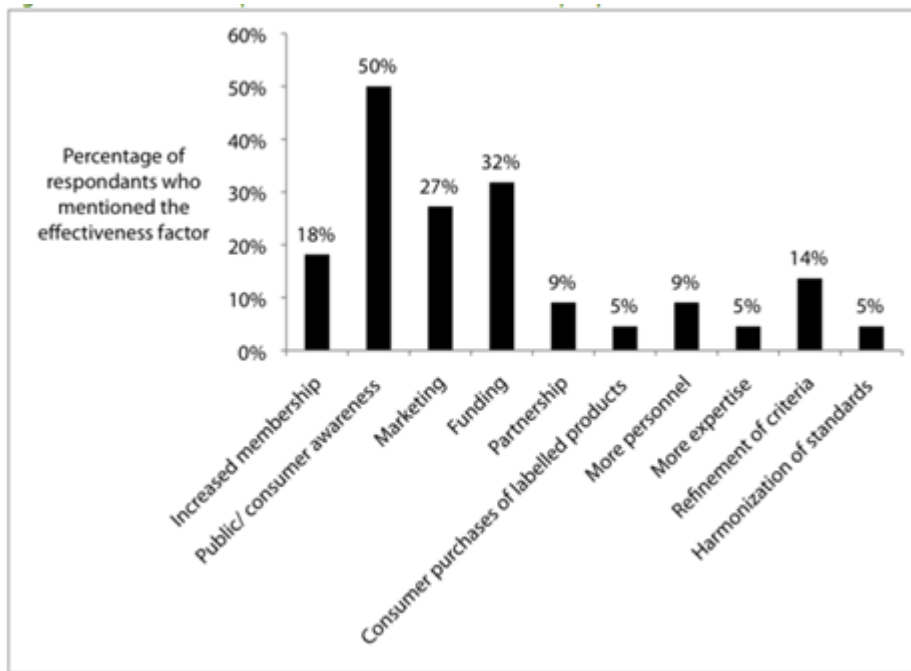
Source: own invention

15. Awareness raising campaign

15.1. Justification of a sustainable consumption campaign

A web-based survey that was launched in 2009 by the World Resources Institute and EcoLabels.org in conjunction with Duke University asked labelers what would help them to improve the overall effectiveness of their eco-labels program. Based on the answers of more than 100 respondents (labelers), 10 different categories were created. 50% of the respondents referred to consumer awareness, and more than 25% mentioned more marketing and funding as the following chart shows.

Figure 43. Effectiveness improvement factors from the labelers' perspectives



Source: Duke University 2009

This is how the Clever Clover labelling team designed an awareness raising campaign about responsible consumption. By partnering with different market actors and by tackling consumers through different communication channels, awareness about responsible consumption among European consumers should increase. As consumers start to demand more sustainable products, companies will start implementing more sustainable practices and at the same time, will start demanding sustainability marks to communicate their sustainability performance to their consumers. As awareness increases and more products are labelled with the Clever Clover, recognition and demand for this specific mark will increase.

The main purpose is to make consumers understand that responsible consumption is a very broad topic that has several processes and many people behind. By providing the necessary information about taking informed decisions, they will understand that simple shopping choices can impact people and families nearby and around the world. After the campaign, consumers should understand that if they do not start caring about sustainable products, positive changes will never happen. Similarly, the campaign

will tackle companies to make them be aware of the internal and external benefits of improving their sustainability practices and of communicating them to customers.

The campaign will be divided in 3 lines of action. The first one will be a one-way communication informing final consumers about the consequences of taking informed decisions. The second line will tackle both final consumers and companies, and it will be based on events and channels that enable double-way communication with the possible users of the Clever Clover label. Finally, the third line will aim to cause a behaviour change and to move customers to act responsibly and companies to assess their sustainability with the Clever Clover team. During all the stages different market actors will be actively involved.

What specific aspects of responsible consumption will be covered by the campaign? All the awareness raising will be based on real testimonials about the impacts of responsible consumers or sustainable companies. Therefore different groups will be engaged: farmers, community members, employees, business managers, retailers, consumers and opinion leaders among others. All the facts will be related to food and the three main fields of the Clever Clover measure (ethical, environmental, social and governance) will be touched. On one hand, it would be an educational campaign for final consumers in which the impacts of taking responsible decisions will be highlighted. In this way, interesting, important and understandable questions about sustainability in the food supply chain will be raised through various communication channels. On the other hand, companies will be tackled through similar testimonials of business leaders and people in the production chain that communicate sustainability facts, the benefits of analysing their sustainability practices and the advantages of having labelled products.

15.2. Line 1: One-way communication to final consumers

15.2.1 Target

Spanish women, between 25 and 65 years old, who are in charge of shopping at home, that live by themselves or with more people and who care about the wellness of their family members.

It should be considered that Spanish women take up to 80% of the household shopping decisions. (Millward Brown, 2010)⁷⁵. According to Marti Barletta, an international authority marketing for women, there are 3 main reasons why companies will always win if they customize their campaigns to women. First, it is considered that women are more loyal and more likely to continue buying the brands that they like. Second, women use more the word of mouth and recommend 27 times the products that they like. Finally, until 2008, women had more economic power than men.⁷⁶

Also, according to an online research carried out by Nielsen in 2010, some purchasing habits of this target group are:

- Either shop at the supermarkets or online
- They control their fixed monthly expenditures, and have changed their consumption patterns due to the economic downturn.⁷⁷
- When buying food, they highly value the relation between quality and price (39% of the respondents mentioned this) and price itself (30%). Some women also value the confidence on the product and their decisions can be influenced by professional or personal recommendations (22%). Product availability is also an important factor when taking purchasing decisions (mentioned by 2% of the respondents).
- Quality is considered the most important characteristic in order to become loyal to a brand.⁷⁸

Women's media consumption

- For Spanish women the most valued communication channel to get to know new products is the word of mouth. They are also exposed to massive media and according to Nielsen's research, 27% of the female respondents mentioned TV as an important communication channel, followed by magazines and newspapers that were mentioned by 20% of the surveyed.

⁷⁵ HiMarketing (2010)

⁷⁶ HiMarketing (2010)

⁷⁷ El Portal del Comerciante (2012)

⁷⁸ The Nielsen Company (2011). Study carried out online by Nielsen between February and April 2011. It considered about 6.500 women from 21 developed and developing countries. These countries represent 60% of the population and 80% of the world's GDP

- Elevated use of social media. "In social media women tend to follow the brands more than men, making this channel an important tool for discounts, sales and coupons." (Nielsen, 2011)⁷⁹
- According to a study carried out by tudespensa.com, an online supermarket, more than 50% of the people that do online shopping are between 25 and 64 years old. Also, 13.2% of Spanish women buy food online. (tudespensa.com, 2011)⁸⁰

15.2.2 Main message

The message of the awareness raising campaign is directed to the consumer and therefore it fosters them to take responsible consumption actions. The main message that the advertisement pieces want to spread is: behind the products that you as consumers are purchasing, there are several social, environmental and ethical impacts that you should take into account before making purchasing choices. Communication also suggests that consumers have the power to push companies to become more sustainable, to change the current production conditions and the final supply of goods. Each communication piece will send one concrete message by making consumers think about a specific environmental, social or ethical impact that products can have along their supply chain.

The call to action will suggest looking for the Clever Clover label on the products that they usually buy. For those who do not know what does the Clever Clover measure mean, the word sustainability will be always present to make it clear. By inviting the customer to take responsible shopping decisions JUST FOR TODAY the effort will seem small and willingness to do it may increase.

If the consumer wants to have further information about responsible consumption and the Clever Clover label, all ads will show the Clever Clover webpage (www.cleverclover.com). For printed advertisement a QR code that takes the reader to the webpage will always appear.

⁷⁹ The Nielsen Company (2011). Study was carried out online by Nielsen between February and April 2011. It considered about 6.500 women from 21 developed and developing countries. These countries represent 60% of the population and 80% of the world's GDP

⁸⁰ Tudespensa.com (2011)

Examples of messages

Have you ever wondered if a child was involved in the production of your meals?

JUST FOR TODAY... use your power of choice to support a new food era.

Look for the Clever Clover sustainability label on your favourite products

www.cleverclover.com

Did you know that the constant use of fertilizers and pesticides kills the tiny microorganisms needing to keep the soil healthy?

JUST FOR TODAY...use your power of choice to support a new food era.

Look for the Clever Clover sustainability label on your favourite products

www.cleverclover.com

Have you ever thought that your 3 daily meals not only support our body but can also support our planet?

JUST FOR TODAY...use your power of choice to support a new food era.

Look for the Clever Clover sustainability label on your favourite products.

www.cleverclover.com

Have you ever questioned if the companies that you usually buy products from remunerate fairly their employees?

JUST FOR TODAY...use your power of choice to support a new food era.

Look for the Clever Clover sustainability label on your favourite products

www.cleverclover.com

How would you react if you discovered that a product that you buy frequently contaminates the drinking water of several communities?

JUST FOR TODAY...use your power of choice to support a new food era.

Look for the Clever Clover sustainability label on your favourite products

www.cleverclover.com

Humanizing the message

To make the campaign credible and touching the idea is to make **it** more human. The questions and messages will be delivered by real people who are involved in the food production or by real consumers. The following actors will give messages:

- Farmers will deliver environmental messages that are related to crops and soil.
- A representative of the community will deliver the messages related to community impacts
- Companies' employees will deliver the messages related labour conditions and labour rights
- Opinion leaders will deliver the message related to ethical and broad environmental issues
- Randomly chosen consumers will deliver messages related to personal benefits of taking responsible purchasing decisions.

These actors will first give a short background about who they are, what they do, the impacts that they want to explain and then they will close with the corresponding message.

15.2.3 Communication channels

Since the Clever Clover's targets are mainly women, the selected communication channels are those where they can meet the messages most frequently and in a conspicuous way. Statistics support the important effects of these on the target group. They will be as follows:

- In video version in TV programs, as advertisement on shopping channels or part of thematic programs, leading discussions about sustainable topics. This is an important way of communication as the Nielsen survey⁸¹ states that women are mostly influenced in their shopping decisions by television ads.
- In written version in printed media e.g. woman magazines, medical magazines, Eco-magazines. This channel was mentioned as second important for women.
- In poster format placed close to shopping areas, in medical waiting rooms, at hairdressers and other areas where women usually are waiting in a cue and have the opportunity to look around and read.
- In voice version in radio programs related to environmental, health, social programs as women often listen to radio while cooking or doing other household tasks (to save costs placing the information and messages not as commercials, but in talks about similar topics).
- In video version in online media e.g. placing on the own website (www.cleverclover.com), what would be linked to many external sites (cross linking, banners etc.), which are frequently visited by the target group. Strategically placed Google Ads can invite more visitors to our website. A string SEO (search engine optimization) job has to be carried out in order to appear first in search engines when people type words such as sustainability, clover, ethical or consumption, among others. The CC web page will constantly be updated with sustainable product suggestions.
- It is necessary to be present in several social media (Facebook, Twitter, own and third party blogs etc.), which can serve as one-way communication channel as for providing information but more importantly as two-way channel, which will be further discussed in line 2.

⁸¹ The Nielsen Company (2011). The survey was realized in developed (10) and emerging (11) countries asking 6500 women in 2011.

- Building a database to do email marketing and viral advertising (taking advantage of the clover) will also be planned. As statistics⁸² show the purchasing in internet has significantly grown in the last 3 years, which makes it to one of the most significant channels in the communication and awareness raising.

Furthermore, following the achievements and perceptions of the new technology, computer games, smartphone applications and short movies like The Meatrix⁸³ will also be considered in the campaign. According to own survey, only 15% of the respondents is not willing to look up further information online or on their smart phone. This shows a real potential for spreading more detailed information.

The CC team will take advantage of all the technological but legal possibilities to keep track how many people have been reached through the above channels.

15.3. Line 2: Double-way communication with final consumers and companies

15.3.1. Target

Final consumers

For the double way communication with consumers, the same target as in the first line of action: Spanish women, between 25 and 65 years old, who are in charge of shopping at home and that live by themselves or with other people and who care about the wellness of their family members. Specific consumption patterns are described above (line 1).

Although the main target group will be women, it cannot be ignored that Spain is one of the countries where more equality exist when taking household decisions. Therefore, several tactic actions to raise awareness about responsible consumption among Spanish will be taken by the Clever Clover team.

⁸² Cibersur (2012)

⁸³ The Meatrix (2012)

Companies

Small and medium enterprises settled in Spain, which are part of the food supply chain (cultivation, processing, distribution and/or retailing). Enterprises that are part of the meat supply chain are excluded. These enterprises should have an interest in achieving better results through sustainable products.

By 2011, there were more than 3.2 million small and medium enterprises (SMEs) in Spain, which make direct communication difficult to achieve. In order to reach food SMEs in an easier way, the Clever Clover team will tackle business associations that besides from organizing events where companies gather, they also have settled communication channels with the businesses. The fact that enterprises are part of business associations means that they trust these organizations.

Some important food company associations in Spain that will be part of the Clever Clover target are the following:

- FIAB (Federación Española de Industrias de la Alimentación y Bebidas): more than 50 sectorial associations, which together group more than 8.000 enterprises. Some of their fields of work are internationalization, research and development, food security, land policy, legislation, environment and nutrition. Approaching them can be very useful because they offer training, press releases, fairs and publications.⁸⁴
- AMEC: multi-sectorial Spanish association that works to increase competitiveness of Spanish companies. Through their commercial missions, fairs and communication channels the Clever Clover label can be promoted.⁸⁵
- ASAJA: aims to increase access to markets and to trainings of the more than 200.000 affiliates. It has 15 regional centres and more than 800 local offices that can be used to spread the message of responsible consumption.⁸⁶

⁸⁴ Federación Española de Industrias de Alimentación y Bebidas (2012)

⁸⁵ AMEC (2012)

⁸⁶ Asociación Agraria Jóvenes Agricultores (2012)

- CCAE (Agri-food Cooperatives Spain): it is the organization which represents and defends the economic and social interests of the Spanish agricultural cooperative movement. It is composed of is composed by 16 Federations and Territorial Unions of Agricultural Cooperatives (FUTs) and Sergacan (Cantabrian 2nd degree cooperative)⁸⁷

In addition, public institutes will be addressed with the one-to-one or focus group awareness raising campaign as public procurement makes a significant part of buying volume in each country (on average 17% of GDP in OECD countries⁸⁸) and with changing those to sustainable patterns higher volumes could be achieved in a shorter time. Also the EU emphasizes in its plans for 2012 to “strengthen the requirements on Green Public Procurement (GPP) for products with significant environmental impacts”⁸⁹. This can increase the interest of the public institutions towards sustainable food products as well.

15.3.2. Main Message

Messages for the final customers are the same as the ones proposed in Line 1 for one-way campaigns but taking into account that depending on the communication channel, some of them will be delivered in person by farmers, real customers, company employees or people from the community.

For the companies, the message will have a similar structure to the messages of the final consumer. First, an impressive fact about sustainability will be given to catch attention. Since business managers are concerned about numbers and statistics, these catchy facts will be supported with real data about sustainability in the European Union. After statistics are given, companies are invited to take responsible decisions just for today. The idea is that if companies take one sustainable decision every day, their overall sustainability performance will significantly improve. This effort that is asked to the companies aims to create the new food era that is also mentioned in the final consumers’ message. In this way, the creation of a better food period becomes a shared responsibility between customers and producers. The call to action at the end of the message is to assess their products and label them with the Clever Clover mark.

⁸⁷ Agri-food Cooperatives Spain (2012)

⁸⁸ Norden (2012)

⁸⁹ Europe 2020 (2012)

Examples of messages

Did you know that the number of working days lost due to air pollution illnesses is higher than the working days required to pay for additional pollution abatement measures?

JUST FOR TODAY...improve your sustainability practices to support a new food era.

Label your products with the Clever Clover sustainability mark.

www.cleverclover.com

Did you know that each year 2.7 billion tonnes of waste is thrown away in the European Union, 98 million tonnes of which is hazardous?

JUST FOR TODAY...improve your sustainability practices to support a new food era.

Label your products with the Clever Clover sustainability mark.

www.cleverclover.com

Did you know that only 40% of our solid waste in the European Union is reused or recycled and that the rest is going to landfill or incineration?

JUST FOR TODAY...improve your sustainability practices to support a new food era.

Label your products with the Clever Clover sustainability mark.

www.cleverclover.com

Is it surprising for you that in the EU alone, 90 million tonnes of food are wasted every year (180 kg per person), much of which is still suitable for human consumption? Is company part of this?

JUST FOR TODAY...improve your sustainability practices to support a new food era.

Label your products with the Clever Clover sustainability mark.

www.cleverclover.com

Did you know that the annual economic cost of the agriculture damage for the EU in 2020 has been estimated at €537 billion?

JUST FOR TODAY...improve your sustainability practices to support a new food era.

Label your products with the Clever Clover sustainability mark.

www.cleverclover.com

15.3.3. Communication channels

A two-way (to and from the target groups) communication is always more effective than the one-way, as it can provide feedback on actions or the communication can be customized to target group's needs, as they will be known.

- The most important two-way communication channel is the CC webpage, that apart from containing all the information about the assessment of labelled products, the methodology, sustainable consumption tips (as one-way channel), it will provide a system in which consumers can post their opinions and questions about products and will be able to contact the CC team.
- Another way to receive feedback from consumers or companies is establishing a hotline, where answers to concrete questions or problems can be provided in real time. This can be expanded to online version too in form of an FAQ (Frequently Asked Questions) part on the website.
- A further possibility would be to add the CC label to the Wikipedia site and ask the public to contribute to its page. This would also increase the recognition, as Wikipedia has high click statistics. Any other crowdsourcing possibility will be researched to contribute to awareness raising campaign involving stakeholders.
- The different forms of social media are the perfect channel of double-way communication with consumers. (Dialogues on Facebook, Twitter, own and third party blogs etc.)
- Awareness raising trainings will be organized for focus groups about responsible consumption. According to the own CC survey, 53% of respondents are willing to participate in such a training. Further 32% would consider it to participate but suggest also to make the training available to access online (e.g. webinar) or in a downloadable version. On one hand opinion leaders for previously mentioned target groups will be invited to participate in focus groups, so they can spread the information as multipliers, on the other hand special groups or clubs (e.g. cooking

clubs, healthy/sustainable lifestyle clubs etc.) will be visited, where members will be able to share their experience among themselves and support each other in the future. The call to action is stronger in case of positive peer opinions, than only heard the same information from third party. The trainings offer good opportunity not only to deliver information but to receive feedback and the possibility to react to those comments. The contact to those established groups can also be easily maintained.

- In case of the companies - because of the bigger need of confidentiality and sensitiveness - the awareness training would be rather individualized specially to the company's needs each time. The two-way communication will be realized in a form of one-to-one meeting with the representative of the company.

15.4. Line 3: Behaviour change

15.4.1. Target

With the two previous lines the CC team wants to raise the awareness of customers and companies who were not yet conscious about sustainable food products. In the third line though, the aim is more than awareness raising. The team wants to move the consumers and companies to real actions and behaviour change. For this reason, the actions will be directed strategically to those who are already conscious or are open to be convinced and stand just before a decision making, providing them immediate solutions via CC labelled products.

15.4.2. Main message

The structure of the message will be similar to the one in lines of action 1 and 2. Because sustainable product purchasing has to be achieved in the line 3, the message should be changed to push consumers to buy the Clever Clover marked products. This is how the message will start inviting the consumers to be part of the new food era by supporting sustainable practices (specific ethical, social, environmental actions).

The message keeps using JUST FOR TODAY as to make the action seem simple, and suggests the consumer to make a wise shopping decision. By using the word wise, the consumer may feel the pressure of making intelligent choices (people do not like to be considered thoughtless). Finally, the

call to action is clear and tells the consumer to buy Clever Clover marked products. The word sustainability will still be used for those consumers that still are not aware of what the Clever Clover label measure. The message will end with the CC web page.

Example of messages

If you want to support fair treatment towards employees and lead a new food era

JUST FOR TODAY...use your power of choice and make wise shopping decision

Buy products marked with the sustainability Clever Clover label

www.cleverclover.com

If you want to support waste reduction practices and lead a new food era

JUST FOR TODAY...use your power of choice and make wise shopping decision

Buy products marked with the sustainability Clever Clover label

www.cleverclover.com

If you want to support water saving and lead a new food era

JUST FOR TODAY...use your power of choice and make wise shopping decision

Buy products marked with the sustainability Clever Clover label

www.cleverclover.com

If you want to support companies that prevent labour abuses and lead a new food era

JUST FOR TODAY...use your power of choice and make wise shopping decision

Buy products marked with the sustainability Clever Clover label

If you want to support products with less chemicals and lead a new food era

JUST FOR TODAY...use your power of choice and make wise shopping decision

Buy products marked with the sustainability Clever Clover label

www.cleverclover.com

15.4.3. Communication channels

- Inside the big supermarkets (the place where most Spanish women do their shopping) hostesses can welcome potential customers and provide them information at the CC stand. Furthermore, they could explain where to find the label on the products and how to use it.
- An interesting suggestion from the own survey was that staff (e.g. the same hostesses) could transform buying list of consumers into a sustainable product list on the spot.
- They can also distribute pocket guides containing the range of the CC labelled products in that specific supermarket. These guides can also be available and customized through the CC web page.
- As the restaurant, catering & foodservice sector is considered as emerging market⁹⁰, it can be an important field for the CC team as target for the awareness raising and the behaviour change campaign. There are already some educational institutes, where gastronomy students can learn about sustainability from farm to table, the life cycle assessment of the food used on the menu. Students and chefs look at the environmental aspects of food production, shipping, packaging and transportation.⁹¹ To contact the restaurants, which are open to change their patterns towards more sustainability could mean for the CC team an interesting and valuable partnership. Communicating to restaurants and food service companies is also important in the complete and long-term support of conscious end consumers who beyond buying sustainable food would also prefer to order sustainable food. Furthermore, well-known restaurant chefs

⁹⁰ Sustainable Foods Summit (2012)

⁹¹ Teresa Pitman (2012)

could promote sustainability with showing how to prepare interesting recipes out of sustainable labelled products.

- The team could organize local sustainable food fairs in different locations combined with seasonal fruit festivals.
- For all the companies, who want to provide more sustainable products an additional argument for the CC mark contra other certifications could be, that the Clever Clover label can differentiate also within the same sustainability mark. This way it still can provide a competitive advantage against the competitors who might have the same label.

The CC team considers as an important goal to develop a robust marketplace for sustainable food products, involving business, governments and EU Commission (policy makers), and civil society (consumer associations, NGO's, certifiers, etc.) As demonstrative example serves the one from the RIO+20 meeting, where participants decided to form public-private partnerships to develop a robust marketplace for products that come from deforestation-free, sustainable agricultural practices. This way the CC team could engage the most important stakeholders in order to change the current unsustainable food pattern to a more sustainable one with the support of the main actors. In addition, also the Roadmap to a Resource Efficient Europe emphasizes that “a combined effort by farmers, the food industry, retailers and consumers through resource efficient production techniques, sustainable food choices and reduced food waste can contribute to improving resource efficiency and food security at a global level.”⁹²

15.5. Launching

The CC team plans a big kick-off event on World Food Day (October 16th) when all the communication parts would start including the promotion of special big events of the awareness raising campaign scheduled at a later time. The event will be directed to the press as well as the final consumers and company representatives. During the event people will have direct contact with those who give the testimonials and will be able to interact with a giant clever clover (through a technological tool) where explanations about the label and the methodology will be provided.

⁹² Europe 2020 (2012)

15.6. Budget

The budget for the awareness raising campaign can only be estimated once the final decisions have been made about the strategy as the different elements listed above can be mixed according to the priority needs. It also depends on the available funding, which can come from FAO, EU or national grants promoting sustainability, supports from customer associations, CSR budget of companies, consulting fees for companies and private donations (financial and intake). As general rule would apply that any kind of service directed to the end consumer would be free of charge. In order to define the budget different expenses have to be taken into account: price of the different types of ads, designing the advertisements, organizing the events, creating the testimonials, expenses of visiting, participating in external events, among others.

15.7. Monitoring and evaluating of the campaign

Management

- Number of partners that support the Clever Clover project (public institutions, policy makers, consumer associations, media, consultancies)

Consumption

- Number of visits to the CC webpage during the first month and % of increase for the next months
- % of scanned QR codes over the total amount of labelled products.
- Number of people that are aware of responsible consumption after the Clever Clover activities (quarterly) (through online surveying).
- % of women that have changed their consumption habits and now think about their decisions (annually).
- Number of media publications (content in printed, TV, radio and online outlets such as blogs)
- Number of public institutions that consider Clever Clover labelled products in their purchasing strategy.

Companies

- Number of companies that assess their products
- Number of companies that have labelled products

Monitoring results

Results must be measured quarterly gathering sales information from companies that have certified products. Awareness raising can be measured with online surveys through the CC webpage, social media and the CC partners' webpages. Important indicators of the success of the campaign are number of page views, number of people that post comments on our webpage and social media channels, amount of time spent in the CC webpage and number of scanned QR codes (total and per product type).

Periodically the awareness of the general public will be measured online and will be compared to the status before the campaign. Also, a broader survey to measure awareness and willingness to buy responsible food products should be conducted at the end of the campaign to measure improvement.

The first part of the campaign will be addressing companies and labelling their products together with a general awareness raising campaign about responsible consumption. When a significant amount of products are labelled the awareness campaign will be completed with the Clever Clover solution.

16. Conclusions and Future Plans

16.1. Conclusions

The Clever Clover tool was developed to unify all the aspects of sustainability in one label, taking into account the triple bottom line and adding the ethical dimension, differentiating itself from similar existing tools. Companies can gain a competitive advantage using the label; it is not anymore about obtaining a certification, it is about the possibility to compare yourself with the rest of the sector on the same terms. As an advantage compared to other certifications, the Clever Clover label offers the opportunity of constant improvement. Considering that markets are constantly changing, the Clever Clover has the capacity to be continuously adapting to the circumstances. In addition, in the case the competitors it still offers the possibility to differentiate through the colours that express the different levels of sustainability that a product can achieve. Traditionally, governance has not been an area

covered by similar tools, reason why the Clever Clover brings an additional value to the existing market.

The usage and promotion of the methodology will extend sustainability among food SMEs, creating long term social, environmental and economic impacts. The main impacts that the project can generate are the following: energy and water efficiency, sustainable agriculture, innovative and environmentally friendly packaging, good waste management, satisfied and responsible employees and community, valued suppliers and companies that take conscious management decisions. Giving companies the possibility to identify different areas of improvement, analysing and measuring risks and improving efficiency will foster SMEs and provide a real competitive advantage.

The Clever Clover strategy also helps consumers to be more aware of sustainable decisions and solutions. The team provides the tools to raise their awareness, take responsible choices and spread the word about it. Consumers now have the power to differentiate between products of the same category.

The Clever Clover team realized that labelling is a fully competed and saturated market, and faces the problem of confusion. Nevertheless international trends, laws and national initiatives set a good environment for launching the Clever Clover label. Nowadays, it is clear that sustainable consumption is experimenting further demand, in consequence, production has been moving to this direction as well. The problem though is that the market has not been adequately captured, reason why there is an opportunity for the label to be successful.

The Clever Clover team started with the idea of developing a certification scheme but it realized that it is not simple and that one just cannot launch a new certification without a well-positioned name and credibility. Consequently, the team decided to create a labelling tool which gives a picture of the sustainability status of the products that can change according to improvements.

The lack of credibility of the CC team can cause that companies are less willing to participate. This came to light during the process when the team approached several companies, and the majority did not show interest. Credibility is being addressed through a partnering strategy with good reputation.

Because of the lack of time, the Clever Clover team could only do a limited amount of surveys, but it found out that for the future it is very important to have a conscious stakeholder engagement. When surveyed suggestions from stakeholders were applied to the look, the label improved significantly and the team was certain that it was understandable, useful and attractive. On the same way, double way communication channels were established (forums, workshops, webpage) in order to receive constant feedback from stakeholders. This is how the tool and the awareness raising campaign are always open to be modified, ensuring continuous improvement.

Because risks are always present, prevention and mitigation ideas were established to avoid the difficulties that eventually could appear. Lack of brand positioning, human resources, networking, infrastructure, technology or expertise are some of the identified areas of improvement, reason why the Clever Clover will partner to sort these gaps. Among the other scenarios to run the Clever Clover project were selling the tool and the methodology, but these were discarded because of the passion and enthusiasm that the Clever Clover team members have to go further with the idea. Because of high initial investments, the team does not consider the two first scenarios (owned methodology and outsourced management and owned methodology supported by third party verification) to be viable at the moment. Finally, the partners were also thought as providers of funds or in kind donations, for instance, public institutions can provide funds and can benefit from our inputs to foster the creation of policies. Partnering with existing certifiers could also serve as a platform to gain credibility and to create new methodologies, expanding our services for the future.

16.2. Future Plans

- The Clever Clover team considers the expansion to other countries, where there are more challenges derived from social, environmental and ethical issues. The tool should be customized according to local conditions.
- Beyond the existing partners, a dialogue will be set up with existing certifiers in the market. Partnering with them will lead to acquiring technical knowledge gaining brand recognition.
- The team studies the possibility to assess other products, other than crops, such as meat and fish. Meat specifically has a high impact in food security and on the environment, since meat production and consumption is responsible for a significant part (higher than transport) of the world's GHG emission.

- Even though the tool will start with SMEs, the Clever Clover plans to broaden its scope. The future will be also about working with big players and expanding the fields of measurement through the inclusion of the indicators that had inferior sustainability relevance than four.
- The CC team is seeking further technological improvement and efficiency as it plans to migrate from an Excel based tool to a tailored software.
- Stakeholder engagement has to go further by establishing new communication channels to know in depth their need and expectations, and to influence their behaviour.

17. Resume

The symbiosis between sustainable companies and consumers will impact positively on future generations, being in accordance with the United Nations concept of sustainability⁹³. The Clever Clover believes in a new food era; an era where consumers are not blind and have all the information about different sustainability indicators of products in regards to ethical, environmental, social and governance, where they demand responsible corporate practices and where transparency motivates the companies to provide responsible products, without any risk or with minimized negative impacts.

⁹³ "meeting the needs of the present without compromising the ability of future generations to meet their own needs." UN (1987)

Glossary

ABNT: Associação Brasileira de Normas Técnicas. Brazilian institution in charge of setting standards in technical, digital TV, publicational and systematical fields (including the food industry)⁹⁴.

CAAE: Asociación de Agricultura Ecológica. Certifying association for ecological products in Andalucía, Spain⁹⁵.

CARS: Corrective Action Request System. Roadmap to follow in order to make supply chains and enterprises more efficient in their process of production through the implementation of effective corrective or preventive actions.

CC: Clever Clover

Crop: A cultivated plant, such as cereals, fruits or vegetables⁹⁶.

Ecolabel: Mark which identifies the environmental performance of a product within a sector⁹⁷, adopted under voluntary schemes and proposed by third party organizations, manufacturers or governments⁹⁸. In contrast to “green” symbols or claims, an ecolabel is given to products that have met specific environmental criteria.

EU Ecolabel: Label which identifies products and services that have a reduced environmental impact throughout their life cycle, from the extraction of raw material through to production, use and disposal⁹⁹.

Ecological materials: plant based, biodegradable or no impact materials over human and environmental health¹⁰⁰.

EIA: Environmental Impact Assessment. Is a procedure that ensures that the environmental implications of decisions are taken into account before the decisions are made¹⁰¹. It serves as a tool to improve, command and control projects.

⁹⁴ Associação Brasileira de Normas Técnicas (2012)

⁹⁵ CAAE (2012)

⁹⁶ Oxford dictionary (2012)

⁹⁷ Ecolabelling Network (2004)

⁹⁸ Vermeer, Clemen et. al. (2010)

⁹⁹ EU Ecolabel (2012)

¹⁰⁰ Ken Kaplan (2003)

Ethical Field: Practices which consider the respect for life in its integrity, adequate human conditions, transparency and prices which can impact positively on the social side along the supply chain.

Environmental Field: Related aspects to the preservation and maintenance of the natural resources and existing biodiversity through best practices and technology.

ESG: Environmental, Social and Governance. Companies' internal and external policies, strategies or mechanisms that seek to achieve better sustainability performance based in environmental, social and governance aspects.

Fair for Life: Neutral third party certification program for social accountability and fair trade in agricultural, manufacturing and trading operations¹⁰².

Fair Labor: Association that creates solutions to abusive labour practices by offering tools and resources to companies, delivering training to factory workers and management, conducting due diligence through independent assessments, and advocating for greater accountability and transparency from companies, manufacturers, factories and others involved in global supply chains¹⁰³.

GRI Food: Global Reporting Initiative for Food. Supplement of the GRI for the food processing sector, which sets standards for sustainability reporting in this field¹⁰⁴.

ILO: International Labor Organization. Is the international organization responsible for drawing up and overseeing international labour standards.

IFA: International Framework Agreement. These are agreements where labour conditions are negotiated between transnational enterprises (TNEs) and Global Union Federations (GUFs)¹⁰⁵.

Partnership: Joint of enterprises or organizations that seek common goals and need of each other's competencies¹⁰⁶.

PAS 2050: Methodology developed by the BSI Group for carbon footprint calculation over products and services.

¹⁰¹ European Commission for the Environment (2012)

¹⁰² Fair for Life (2012)

¹⁰³ Fair Labor Organization (2012)

¹⁰⁴ Global Reporting Initiative (2012)

¹⁰⁵ Eurofound (2012)

¹⁰⁶ Ken Caplan (2003)

PESTEL analysis: Political, Economic, Social, Technological, Environmental and Legal Factors in the Macro-environment. Set of circumstances which are analysed to get a sense of the environment and the risks in which a project or product is going to be launched.

Proterra: Standard for social responsibility and environmental sustainability in the food industry¹⁰⁷.

PV: Photovoltaic. Term used for solar cells which produce energy from light photons.

SCS: Scientific Certification Systems is a global leader in independent certification and verification of environmental, sustainability, stewardship, food quality, food safety and food purity claims¹⁰⁸.

SEO: Search Engine Optimization. Techniques used to improve web pages availability on search engines¹⁰⁹.

Social Field: Related aspects to laws over labour and rights, welfare, human dignity and integrity, local community engagement, respect and tolerance with local culture.

Sustainability: It is a long term vision which considers actual and future generation by recognizing environmental limits and capacities, human integrity and rights, and harmonious relations among humans and the natural resources.

UN CSD: United Nations Commission for Sustainable Development.

UNEP SCP: United Nations Environmental Programme Sustainable Consumption and Production. Works to promote sustainable resource management in a life cycle perspective for goods and services produced and used by governments, businesses and civil society¹¹⁰.

¹⁰⁷ ProTerra (2012)

¹⁰⁸ Scientific Certification System (2012)

¹⁰⁹ Google (2012)

¹¹⁰ United Nations Environment Program (2012)

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Annexes

1. Responsible consumption CC survey
2. Indicators table
3. Questionnaire for the case studies
4. Calculations for the case studies
5. Look and feel survey

ANNEX 1 A - The Clever Cover general consumption online SURVEY

Survey format

Survey taken by (voluntary data)

Gender: F/M

Age group: <21, 21-30, 31-40, 40-50, >50

Level of education:

Country where you live now:

- Do you think people are interested in knowing more about the (background of the) food product they buy?
 - Yes
 - No
 - maybe
- Do you read the label(s) on food products?
 - Always
 - Often
 - Rarely
 - Never
- If yes, can you mention some labels on food products you remember (other than the nutrition table)?
- If not, it is because:

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- ☐ You are not aware what it means/what is behind the label
 - ☐ You do not have time
 - ☐ If there is any label, it must be a good product
 - ☐ labels are of no use
 - ☐ Other:.....
- Would you prefer a food product with a label showing the social and environmental benefits even if it would cost more (external costs internalised)?
 - ☐ Yes
 - ☐ No
 - ☐ Not sure
- What information would make you read a label? Information about it's
 - ☐ Health impacts
 - ☐ Environmental impacts
 - ☐ Social impacts
 - ☐ Ethical impacts
 - ☐ Other, please explain:
- Do you trust more a company which uses labeling than others?
 - ☐ Yes
 - ☐ No
 - ☐ I don't know
- Do you think you can make a difference with buying a product, which shows good values in the label?
 - ☐ Yes
 - ☐ No
 - ☐ I don't know
- Would you choose a more socially or environmentally responsible food product?
 - ☐ More socially
 - ☐ More environmentally
 - ☐ Both at the same time
 - ☐ None of them

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- Can you name a socially and/or environmentally responsible food product?
.....
- Are you willing to spend more time and look up on internet/smart phone or to receive a newsletter to find more information where does your food come from and what social and environmental impacts it made?
 - Yes
 - No
 - Not sure
- Are you willing to attend a free 1 hr presentation about responsible food shopping?
 - Yes
 - No
 - Not sure
 - I would prefer other form, like:

ANNEX 1 B Results and conclusions of the survey

Do you think people are interested in knowing more about the (background of the) food product they buy?

TOTAL NUMBER OF RESPONDENTS	73
GENDER	56% female, 44% male
REGION OF ORIGIN	72% Europe, 18% outside Europe, 11% no data
AGE GROUP	55% 21-30, 36% 31-40, 9% more than 40

1. Do you think people are interested in knowing more about the (background of the) food product they buy?	
YES	48
NOT SURE	11
NO	14

2. Do you read the label(s) on food products?	
ALWAYS	14

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OFTEN	35
RARELY	22
NEVER	2
3. If yes, can you mention some labels on food products you remember (other than the nutrition table)?	
No data 22	
4. If not, it is because:	
No time	16
No interest	3
Any label means good	1
Labels are of no use	1
No labels on the product	1
Labeled products are normally expensive	2
You are not aware what it means/what is behind the label	7
No data	42

5. Would you prefer a food product with a label showing the social and environmental benefits even if it would cost more (external costs internalized)?	
YES	50
NOT SURE	18
NO	5

6. What information would make you read a label? Information about it's	
(only) health impacts	10
Environmental + Social	2
Environmental + Ethical	1
Health + Environmental	9
Health + Environmental + Ethical	3
Health + Environmental + Social	16
Health + Environmental + Social + Ethical	30
Health + Ethical	1
Health + Social + Ethical	1

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7. Do you trust more a company which uses labelling than others?	
YES	44
NOT SURE	16
NO	13

8. Do you think you can make a difference with buying a product, which shows good values in the label?	
YES	55
NOT SURE	11
NO	7

9. Would you choose a more socially OR environmentally responsible food product (considering similar quality)?	
Both at the same time	49
More environmentally	15
More socially	8
None of them	1

10. Are you willing to spend more time and look up on internet/smart phone or to receive a newsletter to find more information where does your food come from and what social and environmental impacts it made?	
YES	40
NOT SURE	22
NO	11

11. Are you willing to attend a free 1 hr presentation about responsible food shopping?	
YES	39
NOT SURE	21
NO	9
Facebook, any website or youtube	2
Giving a list of usual food products I buy and have it returned with brand suggestions that are socially and environmentally responsible	1
Guide to have it with me all the time to choose the proper	1

food	
------	--

Some interesting suggestions from respondents:

- It would help to give the consumers a gadget at the entrance of the supermarket in which he/she could access the type of info he/she was interested in.
- Labels do not offer enough space to write down all the information it should include. Supermarkets should have a table with general information of ingredients, brands or products. While you wait in line, you could read that information and decide.
- I would like somebody to create an app to scan food labels in the supermarket, which shows you if you are buying good or junk food.

Conclusions:

- Carbon footprints and other data should be mandatorily explicit on the package.
- 66% of surveyed individuals think that ppl are interested to know more about food product -> there is a need of information, which the Clever Clover label and methodology could provide
- 67% always or often reads the labels on the products - > they would also read the Clever Clover label
- The main reason no to read is the time factor -> The Clever Clover label will be easy to see and quick to understand that ppl need to spend little time to get valuable info to make buying decision
- 68% would prefer to buy sustainable product even if it would be more expensive than others
- Health data (96% mentioned) is the most important factor that makes ppl read a label. Environmental was mentioned in 84%, social in 68%, ethical in 49%. For 41% all 4 factors are important to read.
- 60% trust companies who have a label on their products
- 75% thinks they can make a difference if buying labeled products -> good perception of labels
- Although 67% thinks both, environmental and social issues are important, environmental factors are a bit more represented in the decision making
- Only 55% would like to spend time to look up information in internet/smartphones, and only 53% would like to attend a 1hr presentation. One very interesting idea though: "Giving a list of usual food products I buy and have it returned with brand suggestions that are socially and environmentally responsible"

ANNEX 2 INDICATORS

Annex 2 Indicators

1) Cultivation 2) Manufacture 3) Distribution 4) Retail

Ethical	Environmental	Social	Governance
Fair practices, GMOs, transparency	Energy, water, soil, air, waste, natural resources	Community, employees, direct and indirect workers' rights	Training, policy, financial, documentation, governance, technology

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Indicator	Certification	Description	Stage of the Value Chain Affected	Responsible (the auditor to speak to)	Define Grade (0-4)	KPIs	Relevance	Field
Hiring	Fair Labor / Proterra	The Employer will not require HIV, genetic, or pregnancy tests as a condition for hiring. The Employer may identify other medical conditions that disqualify an applicant from handling agrochemicals, or from other potentially hazardous or arduous tasks	1, 2, 3, 4	HR Manager			3	Ethical
Hiring	Proterra	All employed or subcontracted workers must be suitable for the job	1, 2, 3, 4	HR Manager			2	Ethical
Hiring	Proterra	Internal policy for promoting local / disadvantaged people (Need to define percentage, size of the farmer site...)	1, 2, 3, 4	HR Manager			3	Social
Child Labor	Fair Labor / ABNT	The Employer must comply with the national law in terms of working age. In case of legal vacuum, 15 will be the minimum hiring age, in accordance with ILO Convention 138 [Add. Ref. 5].	1, 2, 3, 4	HR Manager	0 - Unacceptable: the company has workers that are under the allowed working age 2 - Acceptable: The company complies	Number of workers under the age established by national law or under 15 depending on the country	5	Social
Forced Labor	Fair Labor	The employer must have internal policies which prohibit forced labor, compulsory labor, slave labor, bonded labor, indentured labor or involuntary convict labor.	1, 2, 3, 4	General Director	0 - Unacceptable: there is evidence of forced, compulsory, slave, bonded, indentured or involuntary convict labor 2 - Acceptable: the company complies	Number of forced, compulsory, slave, bonded, indentured or involuntary convict labor cases. Reported cases by Governance and random interviews to employees	5	Social
Access to Education, Health & Transportation	Fair Labor / GRI Food	Dialogue for determining the educational needs of its workers must be held when entering into the work place and on a regular basis (at least once a year)	1, 2, 3, 4	HR Manager	Average hours of training per year per employee by employee category. If there is education for their families (extra points)		2	Social
Technical training	Fair Labor / GRI Food	The employer must provide periodic training on: use of machinery, chemical Governance, use of protective equipment, proper operational procedures and specific job skills	1, 2, 3, 4	HR Manager	0- Employees did not receive technical training 1- Not all of the employees that need technical training received it 2- All the employees that need technical training received it 3- All the employees that need technical training received it and receive yearly reminders and updates 4- All the employees that need technical training received it and they receive reminders and updates whenever it is necessary	Percentage of employees that were given technical training	4	Governance

Indicator	Certification	Description	Stage of the Value Chain Affected	Responsible (the auditor to speak to)	Define Grade (0-4)	KPIs	Relevance	Field
Freedom of Association	Fair Labor / Proterra	Employees should be allowed to create and join trade unions without experiencing any kind of discrimination in accordance with ILO Convention 87 [Add. Ref. 5].	1, 2, 3, 4	General Director	0 - No allowance of association, punishment or discrimination against associated workers 1- Seldom communication about workers' right to associate 2- Communication of rights to associate whenever a new worker enters the company 3- Periodic communication about association rights 4- Existence of written and/or other kind of visual communication form to periodically inform all workers of their right to associate where it can be read by all employees and in a language/ terminology that they can readily understand	Existence of communication method to spread the right of association	4	Governance
Addressing Local / Regional Community Impacts	Fair Labor	The Employer must identify all ways in which the Operation has (or could) contribute to significant community impacts on the cultural, religious or historical sphere (e.g., noise, transportation impacts, resource overuse, visual impacts). This assessment must include a formal process for gathering inputs from neighbours and local stakeholders, including indigenous and tribal peoples where applicable. The employer must hold an auditable record of this community engagement.	1, 2, 3, 4	General Director	0- No identification of community impacts 1- Community impacts are identified but no action is taken to minimize negative impacts 2- General community impacts are identified regarding to the operation of the business and general preventive and mitigation measures are established. The scope of the plan should consider entering, operating and exiting 3- Written documentation is required by the company in which community impacts are identified before implementing any new project and prevention and mitigation plans that show community engagement are required in order to implement the project. A general community impact action plan which considers entering, operating and exiting exists 4- Written document in which community impacts are identified before implementing any new project is required by the company and prevention and mitigation plans that show community engagement are required in order to implement the project. A general community impact action plan which considers entering, operating and exiting exists. The company has a plan which was agreed with the community in order to improve their quality of life	Existence of document where community impacts are described and prevention and mitigation mechanisms are established / evidence of community engagement	4	Social
Financial Indicators	Fair Labor	The Employer must provide documentation to prove that the Production Operation is financially feasible in accordance with its Governance Plan, and that financial exigencies do not lead to decisions that compromise environmental protection and social sustainability objectives.	1, 2, 3, 4	Production Manager	0- Audit shows evidence of high financial risk of the company 2- Audit shows no evidence of financial risk of the company	ROE of the product / ROA / Leverage / Profit margin	5	Governance

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Indicator	Certification	Description	Stage of the Value Chain Affected	Responsible (the auditor to speak to)	Define Grade (0-4)	KPIs	Relevance	Field
Investment on efficiency	Fair Labor	The Employer must demonstrate that investment and reinvestment decisions support Governance objectives with respect to environmental protection and social sustainability	1, 2, 3, 4	Financial Manager	0- The company does not provide information about how invested or reinvested funds were used by the company 1- The company is transparent about investment and reinvestment but does not invest in environmental or social fields 2- The company keeps record of how funds are invested and from 50% - 70% of the investment take into account environmental protection and social sustainability (efficiency, biofuels machinery, clean energy, social investment, organic products) 3- The company keeps record of how funds are invested and from 70% - 90% of the investment take into account environmental protection and social sustainability (efficiency, biofuels machinery, clean energy, social investment, organic products) 4- The company keeps record of how funds are invested and more than 90% of the investment take into account environmental protection and social sustainability (efficiency, biofuels machinery, clean energy, social investment, organic products)	Percentage of investment that was used for efficiency, biofuel machinery, clean energy, social investment or organic products	4	Governance
Economic Viability	Fair Labor	Must demonstrate commitment in maximizing the utilization of production resources (e.g., through experimentation with new processes and technologies, the development of new markets).	1, 2, 3, 4	Production Manager			3	Governance
Ethical training	Fair Labor / ABNT/ GRI Food	The Employer should provide training to all workers covering the following topics: worker rights; employer responsibilities to workers; non-discrimination and sexual harassment; policies related to workers and working conditions; and work place hygiene.	1, 2, 3, 4	HR Manager	0- Employees did not receive ethical training 1- Not all of the employees received ethical training 2- All the employees received ethical training 3- All the employees received ethical training when entering the company and receive yearly reminders and updates 4- All the employees received ethical training, existence of code of conduct which is received, signed and understood by the employees when they enter the company. Employees receive yearly reminders on this topic.	Percentage of employees who have received ethical training	4	Governance
Tax declaration	ABNT	Must show compliance with fiscal and tax obligations	1, 2, 3, 4	Financial Manager	0- Non-compliance 2- Compliance	Tax office declaration	4	Governance

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Indicator	Certification	Description	Stage of the Value Chain Affected	Responsible (the auditor to speak to)	Define Grade (0-4)	KPIs	Relevance	Field
Good Governance Practice	ABNT / Fair for Life / Fair Labor	Must provide an internal communicational system which shows transparency for employees. Governance encourages workers' feedback and responds adequately; defined grievance procedures	1, 2, 3, 4	Communication/HR Manager	(0) No open attitude towards workers raising concerns (1) workers may raise their concerns to supervisors or Governance, but no adequate reaction; no defined procedure to address serious workers grievances or disciplinary problems (2) Governance encourages workers' feedback and responds adequately; defined grievance procedures (3) very good open door company communication culture, open to workers suggestions and problems; adequate action taken by the Governance to address the concern raised. fear of reprisal or other negative consequences.		3	Ethical
Combat corruption and bribery	ABNT	Existence of anti corruption policy and communication channels for reporting corruption and bribery. Number of reported corruption cases.	1, 2, 3, 4	General Director			3	Governance
Communication	ABNT	Communicating applicable current law to employees	1, 2, 3, 4	HR/Communication Manager			2	Social
Forest Governance	ABNT	Compliance to national legislation regarding to forest Governance (planned and executed)	1	Land owner / Farmer			3	Environmental
Use of fertilizers and pesticide	EU Organic Farming Ecolabel	Employers must have record of organic and chemical fertilizer and pesticide purchases and usage and demonstrate the restriction of chemicals and the use of natural products	1	Environmental Manager / Farmer	0- No disclosure of soil analysis, no safety sheet. 1- Disclosure of soil analysis, keeping record of fertilizers or pesticide purchase and usage, 80- 50% usage of chemical fertilizers and pesticides. 2- More organic than chemical fertilizers and pesticides. Compliance to chemical data safety sheet. 3- 50 - 20% of chemical fertilizers and pesticides. Compliance to chemical data safety sheet. 4- Less than 5% usage of chemical fertilizers and pesticides. Compliance to chemical data safety sheet.	Level of concentration of the chemical composition mix of the soil / Chemical data safety sheet (CLP Regulation)	4	Environmental
Soil care	EU Organic Farming Ecolabel	To ensure soil care, employers must demonstrate implementation of control of animal density. To ensure soil care, employers must demonstrate implementation of control of other species that can affect soil chemical quality	1	Farmer			3	Environmental
GMO's	EU Organic Farming Ecolabel	For products to be BIO, 95% of its ingredients must be organic. Pellets are included in this principle as they are used to feed animals	1, 2	Farmer	0- more than 5% GMO's contained in the product 2- 5% or less GMO's contained in the product	Percentage of GMO's present in the provided ingredients of the product	5	Ethical

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Indicator	Certification	Description	Stage of the Value Chain Affected	Responsible (the auditor to speak to)	Define Grade (0-4)	KPIs	Relevance	Field
Organic and non-organic separation	EU Organic Farming Ecolabel	Organic crops must be clearly separated from non organic with adequate documentation of support. Products for each type of activity cannot be mixed.	1, 2	Farmer / Production Manager	0- No Organic Agriculture Certification obtained , 1- Organic Agriculture Certification in process, 2- Organic Agriculture Certification obtained (for companies where it is applicable)	Evidence of Organic Agriculture Certification	4	Governance
Animal treatment (space, feeding, medicine, killing, number, transportation)	EU Organic Farming Ecolabel / GRI	Stabulation must be in compliance with the animals physiologic and ethologic conditions. Animals must be adaptable to local conditions. Must be in the open air unless atmospheric conditions require animal to be locked or soil conditions are not adequate. Medicine must be preventive and systemic as far as possible. Animals must not be tied unless it's a particular animal with specific justified conditions. Suffering must be minimized for slaughter and mutilated animals must be as such the minimum time as possible.	1	Farmer	Total number of incidents of non-compliance with laws and regulations, and adherence with voluntary standards related to transportation, handling, and slaughter practices for live terrestrial and aquatic animals.		1	Ethical
Capacity building	EU Organic Farming Ecolabel	Employees must know the adequate techniques for animal treatment and product use.	1	Farmer			1	Ethical
Local adaptable species	EU Organic Farming Ecolabel	Choose species adaptable to local conditions	1	Farmer			3	Environmental
Rights to use land	Proterra / ABNT	Evidence that the rights of the local, traditional, and indigenous populations are respected; evidence that the borders between neighbouring or bordering areas are identified, delimited, and respected; existence of document of direct use, domain or land tenure, according to the current agrarian legislation; evidence that the organization acts in an effective form for the resolution of possible conflicts or legal disputes related to land tenure and losses inflicted to third parties	1, 2	General Manager	0- No legally owned land, no fair price paid for the land and/or evidence of unfair displacement 2- Legally owned land, fair price paid for the land and no evidence of unfair displacement	Legally owned land or property, fair price and no evidence of unfair displacement	4	Social
Technology adapted to local special conditions	ABNT	Technology used backed by studies or results for similar conditions. Machinery, consumables and equipment suitable for the location.	1, 2, 3, 4	General Director			3	Governance
Fishing	ABNT	Must have strict policies over fishing if applicable	1	Farmer			2	Environmental

Indicator	Certification	Description	Stage of the Value Chain Affected	Responsible (the auditor to speak to)	Define Grade (0-4)	KPIs	Relevance	Field
Environmental Impact Assessment	Proterra / Fair Labor / EU Ecolabel / GRI Food / ABNT	For implementing new projects, organizations must perform an environmental impact study to identify environmental effects. Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation potentially harmful or damaging impacts of the operation. The action plan should be defined and it should prioritize impacts and establish timelines and milestones for addressing and minimizing these impacts, and will also identify persons within the organization responsible for carrying out various aspects of the plan. The action plan must be reviewed and revised annually. Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation should be defined.	1, 2, 3, 4	General Director / environmental Manager / Farmer	0- No identification of environmental impacts 1- Environmental impacts are identified but no action is taken to minimize negative impacts 2- General environmental impacts are identified regarding to the operation of the business and general preventive and mitigation measures are established and documented. The scope of the plan should consider entering, operating and exiting 3- Written documentation is required by the company in which environmental impacts are identified before implementing any new project and prevention and mitigation plans that show community engagement are required in order to implement the project. A general community impact action plan which considers entering, operating and exiting exists 4- Written document in which environmental impacts are identified before implementing any new project is required by the company and prevention and mitigation plans that show community engagement are required in order to implement the project. A general environmental impact action plan which considers entering, operating and exiting exists. The company has a plan which was agreed with the community in order to improve the current environmental status	Existence of an Environmental Impact assessment including an action plan for prevention and mitigation	5	Environmental
Pollution control	Proterra / GRI Food	Systems and procedures must be in place to comply with pollution emission limits for specific pollutants set by local law. In case that there is no applicable local law, European Directive should be applied	1, 2, 3, 4	Environmental Manager	0 - The company does not comply with the EU directive. 2 - The company complies with the EU directive.	Compliance with EU directive on pollutants: DIRECTIVE 2008/1/EC of 15th Jan 2008.	4	Environmental
Continuous improvement	Proterra	The company should establish a written yearly plan for continuous improvement towards sustainability, laying out objectives and clearly defined measurable targets to be achieved in the timeframe of the yearly plan. The company should systematically execute the plan and continuously monitor results	1, 2, 3, 4	General Director				Governance
Minimum price	Fairtrade	It is not a fixed price, but should be seen as the lowest possible starting point for price negotiations between producer and purchaser. It is set at a level which ensures that Producer Organisations receive a price which covers the cost of sustainable production for their product. This means it also acts as a safety net for farmers at times when world markets fall below a sustainable level. However, when the market price is higher than the Fairtrade minimum, the buyer must pay the market price.	2, 4	Purchase Manager	0 - Price paid is below market price 1 - Price is the market price 2 - Price is at level which ensures that producer covers the cost of sustainable production for their product	Purchase price compared to market price	5	Ethical
Respecting human dignity and transparency	Fair For Life	Employer does not retain any part of workers' salary, benefits, property or documents in order to force workers to remain on the operation; workers are free to leave after reasonable notice; no deductions from wages without agreement of worker	1, 2, 3, 4	HR Manager	0-Employer retains original legal workers documents, wages for any period longer than demanded by law 2 - Employer does not retain original legal workers documents, wages for any period longer than demanded by law	Number of retained documents by employer taking the information from random interviews	5	Ethical

Indicator	Certification	Description	Stage of the Value Chain Affected	Responsible (the auditor to speak to)	Define Grade (0-4)	KPIs	Relevance	Field
Sexual harassment	Fair For Life	Behaviour that is sexually coercive, threatening, abusive or exploitative is not tolerated	1, 2, 3, 4	HR Manager	0- Confirmed case of sexual harassment, not followed up, 1- No clear policy or company instruction on sexual harassment, but no case of sexual harassment, 2- Behaviour that is sexually coercive, threatening, abusive or exploitative is not tolerated, any case of sexual harassment are followed up by Governance and resolved within a reasonable time frame, 3- Policies against sexual harassment are available and effectively implemented, 4- Policies against sexual harassment are available and effectively implemented and preventive actions are taken by the company	Number of sexual harassment cases taking the information from random and anonymous interviews	5	Social
Equal treatment & opportunities	Fair For Life / Fair Labor / GRI Food	No indication of systematic discrimination of workers (based on gender, race, caste, origin, religion etc). "any distinction, exclusion or preference made on the basis of race, colour, sex, religion, political opinion, national extraction or social origin, which has the effect of nullifying or impairing equality of opportunity or treatment in employment or occupation, ... Any distinction, exclusion or preference in respect of a particular job based on the inherent requirements thereof shall not be deemed to be discrimination." (Ref: ILO Convention 111, Articles 1 and 2)	1, 2, 3, 4	HR Manager	0 - Evidence of systematic discrimination of workers (based on gender, race, caste, origin, religion etc) 2 - No indication of systematic discrimination of workers (based on gender, race, caste, origin, religion, etc.), 3 - employer is active in promoting mutual respect and harmony between workers OR has policies against discrimination written and implemented 4 - actively supporting discriminated groups	Total number of incidents of discrimination and actions taken.	5	Social
Health & Safety Program	ABNT / GRI Food	Existence of health and safety Governance program that includes at least: policy, objectives, targets, planning, procedures, resources, measurement, analysis, and improvement	1,2,3,4	General Manager	0 - The company does not comply with the law and it does not have a tracking record of the cases. 1 - The company is aware of the issues, but it does not disclose it, and it does not tackle with any initiative, and partially comply with the law. 2 - The company complies with the law in terms of health and safety standards and monitors the circumstances of the incidents 3 - The company complies with the standards and adopts measures to improve these. 4 - The company complies with the standards and a strategy to mitigate the issues with different tools.	Rates of injury, occupational diseases, lost days, absenteeism, number of work related fatalities should be reported and tracked year by year / All the measures required by law have to be fully comply.	5	Governance
Fire safety	Fair For Life / Fair Labor / ABNT	Fire protection and Governance; fire alarms and drills. Major fire hazards are known and minimized, regularly inspected and functional	1,2,3,4	Health and Safety Manager	0 - Fire protection and Governance not available, 1 - Fire protection and Governance present but in poor condition or not accessible 2 - in companies with less than 50 workers: simple alarm system, workers know overall procedures and adequate equipment available; in companies with more than 50 workers: adequate equipment: fire detectors and alarms available and accessible, fire drills at least once a year 3 - well monitored and maintained system, regular safety trainings and fire drills, documented inspection and maintenance of detectors and alarms	Evidence of fire protection equipment and training	4	Governance
Forest Protection	ABNT	Registry of fire accidents, existing infrastructure, adequate prevention and control of pests, illness and invading species. Evidence of the minimization in agrotoxic products	1	Health and Safety Manager			2	Environmental

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Indicator	Certification	Description	Stage of the Value Chain Affected	Responsible (the auditor to speak to)	Define Grade (0-4)	KPIs	Relevance	Field
Emergency procedures	Fair For Life / ABNT	Emergency procedure in place (written/signposted) and known by workers; emergency exits identified and unobstructed	2,3,4	Health and Safety Manager	0 - Emergency procedures are not in place, no emergency exits, 1 - Emergency procedures are in place but not known fully by workers, emergency exits are not unobstructed, 2 - Emergency procedures are in place (written/signposted) and known by workers, emergency exits are unobstructed and clearly identified and are sufficient for quick and safe evacuation in an emergency 3- Advanced procedures are in place including training of staff on evacuation procedures and well designed emergency evacuation system (if applicable)	evidence of emergency procedures	5	Governance
Safety training	Fair For Life / GRI Food	One person trained as safety officer with sufficient qualification and competence	1,2,3,4,	Health and Safety Manager	0 - No safety Governance and risk analysis although safety problems 1 - No formal safety officer but Governance is aware of safety aspects 2 - One person trained as safety officer with sufficient qualification and Governance power, safety risk analysis is done regularly and employees are aware of safety risks 3 - Safety committee with participation of workers, high health and safety awareness	Average hours of training per year per employee by employee category / Designated health and safety officer	4	Governance
Safety equipment	Fair For Life / Fair Labor	Adequate equipment availability, maintenance and usage, incl. First aid equipment,	1,2,3,4	Health and Safety Manager	0 - Missing equipment although necessary 1- Equipment is provided in acceptable condition 2 - Suitable and adequate personal protection equipment provided, maintained in good condition and used OR not necessary, 3 - Very good protection efforts	Evidence of sufficient protection equipment	5	Governance
Chemical storage	Fair For Life/ EU Ecolabel	Separate, locked and clearly identified storage with access restriction	1,2,3,4	Health and Safety Manager	0 - On worker's areas or together with household goods 2 - Separate, locked and clearly identified storage with access restriction (if no critical chemicals: not applicable)	Adequate storage of chemicals: yes or no	4	Governance
Housing conditions	Fair For Life	If staff is given housing by the company, it is safe and adequate housing conditions in local context (definition of adequate)	1	HR Manager			3	Social
Protection of risk groups	Fair For Life / Fair Labor	Pregnant, nursing women, youth and other risk groups are excluded from potentially hazardous work	1,2,3,4	HR Manager	0 - Pregnant or nursing women and other risk groups are engaged in potentially hazardous work 2 - Pregnant or nursing women and other risk groups are excluded from potentially hazardous work, do not work at night	Number of risk group members that are involved in potentially hazardous work or that work at night	4	Social

Indicator	Certification	Description	Stage of the Value Chain Affected	Responsible (the auditor to speak to)	Define Grade (0-4)	KPIs	Relevance	Field
Housing conditions	Fair For Life	If staff is given housing by the company, it is safe and adequate housing conditions in local context (definition of adequate)	1	HR Manager			3	Social
Protection of risk groups	Fair For Life / Fair Labor	Pregnant, nursing women, youth and other risk groups are excluded from potentially hazardous work	1,2,3,4	HR Manager	0 - Pregnant or nursing women and other risk groups are engaged in potentially hazardous work 2 - Pregnant or nursing women and other risk groups are excluded from potentially hazardous work, do not work at night	Number of risk group members that are involved in potentially hazardous work or that work at night	4	Social
Potable water & Sanitary Facilities	Fair Labor	The employer shall provide workers with a clean, safe and litter-free working environment that includes, but is not limited to, potable water, convenient access to toilet facilities in adequate numbers, adequate lighting, access to clean eating areas, sufficient ventilation and/or heating	1,2,3,4	Health and Safety Manager	0 - no evidence that Employer provides workers with a clean, safe and litter-free working environment that includes, but is not limited to, potable water, convenient access to toilet facilities in adequate numbers, adequate lighting, access to clean eating areas, sufficient ventilation and/or heating 2 - Evidence that Employer provides workers with a clean, safe and litter-free working environment that includes, but is not limited to, potable water, convenient access to toilet facilities in adequate numbers, adequate lighting, access to clean eating areas, sufficient ventilation and/or heating	Evidence of water and sanitary facilities for all workers	4	Social
Written employment contracts	Fair For Life	The Employer must provide workers with a written agreement (e.g., employment contract) describing the terms of hire.	1,2,3,4	HR Manager	0 - No aspect of working conditions is defined in writing 1- Written agreement on employment conditions only if permanent workers OR documents not covering all aspects (job position, wage, benefits if any, working times, leave entitlement) 2 - Written agreement on employment conditions for all workers 3 - Good and detailed contracts, outlining rights and duties of both sides, signed by employer and workers, worker receives a copy	Evidence of employment contract	4	Social
Minimum wages	Fair For Life / Fair Labor / ABNT	The Employer must pay workers at least the cash equivalent of the national minimum legal wage or a wage that is consistent with local industry standards, whichever is greater. If workers are paid by production, an objective appraisal of the amount of work to be performed shall be conducted as per ILO Convention 100, and the resultant wages must comply the above requirements [Add. Ref. 5]. An exception must be made for migrant workers if national wage laws indicate an alternative wage scale, or allow for partial in-kind payments in accordance with ILO Convention 110 [Add. Ref. 5].	1,2,3,4	HR Manager	0- Wages of workers are far below (20% or more) the official minimum wages or official industry benchmark standards, whichever is higher 1 - Wages of workers are slightly below (5% - 20%) the official minimum wages or official industry benchmark standards, whichever is higher 2 - Wages of workers are in line (-5% - 5%) with the official minimum wages or official industry benchmark standards, whichever is higher 3 - Wages of workers are clearly above (5% - 25%) minimum wages for respective activities (in comparison with other companies if minimum wage not really applicable for the nature of work done 4 - Wages are substantially higher (more than 25%) than common for the specific task/region	Wages compared to minimum wages and benchmarking (if available)	5	Ethical
On-time payment	Fair For Life	Payment done regularly and on fixed days in accordance with national law, in cash or cash equivalent (check, direct deposit or agreements)	1,2,3,4	HR Manager	0 - Payments not on-time, delayed, very irregular 1 - Payments not on fixed days or occasionally slightly delayed payments 2 - Payments are done regularly and on fixed days	Evidence of payments on time	5	Social

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Indicator	Certification	Description	Stage of the Value Chain Affected	Responsible (the auditor to speak to)	Define Grade (0-4)	KPIs	Relevance	Field
Documented payments	Fair For Life	Payments are well documented containing particulars of wages and confirmed by cross checking with other	1,2,3,4	HR Manager	0 - Payments are not documented 1 - Payments are poorly documented 2 -	Evidence of payments documentation / wage slip	5	Social
Social benefits	Fair For Life / Fair Labor / ABNT	Social legal benefits (sick leave, pensions, retirement, medical insurance, maternity, unemployment benefits) for all workers according to national legislation. Adequate reporting must be handled for this purpose	1,2,3,4	HR Manager	0- No compliance with national labour legislation in regard to social benefits (sick leave, retirement, medical insurance, maternity, unemployment benefits) 2 - Compliance with national labour legislation in regard to social benefits (sick leave, retirement, medical insurance, maternity, unemployment benefits) for all workers 3 - Better social benefits than legally required	Evidence of providing social benefits	5	Social
Extralegal benefits	Fair For Life	Incentives, bonus or allowances for workers in addition to wages must be held according to a transparent and fair system	1,2,3,4	HR Manager			2	Social
Weekly working hours and rest	Fair For Life / Fair Labor	Weekly working hours and rest days according to national legislations (<=48hrs), at least 1 rest day out of seven	1,2,3,4	HR Manager	0 - Weekly working hours are more than 20% higher than national labour legislation: equal or less than 48hrs 1- Weekly working hours are 5% - 20% higher than national labour legislation: equal or less than 48hrs 2 - Weekly working hours are in line with national labour legislations: equal or less than 48 hours, at least 1 rest day out of seven 3 - Weekly working hours lower than legal maximum hours	Number of weekly working hours	5	Social
Overtime remuneration	Fair For Life / Fair Labor	Overtime is voluntary, not demanded on regular basis and remunerated as per legal requirements. Employers shall permit workers, at a minimum, twenty-four consecutive hours off in every seven day period or what is required by local law, whichever is greater, except during peak harvest/production periods, provided such a period does not exceed 30 days and that workers are paid for overtime.	1,2,3,4	HR Manager	0 - Overtime is compulsory, not remunerated extra 1 - Overtime is voluntary, not remunerated extra 2 - Overtime is voluntary, not demanded on regular basis and remunerated as per legal requirements 3 - All overtime remunerated at premium rate	Remuneration of overtime	5	Social
No hiring & firing on continuous basis	Fair For Life	No hiring& firing on continuous basis to avoid regular employment. Regular employment for regular workers (working basically all year): no indication that sub-contracting, homeworking, apprenticeships etc. are used to avoid regular obligations to workers under labour law	1,2,3,4	HR Manager	0 - Employer does hire and fire on continuous basis to avoid regular employment (i.e. social security payments) 2 - Employer does not hire and fire on continuous basis to avoid regular employment (i.e. social security payments) 3 all workers doing regular work are employed as permanent workers	Status of employment: number of permanent contracts over total contacts	4	Social
Low carbon practices	Fair For Life/ ABNT / GRI Food / Proterra	Low carbon energy sources, electricity is used efficiently, efforts to minimize consumption. Define and action plan to increase percentage of renewable and/or sustainably harvested energy sources	1, 2, 3, 4	Environmental Manager	0 - No efforts to minimize energy consumption and only non-renewable energy sources 1 - Awareness of renewable energy sourcing but due to local situation not possible 2 - Adequate efforts to increase percentage of renewable and low carbon energy sources, electricity is not wasted and efforts to minimize consumption 3 - Improvement to convert to renewable/low carbon energy sources, high efficiency (in comparison with previous years) in electricity use or investment in alternative sources of electricity 4 - Exceptional efforts or all energy used is from renewable sources and minimizing electricity consumption	Direct energy consumption by primary energy source.	5	Environmental
Responsible water Management	Fair For Life/ ABNT	Rational use of water	2, 3, 4	Environmental Manager	0 - 20% higher than the local standard in water consumption, 1- 5% - 20% higher than the local standard in water consumption, 2 - In line with the local consumption standard 3 - Very good water conservation practices compared to local standards 4 - Exceptional efforts, minimisation of water use compared to local standards	Water consumption (Liter) in comparison to local standard	5	Environmental

Indicator	Certification	Description	Stage of the Value Chain Affected	Responsible (the auditor to speak to)	Define Grade (0-4)	KPIs	Relevance	Field
Rainwater collection		Rainwater collecting facility, capacity and use of rainwater for irrigation instead of utility and river water	1	Farmer	0 - No infrastructure for rainwater collecting 1 - Infrastructure available to irrigate from rainwater less than 50% of land 2 - Infrastructure available to irrigate from rainwater 50%-75% of land 3 - Infrastructure available to irrigate from rainwater more than 75% of land 4 - Infrastructure available to irrigate from rainwater 100% of land	Capability of rainwater collecting (Liters) / Agricultural land (Hectares)	5	Environmental
Waste water handling	Fair For Life/ ABNT	Waste water handling. existence of water treatment infrastructure	1,2	Environmental Manager	0 - No waste water treatment facility 2 - Waste water treatment facility available and used 4 - More than 50% of waste water handled in water treatment facility	Waste water treatment facility	5	Environmental
Composting, recycling & waste reduction	Fair For Life / GRI Food	Adequate efforts with regard to recycling, composting and reduction of waste production compared to local/sectorial standards	1, 2, 3, 4	Environmental Manager	0 - No efforts for composting, recycling and waste reduction 2 - Facilities for composting, recycling and waste reduction compared to last year 4 - Adequate waste Governance to the highest sustainability level	Total weight of waste by type and disposal method / unit produced	5	Environmental
Supplier compliance to ESG policies	GRI - Food	Increasing the volume of material bought from suppliers that comply to the company's ESG (Environment, Social, Governance) policies in order to promote sustainable supply chains	1, 2, 3, 4	Purchase Manager	0 - The company does not have an ESG policy or 0%-10% of the purchasing comes from supplier who is aware and comply with the company's ESG policies. 1 - 11%-25% of the purchasing comes from supplier who is aware and comply with the company's ESG policies. 2 - 26%-50% of the purchasing comes from supplier who is aware and comply with the company's ESG policies. 3 - 51%-75% of the purchasing comes from supplier who is aware and comply with the company's ESG policies. 4 - More than 75% of the purchasing comes from supplier who is aware and comply with the company's ESG policies.	Percentage of purchased value from suppliers compliant with company's ESG policies.	5	Ethical
Government incentives	GRI - Food	Significant financial assistance received from government (direct subsidies, tax exemptions, etc.)	1, 2	General Director	0 - More than 50%. 1 - Between 50% and 25%. 2 - Between 24% and 15%. 3 - Between 14% and 5%. 4 - Less than 5%.	Percentage of subsidies on total assets of the company	4	Governance
Local suppliers	GRI - Food	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	1, 2, 3, 4	General Director	0 - Less than 5% of local suppliers. 1 - Between 6% and 15% of local suppliers. 2 - Between 16% and 25% of local suppliers. 3 - Between 26% and 50% of local suppliers. 4 - More than 51% of local suppliers	Percentage of local suppliers (within 100km from the company) among the total suppliers.	5	Ethical
Packaging	GRI - Food/ EU Ecolabel	Using the minimum amount and most ecological packaging materials	1, 2, 3, 4	Production Manager	0 - No use of ecological, recycled or reused materials and no reduction of packaging compared to last year. 1 - At least 10% among all the material's total volume used is recycled, reused or ecological and reduction of packaging under 5% compared to last year. 2 - At least 25% among all the material's total volume used is recycled, reused or ecological and reduction of packaging from 6% to 25% compared to last year. 3 - Over 25% among all the material's total volume used is recycled, reduced or ecological and reduction of packaging from 26% to 50%. 4 - More than 50% among all the material's total volume used is recycled, reused or ecological and reduction of packaging of more than 50%	Reduction rate of amount of materials used for packaging / Percentage of recycled and reused materials for packaging / Percentage of ecological materials over total packaging	5	Environmental

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Indicator	Certification	Description	Stage of the Value Chain Affected	Responsible (the auditor to speak to)	Define Grade (0-4)	KPIs	Relevance	Field
Materials	GRI - Food	Reused and recycled materials for production	1, 2, 4	Production Manager	Percentage of materials used that are recycled input materials		3	Environmental
Supply Chain Control	GRI - Food	Checking that the supply chain is committed to respecting IFA (International Framework Agreements) principles (freedom of association, collective bargaining, non-discrimination, abolition of forced labour, elimination of child labour)	1, 2, 3, 4	General Director	0 - No supply chain screening, 1 - Supply chain screening but evidence of suppliers that do not comply with the IFA principles, 2 - Supply chain screening and no evidence of suppliers that do not comply with the IFA principles	Percentage of significant suppliers and contractors that have undergone screening on IFA principles and actions taken.	4	Ethical
Public policy	GRI - Food	Public policy positions and participation in public policy development and lobbying.	1, 2, 3, 4	General Director			1	Governance
Sustainable Certifications	GRI - Food	Amount of food processed in sites certified by third party international sustainability standards	1, 2, 3, 4	General Director	2- 10%-30% of the production volume comes from sites which are certified by third party international food sustainability standards, 3- 31%-70% of the production volume comes from sites which are certified by third party international food sustainability standards, 4- More than 70% of the production volume comes from sites which are certified by third party international food sustainability standards	Percentage of production volume manufactured in sites certified by an independent third party according to international food sustainability standards / Percentage of purchased volume which is verified as being in accordance with international food sustainability standards .	5	Governance
Marketing communications	GRI - Food	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	4	Communication Manager			1	Governance
Record keeping	Proterra/ Fair for Life	Keeping record of: trainings, regular payment, contracts, signed code of conduct, personnel, Occupational Safety and Health Administration, community engagement	1, 2, 3, 4	HR Manager	0 - The company can not provide the required documentation of information. 2 - The company provides records for all the information.	Existence of the following documentation: trainings, regular payment, contacts, signed code of conduct, personnel, Occupational Safety and Health Administration, community engagement	5	Governance
Carbon footprint measurement and reduction	Pas 2050	a) energy use (including energy sources, such as electricity, that were themselves created using processes that have GHG emissions associated with them) PAS2050 b) combustion processes; PAS2050 c) chemical reactions; PAS2050 d) loss to atmosphere of refrigerants and other fugitive GHGs PAS2050 e) process operations; PAS2050 f) service provision and delivery; PAS2050 g) land use and land use change; PAS2050 h) agricultural processes; PAS2050 i) waste Governance. PAS2050	1, 2, 3, 4	Environmental Manager	0 - The company hasn't a Carbon Footprint calculation. 1 - The company is in the first year of the Carbon Footprint calculation, without possibility to have a benchmark to reduce it. 2 - The company has a previous data of its Carbon Footprint and it has reduced it by up to 5%. 3 - The company has a previous data of its Carbon Footprint and it has reduced it by up to 15%. 4 - The company has a previous data of its Carbon Footprint and it has reduced it by up to 25%.	Existence of a Carbon Footprint calculation and reduction trend	4	Environmental

ANNEX 3 - Case Studies calculation per field

1. Spanish Flour Company Calculation

a. Environmental Field

N°	Define Grade (0-4)	KPIs	Relevance	Field	Evaluation					Results
1	0- No disclosure of soil analysis, no safety sheet. 1- Disclosure of soil analysis, keeping record of fertilizers or pesticide purchase and usage, 80- 50% usage of chemical fertilizers and pesticides. 2- More organic than chemical fertilizers and pesticides. Compliance to chemical data safety sheet. 3- 50 - 20% of chemical fertilizers and pesticides. Compliance to chemical data safety sheet. 4- Less than 5% usage of chemical fertilizers and pesticides. Compliance to chemical data safety sheet.	Level of concentration of the chemical composition mix of the soil / Chemical data safety sheet (CLP Regulation)	4	Environmental	0	1	2	3	4	NA
2	0- No identification of environmental impacts 1- Environmental impacts are identified but no action is taken to minimize negative impacts 2- General environmental impacts are identified regarding to the operation of the business and general preventive and mitigation measures are established and documented. The scope of the plan should consider entering, operating and exiting 3- Written documentation is required by the company in which environmental impacts are identified before implementing any new project and prevention and mitigation plans that show community engagement are required in order to implement the project. A general community impact action plan which considers entering, operating and exiting exists 4- Written document in which environmental impacts are identified before implementing any new project is required by the company and prevention and mitigation plans that show community engagement are required in order to implement the project. A general environmental impact action plan which considers entering, operating and exiting exists. The company has a plan which was agreed with the community in order to improve the current environmental status	Existence of an Environmental Impact assessment including an action plan for prevention and mitigation	5	Environmental	0	1	2	3	4	2
3	0 - The company does not comply with the EU directive. 2 - The company complies with the EU directive.	Compliance with EU directive on pollutants: DIRECTIVE 2008/1/EC of 15th Jan 2008.	4	Environmental	0		2			2
4	0 - No efforts to minimize energy consumption and only non-renewable energy sources 1 - Awareness of renewable energy sourcing but due to local situation not possible 2 - Adequate efforts to increase percentage of renewable and low carbon energy sources, electricity is not wasted and efforts to minimize consumption 3 - Improvement to convert to renewable/low carbon energy sources, high efficiency (in comparison with previous years) in electricity use or investment in alternative sources of electricity 4 - Exceptional efforts or all energy used is from renewable sources and minimizing electricity consumption	Direct energy consumption by primary energy source.	5	Environmental	0	1	2	3	4	0
5	0 - 20% higher than the local standard in water consumption, 1- 5% - 20% higher than the local standard in water consumption, 2 - In line with the local consumption standard 3 - Very good water conservation practices compared to local standards 4 - Exceptional efforts, minimisation of water use compared to local standards	Water consumption (Liter) in comparison to local standard	5	Environmental	0	1	2	3	4	2

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N°	Define Grade (0-4)	KPIs	Relevance	Field	Evaluation					Results
6	0 - No infrastructure for rainwater collecting 1 - Infrastructure available to irrigate from rainwater less than 50% of land 2 - Infrastructure available to irrigate from rainwater 50%-75% of land 3 - Infrastructure available to irrigate from rainwater more than 75% of land 4 - Infrastructure available to irrigate from rainwater 100% of land	Capability of rainwater collecting (Liters) / Agricultural land (Hectars)	5	Environmental	0	1	2	3	4	NA
7	0 - No waste water treatment facility 2 - Waste water treatment facility available and used 4 - More than 50% of waste water handled in water treatment facility	Waste water treatment facility	5	Environmental	0	2			4	NA
8	0 - No efforts for composting, recycling and waste reduction 2 - Facilities for composting, recycling and waste reduction compared to last year 4 - Adequate waste Governance to the highest sustainability level	Total weight of waste by type and disposal method / unit produced	5	Environmental	0	2			4	NA
9	0 - No use of ecological, recycled or reused materials and no reduction of packaging compared to last year, 1 - At least 10% among all the material's total volume used is recycled, reused or ecological and reduction of packaging under 5% compared to last year, 2- At least 25% among all the material's total volume used is recycled, reused or ecological and reduction of packaging from 6% to 25% compared to last year, 3- Over 25% among all the material's total volume used is recycled, reduced or ecological and reduction of packaging from 26% to 50%, 4- More than 50% among all the material's total volume used is recycled, reused or ecological and reduction of packaging of more than 50%	Reduction rate of amount of materials used for packaging / Percentage of recycled and reused materials for packaging / Percentage of ecological materials over total packaging	5	Environmental	0	1	2	3	4	2
10	0 - The company hasn't a Carbon Footprint calculation. 1 - The company is in the first year of the Carbon Footprint calculation, without possibility to have a benchmark to reduce it. 2 - The company has a previous data of its Carbon Footprint and it has reduced it by up to 5%. 3 - The company has a previous data of its Carbon Footprint and it has reduced it by up to 15%. 4 - The company has a previous data of its Carbon Footprint and it has reduced it by up to 25%.	Existence of a Carbon Footprint calculation and reduction trend	4	Environmental	0	1	2	3	4	0

b. Social Field

N°	Define Grade (0-4)	KPIs	Relevance	Field	Evaluation					Results
1	0 - Unacceptable: the company has workers that are under the allowed working age 2 - Acceptable: The company complies	Number of workers under the age established by national law or under 16 depending on the country	5	Social	0		2			2
2	0 - Unacceptable: there is evidence of forced, compulsory, slave, bonded, indentured or involuntary convict labor 2 - Acceptable: the company complies	Number of forced, compulsory, slave, bonded, indentured or involuntary convict labor cases. Reported cases by Governance and random interviews to employees	5	Social	0		2			2
3	0- No identification of community impacts 1- Community impacts are identified but no action is taken to minimize negative impacts 2- General community impacts are identified regarding to the operation of the business and general preventive and mitigation measures are established. The scope of the plan should consider entering, operating and exiting 3- Written documentation is required by the company in which community impacts are identified before implementing any new project and prevention and mitigation plans that show community engagement are required in order to implement the project. A general community impact action plan which considers entering, operating and exiting exists 4- Written document in which community impacts are identified before implementing any new project is required by the company and prevention and mitigation plans that show community engagement are required in order to implement the project. A general community impact action plan which considers entering, operating and exiting exists. The company has a plan which was agreed with the community in order to improve their quality of life	Existence of document where community impacts are described and prevention and mitigation mechanisms are established / evidence of community engagement	4	Social	0	1	2	3	4	2
4	0- No legally owned land, no fair price paid for the land and/or evidence of unfair displacement 2- Legally owned land, fair price paid for the land and no evidence of unfair displacement	Legally owned land or property, fair price and no evidence of unfair displacement	4	Social	0		2			2
5	0- Confirmed case of sexual harassment, not followed up, 1- No clear policy or company instruction on sexual harassment, but no case of sexual harassment, 2- Behaviour that is sexually coercive, threatening, abusive or exploitative is not tolerated, any case of sexual harassment are followed up by Governance and resolved within a reasonable time frame, 3- Policies against sexual harassment are available and effectively implemented, 4- Policies against sexual harassment are available and effectively implemented and preventive actions are taken by the company	Number of sexual harassment cases taking the information from random and anonymous interviews	5	Social	0	1	2	3	4	1
6	0 - Evidence of systematic discrimination of workers (based on gender, race, caste, origin, religion etc) 2 - No indication of systematic discrimination of workers (based on gender, race, caste, origin, religion, etc.), 3 - employer is active in promoting mutual respect and harmony between workers OR has policies against discrimination written and implemented 4 - actively supporting discriminated groups	Total number of incidents of discrimination and actions taken.	5	Social	0	1	2	3	4	2
7	0 - Pregnant or nursing women and other risk groups are engaged in potentially hazardous work 2 - Pregnant or nursing women and other risk groups are excluded from potentially hazardous work, do not work at night	Number of risk group members that are involved in potentially hazardous work or that work at night	4	Social	0		2			2

N°	Define Grade (0-4)	KPIs	Relevance	Field	Evaluation					Results
8	0 - no evidence that Employer provides workers with a clean, safe and litter-free working environment that includes, but is not limited to, potable water, convenient access to toilet facilities in adequate numbers, adequate lighting, access to clean eating areas, sufficient ventilation and/or heating 2 - Evidence that Employer provides workers with a clean, safe and litter-free working environment that includes, but is not limited to, potable water, convenient access to toilet facilities in adequate numbers, adequate lighting, access to clean eating areas, sufficient ventilation and/or heating	Evidence of water and sanitary facilities for all workers	4	Social	0		2			2
9	0 - No aspect of working conditions is defined in writing 1- Written agreement on employment conditions only if permanent workers OR documents not covering all aspects (job position, wage, benefits if any, working times, leave entitlement) 2 - Written agreement on employment conditions for all workers 3 - Good and detailed contracts, outlining rights and duties of both sides, signed by employer and workers, worker receives a copy	Evidence of employment contract	4	Social	0	1	2	3		3
10	0 - Payments not on-time, delayed, very irregular 1 - Payments not on fixed days or occasionally slightly delayed payments 2 - Payments are done regularly and on fixed days	Evidence of payments on time	5	Social	0	1	2			2
11	0 - Payments are not documented 1 - Payments are poorly documented 2 - Payments are well documented and confirmed by cross checking with other documentation (i.e. time records, contract, bookkeeping)	Evidence of payments documentation / wage slip	5	Social	0	1	2			2
12	0- No compliance with national labour legislation in regard to social benefits (sick leave, retirement, medical insurance, maternity, unemployment benefits) 2 - Compliance with national labour legislation in regard to social benefits (sick leave, retirement, medical insurance, maternity, unemployment benefits) for all workers 3 - Better social benefits than legally required	Evidence of providing social benefits	5	Social	0	1	2	3		2
13	0 - Weekly working hours are more than 20% higher than national labour legislation: equal or less than 48hrs 1- Weekly working hours are 5% - 20% higher than national labour legislation: equal or less than 48hrs 2 - Weekly working hours are in line with national labour legislations: equal or less than 48 hours, at least 1 rest day out of seven 3 - Weekly working hours lower than legal maximum hours	Number of weekly working hours	5	Social	0	1	2	3		2
14	0 - Overtime is compulsory, not remunerated extra 1 - Overtime is voluntary, not remunerated extra 2 - Overtime is voluntary, not demanded on regular basis and remunerated as per legal requirements 3 - All overtime remunerated at premium rate	Remuneration of overtime	5	Social	0	1	2	3		2
15	0 - Employer does hire and fire on continuous basis to avoid regular employment (i.e. social security payments) 2 - Employer does not hire and fire on continuous basis to avoid regular employment (i.e. social security payments) 3 all workers doing regular work are employed as permanent workers	Status of employment: number of permanent contracts over total contacts	4	Social	0	1	2	3		3

c. Ethical Field

N.º	Define Grade (0-4)	KPIs	Relevance	Field	Evaluation					Results
1	0- more than 5% GMO's contained in the product 2- 5% or less GMO's contained in the product	Percentage of GMO's present in the provided ingredients of the product	5	Ethical	0		2			2
2	0 - Price paid is below market price 1 - Price is the market price 2- Price is at level which ensures that producer covers the cost of sustainable production for their product	Purchase price compared to market price	5	Ethical	0	1	2			1
3	0-Employer retains original legal workers documents, wages for any period longer than demanded by law 2 - Employer does not retains original legal workers documents, wages for any period longer than demanded by law	Number of retained documents by employer taking the information from random interviews	5	Ethical	0		2			2
4	0- Wages of workers are far below (20% or more) the official minimum wages or official industry benchmark standards, whichever is higher 1 - Wages of workers are slightly below (5% - 20%) the official minimum wages or official industry benchmark standards, whichever is higher 2 - Wages of workers are in line (-5% - 5%) with the official minimum wages or official industry benchmark standards, whichever is higher 3 - Wages of workers are clearly above (5% - 25%) minimum wages for respective activities (in comparison with other companies if minimum wage not really applicable for the nature of work done 4 - Wages are substantially higher (more than 25%) than comon for the specific task/region	Wages compared to minimum wages and benchmarking (if available)	5	Ethical	0	1	2	3	4	2
5	0 - The company does not have an ESG policy or 0%-10% of the purchasing comes from supplier who is aware and comply with the company's ESG policies. 1 - 11%-25% of the purchasing comes from supplier who is aware and comply with the company's ESG policies. 2 - 26%-50% of the purchasing comes from supplier who is aware and comply with the company's ESG policies. 3 - 51%-75% of the purchasing comes from supplier who is aware and comply with the company's ESG policies. 4 - More than 75% of the purchasing comes from supplier who is aware and comply with the company's ESG policies.	Percentage of purchased value from suppliers compliant with company's ESG policies.	5	Ethical	0	1	2	3	4	0
6	0 - Less than 5% of local suppliers. 1 - Between 6% and 15% of local suppliers. 2 - Between 16% and 25% of local suppliers. 3 - Between 26% and 50% of local suppliers. 4 - More than 51% of local suppliers	Percentage of local suppliers (within 100km from the company) among the total suppliers.	5	Ethical	0	1	2	3	4	3
7	0 - No supply chain screening 1 - Screening of supply chain but evidence of suppliers that do not comply with the IFA principles 2 - Screening of supply chain and no evidence of suppliers that do not comply with the IFA principles	Percentage of significant suppliers and contractors that have undergone screening on IFA principles and actions taken.	4	Ethical	0	1	2			0

d. Governance Field

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N.º	Define Grade (0-4)	KPIs	Relevance	Field	Evaluation					Results
1	0- Employees did not receive technical training 1- Not all of the employees that need technical training received it 2- All the employees that need technical training received it 3- All the employees that need technical training received it and receive yearly reminders and updates 4- All the employees that need technical training received it and they receive reminders and updates whenever it is necessary	Percentage of employees that were given technical training	4	Governance	0	1	2	3	4	2
2	0 - No allowance of association, punishment or discrimination against associated workers 1- Seldom communication about workers' right to associate 2- Communication of rights to associate whenever a new worker enters the company 3- Periodic communication about association rights 4- Existence of written and/or other kind of visual communication form to periodically inform all workers of their right to associate where it can be read by all employees and in a language/terminology that they can readily understand	Existence of communication method to spread the right of association	4	Governance	0	1	2	3	4	2
3	0- audit shows evidence of high financial risk of the company 2- audit shows no evidence of financial risk of the company	ROE of the product / ROA / Leverage / Profit margin - not sure if with these indicators we can show that it does not harm environment	5	Governance	0		2			2
4	0- The company does not provide information about how invested or reinvested funds were used by the company 1- The company is transparent about investment and reinvestment but does not invest in environmental or social fields 2- The company keeps record of how funds are invested and from 50% - 70% of the investment take into account environmental protection and social sustainability (efficiency, biofuels machinery, clean energy, social investment, organic products) 3- The company keeps record of how funds are invested and from 70% - 90% of the investment take into account environmental protection and social sustainability (efficiency, biofuels machinery, clean energy, social investment, organic products) 4- The company keeps record of how funds are invested and more than 90% of the investment take into account environmental protection and social sustainability (efficiency, biofuels machinery, clean energy, social investment, organic products)	Percentage of investment that was used for efficiency, biofuel machinery, clean energy, social investment or organic products	4	Governance	0	1	2	3	4	1
5	0- Employees did not receive ethical training 1- Not all of the employees received ethical training 2- All the employees received ethical training 3- All the employees received ethical training when entering the company and receive yearly reminders and updates 4- All the employees received ethical training, existence of code of conduct which is received, signed and understood by the employees when they enter the company. Employees receive yearly reminders on this topic.	Percentage of employees who have received ethical training	4	Governance	0	1	2	3	4	0
6	0- Non-compliance 2- Compliance	Tax office declaration	4	Governance	0		2			2
7	0- No Organic Agriculture Certification obtained 2- Organic Agriculture Certification obtained (for companies where it is applicable)	Evidence of Organic Agriculture Certification	4	Governance	0	1	2			1

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N.º	Define Grade (0-4)	KPIs	Relevance	Field	Evaluation					Results
8	0 - The company does not comply with the law and it does not have a tracking record of the cases. 1 - The company is aware of the issues, but it does not disclose it, and it does not tackle with any initiative, and partially comply with the law. 2 - The company complies with the law in terms of health and safety standards and monitors the circumstances of the incidents 3 - The company complies with the standards and adopts measures to improve these. 4 - The company complies with the standards and a strategy to mitigate the issues with different tools.	Rates of injury, occupational diseases, lost days, absenteeism, number of workrelated fatalities should be reported and tracked year by year / All the measures required by law have to be fully comply.	5	Governance	0	1	2	3	4	2
9	0 - Fire protection and Governance not available, 1 - Fire protection and Governance present but in poor condition or not accessible 2 - in companies with less than 50 workers: simple alarm system, workers know overall procedures and adequate equipment available; in companies with more than 50 workers: adequate equipment: fire detectors and alarms available and accessible, fire drills at least once a year 3 - well monitored and maintained system, regular safety trainings and fire drills, documented inspection and maintenance of detectors and alarms	Evidence of fire protection equipment and training	4	Governance	0	1	2	3		2
10	0 - Emergency procedures are not in place, no emergency exits, 1 - Emergency procedures are in place but not known fully by workers, emergency exits are not unobstructed, 2 - Emergency procedures are in place (written/signposted) and known by workers, emergency exits are unobstructed and clearly identified and are sufficient for quick and safe evacuation in an emergency 3- Advanced procedures are in place including training of staff on evacuation procedures and well designed emergency evacuation system (if applicable)	evidence of emergency procedures	5	Governance	0	1	2	3		3
11	0 - No safety Governance and risk analysis although safety problems 1 - No formal safety officer but Governance is aware of safety aspects 2 - One person trained as safety officer with sufficient qualification and Governance power, safety risk analysis is done regularly and employees are aware of safety risks 3 - Safety committee with participation of workers, high health and safety awareness	Average hours of training per year per employee by employee category / Designated health and safety officer	4	Governance	0	1	2	3		2
12	0 - Missing equipment although necessary 1- Equipment is provided in acceptable condition 2 - Suitable and adequate personal protection equipment provided, maintained in good condition and used OR not necessary, 3 - Very good protection efforts	Evidence of sufficient protection equipment	5	Governance	0	1	2	3		3
13	0 - On worker's areas or together with household goods 2 - Separate, locked and clearly identified storage with access restriction (if no critical chemicals: not applicable)	Adequate storage of chemicals: yes or no	4	Governance	0		2			2
14	0 - More than 50%. 1 - Between 50% and 25%. 2 - Between 24% and 15%. 3 - Between 14% and 5%. 4 - Less than 5%.	Percentage of subsidies on total assets of the company	4	Governance	0	1	2	3	4	4
15	2- 10%-30% of the production volume comes from sites which are certified by third party international food sustainability standards, 3- 31%-70% of the production volume comes from sites which are certified by third party international food sustainability standards, 4- More than 70% of the production volume comes from sites which are certified by third party international food sustainability standards	Percentage of production volume manufactured in sites certified by an independent third party according to international food sustainability standards / Percentage of purchased volume which is verified as being in accordance with international food sustainability standards .	5	Governance			2	3	4	NA
16	0 - The company can not provide the required documentation of information. 2 - The company provides records for all the information.	Existence of the following documentation: trainings, regular payment, contacts, signed code of conduct, personnel, Occupational Safety and Health Administration, community engagement	5	Governance	0		2			2

2. Clever Oil Calculation

a. Environmental Field

N°	Define Grade (0-4)	KPIs	Relevance	Field	Evaluation					Result
1	0- No disclosure of soil analysis, no safety sheet. 1- Disclosure of soil analysis, keeping record of fertilizers or pesticide purchase and usage, 80- 50% usage of chemical fertilizers and pesticides. 2- More organic than chemical fertilizers and pesticides. Compliance to chemical data safety sheet. 3- 50 - 20% of chemical fertilizers and pesticides. Compliance to chemical data safety sheet. 4- Less than 5% usage of chemical fertilizers and pesticides. Compliance to chemical data safety sheet.	Level of concentration of the chemical composition mix of the soil / Chemical data safety sheet (CLP Regulation)	4	Environmental	0	1	2	3	4	4
2	0- No identification of environmental impacts 1- Environmental impacts are identified but no action is taken to minimize negative impacts 2- General environmental impacts are identified regarding to the operation of the business and general preventive and mitigation measures are established and documented. The scope of the plan should consider entering, operating and exiting 3- Written documentation is required by the company in which environmental impacts are identified before implementing any new project and prevention and mitigation plans that show community engagement are required in order to implement the project. A general community impact action plan which considers entering, operating and exiting exists 4- Written document in which environmental impacts are identified before implementing any new project is required by the company and prevention and mitigation plans that show community engagement are required in order to implement the project. A general environmental impact action plan which considers entering, operating and exiting exists. The company has a plan which was agreed with the community in order to improve the current environmental status	Existence of an Environmental Impact assessment including an action plan for prevention and mitigation	5	Environmental	0	1	2	3	4	2
3	0 - The company does not comply with the EU directive. 2 - The company complies with the EU directive.	Compliance with EU directive on pollutants: DIRECTIVE 2008/1/EC of 15th Jan 2008.	4	Environmental	0		2			2
4	0 - No efforts to minimize energy consumption and only non-renewable energy sources 1 - Awareness of renewable energy sourcing but due to local situation not possible 2 - Adequate efforts to increase percentage of renewable and low carbon energy sources, electricity is not wasted and efforts to minimize consumption 3 - Improvement to convert to renewable/low carbon energy sources, high efficiency (in comparison with previous years) in electricity use or investment in alternative sources of electricity 4 - Exceptional efforts or all energy used is from renewable sources and minimizing electricity consumption	Direct energy consumption by primary energy source.	5	Environmental	0	1	2	3	4	4
5	0 - 20% higher than the local standard in water consumption, 1- 5% - 20% higher than the local standard in water consumption, 2 - In line with the local consumption standard 3 - Very good water conservation practices compared to local standards 4 - Exceptional efforts, minimisation of water use compared to local standards	Water consumption (Liter) in comparison to local standard	5	Environmental	0	1	2	3	4	3

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N°	Define Grade (0-4)	KPIs	Relevance	Field	Evaluation					Results
6	0 - No infrastructure for rainwater collecting 1 - Infrastructure available to irrigate from rainwater less than 50% of land 2 - Infrastructure available to irrigate from rainwater 50%-75% of land 3 - Infrastructure available to irrigate from rainwater more than 75% of land 4 - Infrastructure available to irrigate from rainwater 100% of land	Capability of rainwater collecting (Liters) / Agricultural land (Hectars)	5	Environmental	0	1	2	3	4	2
7	0 - No waste water treatment facility 2 - Waste water treatment facility available and used 4 - More than 50% of waste water handled in water treatment facility	Waste water treatment facility	5	Environmental	0	2			4	NA
8	0 - No efforts for composting, recycling and waste reduction 2 - Facilities for composting, recycling and waste reduction compared to last year 4 - Adequate waste Governance to the highest sustainability level	Total weight of waste by type and disposal method / unit produced	5	Environmental	0	2			4	4
9	0 - No use of ecological, recycled or reused materials and no reduction of packaging compared to last year, 1 - At least 10% among all the material's total volume used is recycled, reused or ecological and reduction of packaging under 5% compared to last year, 2 - At least 25% among all the material's total volume used is recycled, reused or ecological and reduction of packaging from 6% to 25% compared to last year, 3 - Over 25% among all the material's total volume used is recycled, reduced or ecological and reduction of packaging from 26% to 50%, 4 - More than 50% among all the material's total volume used is recycled, reused or ecological and reduction of packaging of more than 50%	Reduction rate of amount of materials used for packaging / Percentage of recycled and reused materials for packaging / Percentage of ecological materials over total packaging	5	Environmental	0	1	2	3	4	4
10	0 - The company hasn't a Carbon Footprint calculation. 1 - The company is in the first year of the Carbon Footprint calculation, without possibility to have a benchmark to reduce it. 2 - The company has a previous data of its Carbon Footprint and it has reduced it by up to 5%. 3 - The company has a previous data of its Carbon Footprint and it has reduced it by up to 15%. 4 - The company has a previous data of its Carbon Footprint and it has reduced it by up to 25%.	Existence of a Carbon Footprint calculation and reduction trend	4	Environmental	0	1	2	3	4	1

b. Social Field

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N°	Define Grade (0-4)	KPIs	Relevance	Field	Evaluation					Result
8	0 - no evidence that Employer provides workers with a clean, safe and litter-free working environment that includes, but is not limited to, potable water, convenient access to toilet facilities in adequate numbers, adequate lighting, access to clean eating areas, sufficient ventilation and/or heating 2 - Evidence that Employer provides workers with a clean, safe and litter-free working environment that includes, but is not limited to, potable water, convenient access to toilet facilities in adequate numbers, adequate lighting, access to clean eating areas, sufficient ventilation and/or heating	Evidence of water and sanitary facilities for all workers	4	Social	0		2			2
9	0 - No aspect of working conditions is defined in writing 1- Written agreement on employment conditions only if permanent workers OR documents not covering all aspects (job position, wage, benefits if any, working times, leave entitlement) 2 - Written agreement on employment conditions for all workers 3 - Good and detailed contracts, outlining rights and duties of both sides, signed by employer and workers, worker receives a copy	Evidence of employment contract	4	Social	0	1	2	3		3
10	0 - Payments not on-time, delayed, very irregular 1 - Payments not on fixed days or occasionally slightly delayed payments 2 - Payments are done regularly and on fixed days	Evidence of payments on time	5	Social	0	1	2			2
11	0 - Payments are not documented 1 - Payments are poorly documented 2 - Payments are well documented and confirmed by cross checking with other documentation (i.e. time records, contract, bookkeeping)	Evidence of payments documentation / wage slip	5	Social	0	1	2			2
12	0- No compliance with national labour legislation in regard to social benefits (sick leave, retirement, medical insurance, maternity, unemployment benefits) 2 - Compliance with national labour legislation in regard to social benefits (sick leave, retirement, medical insurance, maternity, unemployment benefits) for all workers 3 - Better social benefits than legally required	Evidence of providing social benefits	5	Social	0	1	2	3		2
13	0 - Weekly working hours are more than 20% higher than national labour legislation: equal or less than 48hrs 1- Weekly working hours are 5% - 20% higher than national labour legislation: equal or less than 48hrs 2 - Weekly working hours are in line with national labour legislations: equal or less than 48 hours, at least 1 rest day out of seven 3 - Weekly working hours lower than legal maximum hours	Number of weekly working hours	5	Social	0	1	2	3		2
14	0 - Overtime is compulsory, not remunerated extra 1 - Overtime is voluntary, not remunerated extra 2 - Overtime is voluntary, not demanded on regular basis and remunerated as per legal requirements 3 - All overtime remunerated at premium rate	Remuneration of overtime	5	Social	0	1	2	3		2
15	0 - Employer does hire and fire on continuous basis to avoid regular employment (i.e. social security payments) 2 - Employer does not hire and fire on continuous basis to avoid regular employment (i.e. social security payments) 3 all workers doing regular work are employed as permanent workers	Status of employment: number of permanent contracts over total contacts	4	Social	0	1	2	3		2

c. Ethical Field

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N°	Define Grade (0-4)	KPIs	Relevance	Field	Evaluation					Results
1	0- more than 5% GMO's contained in the product 2- 5% or less GMO's contained in the product	Percentage of GMO's present in the provided ingredients of the product	5	Ethical	0		2			NA
2	0 - Price paid is below market price 1 - Price is the market price 2- Price is at level which ensures that producer covers the cost of sustainable production for their product	Purchase price compared to market price	5	Ethical	0	1	2			1
3	0-Employer retains original legal workers documents, wages for any period longer than demanded by law 2 - Employer does not retains original legal workers documents, wages for any period longer than demanded by law	Number of retained documents by employer taking the information from random interviews	5	Ethical	0		2			2
4	0- Wages of workers are far below (20% or more) the official minimum wages or official industry benchmark standards, whichever is higher 1 - Wages of workers are slightly below (5% - 20%) the official minimum wages or official industry benchmark standards, whichever is higher 2 - Wages of workers are in line (-5% - 5%) with the official minimum wages or official industry benchmark standards, whichever is higher 3 - Wages of workers are clearly above (5% - 25%) minimum wages for respective activities (in comparison with other companies if minimum wage not really applicable for the nature of work done 4 - Wages are substantially higher (more than 25%) than comon for the specific task/region	Wages compared to minimum wages and benchmarking (if available)	5	Ethical	0	1	2	3	4	2
5	0 - The company does not have an ESG policy or 0%-10% of the purchasing comes from supplier who is aware and comply with the company's ESG policies. 1 - 11%-25% of the purchasing comes from supplier who is aware and comply with the company's ESG policies. 2 - 26%-50% of the purchasing comes from supplier who is aware and comply with the company's ESG policies. 3 - 51%-75% of the purchasing comes from supplier who is aware and comply with the company's ESG policies. 4 - More than 75% of the purchasing comes from supplier who is aware and comply with the company's ESG policies.	Percentage of purchased value from suppliers compliant with company's ESG policies.	5	Ethical	0	1	2	3	4	3
6	0 - Less than 5% of local suppliers. 1 - Between 6% and 15% of local suppliers. 2 - Between 16% and 25% of local suppliers. 3 - Between 26% and 50% of local suppliers. 4 - More than 51% of local suppliers	Percentage of local suppliers (within 100km from the company) among the total suppliers.	5	Ethical	0	1	2	3	4	4
7	0 - No supply chain screening 1 - Screening of supply chain but evidence of suppliers that do not comply with the IFA principles 2 - Screening of supply chain and no evidence of suppliers that do not comply with the IFA principles	Percentage of significant suppliers and contractors that have undergone screening on IFA principles and actions taken.	4	Ethical	0	1	2			2

d. Governance Field

N°	Define Grade (0-4)	KPIs	Relevance	Field	Evaluation					Results
1	0- Employees did not receive technical training 1- Not all of the employees that need technical training received it 2- All the employees that need technical training received it 3- All the employees that need technical training received it and receive yearly reminders and updates 4- All the employees that need technical training received it and they receive reminders and updates whenever it is necessary	Percentage of employees that were given technical training	4	Governance	0	1	2	3	4	3
2	0 - No allowance of association, punishment or discrimination against associated workers 1- Seldom communication about workers' right to associate 2- Communication of rights to associate whenever a new worker enters the company 3- Periodic communication about association rights 4- Existence of written and/or other kind of visual communication form to periodically inform all workers of their right to associate where it can be read by all employees and in a language/terminology that they can readily understand	Existence of communication method to spread the right of association	4	Governance	0	1	2	3	4	2
3	0- audit shows evidence of high financial risk of the company 2- audit shows no evidence of financial risk of the company	ROE of the product / ROA / Leverage / Profit margin - not sure if with these indicators we can show that it does not harm environment	5	Governance	0		2			2
4	0- The company does not provide information about how invested or reinvested funds were used by the company 1- The company is transparent about investment and reinvestment but does not invest in environmental or social fields 2- The company keeps record of how funds are invested and from 50% - 70% of the investment take into account environmental protection and social sustainability (efficiency, biofuels machinery, clean energy, social investment, organic products) 3- The company keeps record of how funds are invested and from 70% - 90% of the investment take into account environmental protection and social sustainability (efficiency, biofuels machinery, clean energy, social investment, organic products) 4- The company keeps record of how funds are invested and more than 90% of the investment take into account environmental protection and social sustainability (efficiency, biofuels machinery, clean energy, social investment, organic products)	Percentage of investment that was used for efficiency, biofuel machinery, clean energy, social investment or organic products	4	Governance	0	1	2	3	4	3
5	0- Employees did not receive ethical training 1- Not all of the employees received ethical training 2- All the employees received ethical training 3- All the employees received ethical training when entering the company and receive yearly reminders and updates 4- All the employees received ethical training, existence of code of conduct which is received, signed and understood by the employees when they enter the company. Employees receive yearly reminders on this topic.	Percentage of employees who have received ethical training	4	Governance	0	1	2	3	4	1
6	0- Non-compliance 2- Compliance	Tax office declaration	4	Governance	0		2			2
7	0- No Organic Agriculture Certification obtained 2- Organic Agriculture Certification obtained (for companies where it is applicable)	Evidence of Organic Agriculture Certification	4	Governance	0		2			2

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N°	Define Grade (0-4)	KPIs	Relevance	Field	Evaluation					Results
8	0 - The company does not comply with the law and it does not have a tracking record of the cases. 1 - The company is aware of the issues, but it does not disclose it, and it does not tackle with any initiative, and partially comply with the law. 2 - The company complies with the law in terms of health and safety standards and monitors the circumstances of the incidents 3 - The company complies with the standards and adopts measures to improve these. 4 - The company complies with the standards and a strategy to mitigate the issues with different tools.	Rates of injury, occupational diseases, lost days, absenteeism, number of workrelated fatalities should be reported and tracked year by year / All the measures required by law have to be fully comply.	5	Governance	0	1	2	3	4	2
9	0 - Fire protection and Governance not available, 1 - Fire protection and Governance present but in poor condition or not accessible 2 - in companies with less than 50 workers: simple alarm system, workers know overall procedures and adequate equipment available; in companies with more than 50 workers: adequate equipment: fire detectors and alarms available and accessible, fire drills at least once a year 3 - well monitored and maintained system, regular safety trainings and fire drills, documented inspection and maintenance of detectors and alarms	Evidence of fire protection equipment and training	4	Governance	0	1	2	3		2
10	0 - Emergency procedures are not in place, no emergency exits, 1 - Emergency procedures are in place but not known fully by workers, emergency exits are not unobstructed, 2 - Emergency procedures are in place (written/signposted) and known by workers, emergency exits are unobstructed and clearly identified and are sufficient for quick and safe evacuation in an emergency 3- Advanced procedures are in place including training of staff on evacuation procedures and well designed emergency evacuation system (if applicable)	evidence of emergency procedures	5	Governance	0	1	2	3		2
11	0 - No safety Governance and risk analysis although safety problems 1 - No formal safety officer but Governance is aware of safety aspects 2 - One person trained as safety officer with sufficient qualification and Governance power, safety risk analysis is done regularly and employees are aware of safety risks 3 - Safety committee with participation of workers, high health and safety awareness	Average hours of training per year per employee by employee category / Designated health and safety officer	4	Governance	0	1	2	3		2
12	0 - Missing equipment although necessary 1- Equipment is provided in acceptable condition 2 - Suitable and adequate personal protection equipment provided, maintained in good condition and used OR not necessary, 3 - Very good protection efforts	Evidence of sufficient protection equipment	5	Governance	0	1	2	3		2
13	0 - On worker's areas or together with household goods 2 - Separate, locked and clearly identified storage with access restriction (if no critical chemicals: not applicable)	Adequate storage of chemicals: yes or no	4	Governance	0		2			2
14	0 - More than 50%. 1 - Between 50% and 25%. 2 - Between 24% and 15%. 3 - Between 14% and 5%. 4 - Less than 5%.	Percentage of subsidies on total assets of the company	4	Governance	0	1	2	3	4	2
15	2- 10%-30% of the production volume comes from sites which are certified by third party international food sustainability standards, 3- 31%-70% of the production volume comes from sites which are certified by third party international food sustainability standards, 4- More than 70% of the production volume comes from sites which are certified by third party international food sustainability standards	Percentage of production volume manufactured in sites certified by an independent third party according to international food sustainability standards / Percentage of purchased volume which is verified as being in accordance with international food sustainability standards	5	Governance			2	3	4	NA
16	0 - The company can not provide the required documentation of information. 2 - The company provides records for all the information.	Existence of the following documentation: trainings, regular payment, contacts, signed code of conduct, personnel, Occupational Safety and Health	5	Governance	0		2			2

ANNEX 3 A

Flour Company in Spain

Questionnaire	Data	Comment	GRADES
Existence of an Environmental Impact Assessment including an action plan for prevention and mitigation		No existence. In terms of environmental protection we comply with EU regulation and the 14001 ISO standards	2
Compliance with EU directive on pollutants: DIRECTIVE 2008/1/EC of 15th Jan 2008 (http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2008:024:0008:0029:ES:PDF)		Yes	2
Energy consumption: % of renewable energy sources, efficiency measures		We do not have any renewable energy generation installation	0
Water consumption (Liter/year) in comparison to local standard		We add about 7.000 cubic metres/year to our manufacturing process. Most of this water evaporates due to the mechanical process of grinding. The rest of added water is kept by the product.	2
Description of waste water treatment facility		We do not have any waste water treatment facility: no waste water from our industrial process. Sanitary water is recycled by local government facility: we pay a tax according to water consumption.	NA
Total weight of waste by type and disposal method / unit produced		A tax is facilitated for recycling	1
Reduction rate of amount of materials used for packaging		We produced bulk and packed flour so the volume of packaging materials depend on sales. No action have been taken to reduce our packed sales	2
Percentage of recycled and reused materials for packaging		We do not recycled or reused materials for packing: according to regulations we	2
Percentage of ecological materials over total packaging		Unknown	2
Existence of a Carbon Footprint calculation and reduction trend		No	0
If you grow your own crops: Level of concentration of the chemical composition mix of the soil / Chemical data safety sheet (CLP Regulation)		We do not grow our own crops.	NA
If you grow your own crops: Capability of rainwater collecting (Liters / Agricultural land in hectares)		-	NA

Questionnaire	Data	Comment	GRADES
Percentage of GMOs present in the provided ingredients of the product		0% - GMO's are excluded from the ingredients we buy by contract	2
Purchase price is higher (%) / in line with / lower (%) than market price		I do not understand the question	1
Any employee documents retained by employer?		No	2
Wages are higher / in line with / lower than industry average		In line, according to global agreement for the milling industry	2
If you have an ESG (Environmental, Social, Governance) policy: the percentage of purchased value from suppliers compliant with company's ESG policies		We do not have any.	0
Percentage of local suppliers (within 100km from the company) on total suppliers.		30%	3
Percentage of significant suppliers and contractors that have undergone screening on IFA principles (freedom of association, collective bargaining, non-discrimination, abolition of forced labour, elimination of child labour) and actions taken.		Unknown	0

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Questionnaire	Data	Comment	GRADES
Percentage of employees that were given technical training (use of machinery, chemical management, use of protective equipment, proper operational procedures and specific job skills)		100% of our employees received proper training prior to develop any position at the plant	2
Existence of communication method to spread the right of association (if yes:frequency, form)	Meeting room / Wall / Permission of clustering (50 - 60 employees)	Workers union is recognized by company. Company complies with regulation related to workers rights.	2
ROE, ROA, Leverage and Net Profit		Sorry, I must not provide this information	2
Percentage of investment that is used for efficiency, biofuel machinery, clean energy, social investment or organic products		0%	1
Percentage of employees who have received ethical training (worker rights; employer responsibilities to workers; non-discrimination and sexual harassment; policies related to workers and working conditions; and work place hygiene)		0%	0
Tax office declaration done on time and appropriately		Yes	2
Evidence of Organic Agriculture Certification		We are on the certification process	1
Reports of injury on workplace, occupational diseases, lost days, absenteeism, number of workrelated fatalities		Availables	2
Evidence of fire protection equipment and training		Fire protection instalation complies with goverment requeriments. It is maintenance by a authorised contractor	2
Evidence of emergency procedures (incl. Emergency exits)		Evidence of Emergency Plan existence	3
Designated health and safety officer		It is designated, it is mandatory by law	2
Evidence of sufficient protection equipment		Available for every worker: evidence that workers get proper protection equipment and formation. Other protection equipment is available throught the plant.	3
Adequate storage of chemicals		Specific warehouse is available	2
Percentage of direct subsidies received on total assets of the company		0.015%	4
Percentage of production volume manufactured in sites certified by an independent third party according to international food sustainability standards (By which certifier)		0%	N/A
Percentage of purchased volume which is verified as being in accordance with international food sustainability standards . (By which certifier?)		0%	N/A
Existence of the following documentation: trainings, regular payment, contacts, signed code of conduct, personnel, Occupational Safety and Health Administration, community engagement		All documents are available	2

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Questionnaire	Data	Comment	GRADES
Number of workers under the age of 16	0		2
Existence of document where community impacts are described and prevention and mitigation mechanisms are established / evidence of community engagement		Noises and dust emissions are followed by external audits: actions are taking if regulations are not complied.	2
Legally owned land or property, fair price and no evidence of unfair displacement			2
Number of followed-up sexual harassment cases		No cases to be followed	1
Total number of incidents of discrimination and actions taken	0		2
Number of risk group members (pregnant or nursing women, young workers etc) that are involved in potentially hazardous work or that work at night	0		2
Evidence of water and sanitary facilities for all workers (+explanation)		Appropriate wardrobes including showers, etc. are available for all plant workers.	2
Evidence of employment contract (covering job position, wage, working times, leave entitlement) and signed by both parties		Yes - 100%	3
Evidence of payments (wages, salaries) on time		Yes - 100%	2
Evidence of payments documentation / wage slip		Yes - 100%	2
Evidence of providing social benefits (sick leave, retirement, medical insurance, maternity, unemployment benefits)		No social beneficts provided	2
Number of weekly working hours	40		2
Remuneration of overtime (in line with or higher than legal requirement)		In line with legal requeriment	2
Status of employment: number of permanent contracts over total contracts	95%		3

ANNEX 3 B

Clever Oil

Questionnaire	Answer (Data or explanation)	Comment	Final Mark
Existence of an Environmental Impact Assessment including an action plan for prevention and mitigation	Yes	Has an EIA. Organic fertilizing and dry location of the farm minimize erosion and loss of biodiversity. Tubes for water conservation minimize its consumption. Fertilizers were produced locally in an organic way, clearly documented. Soil chemical test are done yearly with documented results.	2
Compliance with EU directive on pollutants: DIRECTIVE 2008/1/EC of 15th Jan 2008 (http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2008:024:0008:0029:ES:PDF)	Yes	Has complied with the EU directive on pollutants	2
Energy consumption: % of renewable energy sources, efficiency measures	100% locally produced renewable energies.		4
Water consumption (Liter/year) in comparison to local standard	27% of less water used for the industry		3
Description of waste water treatment facility	N/A		0
Total weight of waste by type and disposal method / unit produced	100% of the organic waste is composted. Reduced 20% of cardboard waste; change from cardboard to plastic containers. 5% of reduced glass bottles usage		4
Reduction rate of amount of materials used for packaging. Percentage of recycled or reused materials. Percentage of ecological materials	From 10 to 15% from last year to this year of reused containers. 100% of the boxes are sent to a recycling facility. 50% of the glass from bottles are recycled. 50% of the materials	Reduction rate of amount of materials used for packaging / Percentage of recycled and reused materials for packaging / Percentage of ecological materials over total packaging	4
If you grow your own crops: Level of concentration of the chemical composition mix of the soil / Chemical data safety sheet (CLP Regulation)	Yes	The company has record of soil analysis, complying with the CLP regulation. The company produces 50% of its fertilizers and keeps records of fertilizers bought, which are organic	4
Existence of a Carbon Footprint calculation and reduction trend	Yes	The company is in the first year of the Carbon Footprint calculation, without possibility to have a benchmark to reduce it	1
If you grow your own crops: Capability of rainwater collecting (Liters / Agricultural land in Hectares)	Yes	Rainwater is scarce in the field. Water efficiency systems are implemented over the field	2

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Questionnaire	Answer (Data or explanation)	Comment	Final Mark
Percentage of GMO's present in the provided ingredients of the product	N/A		
Purchase price is higher (%) / in line with / lower (%) than market price	Purchases are bought with the suppliers price		1
Any employee documents retained by employer?	After surveying 10% of employees, no evidence of forced retention of documents or salary was found		2
Wages are higher / in line with / lower than industry average	Salaries of workers found to be compliant with Spains' minimum wages or higher		2
If you have an ESG (Environmental, Social, Governance) policy: the percentage of purchased value from suppliers compliant with company's ESG policies	52% of the suppliers are aware and comply with the companies' Code of Suppliers		3
Percentage of local suppliers (within 100km from the company) on total suppliers.	52% of suppliers found within 100 Km from the companies' location		4
Percentage of significant suppliers and contractors that have undergone screening on IFA principles (freedom of association, collective bargaining, non-discrimination, abolition of forced labour, elimination of child labour) and actions taken.	Not evidence that suppliers don't comply with the IFA principles		2

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Questionnaire	Answer (Data or explanation)	Comment	Final Mark
Percentage of employees that were given technical training (use of machinery, chemical management, use of protective equipment, proper operational procedures and specific job skills)	All of the employees were given adequate training. Once employees enter the company, training is received and refreshed yearly. 10% of the employees were randomly surveyed		3
Existence of communication method to spread the right of association (if yes: frequency, form)	Contracts have explicitly this right.		2
ROE, ROA, Leverage and Net Profit	Low financial risks had been determined during the audit		
Percentage of investment that is used for efficiency, biofuel machinery, clean energy, social investment or organic products	72% of the investment is made considering efficiency and environmentally friendly technologies		3
Percentage of employees who have received ethical training (worker rights; employer responsibilities to workers; non-discrimination and sexual harassment; policies related to workers and working conditions; and work place hygiene)		Existence of a signed code of conduct by all employees. Only office employees have received ethical training	1
Tax office declaration done on time and appropriately	Tax declaration is done on time as evidence support the consecutive declarations		2
Evidence of Organic Agriculture Certification	Agricultura Ecológica certifies the product		2
Reports of injury on workplace, occupational diseases, lost days, absenteeism, number of workrelated fatalities	Reports were held and showed		2
Evidence of fire protection equipment and training	The Company checks quarterly if the fire alarm and mechanisms are functional. Workers are reminded of the security procedures yearly.		2
Evidence of emergency procedures (incl. Emergency exits)	Training to employees is done yearly over emergency procedures. Adequate signalization is held on the factory		2
Designated health and safety officer	Yes, there's a designated person for these responsibilities (Environmental Manager)		2
Evidence of sufficient protection equipment	Equipment available, used by personnel and maintained in a good condition		2
Adequate storage of chemicals	The company has a special room for the storage of hazardous chemicals		2
Percentage of direct subsidies received on total assets of the company	20% of direct subsidies		2
Percentage of production volume manufactured in sites certified by an independent third party according to international food sustainability standards (By which certifier)	100%. CAE. Agricultura Ecológica Andalucía (Spain). Certificado Europeo de Agricultura ecológica (EU). KRAV (Sweden). Agriculture Biologique (France).	Rely on the EU organic farming laws	4
Percentage of purchased volume which is verified as being in accordance with international food sustainability standards. (By which certifier?)	N/A		
Existence of the following documentation: trainings, regular payment, contracts, signed code of conduct, personnel, Occupational Safety and Health Administration, community engagement	Yes, all of the information required was shown. The Company has bridges with the municipality for evaluating complaints every three months, adequately documented		2

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Questionnaire	Answer (Data or explanation)	Comment	Final Mark
Number of workers under the age of 16	None. Contracts were checked and random surveys were held		2
Existence of document where community impacts are described and prevention and mitigation mechanisms are established / evidence of community engagement	The Company has bridges with the municipality for evaluating complaints every three months, adequately documented. No complaints were found		2
Legally owned land or property, fair price and no evidence of unfair displacement	Adequate documentation was found regarding to permission, acquisition and land exploitation		2
Number of followed-up sexual harassment cases	No sexual harassment cases found. Code of Conduct explicitly condemns any sexual coercitive behaviors	10% of the employees were surveyed to check over the information provided	2
Total number of incidents of discrimination and actions taken	No discrimination cases were found	10% of the employees were surveyed to check over the information provided	2
Number of risk group members (pregnant or nursing women, young workers etc) that are involved in potentially hazardous work or that work at night	No nursing women or young workers are working in potentially hazardous work or work at night		2
Evidence of water and sanitary facilities for all workers (+explanation)	Twelve sanitary facilities found. Men a women bathrooms were clearly diferenciaded, having three urinal and toilets for men and six toilets for women. All bathrooms were found in good and operative conditions and are connected to a potable source of water. Al area designated for eating was found among the instalations. Both instalations count with sufficient heating equipment if necessary		2
Evidence of employment contract (covering job position, wage, working times, leave entitlement) and signed by both parties	Contracts were proved to contain the job positions, responsibilities, legal hours for working, salary and conditions. Communication methods were also clear. Both parties had signed contracts. Rights were clearly identified. Cross checking evidence proved that the employees had a copy of the contract		3
Evidence of payments (wages, salaries) on time	Payments are documented and adequately archived. Cross evidence was found		2
Evidence of payments documentation / wage slip	Wage slips were found surveying 10% of the employees. The company keeps record of the payments		2
Evidence of providing social benefits (sick leave, retirement, medical	Social benefits were found to be in line with the labor legislation		2
Number of weekly working hours	Weekly working hours and rest days were found to be in line with the local labor legislation. Surveys were done randomly to 10% of the employees		2
Remuneration of overtime (in line with or higher than legal requirement)	Documented overtime was found to be remunerated according to legal requirements		2
Status of employment: number of permanent contracts over total contracts	52% of the contracts are permanent. Seasonal regime has an influence about this		2

ANNEX 3 – Case Studies calculation per field

1. Spanish Flour Company Calculation

a. Environmental Field

N°	Define Grade (0-4)	KPIs	Relevance	Field	Evaluation					Results
1	0- No disclosure of soil analysis, no safety sheet. 1- Disclosure of soil analysis, keeping record of fertilizers or pesticide purchase and usage, 80- 50% usage of chemical fertilizers and pesticides. 2- More organic than chemical fertilizers and pesticides. Compliance to chemical data safety sheet. 3- 50 - 20% of chemical fertilizers and pesticides. Compliance to chemical data safety sheet. 4- Less than 5% usage of chemical fertilizers and pesticides. Compliance to chemical data safety sheet.	Level of concentration of the chemical composition mix of the soil / Chemical data safety sheet (CLP Regulation)	4	Environmental	0	1	2	3	4	NA
2	0- No identification of environmental impacts 1- Environmental impacts are identified but no action is taken to minimize negative impacts 2- General environmental impacts are identified regarding to the operation of the business and general preventive and mitigation measures are established and documented. The scope of the plan should consider entering, operating and exiting 3- Written documentation is required by the company in which environmental impacts are identified before implementing any new project and prevention and mitigation plans that show community engagement are required in order to implement the project. A general community impact action plan which considers entering, operating and exiting exists 4- Written document in which environmental impacts are identified before implementing any new project is required by the company and prevention and mitigation plans that show community engagement are required in order to implement the project. A general environmental impact action plan which considers entering, operating and exiting exists. The company has a plan which was agreed with the community in order to improve the current environmental status	Existence of an Environmental Impact assessment including an action plan for prevention and mitigation	5	Environmental	0	1	2	3	4	2
3	0 - The company does not comply with the EU directive. 2 - The company complies with the EU directive.	Compliance with EU directive on pollutants: DIRECTIVE 2008/ 1/EC of 15th Jan 2008.	4	Environmental	0		2			2
4	0 - No efforts to minimize energy consumption and only non-renewable energy sources 1 - Awareness of renewable energy sourcing but due to local situation not possible 2 - Adequate efforts to increase percentage of renewable and low carbon energy sources, electricity is not wasted and efforts to minimize consumption 3 - Improvement to convert to renewable/low carbon energy sources, high efficiency (in comparison with previous years) in electricity use or investment in alternative sources of electricity 4 - Exceptional efforts or all energy used is from renewable sources and minimizing electricity consumption	Direct energy consumption by primary energy source.	5	Environmental	0	1	2	3	4	0
5	0 - 20% higher than the local standard in water consumption, 1- 5% - 20% higher than the local standard in water consumption, 2 - In line with the local consumption standard 3 - Very good water conservation practices compared to local standards 4 - Exceptional efforts, minimisation of water use compared to local standards	Water consumption (Liter) in comparison to local standard	5	Environmental	0	1	2	3	4	2

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N°	Define Grade (0-4)	KPIs	Relevance	Field	Evaluation					Results
6	0 - No infrastructure for rainwater collecting 1 - Infrastructure available to irrigate from rainwater less than 50% of land 2 - Infrastructure available to irrigate from rainwater 50%-75% of land 3 - Infrastructure available to irrigate from rainwater more than 75% of land 4 - Infrastructure available to irrigate from rainwater 100% of land	Capability of rainwater collecting (Liters) / Agricultural land (Hectars)	5	Environmental	0	1	2	3	4	NA
7	0 - No waste water treatment facility 2 - Waste water treatment facility available and used 4 - More than 50% of waste water handled in water treatment facility	Waste water treatment facility	5	Environmental	0	2			4	NA
8	0 - No efforts for composting, recycling and waste reduction 2 - Facilities for composting, recycling and waste reduction compared to last year 4 - Adequate waste Governance to the highest sustainability level	Total weight of waste by type and disposal method / unit produced	5	Environmental	0	2			4	NA
9	0 - No use of ecological, recycled or reused materials and no reduction of packaging compared to last year, 1 - At least 10% among all the material's total volume used is recycled, reused or ecological and reduction of packaging under 5% compared to last year, 2- At least 25% among all the material's total volume used is recycled, reused or ecological and reduction of packaging from 6% to 25% compared to last year, 3- Over 25% among all the material's total volume used is recycled, reduced or ecological and reduction of packaging from 26% to 50%, 4- More than 50% among all the material's total volume used is recycled, reused or ecological and reduction of packaging of more than 50%	Reduction rate of amount of materials used for packaging / Percentage of recycled and reused materials for packaging / Percentage of ecological materials over total packaging	5	Environmental	0	1	2	3	4	2
10	0 - The company hasn't a Carbon Footprint calculation. 1 - The company is in the first year of the Carbon Footprint calculation, without possibility to have a benchmark to reduce it. 2 - The company has a previous data of its Carbon Footprint and it has reduced it by up to 5%. 3 - The company has a previous data of its Carbon Footprint and it has reduced it by up to 15%. 4 - The company has a previous data of its Carbon Footprint and it has reduced it by up to 25%.	Existence of a Carbon Footprint calculation and reduction trend	4	Environmental	0	1	2	3	4	0

b. Social Field

N°	Define Grade (0-4)	KPIs	Relevance	Field	Evaluation					Results
1	0 - Unacceptable: the company has workers that are under the allowed working age 2 - Acceptable: The company complies	Number of workers under the age established by national law or under 16 depending on the country	5	Social	0		2			2
2	0 - Unacceptable: there is evidence of forced, compulsory, slave, bonded, indentured or involuntary convict labor 2 - Acceptable: the company complies	Number of forced, compulsory, slave, bonded, indentured or involuntary convict labor cases. Reported cases by Governance and random interviews to employees	5	Social	0		2			2
3	0- No identification of community impacts 1- Community impacts are identified but no action is taken to minimize negative impacts 2- General community impacts are identified regarding to the operation of the business and general preventive and mitigation measures are established. The scope of the plan should consider entering, operating and exiting 3- Written documentation is required by the company in which community impacts are identified before implementing any new project and prevention and mitigation plans that show community engagement are required in order to implement the project. A general community impact action plan which considers entering, operating and exiting exists 4- Written document in which community impacts are identified before implementing any new project is required by the company and prevention and mitigation plans that show community engagement are required in order to implement the project. A general community impact action plan which considers entering, operating and exiting exists. The company has a plan which was agreed with the community in order to improve their quality of life	Existence of document where community impacts are described and prevention and mitigation mechanisms are established / evidence of community engagement	4	Social	0	1	2	3	4	2
4	0- No legally owned land, no fair price paid for the land and/or evidence of unfair displacement 2- Legally owned land, fair price paid for the land and no evidence of unfair displacement	Legally owned land or property, fair price and no evidence of unfair displacement	4	Social	0		2			2
5	0- Confirmed case of sexual harassment, not followed up, 1- No clear policy or company instruction on sexual harassment, but no case of sexual harassment, 2- Behaviour that is sexually coercive, threatening, abusive or exploitative is not tolerated, any case of sexual harassment are followed up by Governance and resolved within a reasonable time frame, 3- Policies against sexual harassment are available and effectively implemented, 4- Policies against sexual harassment are available and effectively implemented and preventive actions are taken by the company	Number of sexual harassment cases taking the information from random and anonymous interviews	5	Social	0	1	2	3	4	1
6	0 - Evidence of systematic discrimination of workers (based on gender, race, caste, origin, religion etc) 2 - No indication of systematic discrimination of workers (based on gender, race, caste, origin, religion, etc.), 3 - employer is active in promoting mutual respect and harmony between workers OR has policies against discrimination written and implemented 4 - actively supporting discriminated groups	Total number of incidents of discrimination and actions taken.	5	Social	0	1	2	3	4	2
7	0 - Pregnant or nursing women and other risk groups are engaged in potentially hazardous work 2 - Pregnant or nursing women and other risk groups are excluded from potentially hazardous work, do not work at night	Number of risk group members that are involved in potentially hazardous work or that work at night	4	Social	0		2			2

N°	Define Grade (0-4)	KPIs	Relevance	Field	Evaluation					Results
8	0 - no evidence that Employer provides workers with a clean, safe and litter-free working environment that includes, but is not limited to, potable water, convenient access to toilet facilities in adequate numbers, adequate lighting, access to clean eating areas, sufficient ventilation and/or heating 2 - Evidence that Employer provides workers with a clean, safe and litter-free working environment that includes, but is not limited to, potable water, convenient access to toilet facilities in adequate numbers, adequate lighting, access to clean eating areas, sufficient ventilation and/or heating	Evidence of water and sanitary facilities for all workers	4	Social	0		2			2
9	0 - No aspect of working conditions is defined in writing 1- Written agreement on employment conditions only if permanent workers OR documents not covering all aspects (job position, wage, benefits if any, working times, leave entitlement) 2 - Written agreement on employment conditions for all workers 3 - Good and detailed contracts, outlining rights and duties of both sides, signed by employer and workers, worker receives a copy	Evidence of employment contract	4	Social	0	1	2	3		3
10	0 - Payments not on-time, delayed, very irregular 1 - Payments not on fixed days or occasionally slightly delayed payments 2 - Payments are done regularly and on fixed days	Evidence of payments on time	5	Social	0	1	2			2
11	0 - Payments are not documented 1 - Payments are poorly documented 2 - Payments are well documented and confirmed by cross checking with other documentation (i.e. time records, contract, bookkeeping)	Evidence of payments documentation / wage slip	5	Social	0	1	2			2
12	0- No compliance with national labour legislation in regard to social benefits (sick leave, retirement, medical insurance, maternity, unemployment benefits) 2 - Compliance with national labour legislation in regard to social benefits (sick leave, retirement, medical insurance, maternity, unemployment benefits) for all workers 3 - Better social benefits than legally required	Evidence of providing social benefits	5	Social	0	1	2	3		2
13	0 - Weekly working hours are more than 20% higher than national labour legislation: equal or less than 48hrs 1- Weekly working hours are 5% - 20% higher than national labour legislation: equal or less than 48hrs 2 - Weekly working hours are in line with national labour legislations: equal or less than 48 hours, at least 1 rest day out of seven 3 - Weekly working hours lower than legal maximum hours	Number of weekly working hours	5	Social	0	1	2	3		2
14	0 - Overtime is compulsory, not remunerated extra 1 - Overtime is voluntary, not remunerated extra 2 - Overtime is voluntary, not demanded on regular basis and remunerated as per legal requirements 3 - All overtime remunerated at premium rate	Remuneration of overtime	5	Social	0	1	2	3		2
15	0 - Employer does hire and fire on continuous basis to avoid regular employment (i.e. social security payments) 2 - Employer does not hire and fire on continuous basis to avoid regular employment (i.e. social security payments) 3 all workers doing regular work are employed as permanent workers	Status of employment: number of permanent contracts over total contacts	4	Social	0	1	2	3		3

c. Ethical Field

N.º	Define Grade (0-4)	KPIs	Relevance	Field	Evaluation					Results
1	0- more than 5% GMO's contained in the product 2- 5% or less GMO's contained in the product	Percentage of GMO's present in the provided ingredients of the product	5	Ethical	0		2			2
2	0 - Price paid is below market price 1 - Price is the market price 2- Price is at level which ensures that producer covers the cost of sustainable production for their product	Purchase price compared to market price	5	Ethical	0	1	2			1
3	0-Employer retains original legal workers documents, wages for any period longer than demanded by law 2 - Employer does not retains original legal workers documents, wages for any period longer than demanded by law	Number of retained documents by employer taking the information from random interviews	5	Ethical	0		2			2
4	0- Wages of workers are far below (20% or more) the official minimum wages or official industry benchmark standards, whichever is higher 1 - Wages of workers are slightly below (5% - 20%) the official minimum wages or official industry benchmark standards, whichever is higher 2 - Wages of workers are in line (-5% - 5%) with the official minimum wages or official industry benchmark standards, whichever is higher 3 - Wages of workers are clearly above (5% - 25%) minimum wages for respective activities (in comparison with other companies if minimum wage not really applicable for the nature of work done 4 - Wages are substantially higher (more than 25%) than common for the specific task/region	Wages compared to minimum wages and benchmarking (if available)	5	Ethical	0	1	2	3	4	2
5	0 - The company does not have an ESG policy or 0%-10% of the purchasing comes from supplier who is aware and comply with the company's ESG policies. 1 - 11%-25% of the purchasing comes from supplier who is aware and comply with the company's ESG policies. 2 - 26%-50% of the purchasing comes from supplier who is aware and comply with the company's ESG policies. 3 - 51%-75% of the purchasing comes from supplier who is aware and comply with the company's ESG policies. 4 - More than 75% of the purchasing comes from supplier who is aware and comply with the company's ESG policies.	Percentage of purchased value from suppliers compliant with company's ESG policies.	5	Ethical	0	1	2	3	4	0
6	0 - Less than 5% of local suppliers. 1 - Between 6% and 15% of local suppliers. 2 - Between 16% and 25% of local suppliers. 3 - Between 26% and 50% of local suppliers. 4 - More than 51% of local suppliers	Percentage of local suppliers (within 100km from the company) among the total suppliers.	5	Ethical	0	1	2	3	4	3
7	0 - No supply chain screening 1 - Screening of supply chain but evidence of suppliers that do not comply with the IFA principles 2 - Screening of supply chain and no evidence of suppliers that do not comply with the IFA principles	Percentage of significant suppliers and contractors that have undergone screening on IFA principles and actions taken.	4	Ethical	0	1	2			0

d. Governance Field

N.º	Define Grade (0-4)	KPIs	Relevance	Field	Evaluation					Results
1	0- Employees did not receive technical training 1- Not all of the employees that need technical training received it 2- All the employees that need technical training received it 3- All the employees that need technical training received it and receive yearly reminders and updates 4- All the employees that need technical training received it and they receive reminders and updates whenever it is necessary	Percentage of employees that were given technical training	4	Governance	0	1	2	3	4	2
2	0 - No allowance of association, punishment or discrimination against associated workers 1- Seldom communication about workers' right to associate 2- Communication of rights to associate whenever a new worker enters the company 3- Periodic communication about association rights 4- Existence of written and/or other kind of visual communication form to periodically inform all workers of their right to associate where it can be read by all employees and in a language/terminology that they can readily understand	Existence of communication method to spread the right of association	4	Governance	0	1	2	3	4	2
3	0- audit shows evidence of high financial risk of the company 2- audit shows no evidence of financial risk of the company	ROE of the product / ROA / Leverage / Profit margin - not sure if with these indicators we can show that it does not harm environment	5	Governance	0		2			2
4	0- The company does not provide information about how invested or reinvested funds were used by the company 1- The company is transparent about investment and reinvestment but does not invest in environmental or social fields 2- The company keeps record of how funds are invested and from 50% - 70% of the investment take into account environmental protection and social sustainability (efficiency, biofuels machinery, clean energy, social investment, organic products) 3- The company keeps record of how funds are invested and from 70% - 90% of the investment take into account environmental protection and social sustainability (efficiency, biofuels machinery, clean energy, social investment, organic products) 4- The company keeps record of how funds are invested and more than 90% of the investment take into account environmental protection and social sustainability (efficiency, biofuels machinery, clean energy, social investment, organic products)	Percentage of investment that was used for efficiency, biofuel machinery, clean energy, social investment or organic products	4	Governance	0	1	2	3	4	1
5	0- Employees did not receive ethical training 1- Not all of the employees received ethical training 2- All the employees received ethical training 3- All the employees received ethical training when entering the company and receive yearly reminders and updates 4- All the employees received ethical training, existence of code of conduct which is received, signed and understood by the employees when they enter the company. Employees receive yearly reminders on this topic.	Percentage of employees who have received ethical training	4	Governance	0	1	2	3	4	0
6	0- Non-compliance 2- Compliance	Tax office declaration	4	Governance	0		2			2
7	0- No Organic Agriculture Certification obtained 2- Organic Agriculture Certification obtained (for companies where it is applicable)	Evidence of Organic Agriculture Certification	4	Governance	0	1	2			1

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N.º	Define Grade (0-4)	KPIs	Relevance	Field	Evaluation					Results
8	0 - The company does not comply with the law and it does not have a tracking record of the cases. 1 - The company is aware of the issues, but it does not disclose it, and it does not tackle with any initiative, and partially comply with the law. 2 - The company complies with the law in terms of health and safety standards and monitors the circumstances of the incidents 3 - The company complies with the standards and adopts measures to improve these. 4 - The company complies with the standards and a strategy to mitigate the issues with different tools.	Rates of injury, occupational diseases, lost days, absenteeism, number of workrelated fatalities should be reported and tracked year by year / All the measures required by law have to be fully comply.	5	Governance	0	1	2	3	4	2
9	0 - Fire protection and Governance not available, 1 - Fire protection and Governance present but in poor condition or not accessible 2 - in companies with less than 50 workers: simple alarm system, workers know overall procedures and adequate equipment available; in companies with more than 50 workers: adequate equipment: fire detectors and alarms available and accessible, fire drills at least once a year 3 - well monitored and maintained system, regular safety trainings and fire drills, documented inspection and maintenance of detectors and alarms	Evidence of fire protection equipment and training	4	Governance	0	1	2	3		2
10	0 - Emergency procedures are not in place, no emergency exits, 1 - Emergency procedures are in place but not known fully by workers, emergency exits are not unobstructed, 2 - Emergency procedures are in place (written/signposted) and known by workers, emergency exits are unobstructed and clearly identified and are sufficient for quick and safe evacuation in an emergency 3- Advanced procedures are in place including training of staff on evacuation procedures and well designed emergency evacuation system (if applicable)	evidence of emergency procedures	5	Governance	0	1	2	3		3
11	0 - No safety Governance and risk analysis although safety problems 1 - No formal safety officer but Governance is aware of safety aspects 2 - One person trained as safety officer with sufficient qualification and Governance power, safety risk analysis is done regularly and employees are aware of safety risks 3 - Safety committee with participation of workers, high health and safety awareness	Average hours of training per year per employee by employee category / Designated health and safety officer	4	Governance	0	1	2	3		2
12	0 - Missing equipment although necessary 1- Equipment is provided in acceptable condition 2 - Suitable and adequate personal protection equipment provided, maintained in good condition and used OR not necessary, 3 - Very good protection efforts	Evidence of sufficient protection equipment	5	Governance	0	1	2	3		3
13	0 - On worker's areas or together with household goods 2 - Separate, locked and clearly identified storage with access restriction (if no critical chemicals: not applicable)	Adequate storage of chemicals: yes or no	4	Governance	0		2			2
14	0 - More than 50%. 1 - Between 50% and 25%. 2 - Between 24% and 15%. 3 - Between 14% and 5%. 4 - Less than 5%.	Percentage of subsidies on total assets of the company	4	Governance	0	1	2	3	4	4
15	2- 10%-30% of the production volume comes from sites which are certified by third party international food sustainability standards, 3- 31%-70% of the production volume comes from sites which are certified by third party international food sustainability standards, 4- More than 70% of the production volume comes from sites which are certified by third party international food sustainability standards	Percentage of production volume manufactured in sites certified by an independent third party according to international food sustainability standards / Percentage of purchased volume which is verified as being in accordance with international food sustainability standards .	5	Governance			2	3	4	NA
16	0 - The company can not provide the required documentation of information. 2 - The company provides records for all the information.	Existence of the following documentation: trainings, regular payment, contacts, signed code of conduct, personnel, Occupational Safety and Health Administration, community engagement	5	Governance	0		2			2

2. Clever Oil Calculation

e. Environmental Field

N°	Define Grade (0-4)	KPIs	Relevance	Field	Evaluation					Result
1	0- No disclosure of soil analysis, no safety sheet. 1- Disclosure of soil analysis, keeping record of fertilizers or pesticide purchase and usage, 80- 50% usage of chemical fertilizers and pesticides. 2- More organic than chemical fertilizers and pesticides. Compliance to chemical data safety sheet. 3- 50 - 20% of chemical fertilizers and pesticides. Compliance to chemical data safety sheet. 4- Less than 5% usage of chemical fertilizers and pesticides. Compliance to chemical data safety sheet.	Level of concentration of the chemical composition mix of the soil / Chemical data safety sheet (CLP Regulation)	4	Environmental	0	1	2	3	4	4
2	0- No identification of environmental impacts 1- Environmental impacts are identified but no action is taken to minimize negative impacts 2- General environmental impacts are identified regarding to the operation of the business and general preventive and mitigation measures are established and documented. The scope of the plan should consider entering, operating and exiting 3- Written documentation is required by the company in which environmental impacts are identified before implementing any new project and prevention and mitigation plans that show community engagement are required in order to implement the project. A general community impact action plan which considers entering, operating and exiting exists 4- Written document in which environmental impacts are identified before implementing any new project is required by the company and prevention and mitigation plans that show community engagement are required in order to implement the project. A general environmental impact action plan which considers entering, operating and exiting exists. The company has a plan which was agreed with the community in order to improve the current environmental status	Existence of an Environmental Impact assessment including an action plan for prevention and mitigation	5	Environmental	0	1	2	3	4	2
3	0 - The company does not comply with the EU directive. 2 - The company complies with the EU directive.	Compliance with EU directive on pollutants: DIRECTIVE 2008/1/EC of 15th Jan 2008.	4	Environmental	0		2			2
4	0 - No efforts to minimize energy consumption and only non-renewable energy sources 1 - Awareness of renewable energy sourcing but due to local situation not possible 2 - Adequate efforts to increase percentage of renewable and low carbon energy sources, electricity is not wasted and efforts to minimize consumption 3 - Improvement to convert to renewable/low carbon energy sources, high efficiency (in comparison with previous years) in electricity use or investment in alternative sources of electricity 4 - Exceptional efforts or all energy used is from renewable sources and minimizing electricity consumption	Direct energy consumption by primary energy source.	5	Environmental	0	1	2	3	4	4
5	0 - 20% higher than the local standard in water consumption, 1- 5% - 20% higher than the local standard in water consumption, 2 - In line with the local consumption standard 3 - Very good water conservation practices compared to local standards 4 - Exceptional efforts, minimisation of water use compared to local standards	Water consumption (Liter) in comparison to local standard	5	Environmental	0	1	2	3	4	3

INTERNATIONAL MASTER IN SUSTAINABLE DEVELOPMENT AND CR

The Clever Clover Tool

N°	Define Grade (0-4)	KPIs	Relevance	Field	Evaluation					Results
6	0 - No infrastructure for rainwater collecting 1 - Infrastructure available to irrigate from rainwater less than 50% of land 2 - Infrastructure available to irrigate from rainwater 50%-75% of land 3 - Infrastructure available to irrigate from rainwater more than 75% of land 4 - Infrastructure available to irrigate from rainwater 100% of land	Capability of rainwater collecting (Liters) / Agricultural land (Hectars)	5	Environmental	0	1	2	3	4	2
7	0 - No waste water treatment facility 2 - Waste water treatment facility available and used 4 - More than 50% of waste water handled in water treatment facility	Waste water treatment facility	5	Environmental	0	2			4	NA
8	0 - No efforts for composting, recycling and waste reduction 2 - Facilities for composting, recycling and waste reduction compared to last year 4 - Adequate waste Governance to the highest sustainability level	Total weight of waste by type and disposal method / unit produced	5	Environmental	0	2			4	4
9	0 - No use of ecological, recycled or reused materials and no reduction of packaging compared to last year, 1 - At least 10% among all the material's total volume used is recycled, reused or ecological and reduction of packaging under 5% compared to last year, 2- At least 25% among all the material's total volume used is recycled, reused or ecological and reduction of packaging from 6% to 25% compared to last year, 3- Over 25% among all the material's total volume used is recycled, reduced or ecological and reduction of packaging from 26% to 50%, 4- More than 50% among all the material's total volume used is recycled, reused or ecological and reduction of packaging of more than 50%	Reduction rate of amount of materials used for packaging / Percentage of recycled and reused materials for packaging / Percentage of ecological materials over total packaging	5	Environmental	0	1	2	3	4	4
10	0 - The company hasn't a Carbon Footprint calculation. 1 - The company is in the first year of the Carbon Footprint calculation, without possibility to have a benchmark to reduce it. 2 - The company has a previous data of its Carbon Footprint and it has reduced it by up to 5%. 3 - The company has a previous data of its Carbon Footprint and it has reduced it by up to 15%. 4 - The company has a previous data of its Carbon Footprint and it has reduced it by up to 25%.	Existence of a Carbon Footprint calculation and reduction trend	4	Environmental	0	1	2	3	4	1

f. Social Field

N°	Define Grade (0-4)	KPIs	Relevance	Field	Evaluation					Result
8	0 - no evidence that Employer provides workers with a clean, safe and litter-free working environment that includes, but is not limited to, potable water, convenient access to toilet facilities in adequate numbers, adequate lighting, access to clean eating areas, sufficient ventilation and/or heating 2 - Evidence that Employer provides workers with a clean, safe and litter-free working environment that includes, but is not limited to, potable water, convenient access to toilet facilities in adequate numbers, adequate lighting, access to clean eating areas, sufficient ventilation and/or heating	Evidence of water and sanitary facilities for all workers	4	Social	0		2			2
9	0 - No aspect of working conditions is defined in writing 1- Written agreement on employment conditions only if permanent workers OR documents not covering all aspects (job position, wage, benefits if any, working times, leave entitlement) 2 - Written agreement on employment conditions for all workers 3 - Good and detailed contracts, outlining rights and duties of both sides, signed by employer and workers, worker receives a copy	Evidence of employment contract	4	Social	0	1	2	3		3
10	0 - Payments not on-time, delayed, very irregular 1 - Payments not on fixed days or occasionally slightly delayed payments 2 - Payments are done regularly and on fixed days	Evidence of payments on time	5	Social	0	1	2			2
11	0 - Payments are not documented 1 - Payments are poorly documented 2 - Payments are well documented and confirmed by cross checking with other documentation (i.e. time records, contract, bookkeeping)	Evidence of payments documentation / wage slip	5	Social	0	1	2			2
12	0- No compliance with national labour legislation in regard to social benefits (sick leave, retirement, medical insurance, maternity, unemployment benefits) 2 - Compliance with national labour legislation in regard to social benefits (sick leave, retirement, medical insurance, maternity, unemployment benefits) for all workers 3 - Better social benefits than legally required	Evidence of providing social benefits	5	Social	0	1	2	3		2
13	0 - Weekly working hours are more than 20% higher than national labour legislation: equal or less than 48hrs 1- Weekly working hours are 5% - 20% higher than national labour legislation: equal or less than 48hrs 2 - Weekly working hours are in line with national labour legislations: equal or less than 48 hours, at least 1 rest day out of seven 3 - Weekly working hours lower than legal maximum hours	Number of weekly working hours	5	Social	0	1	2	3		2
14	0 - Overtime is compulsory, not remunerated extra 1 - Overtime is voluntary, not remunerated extra 2 - Overtime is voluntary, not demanded on regular basis and remunerated as per legal requirements 3 - All overtime remunerated at premium rate	Remuneration of overtime	5	Social	0	1	2	3		2
15	0 - Employer does hire and fire on continuous basis to avoid regular employment (i.e. social security payments) 2 - Employer does not hire and fire on continuous basis to avoid regular employment (i.e. social security payments) 3 all workers doing regular work are employed as permanent workers	Status of employment: number of permanent contracts over total contacts	4	Social	0	1	2	3		2

g. Ethical Field

N°	Define Grade (0-4)	KPIs	Relevance	Field	Evaluation					Results
1	0- more than 5% GMO's contained in the product 2- 5% or less GMO's contained in the product	Percentage of GMO's present in the provided ingredients of the product	5	Ethical	0		2			NA
2	0 - Price paid is below market price 1 - Price is the market price 2- Price is at level which ensures that producer covers the cost of sustainable production for their product	Purchase price compared to market price	5	Ethical	0	1	2			1
3	0-Employer retains original legal workers documents, wages for any period longer than demanded by law 2 - Employer does not retains original legal workers documents, wages for any period longer than demanded by law	Number of retained documents by employer taking the information from random interviews	5	Ethical	0		2			2
4	0- Wages of workers are far below (20% or more) the official minimum wages or official industry benchmark standards, whichever is higher 1 - Wages of workers are slightly below (5% - 20%) the official minimum wages or official industry benchmark standards, whichever is higher 2 - Wages of workers are in line (-5% - 5%) with the official minimum wages or official industry benchmark standards, whichever is higher 3 - Wages of workers are clearly above (5% - 25%) minimum wages for respective activities (in comparison with other companies if minimum wage not really applicable for the nature of work done 4 - Wages are substantially higher (more than 25%) than comon for the specific task/region	Wages compared to minimum wages and benchmarking (if available)	5	Ethical	0	1	2	3	4	2
5	0 - The company does not have an ESG policy or 0%-10% of the purchasing comes from supplier who is aware and comply with the company's ESG policies. 1 - 11%-25% of the purchasing comes from supplier who is aware and comply with the company's ESG policies. 2 - 26%-50% of the purchasing comes from supplier who is aware and comply with the company's ESG policies. 3 - 51%-75% of the purchasing comes from supplier who is aware and comply with the company's ESG policies. 4 - More than 75% of the purchasing comes from supplier who is aware and comply with the company's ESG policies.	Percentage of purchased value from suppliers compliant with company's ESG policies.	5	Ethical	0	1	2	3	4	3
6	0 - Less than 5% of local suppliers. 1 - Between 6% and 15% of local suppliers. 2 - Between 16% and 25% of local suppliers. 3 - Between 26% and 50% of local suppliers. 4 - More than 51% of local suppliers	Percentage of local suppliers (within 100km from the company) among the total suppliers.	5	Ethical	0	1	2	3	4	4
7	0 - No supply chain screening 1 - Screening of supply chain but evidence of suppliers that do not comply with the IFA principles 2 - Screening of supply chain and no evidence of suppliers that do not comply with the IFA principles	Percentage of significant suppliers and contractors that have undergone screening on IFA principles and actions taken.	4	Ethical	0	1	2			2

h. Governance Field

N°	Define Grade (0-4)	KPIs	Relevance	Field	Evaluation					Results
1	0- Employees did not receive technical training 1- Not all of the employees that need technical training received it 2- All the employees that need technical training received it 3- All the employees that need technical training received it and receive yearly reminders and updates 4- All the employees that need technical training received it and they receive reminders and updates whenever it is necessary	Percentage of employees that were given technical training	4	Governance	0	1	2	3	4	3
2	0 - No allowance of association, punishment or discrimination against associated workers 1- Seldom communication about workers' right to associate 2- Communication of rights to associate whenever a new worker enters the company 3- Periodic communication about association rights 4- Existence of written and/or other kind of visual communication form to periodically inform all workers of their right to associate where it can be read by all employees and in a language/terminology that they can readily understand	Existence of communication method to spread the right of association	4	Governance	0	1	2	3	4	2
3	0- audit shows evidence of high financial risk of the company 2- audit shows no evidence of financial risk of the company	ROE of the product / ROA / Leverage / Profit margin - not sure if with these indicators we can show that it does not harm environment	5	Governance	0		2			2
4	0- The company does not provide information about how invested or reinvested funds were used by the company 1- The company is transparent about investment and reinvestment but does not invest in environmental or social fields 2- The company keeps record of how funds are invested and from 50% - 70% of the investment take into account environmental protection and social sustainability (efficiency, biofuels machinery, clean energy, social investment, organic products) 3- The company keeps record of how funds are invested and from 70% - 90% of the investment take into account environmental protection and social sustainability (efficiency, biofuels machinery, clean energy, social investment, organic products) 4- The company keeps record of how funds are invested and more than 90% of the investment take into account environmental protection and social sustainability (efficiency, biofuels machinery, clean energy, social investment, organic products)	Percentage of investment that was used for efficiency, biofuel machinery, clean energy, social investment or organic products	4	Governance	0	1	2	3	4	3
5	0- Employees did not receive ethical training 1- Not all of the employees received ethical training 2- All the employees received ethical training 3- All the employees received ethical training when entering the company and receive yearly reminders and updates 4- All the employees received ethical training, existence of code of conduct which is received, signed and understood by the employees when they enter the company. Employees receive yearly reminders on this topic.	Percentage of employees who have received ethical training	4	Governance	0	1	2	3	4	1
6	0- Non-compliance 2- Compliance	Tax office declaration	4	Governance	0		2			2
7	0- No Organic Agriculture Certification obtained 2- Organic Agriculture Certification obtained (for companies where it is applicable)	Evidence of Organic Agriculture Certification	4	Governance	0		2			2

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The Clever Clover Tool

N°	Define Grade (0-4)	KPIs	Relevance	Field	Evaluation					Results
8	0 - The company does not comply with the law and it does not have a tracking record of the cases. 1 - The company is aware of the issues, but it does not disclose it, and it does not tackle with any initiative, and partially comply with the law. 2 - The company complies with the law in terms of health and safety standards and monitors the circumstances of the incidents 3 - The company complies with the standards and adopts measures to improve these. 4 - The company complies with the standards and a strategy to mitigate the issues with different tools.	Rates of injury, occupational diseases, lost days, absenteeism, number of workrelated fatalities should be reported and tracked year by year / All the measures required by law have to be fully comply.	5	Governance	0	1	2	3	4	2
9	0 - Fire protection and Governance not available, 1 - Fire protection and Governance present but in poor condition or not accessible 2 - in companies with less than 50 workers: simple alarm system, workers know overall procedures and adequate equipment available; in companies with more than 50 workers: adequate equipment: fire detectors and alarms available and accessible, fire drills at least once a year 3 - well monitored and maintained system, regular safety trainings and fire drills, documented inspection and maintenance of detectors and alarms	Evidence of fire protection equipment and training	4	Governance	0	1	2	3		2
10	0 - Emergency procedures are not in place, no emergency exits, 1 - Emergency procedures are in place but not known fully by workers, emergency exits are not unobstructed, 2 - Emergency procedures are in place (written/signposted) and known by workers, emergency exits are unobstructed and clearly identified and are sufficient for quick and safe evacuation in an emergency 3- Advanced procedures are in place including training of staff on evacuation procedures and well designed emergency evacuation system (if applicable)	evidence of emergency procedures	5	Governance	0	1	2	3		2
11	0 - No safety Governance and risk analysis although safety problems 1 - No formal safety officer but Governance is aware of safety aspects 2 - One person trained as safety officer with sufficient qualification and Governance power, safety risk analysis is done regularly and employees are aware of safety risks 3 - Safety committee with participation of workers, high health and safety awareness	Average hours of training per year per employee by employee category / Designated health and safety officer	4	Governance	0	1	2	3		2
12	0 - Missing equipment although necessary 1- Equipment is provided in acceptable condition 2 - Suitable and adequate personal protection equipment provided, maintained in good condition and used OR not necessary, 3 - Very good protection efforts	Evidence of sufficient protection equipment	5	Governance	0	1	2	3		2
13	0 - On worker's areas or together with household goods 2 - Separate, locked and clearly identified storage with access restriction (if no critical chemicals: not applicable)	Adequate storage of chemicals: yes or no	4	Governance	0		2			2
14	0 - More than 50%. 1 - Between 50% and 25%. 2 - Between 24% and 15%. 3 - Between 14% and 5%. 4 - Less than 5%.	Percentage of subsidies on total assets of the company	4	Governance	0	1	2	3	4	2
15	2- 10%-30% of the production volume comes from sites which are certified by third party international food sustainability standards, 3- 31%-70% of the production volume comes from sites which are certified by third party international food sustainability standards, 4- More than 70% of the production volume comes from sites which are certified by third party international food sustainability standards	Percentage of production volume manufactured in sites certified by an independent third party according to international food sustainability standards / Percentage of purchased volume which is verified as being in accordance with international food sustainability standards	5	Governance			2	3	4	NA
16	0 - The company can not provide the required documentation of information. 2 - The company provides records for all the information.	Existence of the following documentation: trainings, regular payment, contacts, signed code of conduct, personnel, Occupational Safety and Health	5	Governance	0		2			2

Annex 5 - Look and feel Survey

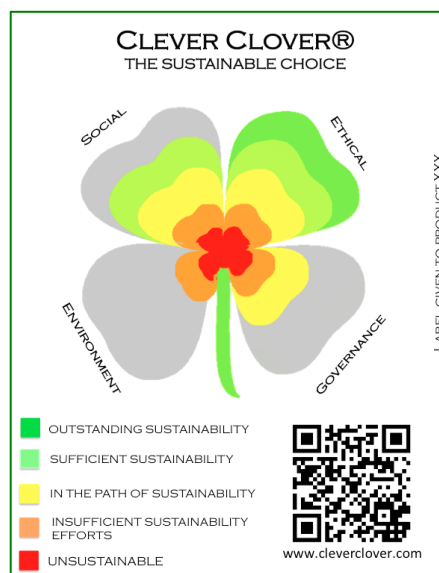
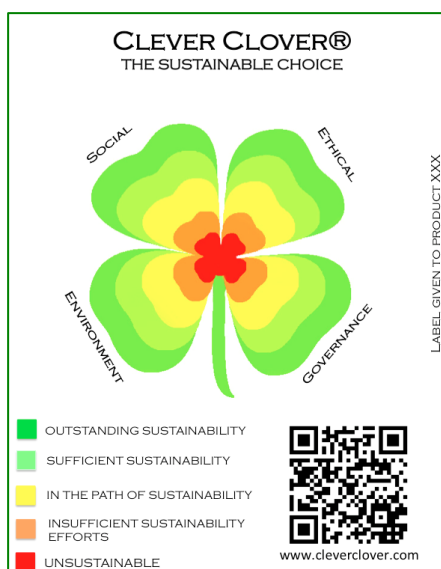
The Label Survey

1. From 1 (bad) to 5 (good), how would you evaluate the following labels in terms of their **SIMPLICITY** and **CLARITY**?

Option 1

Simplicity 1 2 3 4 5

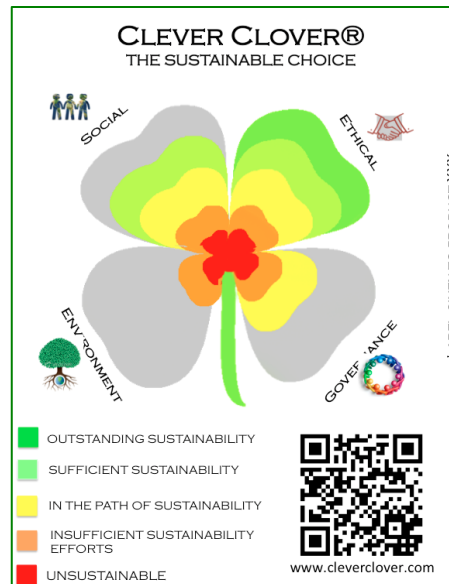
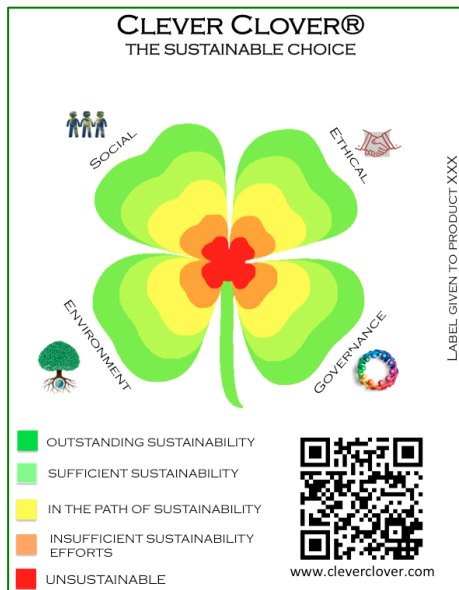
Clarity 1 2 3 4 5



Option 2

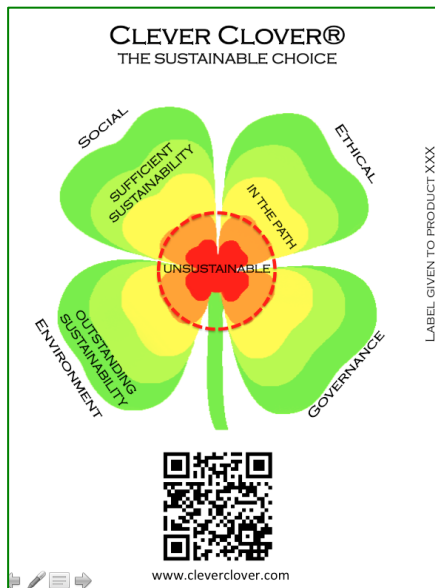
Simplicity 1 2 3 4 5

Clarity 1 2 3 4 5



Option 3

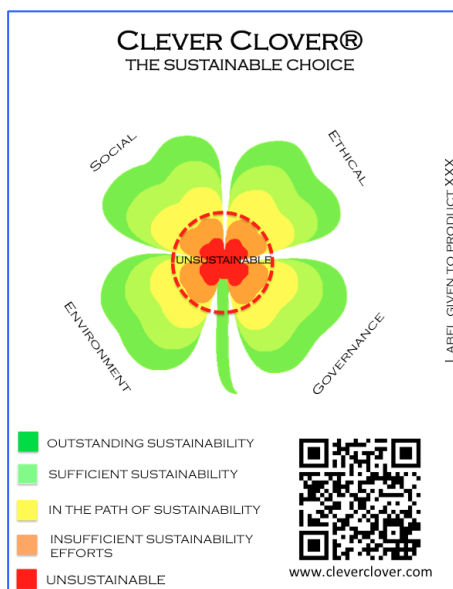
Simplicity	1	2	3	4	5
Clarity	1	2	3	4	5



Option 4

Simplicity 1 2 3 4 5

Clarity 1 2 3 4 5



2. Which of the above options you think can be more EFFECTIVE to transmit the status of sustainability of a food product?

Option 1 / Option 2 / Option 3 / Option 4

3. Do you have any suggestions to improve the image of the label that you consider the most effective?

Results

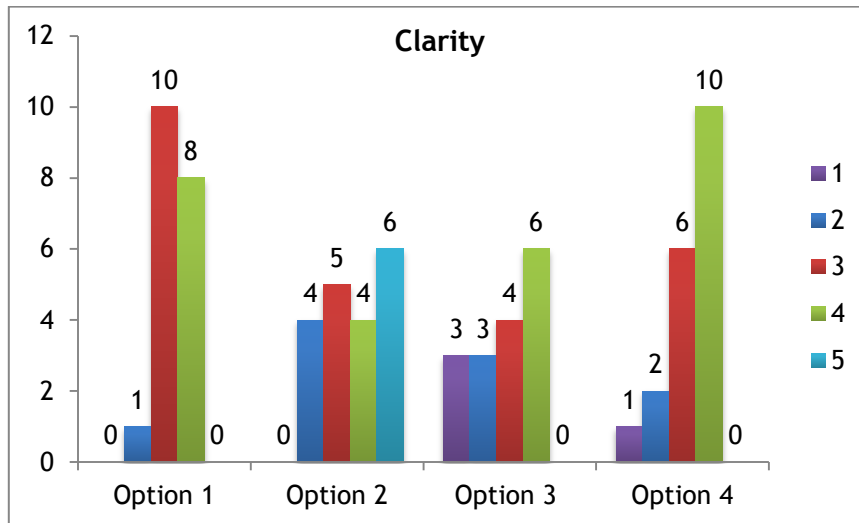
Total number of respondents: 19

1. Simplicity (1 bad, 5 good)

	1	2	3	4	5
Option 1	0	0	10	8	1
Option 2	0	3	4	10	2
Option 3	2	5	6	6	0
Option 4	0	2	5	10	2

2. Clarity (1 bad, 5 good)

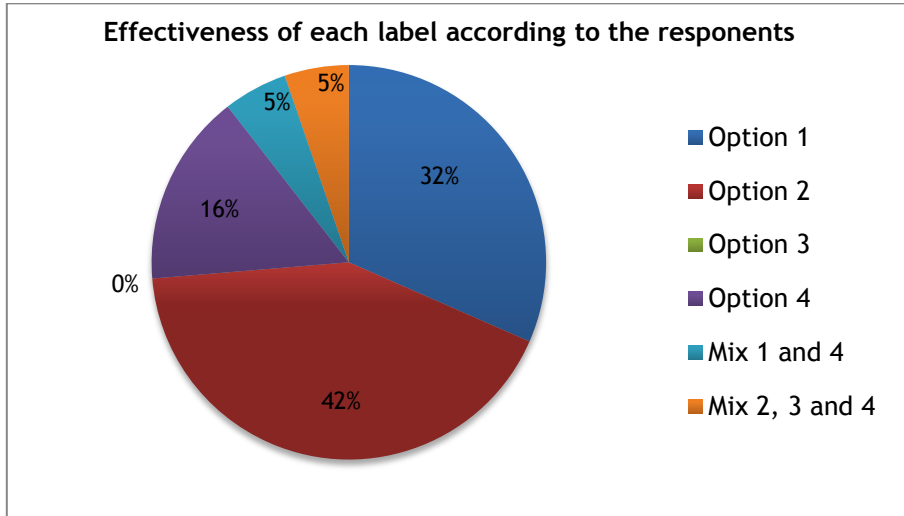
	1	2	3	4	5
Option 1	0	1	10	8	0
Option 2	0	4	5	9	1
Option 3	3	3	4	6	0
Option 4	1	2	6	10	0



- Only 1 person thinks that the label in Option 2 is absolutely clear, so there is a filed of improvement.
- The clearest label according to the respondents is Option 4, which was graded with 4 by more than half of the respondents.

3. Effectiveness

Effectiveness	
Option 1	6
Option 2	8
Option 3	0
Option 4	3
Mix 1 and 4	1
Mix 2, 3 and 4	1



- 42% of the respondents selected the Option 2 as the more effective for communicating the sustainability of products, followed by Option 1, which was preferred by the 32% of the respondents. Since the only difference between these 2 options is the use of images to support the main 4 fields, the effectiveness of pictures is evident.
- Option 4 cannot be ignored because it was preferred by 16% of the respondents and suggestions of merging it with other options appeared.

Suggestions

I don't know if governance and ethic are clear ideas for most of the people. The leaf and the different colors can address partially this problem. Probably many people would notice the colors, and even if they don't exactly what it is about, would understand that green is better. But I don't know whether it's good or bad that they don't know...

Maybe you can combine option 1 and 3 - with the grey areas and the circle. I know, I like the one with the icons, but i am afraid that nobody understands if it is too small. KISS - simplicity is very important. It has to be clear with the first view if the product is sustainable or not. I like your project :-)) Good job!!

I like it, even it is quite "complex" at beginning due to the things it wants to measure. But, once you "read" it, I it's possible to understand.

I would suggest to change sufficient sustainable for applied sustainability, because I think the word sufficient with trick views, such as: how much sufficient and whom is considering it sufficient, in which conditions?

I would suggest that when the side of the clover that is not fully developed should be smaller, but the grey area should be omitted. This would visually help individuals see which area needs work on.... the grey area might distract a bit.

Y el "Clever Clover"me encanta el nombre. Yo soy medio dolor con colores y demás, por lo tanto para mi sería la etiqueta perfecta haciendo un mix del 1 y del 4 1 con el círculo unsustainable en los petalos y sería todavía más chiva si le bajan un poco a la opacidad de los colores para que se vea menos bright y le de un aire más serio.

The circle gives a clear idea between be or not be sustainable

For all, explain what sustainability means, what each category means. For option 2, a more explicit icon for governance

Option 2: Governance logo is not understandable enough, and hands can be without color bellow

Option 4: Como leyenda, tal vez pudiera ser mas visual poner una barra de gradiente, donde el color vaya variando progresivamente, en la que tan solo pongas el valor mínimo (insostenible) y el máximo, en vez de el significado de todos los colores. Se sobre-entiende que el rojo es el peor y el verde el mejor.

Perhaps it can use gradients

In the case of option 1, I would just clarify what the gray areas refer to, for instance: "N/A"

It is unclear to me why options 1 and 2 have two labels. The problem here is that the label on the left does not really express the sustainability level of the product. To solve this problem two options come to mind. The first consists on adding a point in the level of sustainability achieved by the product for

each category. Then connect these points by a dotted line (straight line is a standard practice in these type of diagrams). The second option is to use the right hand label of the option, adding for this label a dotted line dividing each of the levels for all categories. Any of the two options works for me, and it would make clear where the level stands upon the qualification. But using only one label. 2 labels makes it more complicated than needed. Options 1 and 2 are identical, I chose 1 because is simpler (without the icons that do not add information to the label), however, I could live with option 2.