

Juicy dilemmas



The following three companies are eligible for the Best Buy award:

Ragman's Lane Farm organic apple juices (for stockists www.ragmans.co.uk 01594 860244). Ragmans also distributes nationally through the Essential Trading co-op (www.essential-trading.co.uk 0117 9583550).

RDA Organics (0208 871 3917) is available through Waitrose, Ocado and many other outlets.

Fruit Hit (01179 175 620), stocked by Martin McColl independent retailers (find local stores at www.martineccoll.co.uk), AMT Coffee shops and wholefood distributors like Suma and Essential.



16



16



15

Of the more widely available brands, **Fruit Passion** juices and **Growers Direct** apple juice come out best.

With more fruit juice options on offer than ever before, **Jo Southall** sorts through the pith and piffle.

Your choice of morning fruit juice can be a choice between the exploitative labour conditions of the \$3bn orange juice market, supporting Fairtrade, or buying local and organic apple juice.

While Spain might come to mind when you think of oranges, most UK orange juice – and all of the UK's top selling brand Tropicana – comes from Brazil. In 2006 Brazilian unions estimated that 40% of the 60,000 orange pickers who harvest the world's largest orange crop in Sao Paulo earned less than the minimum wage. And half of these workers did not receive legally-required benefits. Ten years ago there were child labour scandals with orange production in Brazil, including the assassination of child labour campaigner Carlos 'Gato' Alberto Santos de Oliveira in 2001.¹

Workers in the Florida plantations, predominantly Mexican migrants fared little better, according to Alissa Hamilton's recent expose "Squeezed: What you don't know about Orange Juice" (Yale University Press, 2009). Illegal immigrants pick much of Florida's crops, spending long days picking in the sweltering heat for low pay. And despite a 10% unemployment rate and even a campaign by the United Farm Workers union encouraging US citizens to take up the jobs, tellingly US citizens are reluctant to subject themselves to the pay and working conditions of the plantations.

What's in this buyers' guide?

This report looks at fruit juice (not juice drinks), pressés, smoothies or primarily vegetable-based drinks. Companies that make orange and/or apple juice were chosen, as these were the first and second most consumed juices respectively. Orange juice was the most comparable product, apple juice appears only where the company does not make orange juice, or the company makes UK apple juice in addition to orange juice.

Comparing apples with oranges

Alissa Hamilton notes the historical role of US mass marketing campaigns involving the likes of Bing Crosby in transforming the orange from a luxury fruit into a 'perceived life necessity', creating today's orange juice market based on complex industrial processes. This global market stands in sharp contrast to the more ethical types of UK apple juice, where, for example, genetic diversity (necessary in order to combat pests and changes in habitat) is being maintained through cultivation of rare varieties.

Origin and variety

Some retailers are being increasingly upfront about the country of origin and specific variety of fruit in their juices. Marks & Spencer, for example, offer Discovery, British and Pink Lady apple juices as well as Spanish Valencia, Spanish clementine and Florida orange juices. Widely available brand Copella sells English apple juice produced on its own farm. While smaller producers Ragman's Lane Farm and James White grow the apples for their juice.

The John Lewis Partnership (which owns Waitrose), has its own farm, where it grows apples for its Leckford Estate apple juice.

In 2008 the Co-operative Group bought 1,000 varieties of rare UK heritage apple trees that were in danger of extinction, some of these apples were used to make its Tillington apple juice. Tillington is one of the Co-op's many farms.

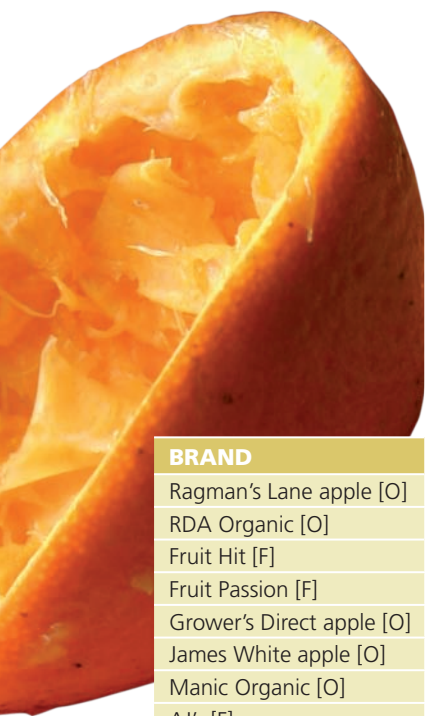
Carbon costs of orange juice

Tesco is the only company in this report signed up to the Carbon Trust's Carbon Reduction Label for their juice. Companies signed up to the scheme don't have to include the product's carbon footprint on the label, but Tesco has disclosed the footprints of four of its

working with
the Carbon Trust



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BRAND	EthiScore (out of 20)	Environment	Animals	People	Politics	+ve	COMPANY GROUP
Ragman's Lane apple [O]	16					★	1 Ragman's Lane Farm
RDA Organic [O]	16					★	1 Boost Trading Ltd
Fruit Hit [F]	15					★	1 Natural Beverage Company
Fruit Passion [F]	13	●					1 Quadriga Worldwide
Grower's Direct apple [O]	13	●					1 Quadriga Worldwide
James White apple [O]	13	●					1 James White Drinks
Manic Organic [O]	13	●					1 James White Drinks
AJ's [F]	12.5	●					1 Food Brands Group
Don Simon orange	12	●					Priesca SA
James White apple	12	●					James White Drinks
Sunpride	12	●					Quadriga Worldwide
Grove Organic Fruit [O]	10.5	●	○	○	○		1 Lydian Capital Partners L P
Co-op Fairtrade [F]	7.5		○	○	○	☆	1 Co-operative Group Ltd
Co-op	6.5		○	○	○	☆	1 Co-operative Group Ltd
Waitrose	6.5	○	●	○	○	★	John Lewis Partnership plc
Del Monte	5.5	●	●	○	○		Fresh Del Monte Produce Inc,
Just Juice	5.5	●	●	○	○		Fresh Del Monte Produce Inc,
M&S organic [O]	5.5		○	○	○		1 Marks & Spencer Group plc
Morrisons Fairtrade [F]	5.5	○	●	○	○		1 Wm Morrison Supermarkets
Morrisons Organic [O]	5.5	○	●	○	○		1 Wm Morrison Supermarkets
M&S	4.5		○	○	○		Marks & Spencer Group plc
Morrisons	4.5	○	●	○	○		Wm Morrison Supermarkets
Sainsbury's Organic [O]	4.5	○	●	○	○		1 J Sainsbury plc
Copella apple	3.5		○	●	○		PepsiCo Inc
Princes	3.5	○	●	○	○		Mitsubishi Corporation
Sainsbury's	3.5	○	●	○	○		J Sainsbury plc
Tropicana	3.5		○	●	○		PepsiCo Inc
Tesco Fairtrade orange[F]	2.5	○	●	○	○		1 Tesco plc
Tesco Organic [O]	2.5	○	●	○	○		1 Tesco plc
Tesco	1.5	○	●	○	○		Tesco plc
Asda Organic apple [O]	1	●	●	●	○		1 Wal-Mart Stores Inc
Asda	0	●	●	●	○		Wal-Mart Stores Inc

USING THE TABLES

EthiScore (out of 20): the higher the score, the better the company across all the criticism categories.

● bottom rating ○ middle rating □ top rating (no criticisms) [F] = Fairtrade [O] = Organic

Positive ratings (+ve): Company Ethos: ★ full mark ☆ half mark Product Sustainability: Maximum of five positive marks

See 'Our Rating System' page at www.ethicalconsumer.org for category definitions

Buyers' Guides Plus - see all the research behind the ratings together with a PDF of this report at www.ethicalconsumer.org. £3 or free to subscribers.

orange juices. Per 250ml, the juices accounted for between 220g-360g 'CO₂ equivalent', with juice from concentrate being at the lower end of this scale.

Friends of the Earth have suggested a sustainable annual carbon allowance would be 2.2 tonnes, with 13%, or 780g a day, for food. With a glass of orange juice clocking in at around a third to a half of that daily allowance it is clear how unsustainable our current food system is. Tropicana has also worked with the Carbon Trust to measure the footprint of

its orange juice,³ which works out at 225g per glass.

The Fairtrade Foundation and Traidcraft are both keen to argue that concerns over carbon footprints should not be used to justify not buying Fairtrade products from far afield.

The Fairtrade Foundation point out that the vast majority of Fairtrade produce is exported to the UK by ship and that even airfreighting only accounts for 0.3% of total UK greenhouse gases, compared to dairy and meat which account for 8%. And as our own 'ethical



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FRUIT JUIC



sceptic’ Simon Birch has argued (EC102), why shouldn’t the carbon cost of Fairtrade goods be accounted for as part of the (minimal) carbon footprints of impoverished producers, rather than those of rich country consumers? From this point of view the carbon impacts of imported Fairtrade goods are an equitable use of global resources.

Packaging

Carton producers Tetra Pak and SIG Combibloc have both commissioned independently or peer reviewed ‘life cycle analyses’ (LCAs) comparing their packaging with cans, glass and with PET plastic and pouches respectively. Unsurprisingly, cartons come out as the superior product. But arguably both of these LCAs are based on four flawed assumptions. The first of these is that the other products have to be cylindrical (thus wasting space when packed). Secondly, that they are always made from raw, rather than recycled materials. Thirdly, that the other products are already in their lightest form (glass can be lightweighted). And fourthly, that it’s impossible to refill any of these products.

The paper, plastic and foil in cartons can all be recycled, although currently only around 15% of UK cartons are recycled. Tetra Pak provides an online interactive map that shows how cartons can be recycled in your area, if at all (see www.tetrapakrecycling.co.uk/locator.asp).

But the process post collection is not straightforward or particularly low energy. Facilities to recycle cartons in the UK no longer exist and cartons collected in the UK are being sent for recycling to Sweden. Cartons are currently enjoying an upsurge in popularity due to the emphasis on lightweight packaging, but as they can’t be reused and

Price comparison

Company	Source	£ price	size	£ per 250ml
Sainsbury’s Basics	Sainsbury’s	0.56	1l	0.14
Asda Smart Price	Asda	0.56	1l	0.14
Waitrose Essential	Waitrose	1.00	1l	0.25
Fruit Passion orange juice	Sainsbury’s	1.52	1l	0.38
Grower’s Direct orange juice	Suma	1.79	1l	0.45
RDA Organics orange and grapefruit	Ocado	1.99	250ml	0.50
AJ’s orange juice		0.89	400ml	0.56
Grove Organic Fruit Co orange juice	Waitrose	2.77	1l	0.70
Ragman’s Lane apple juice	Company email	2.68	750ml	0.89
Fruit Hit orange juice	MoodFood.co.uk	1.99	500ml	1.00
James White apple juice	Suma	2.99	750ml	1.00
James White apple juice, single variety	Suma	1.35	250ml	1.35
Manic Organic apple+cherry	Suma	1.39	250ml	1.39

recycling is far from unproblematic it is questionable whether they are a sustainable option, compared to, say, returnable bottles.

Ragman’s Lane and James White are the only companies we found selling juice in glass bottles (although James White’s Manic Organic range was sold in plastic bottles). Ragman’s Lane bottles have a high recycled glass content. The rest of the companies use cartons and/or plastic.

Company Profiles

Ragman’s Lane Farm is a permaculture-based farm that is, “primarily about educating and employing people to work the land sustainably” and runs various courses.

Food Brands Group own both Fairtrade and non-Fairtrade brands.

Quadriga subsidiary Gerber Juice Company Ltd is a massive juice supplier not just to brands that it owns such as Sunpride, Fruit Passion and Grower’s Direct but also to ‘private label’ markets (eg supermarket own-brands), which account for 60% of the fruit juice market. Gerber’s size gives it a lot of power to influence the juice market for good.

However from its website it is clear that the company is focussed on “high quality and...low costs”, and beyond its organic and Fairtrade brands, there is no mention of ethical considerations. Gerber is owned by Hanover Acceptances, which owns an undisclosed proportion of the London wholefoods chain Fresh and Wild, which was controversially taken over by US company Whole Foods Market and has since adopted its US parent company’s name. Hanover is owned by **Quadriga**,

which also owns hotels. Traidcraft worked with Gerber Juice Company Ltd to create Fruit Passion and continues to work with them to identify new producers.

Grove Organic Fruit Company is owned by Wellness Foods Limited which is in turn owned by **Lydian Capital Partners**. Lydian has a range of investments, including specialist healthcare.

Fresh Del Monte Produce Inc’s pineapple plantations in Costa Rica were recently named in a Guardian report on pesticide pollution and workers’ rights abuses in the industry. A supplier to Tesco and ASDA was also named.

Tropicana and **Copella** are both owned by **Pepsico**. Copella has a Youtube channel with advice about getting the most out of your community’s apple trees. Pepsico is a massive food business with many brands and is a member of several ‘free’ trade lobby groups.

Princes is owned by the giant Mitsubishi Corporation, which is involved in a range of sectors. It is on the Burma Campaign UK’s Dirty List. The campaign is asking people to contact companies on its list and tell them you will be boycotting their products until they cease ties with Burma’s military government.

We couldn’t find any criticisms of **Don Simon**. However, this may well be a case of a company having an artificially high ethiscore due to there being no information from campaign groups about the company, as opposed to the company being squeaky clean.

References: 1 ‘Brazil loses child labour warrior’, Workers Online, 5th October 2001. 3 http://www.pepsico.com/annual09/ourStories_A_Big_Step_Toward_Reduced_Carbon_Footprint.html.

image © Daren Horwood | Dreamstime.com

How to find local juice

The Soil Association list can be found by doing a web search for: ‘soil association source marketplace’ – use the map and links on the right to select your local area.

Common Ground’s ‘England in Particular’ website provides details of local English juice providers: www.england-in-particular.info/orchards/o-counties.html

www.farmshop.uk.com enables you to search by postcode.

None of these lists promises to be exhaustive, and farmers markets and local box schemes may be a good option.

fruit juice: the stories behind the table ratings

AJ's juice

Owned by Food Brands Group (Holdings) plc

Food Brands Group (Holdings) plc, 9-10 Calico House, Plantation Wharf, Battersea, London, SW11 3TN

Environment

Environmental Reporting

Worst ECRA rating for environment report (August 2010)

The Food Brands Group Ltd website (fbg.co.uk) was checked on 30 August 2010. The site was under construction, as it had been on several previous occasions in that month.

According to Hoovers.com, the company had a turnover of over £5m.

As the fbg.com website was not working, the company had to be given a worst ECRA rating for environmental policy, as there was no evidence that the company had a policy. The company had not responded to an ECRA questionnaire sent at the time asking for this info. (ref: 1)

People

Supply Chain Policy

Worst ECRA rating for supply chain policy (August 2010)

The Food Brands Group Ltd website (fbg.co.uk) was checked on 30 August 2010. The site was under construction, as it had been on several previous occasions in that month.

A search was made for Food Brands Group minus fbg.co.uk (in order to bring up results that were not related to the company's own website. This revealed one of the company's other brands, Rocketfuel. The Rocketfuel website (rocketfuel.uk.com) was checked, but no evidence could be found that Rocketfuel coffee was fair trade. For this reason, Food Brands Group was not given an exemption in the supply chain category as it would have, had all its products been fair trade.

As the fbg.com website was not working, the company received a worst ECRA rating for supply chain policy, as there was no evidence that the company had a policy. The company had not responded to an ECRA questionnaire requesting this info. (ref: 1)

Politics

Genetic Engineering

No GM policy (September 2010)

The Food Brands Group website (fbg.co.uk) was not accessible during August 2010 and September 2010. Evidence was found that the company had the following brands:

Rocketfuel coffee and guarana shots, Percol coffee and Percola cola, AJ's fruit juice

Rocketfuel and Percol/Percola both had their own websites. Evidence was found on the Percol site that Percol was sold in the US and that not all Percol product were organic. There was no mention of organics or a GM stance on the Rocketfuel website.

As such, Ethical Consumer judged that the company had no group-wide GM-free policy. (ref: 2)

Product sustainability

Fairtrade Product

Fairtrade certified (August 2010)

According to the Fairtrade Foundation website (fairtrade.org.uk) searched in August 2010, Food Brands Group owned the AJ's brand which sold a Fairtrade orange juice. (ref: 3)

Asda juice

Owned by Asda Group Ltd

Asda Group Ltd, ASDA House, Southbank, Great Wilson Street, Leeds, LS11 5AD, England

Asda Group Ltd is owned by Wal-Mart Stores Inc

Wal-Mart Stores Inc, PO Box 1039, Bentonville, Arkansas, 72716-8611, USA

Environment

Environmental Reporting

Worst ECRA rating for environmental reporting (August 2010)

The "Sustainability" section of the Asda website, your.asda.com, was viewed by Ethical Consumer in August 2010, which included information about the company's environmental activities. Three dated, quantified future targets were provided: to reduce energy consumption in existing stores by 20% by 2012 from 2005 levels, and for all palm oil used to be from Roundtable of Sustainable Palm Oil (RSPO) certified sustainable sources by 2015. By 2012 the company aimed to source salmon and prawns certified through the Global Aquaculture Alliance Best Aquaculture Practice or Global GAP schemes. A number of other targets were no longer future at the time of viewing and no meaningful carbon disclosure was provided. It was not clear when the information had been published; a target of 2009 was mentioned so it was assumed to have been published in 2008. The company was not considered to have demonstrated a reasonable understanding of its main environmental impacts, and no mention was made of independent verification of environmental data. Asda received Ethical Consumer's worst rating for environmental reporting. (ref: 4)

Poor independent rating on CSR in supermarkets (November 2006)

Ethical Performance November 2006 reported that Asda received a poor rating (rated as a 'D') in a report by the National Consumer Council on supermarkets' progress on corporate responsibility. The rating covered supermarkets progress on CSR factors including: commitment to stocking seasonal food and organics, sustainable sourcing policies and attempts at cutting waste. (ref: 5)

Climate Change

Petrol retailer (May 2010)

In May 2010 an article on the Mail Online website, www.dailymail.co.uk, stated that ASDA had "triggered a price war over fuel... by cutting 2p from the cost of petrol." Retailing petrol was considered by Ethical Consumer to be operating in a high climate change impact sector. (ref: 6)

Use of non Certified Sustainable Palm Oil (July 2009)

In May/June 2009, ECRA contacted Asda and asked the company about its palm oil policy. The company did not reply to the questionnaire. A search was made of the company website (www.about-asda.com) on 8th July 2009. The site stated that the company was a member of the RSPO, and that in 2007 Asda had pledged to not take any palm oil from Indonesia or Sumatra by the end of 2008. It did not state if it had fulfilled the pledge and the website had a copyright date of 2008. As campaigners had also highlighted problems with palm oil from Malaysia, Asda still received negative marks for impacts on climate change, human

rights, endangered species (orang-utan) and habitat destruction. (ref: 7)

Policy on stocking local produce (October 2008)

Wal-Mart did not respond to a request made by ECRA in October 2008 for details on its policy towards stocking locally produced food. ECRA searched the company's website (www.walmartstores.com) in November 2008 and found a page entitled 'Locally Grown Products', which stated that Wal-Mart noted that buying locally grown produce was "a hot marketplace trend". However, no figures were given for the percentage of Wal-Mart's sales accounted for by local produce. ECRA also downloaded a document with the title "Wal-Mart makes national commitment to buy locally grown produce", but again, this contained no figures for sales and set no targets to increase sales of local produce. ECRA did not consider that this constituted a real commitment to encouraging sales of locally produced products, and as a result the company received a negative mark in the climate change category. It had been noted by environmental campaigners that the issue of 'food miles' - the distance travelled by a product from supplier to consumer - had been a contributor to carbon emissions which had a damaging effect on the environment. (ref: 8)

Pollution & Toxics

Products containing parabens (February 2010)

The Asda website, www.asda.com, displayed a number of products containing parabens when viewed by Ethical Consumer in February 2010. These included Asda Hair formulas shampoo – gloss and shine, which contained methylparaben and propylparaben, and ASDA shampoo – Essential Care Medicated, which contained propylparaben.

According to the website of the Environmental Working Group, www.cosmeticsdatabase.com, viewed in March 2010, methylparaben had a hazard rating of 10, the highest assigned to any ingredient. Research studies were said to have found that exposure to this ingredient – not the products containing it – had indicated that cancer and allergies/immunotoxicity were associated health risks. A strong concern was said to be organ system toxicity (non-reproductive); moderate concerns endocrine disruption, irritation (skin, eyes, or lungs) and biochemical or cellular level changes, and of low concern was neurotoxicity. (ref: 9)

PVC packaging (2010)

The Wal-Mart Stores sustainability report from 2010 stated that the company had not managed to achieve its goal of removing PVC from "private label" (own-brand) packaging. PVC was still being used in packaging including for wrapping meat. (ref: 10)

Sold children's clothes coated with Teflon (May 2007)

The ASDA website was visited in May 2007 and was found to be selling children's clothes coated with Teflon. Chemicals such as Teflon, belonging to the "non-stick" family of perfluorinated chemicals (PFCs) had been classified as cancer-causing by the US Environmental Protection Agency and had been found in a wide range of species including polar bears, dolphins and humans worldwide. Environmental campaigners had called for PFCs to be replaced with safer alternatives especially in clothing and other consumer products. PFCs such as Teflon were used in many school trousers and skirts to give them durability and are frequently labelled "non-iron". (ref: 11)

Habitats & Resources

Protests over shrimp farming (2006)

According to the summer 2006 issue of Earth Island Journal, Wal-Mart was the subject of protests by the director of the Mangrove Action Project, who alleged that it was using faulty standards to determine the sustainability of shrimp farming operations from which its products were sourced. According to the Project, this was resulting in the destruction of mangrove forest, endangering communities by removing natural barriers to tsunamis and hurricanes, and affecting the environment. (ref: 12)

(See also 'Use of non Certified Sustainable Palm Oil' in Climate Change above.)

Unsubstantiated claims about Love Earth jewellery (November 2008)

According to the November 2008 edition of the Ecologist, Wal-Mart's "Love, Earth" jewellery was making misleading claims about being ecologically responsible. Campaigners were reported to have claimed that the mines where the gold for the jewellery were mined, and the factories where they were manufactured were not monitored or certified by any credible authority. Furthermore, the campaigners claimed that the mines emitted mercury and depleted and polluted watercourses. (ref: 13)

Animals

Animal Testing

Worst ECRA rating for animal testing policy (August 2010)

ECRA searched two ASDA websites (www.asda.co.uk and <http://your.asda.com>) in August 2010 for the company's policy on animal testing. No such document, nor any mention of one, could be found. The company sold many own brand cosmetic products which were likely to have been tested on animals. In the absence of a policy stating otherwise, ECRA considered it likely that ASDA was using animal testing and the company received ECRA's worst rating in this category. (ref: 14)

Animal testing policy (2008)

According to the Naturewatch's 2008 Compassionate Shopping Guide, Netto had adopted a fixed cut off date for its own brand cosmetics, toiletries and household products of 1995. However, it also retailed non-own brand products which had been tested on animals. It therefore received a middle rating for animal testing. (ref: 15)

Sold products tested on animals (September 2005)

It was assumed by ECRA in September 2005 that Netto stocked cosmetics, toiletries and household products that had been tested on animals. (ref: 16)

Factory farming

Sold products likely to come from factory farmed animals (2008)

Netto did not respond to a request by Ethical Consumer in October 2008 for a copy of its animal welfare policy. However, the 'Our Products' section of the Netto website (www.netto.co.uk), viewed by Ethical Consumer on 5 November 2008, listed meat and poultry among the fresh produce it sold. The website stated that all fresh produce carried the Quality Assured label, but no mention was made of any of these meat products being free-range or organic. It was therefore considered likely that some of the meat the company sold had come from factory farmed animals. (ref: 17)

Sale of meat not labelled as free range or organic (2008)

Wal-Mart did not respond to a request by ECRA in October 2008 for the company's animal welfare policy. No such policy, nor any commitment to stocking organic or free range meat, poultry or eggs could be found on the company's website (www.walmartstores.com) when it was viewed in November 2008. As a result, ECRA considered it likely that the company was selling meat products from factory farmed animals. (ref: 8)

Sale of meat not labelled as free range or organic (2008)

In response to a request by ECRA in October 2008 for the company's animal welfare policy, Asda sent the same statement that appeared on its website (www.about-asda.com). This stated that the company supported the Red Tractor scheme to promote animal welfare and that it had also "established a number of initiatives to improve animal welfare," one of which it named as the 360 Sustainable Dairy Calf Scheme. However, the company did not state that all meat products it sold were labelled as free range or organic, nor could this information be found on the company's website (www.about-asda.com), which apparently

made no mention of free range meat when it was viewed by ECRA in November 2008. As a result, ECRA considered it likely that some of the meat sold by the company had come from factory farmed animals. (ref: 18)

Animal Rights

(See also ‘Sale of meat not labelled as free range or organic’ in Factory farming above.)

Sale of slaughterhouse by-products (2008)

During a search of the company’s website (www.asda.co.uk) in November 2008, ECRA found that Asda sold a range of own-brand products including ready meals such as pizza and breaded meat and fish products as well as desserts. ECRA considered it likely that some of these products contained slaughterhouse by-products including rennet, animal fat and gelatine. (ref: 19)

(See also ‘Sale of meat not labelled as free range or organic’ in Factory farming above.)

People

Human Rights

Abuse of the rights of Bangladeshi garment workers (2009)

A report published by the Corporate Responsibility (CORE) Coalition in May 2009 revealed abuses of garment workers’ rights in Bangladesh. According to the report, half of all Bangladesh’s garment exports were destined for the European market, including the UK. It said that major retailers, including ASDA, bought tens of millions of pounds worth of clothing produced by Bangladeshi workers each year. The power wielded by these large UK buyers over the terms of purchasing contracts was said to be used to impose very demanding requirements for low prices and fast turnaround times on Bangladeshi factories, creating competitiveness, often at the cost of workers’ rights. The report said that Bangladeshi garment workers were paid extremely low wages, with an average monthly wage of less than £25, far below what had been calculated to represent the costs of basic necessities in Bangladesh. Workers were typically required to work 10-16 hours per day, in violation of both existing Bangladeshi law and ILO Conventions. Another major problem in the sector, as identified by this report, was that most workers were denied freedom of expression. Trade unions that enabled independent representation of workers’ interests and concerns remained illegal within the export processing zones (EPZs). From January 2007-December 2008 a caretaker government ruled that industrial action and trade union activity were punishable with a sentence of between two and five years’ imprisonment. As well as legal barriers to workers exercising their rights to collective bargaining and freedom of expression, they were also said to face harassment, including sexual harassment and intimidation if they sought to defend their rights. Some workers had reported that physical violence had been used to repress organising efforts, with cases of illegal dismissal, harassment and beatings by law enforcement agencies or factories’ private security or imprisoned on falsified charges. (ref: 20)

Conflict Diamond Survey Results (May 2007)

In May 2007 Amnesty International and Global Witness released a report entitled “Conflict Diamonds, UK jewellery retailers still not doing enough.” Asda were mentioned in this report.

The report was based on findings from a questionnaire sent to leading retailers. The report stated that “although most companies adhere to the industry’s minimal system of self regulation, these are not effective in preventing the trade in blood diamonds, and more needs to be done by industry leaders to ensure that diamonds no longer fuel conflict.” Asda itself failed to disclose its auditing policy and other measures taken to combat conflict diamonds. It had no policy on its company website and it was not a member of any jewellery trade associations. (ref: 21)

Dropped from Norwegian pension fund (2006)

According to issue 71 (November 2006) of Indonesia’s Down

to Earth magazine, Norway had announced that it was dropping Wal-Mart Stores from its Government Pension Fund for “serious, systematic violations of human rights and labour rights”. (ref: 22)

Workers’ Rights

Death of security guard during stampede (November 2008)

According to an article on the Reuters website (www.reuters.com), dated 6 May 2009, a security guard employed by Wal-Mart was trampled to death in a stampede that occurred at the Wal-Mart store he was working at, on the Friday after Thanksgiving in 2008.

The company was said to have avoided a criminal prosecution by committing to improve post-Thanksgiving crowd control. This particular time of year was said to be well-known as a very busy time for retailers. According to the article, the company “did not admit guilt or wrongdoing”. The crowd control measures were said to only apply to New York stores. The worker’s family was said to have taken out a separate civil lawsuit. (ref: 23)

Norwegian government pension fund highlights workers’ rights abuses (2006)

According to a press release from the National Labor Committee dated 4 April 2007 the Norwegian government’s pension fund, one of the largest in the world, had withdrawn investment in Wal-Mart due to “unacceptable risk that through its investments [it] may be complicit in serious or systematic violations of human rights.” The Petroleum Fund’s Council on Ethics reported in its 2006 Annual Report that Wal-Mart engaged in systematic abuses in its global supply chain, including: child labour; wages below local minimums; health-hazardous working conditions; unreasonable punishments; prohibition of unionisation and conditions bordering on forced labour. In the US the fund found Wal-Mart guilty of gender discrimination, active obstruction of the right to unionise, employment of minors, mandatory overtime without compensation and use of illegal labour. (ref: 24)

Poor workers rights at Chinese printing company supplier (18 August 2005)

A report on August 18th 2005 by the National Labour Committee provided more than 20 pages of detailed evidence into dangerous and inadequate working conditions at three Hung Hing printing factories in China producing printed items for a range of western companies including Wal-Mart. They also provided evidence of mandatory overtime, 12-13 hour shifts, and inadequate wages. (ref: 25)

Supply Chain Policy

Worst ECRA rating for supply chain policy (August 2010)

A search was made of the Asda website (asda.com) in August 2010. No information about protecting the rights of workers in the supply chain could be found. The Ethical Trade section that had previously been on the company’s website was no longer there. Therefore the company received ECRA’s worst rating for supply chain policy. The parent company also received ECRA’s worst rating for supply chain policy at the time of writing. (ref: 14)

Multiple references from Labour Behind the Label report (September 2006)

Labour Behind the Label (LBL): Let’s Clean Up Fashion report (September 2006) reported several criticisms of the company they referred to as Asda/Walmart. LBL summed up its analysis by asserting that “As the world’s biggest retailer, Asda should be leading the field” but instead was “more interested in ticking the right boxes...than they are in achieving actual results for their workers”. This was in reference to Asda/Walmart’s membership of the Ethical Trading Initiative (ETI), Better Factories Initiative and the Multi-Fibre Agreement Forum, but lack of progress on the ground.

The company’s compliance manager stated that the living wage specified in the ETI Base Code could not be put into practice as

there is no “clear universal definition” of what a living wage is. LBL stated that this assertion is “untenable”. The manager believed that setting a living wage was the responsibility of governments. LBL stated that as a major importer, the company had an indirect impact on national minimum wages. The ETI code stated that member companies should respect the right to Freedom of Association. The company stated that it is the factory managers’ and suppliers’ responsibility to do this. LBL criticised this as a conflict of interest, as the same people are also responsible for delivering cost reductions etc. LBL also stated that Asda (UK) was fined £850,000 around the time of the report for anti-union activity and that its response to the Fortune Cambodia case was poor. Asda/Walmart was also criticised for relying on commercial auditors in its monitoring and verification procedures and not seeming to involve local stakeholders enough. (ref: 26)

Member of the ETI (2008)

According to the Ethical Trading Initiative website (www.ethicaltrade.org), viewed by ECRA in November 2008, Asda was listed as a member. For companies to be accepted as members, they were required to adopt the ETI Base Code of Conduct and implement it into their supply chains. Progress reports on code implementation, and on improvements to labour practices was required. (ref: 27)

Irresponsible Marketing

UK violations of baby milk Code (September 2006)

According to the Baby Feeding Law Group’s (BFLG) website viewed by ECRA in September 2006 (www.babyfeedinglawgroup.org.uk), Asda had breached the International Code of Marketing of Breastmilk Substitutes through its ‘Roll-back’ promotion of Milupa’s Aptamil First infant milk substitute in June 2006. Consequently, Asda was reported to the UK’s Trading Standards by the BFLG. (ref: 28)

Named in tobacco price fixing allegation (2008)

According to the Sky News Website on Monday 28th April, 2008 (viewed by ECRA on 08/05/2008) eleven leading supermarkets, including Asda, were named in a report on tobacco price fixing by the Office of Fair Trading. The OFT had been investigating alleged deals between two tobacco firms - Imperial Tobacco and Gallaher - and 11 retailers. The claims related to the alleged collusion of the eleven firms on the wholesale price of cigarettes and the gap in retail prices between different brands. The offences spanned a three year period from 2000. John Fingleton, chief executive of the OFT said “if proven, the alleged practices would amount to a serious breach of the law.” Sky business correspondent Joel Hills said: “Imperial Tobacco and Gallaher account for over 80% of the cigarette market in the UK. (ref: 29)

Irresponsible marketing of dairy products to children (March 2009)

In March 2009 The Food Magazine reported that Asda was one of a number of companies that had paid for the heavily branded “3-a-day Dairy Bus”, which was being introduced around the UK during 2009, with visits to schools and country fairs. “3-a-day” referred to milk, yoghurt and cheese. A visit to the bus was said to teach children about where dairy products come from, how they are processed, and why they are good as part of a balanced diet. The article noted that it was unlikely children would receive lessons about the high saturated fat and/or sugar content of some of the products made by the sponsoring companies, and that the bus enabled companies to by-pass Ofcom restrictions that would have been in place for some of their products if they were advertised on television, due to them being high in sugar, fat and/or salt. (ref: 30)

Arms & Military Supply

Armaments stockist (2006)

According to the Wal-Mart company website www.walmart.com/catalog, viewed by ECRA in May 2006, Wal-Mart sold a range of

guns, including rifles, shotguns and muzzleloaders. (ref: 31)

Politics

Genetic Engineering

No genetic engineering policy (August 2010)

A search for information on GM was made of Wal-Mart Stores Inc website (www.walmartstores.com) in August 2010. The search did not reveal the company’s position on GM. ECRA considered it likely that the company sold products containing ingredients from animals fed GM feed, as GM animal feed was prevalent in supply chains. The company sold a very wide range of own brand and non-own brand consumer products. (ref: 10)

GM policy for company’s own products only (August 2010)

A search was made of the Asda Group website (asda.com) in August 2010. A statement on GM was found (see below). As the company did not rule out the use of GM in the feedstock of cattle that became Asda products (including milk), ECRA marked the company down for likely use of GM material.

“Genetically modified food: All our food ingredients are from non GM sources

Genetic Our definition of non-GM is something which has been produced under strictly monitored guidelines, applied at every stage – from the field to the finished product to ensure that the risk of inadvertent contamination is minimised.

We’re open to GM technologies, but the benefits to the end consumer need to be clearly demonstrated in terms of, for instance, food security, better use of land, improvements in health, or lowering the cost of living.

This policy applies to human foods. We recognise that for some customers there are concerns over the feeding of GM derived materials to livestock. For customers wishing to avoid such animal derived products Asda stocks a wide range of organic foods that specifically prohibit the feeding of GM materials” (ref: 14)

No effective policy on GM cotton (January 2009)

In December 2008 Ethical Consumer emailed ASDA with a questionnaire that included a request for information about the company’s policy regarding GM cotton. The company responded that it was “never knowingly used”. The January 2006 issue of Ethical Consumer stated that: “According to UNCTAD, cotton grown from genetically modified crops currently accounts for around 35% of the global market.” Therefore, in the absence of a clear, company wide policy that GM cotton was actively avoided, it was assumed that ASDA was likely to be selling cotton products manufactured from GM cotton. (ref: 32)

Political Activities

Lobbying against planning regulations (2005)

According to a report published by War on Want in September 2005, Wal-Mart’s aversion to community planning led it to take out an ill-advised newspaper ad as part of a campaign against a ballot proposal to limit the expansion of the company in Arizona. The advert pictured a group of Nazi stormtroopers burning a heap of books and asked: “Should we let government tell us what we can read? Of course not. . . So why should we allow local government to limit where we shop?” The ballot proposal came about after concerns were raised about the high social, economic and environmental costs of having a Wal-Mart store in the area. (ref: 33)

WTO lobbying (2006)

According to the March 2006 edition of the Ecologist, Wal-Mart and other companies dominated the US Trade Policy Advisory Committees. The article on the privileged access that multinational companies have over policy making at the World Trade Organisation (WTO), claimed that the 742 external advisors to the US trade department had access to confidential WTO negotiating

documents, and attended meetings with US trade negotiators. 93% of these were said to represent business lobby groups and corporations. The article alleged that the 17,000 lobbyists in Washington DC outnumbered lawmakers in US Congress and federal officials by 30 to one. It also said that corporations and lobby groups spent nearly \$13 billion influencing Congress and federal officials from 1998-2004. The article claimed that tariff cuts brought about by trade liberalisation, had reduced Majority World countries' income from import taxes by up to \$60 billion per year. This was because cheap imports flooded Majority World countries markets, leaving farmers unable to sell their products and forcing local factories to shut down. (ref: 34)

Fined for child labour law violations, and then reached 'unusual' agreement over labour inspections (1 November 2005)

An article in Occupational Hazards (www.occupationalhazards.com), a USA Health and Safety website in November 2005, cited that Wal Mart had been fined for child labour law violations in three states. It was accused of allowing 16 and 17 year old employees in Arkansas, Connecticut and New Hampshire to operate potentially dangerous heavy machinery. However, under the terms of a special agreement reached with the US government's Wage Hour Division (WHD) agency, the company was fined \$135,540 but not required to admit any wrongdoing. This special agreement reached by Wal Marts lawyers and the WHD, consisted of various protocols, including that the WHD should give 15 days advance notice to Wal-Mart if it were to be inspected for child labour law violations. Giving advance notice of an inspection was in fact against the WHD's own operational guidelines. Another provision of the special agreement was that Wal Mart would not be fined in future for child labour violations as long as the retailer came into compliance with the law 10 days after formal notice of the violation. (ref: 35)

Anti-Social Finance

(See also 'WTO lobbying' in Political Activities above.)

Lawsuit filed over alleged executives' misconduct (May 2007)

According to an article in The Guardian newspaper dated 28 May 2007, a former senior employee of Wal-Mart had filed a lawsuit in Detroit (US), which accused a number of company executives of 'accepting gifts and discounts on items such as yachts and diamonds from suppliers and other businesses'. The former employee who launched this legal action was fired from the company in December 2006 over allegations of misusing corporate funds, and accepting gifts from an advertising company that was later hired by Wal Mart. (ref: 36)

Poor conditions in South African supplier farms (February 2009)

The War on Want report 'Sour Grapes: South African wine workers and British supermarket power', published in February 2009, stated that the UK government's Competition Commission report of April 2008 found that "supermarkets have used their buying power to squeeze suppliers by transferring risk and costs onto them". Suppliers were reported to be hesitant to speak out against supermarkets in case they were removed from the supermarket's list of suppliers.

Specific problems noted in relation to South African producers were the fact that it was rare for suppliers to have formal contracts, leading to the potential of being de-listed at short notice; supermarkets changing their costs and prices as they liked to suit their needs, and last minute order cancellations without compensation. South African producers were said not to receive assured prices, so there was no guarantee that they could cover their costs. Delays in payment for orders were said to be common, with 120-day long delays becoming increasingly so. Discounts offered by supermarkets were said to be often passed

on to suppliers, through pressure to 'promote' the products. Supermarkets were also said to charge for good positioning on the shelf: from £15,000 to £100,000. In addition, it was stated that supermarkets often press suppliers to enter into exclusivity agreements with them, so that the suppliers were entirely dependent on one customer.

The report claimed that "it is the South African workers who pay the price for UK supermarket power and greed." Issues related to this were said to be: sacking workers; lack of formal employment contracts and low wages. The trend towards employing seasonal workers who had no benefits was said to be increasing: in 1995 the ratio of seasonal workers to permanent workers was about equal; by 2000 it was 65%:35%. This was said to reduce the ability of the workers to organise. Women were said to be more vulnerable as a result of the worsening working conditions of workers, to be paid lower wages than men, and to be frequently subjected to sexual harassment at work.

ASDA was named as one of the largest importers of South African wine, with a 9% share of all sales. (ref: 37)

Co-op juice

Owned by Co-operative Group Ltd

Co-operative Group Ltd, PO Box 53, New Century House, Manchester, M60 4ES, UK

Environment

Environmental Reporting

Best ECRA rating for environment reporting (2009)

The Co-operative Group's Sustainability Report 2009 was downloaded from the company's website, www.co-operative.coop, in August 2010. The section "Ecological Sustainability" contained information on the company's environmental targets and performance. Dated, quantified future targets included those to reduce: energy consumption; emissions of CO2 from transport; emissions of greenhouse gasses from refrigerant leakages, and packaging for Co-op own-brand food products. Meaningful carbon disclosure was provided. The company was said to have ranked first out of eight retailers in the Marine Conservation Society (MCS) 2009 Supermarket Survey. 93% of its wood products were said to have been certified by the Forest Stewardship Council. The report also contained information on the Co-operative Food Chemicals Strategy, its peat use and land stewardship on its farms.

In a separate document, also available to download from the company's website, it reported on water consumption and efficiency, and included the target to reduce water consumption across the Co-operative's estate by 5% in 2010, excluding the Co-operative Farms.

The Co-operative Group was considered to have demonstrated reasonable understanding of its main environmental impacts, and the sustainability data in the Report had been independently assured by Two Tomorrows. The company therefore received Ethical Consumer's best rating for environmental reporting. (ref: 38)

Climate Change

Palm oil policy (2009)

The Co-operative Group's Sustainability Report 2009 was downloaded from the company's website, www.co-operative.coop, in August 2010. It contained information regarding the company's use of and policies regarding palm oil. It was stated that the company had re-issued its product composition document in 2008, and since then it required all suppliers to provide data on the sources of palm oil and derivatives used in its own-brand products. In 2009, the company was reported to have joined the GreenPalm web-based Certified Sustainable Palm Oil (CSPO)

certificate trading platform, but “did not progress the actual sourcing of sustainable palm oil”. It was said to have the target of only using CSPO by 2015. The company was said to have scored 13 out of a possible 30 in the WWF’s 2009 palm oil scorecard. Due to the fact that at the time of writing the Co-operative Group used palm oil not certified from a sustainable source, it received negative half marks in the categories of climate change, habitat destruction and human rights. (ref: 38)

Habitats & Resources

(See also ‘Palm oil policy’ in Climate Change above.)

Poor independent rating on CSR in supermarkets (November 2006)

The National Consumer Council’s 2006 report on supermarkets awarded the Co-op a poor overall rating (D) for its environmental performance. The report looked at a number of different areas including food transport, waste, nature, and sustainable farming. These were assessed as follows:

C rating on food transport issues. 55% of its seasonal vegetables was UK sourced. It also had the ‘smallest’ amount of ‘long distance’ fruit from outside of Europe. It scored a D on its waste, E for its fish stocking policy (worst rating) and C for trees - as one-third of its wooden kitchenware products were FSC certified. It also scored C for sustainable farming as it had pesticide information displayed in stores. (ref: 39)

Retailed garden furniture products not labelled as coming from sustainable sources (21 April 2006)

Greenpeace reported in April 2006 that the Co-op had been sourcing garden furniture that was not certified by the Forestry Stewardship Council (FSC). According to Greenpeace, the supermarket had been sourcing uncertified garden furniture from south east Asia and had been unable to provide proof that the wood had been sourced from legal and well managed forests. According to the campaigners, illegal and destructive logging in the region’s rainforests had driven endangered species to the brink of extinction. The Co-op received a “C” rating in the Greenpeace survey, which meant that more than 50% (but less than 75%) of the garden furniture was FSC certified. Greenpeace criticised the Co-op, saying that this rating was “disappointing” and claimed that it needed to “fulfill its FSC promise”. (ref: 40)

Animals

Animal Testing

Middle Ethical Consumer rating for animal testing (August 2010)

A search was made of the Co-operative Group website (co-operative.coop) in August 2010. The animal testing policy was found. It is reproduced in full below. The company has a fixed cut off date for own-brand toiletries and a fixed cut off date for own-brand household cleaning products. However, the company retails other brands that contain ingredients tested on animals and therefore received a middle Ethical Consumer rating for animal testing.

“our policy

The Co-operative is against the unnecessary suffering of animals and animal testing of cosmetic and household products and ingredients in particular.

Where safety testing is needed, we believe alternative methods of testing should be used. To avoid further testing on animals products and ingredients with a history of safe use should be chosen.

FOOD

Most consumers are concerned about the safety of the food they eat. We accept that human safety must be of prime importance and that the testing programmes required to ascertain this safety for ingredients and additives are dictated by regulatory bodies, and therefore are outside our control. However, we do seek to minimise

the use of additives (which are responsible for much of this testing) in Co-operative brand food products where practical.

The safety of our finished products can be established by other techniques and we do not, therefore, conduct, commission, or expect our suppliers to commission safety tests on animals for this purpose.

NON-FOOD

We have worked with the British Union for the Abolition of Vivisection (BUAV), firstly in applying their Humane Cosmetics Standard for cruelty-free products to Co-operative brand toiletry products, and secondly in the development and application of a similar Humane Household Standard for household products. As a result, The Co-operative has had for many years, one of the most stringent non-animal testing policies of all grocery retailers covering its non-food (toiletry and household cleaning) products.

We operate a fixed cut-off date (i.e. a date beyond which The Co-operative and its suppliers must not have conducted or commissioned animal testing on any product or ingredient) of 1985 for toiletries and 1997 for household products. Most other retailers operate using later or rolling dates, which means that they can only state that their products have not been tested in the last 5 years.

PET FOOD

As with food products we do not believe it is necessary to carry out invasive tests on animals to evaluate pet foods, nor to conduct preference and palatability testing on captive animals. We believe this can be achieved satisfactorily with domestic pets under the supervision of the owner, and so Co-operative brand pet foods are only tested in this way.” (ref: 41)

Factory farming

Sale of meat not labelled as free range or organic (2008)

In response to a request by ECRA in October 2008 for the company’s animal welfare policy, the Co-op stated that it offered the largest selection of RSPCA Freedom Food-labelled products and, that “from 2006, preference was given, where feasible, to Freedom Food ingredients in the formulation of premium range products.” The response also stated that from 2007 the company ensured that its meat products met with UK farm assurance standards as a minimum, including that from non-UK producers, excepting pork, bacon and sausage, for which only UK producers met these standards. However, the Co-op did not give figures for free range products sold, nor set any targets to increase their sale in future. Since it sold meat not labelled as free range or organic, the company received a negative mark in this category. (ref: 42)

Sold factory farmed chickens (2006)

According to Supermarkets & Farm Animal Welfare ‘Raising the Standard’ published by the Compassion in World Farming Trust in 2006, over 90% of the chickens sold by Co-op supermarkets were intensively farmed. The report stated that the Co-op had set a maximum stocking guideline of 38kg bird per metre squared of floor space, which exceeded the government guidelines of a maximum of 34kg bird per metre squared of floor space. (ref: 43)

Retail of factory farmed pigmeat (2006)

According to Supermarkets & Farm Animal Welfare ‘Raising the Standard’ published by the Compassion in World Farming (CIWF) Trust in 2006, 42% of pig meat sold by the Co-op supermarkets had come from close confinement farrowing crates. CIWF had urged all supermarkets to produce pigmeat from well managed outdoor farms as it regarded this as the most welfare-friendly rearing system. (ref: 43)

Animal Rights

Sale of slaughterhouse by-products (October 2010)

A search was made of the Co-operative Group website (co-operative.coop) in October 2010. It was found that the company had branded sweets on special offer. A search of the brand's website showed that the sweets contained gelatin, from pork and beef (depending on origin). Gelatin is a slaughterhouse by-product. (ref: 44)

(See also 'Sale of meat not labelled as free range or organic' in Factory farming above.)

People

Human Rights

Sourcing from illegal settlements - unclear (2009)

According to the 2009 Corporate Watch report, the Co-operative Group had action from consumers due to its sale of illegal settlement produce. It was said that the company had made a undertaking to investigate conditions on farms in illegal settlements. After this undertaking was made, the company stated that it would "no longer source dates, grapes and a number of herbs from the illegal West Bank settlements and will be phasing out the use of similar items from our own brand products." Corporate Watch pointed out that it was not clear if this included East Jerusalem and no mention was made of the Golan Heights, both areas under occupation. As the phase out of settlements products was not complete (and no mention was made of the other Israeli occupied territories), ECRA marked the company down for sourcing from illegally state-occupied territories. (ref: 45)

(See also 'Palm oil policy' in Climate Change above.)

Operations in oppressive regime (September 2008)

An article published on the website Financial Director, www.financialdirector.co.uk, in September 2008 stated that the Co-operative Group had "lucrative joint ventures in China". China was considered to be an oppressive regime by Ethical Consumer at that time. (ref: 46)

Workers' Rights

Fined for unsafe workplace (2006)

According to an article dated 31st August 2006 on the industry website workplacelaw.net, in 2006 the Co-op was fined £40,000 after a council inspection of its Heathfield store revealed "breaches of health and safety legislation." The inspection was said to have followed an incident in which an employee's arm was injured by a mechanical lift, and was said to have uncovered defective electrical systems, obstructed fire exits and unsafe items of lifting equipment. (ref: 47)

Supply Chain Policy

Best ECRA rating for supply chain policy (August 2010)

In August 2010 Ethical Consumer downloaded the Co-operative Groups' Sound Sourcing Code of Conduct. The Code was a copy of the ETI Base Code and the company was said to be a member of the ETI. The document contained adequate clauses for freely chosen employment; freedom of association and the right to collective bargaining; no use of child labour; payment of a living wage; limitation on working hours and no discrimination. Ethical Consumer also looked at the company's Sustainability Report 2009 which was audited by Two Tomorrows, it stated that NGOs were involved in the 3rd party independent audits that the company made or its suppliers.

For these reasons, the company was given Ethical Consumer's best rating for supply chain policy. (ref: 41)

Membership of ETI (August 2005)

According to the ETI website www.ethicaltrade.org, visited on 17th August 2005, the Co-operative Group (CWS) was listed as a member. For companies to be accepted as members, they were required to adopt the ETI Base Code of Conduct and

implement it into their supply chains. Progress reports on code implementation, and on improvements to labour practices was required. (ref: 48)

Irresponsible Marketing

Sale of tobacco products (2007)

The Mintel December 2007 Convenience Retailing Report defined convenience retailers as 'open 7 days a week... and selling an extended range of goods including tobacco products...' Co-operative group was a retailer profiled in this report. (ref: 49)

Harmful chemical found in soft drinks (2006)

According to an article on the BBC News website (<http://news.co.uk>) dated 31st March 2006, the Co-op's low-calorie bitter lemon drink with a best-before date of June 2006 contained benzene levels of 28 parts per billion (ppb). A second batch of the same drink, with August 10th best-before date had 11 ppb. In the UK, drinking water should contain a benzene level of no more than one part per billion (ppb). The World Health Organisation's health limit was said to be 10 ppb. The Co-op had already removed the affected batches from the shelves by the time the article was published. Benzene can cause certain cancers, and is thought to be formed when the commonly used soft-drink ingredients- the preservative sodium benzoate and ascorbic acid- interact. (ref: 50)

Best independent rating on health responsibility index (November 2005)

BBC News reported on 25 November 2005 that the National Consumer Council had rated the supermarkets on their approach to salt reduction, nutrition labelling, in-store promotions and customer information. The study found that supermarkets were more likely to promote unhealthy foods than fresh produce and none had met the NCC's target of offering 33% of promotions on fruit and vegetables. The National Consumer Council produced a Health Responsibility Index of the supermarkets based on the survey, the Co-op was ranked best of the nine supermarkets. (ref: 51)

Arms & Military Supply

Investments in arms companies (February 2010)

The Co-operative Financial Services website, www.co-operativeinvestments.co.uk, was viewed by Ethical Consumer in February 2010. It stated that the company had shares in a number of companies involved in arms and military supply: Cobham plc, GKN plc, ITT Corporation, BAE Systems Plc and Lockheed Martin Corporation. (ref: 52)

Investment relationship with arms sector (2007)

According to the Socially Responsible Investment section of the company website www.cis.co.uk, viewed by ECRA in September 2007, the Co-operative Insurance Society (CIS) had shares in arms companies Cobham and GKN. (ref: 53)

Banking or investment relationship with arms manufacturers (2006)

The Co-operative Group's 2006 Sustainability Report contained a section on 'Ethical Finance' which listed a number of companies that the Group's Co-operative Insurance invested in where it had voted against or abstained from the acceptance of report and accounts on grounds relating to social, ethical or environmental issues. One of the companies listed was BAE Systems plc, an arms manufacturer. (ref: 54)

Politics

Genetic Engineering

Positive but inadequate policy addressing GM (August 2010)

In August 2010 the Co-operative Food returned a questionnaire to Ethical Consumer. In response to a question regarding the use of genetically engineered ingredients in products and the use of ingredients from animals fed on GM animal feed, the company

stated that genetically modified products or ingredients were not permitted in Co-operative own brand products.

However, it was also stated that it was “getting increasingly difficult to secure supplies for animal feed which are from a non-GM origin”. A recent review was said to have confirmed that sourcing all meat and dairy products from animals fed on non-GM diets was not currently practical. A list of animals sold under the company’s own brand which were not fed a GM diet was provided, and included chicken, turkey and salmon.

A Soil Association report published in November 2008, entitled ‘Silent invasion: the hidden use of GM crops in livestock feed’, estimated that around 60% of the maize and 30% of the soya in the feed used by dairy and pig farmers is GM. Due to the prevalence of genetically modified animal feed on the market, it was assumed by Ethical Consumer that the company was involved in the sale of products which were made from ingredients derived from animals that had been fed genetically modified feed. Furthermore, it was noted that the company had made no commitment to supply non own-brand products that were GM free. (ref: 55)

Political Activities

Donations to the Co-operative Party (2007)

According to the Co-operative Group’s 2007-2008 Sustainability Report it donated to a number of organisations that represented and promoted the co-operative movement, including the Co-operative Party. The Co-operative Party worked in affiliation with the Labour Party at Parliamentary level, fielding MPs under a Labour and Co-operative Party ticket. The report stated:

“The Co-operative Group is a significant supporter of The Co-operative Party, which was created in 1917 by the UK Co-operative Movement in order to promote its values and principles. The Party works to raise awareness of the benefits of the co-operative and mutual models, and to influence Government towards support for more co-operative action. The Co-operative Party has representation in both Houses of Parliament, the Scottish Parliament, the National Assembly of Wales and the Greater London Assembly, and, additionally, has over 350 local councillors.

In 2007, an overall financial contribution of £646,103 (2006: £464,900) was made to The Co-operative Party in respect of the annual subscription and support for Party Councils. This includes payment of £546,377 by The Co-operative Group and a further £99,726 made directly by United Co-operatives prior to the merger. An in-kind donation of £1,250 was also made by the Group to the Party, in the form of the provision of office space and use of a telephone. In addition, miscellaneous expenditure was incurred in support of the Labour Party at a constituency and regional level, amounting to £4,830.” (ref: 56)

Anti-Social Finance

Allegations of unlawful practices linked to tobacco prices (April 2008)

According to an article which appeared on the BBC news website on the 25th of April 2008, the Office of Fair Trading (OFT) had alleged that tobacco firms and supermarkets had been engaged in unlawful practices linked to retail prices for tobacco. Allegations were that retailers and tobacco groups had arranged to swap information on future pricing, and that there was an understanding that the price of some brands would be linked to rival brands. The Co-operative Group was one of the companies named by the OFT. (ref: 57)

Company Ethos

Mutual structure (August 2010)

According to the Co-operative Group website (co-operative.coop) searched in August 2010, “Because we’re owned by our members, we give you the chance to have a say in how the business is run.” (ref: 41)

Copella English apple juice

Owned by Copella which is owned by Tropicana UK Ltd which is owned by Tropicana Products Inc which is owned by PepsiCo Inc

PepsiCo Inc, 700 Anderson Hill Road, Purchase, NY10577, USA

Tropicana UK Ltd also owns Tropicana juice

Environment

Environmental Reporting

Best ECRA rating for environmental reporting (September 2010)

A search was made of the Copella website (copellafruitjuices.co.uk) in August 2010. No environment report was found.

However, at the time of writing Copella’s parent company had received a best ECRA rating for environmental reporting. Copella was covered by its parent company’s environmental reporting rating. (ref: 58)

Climate Change

Use of palm oil without adequate remediation (2010)

Pepsico UK’s PR representatives agreed to complete a questionnaire in May 2010 detailing company policies, including palm oil. The response stated “We have made a concerted effort to phase out the use of palm oil over the past few years. All Walkers crisps are now cooked in Sunseed Oil. Palm Oil is only used in less than 1% of PepsiCo UK’s total product portfolio.” However ECRA did not consider this to represent adequate remediation of palm oil and therefore the company received negative marks in the categories of climate change, human rights and habitats & resources due to the environmental and social costs of the palm oil business. (ref: 59)

Pollution & Toxics

Subsidiary blacklisted for environmental violations in China (1 November 2006)

According to the Business Human Rights website viewed by ECRA on 1 November 2006, Changchun Pepsi was included on a blacklist produced by the Beijing-based Institute of Public and Environmental Affairs of multinationals which had violated Chinese environmental regulations. The list “criticized Changchun Pepsi for excessive discharge of waste water”. (ref: 60)

Pesticides in soft drinks (2006)

According to a press release by the India Resource Centre on 3rd August 2006, a survey by the Indian Centre for Science and Environment (CSE) found dangerous high levels of pesticides in Pepsi’s soft drinks in India. The study found a “cocktail of between three to five different pesticides in all samples” which were, on average, 24 times higher than European Union standards. The study found high levels of the carcinogen Lindane as well as three other pesticides. The CSE had found similar levels three years before. (ref: 61)

Failure to meet effluent discharge standards in Philippines (June 2005)

Ethical Corporation www.ethicalcorp.com stated in a report dated 30 June 2005 that three of PepsiCo’s bottlers were red-listed on a list of leading polluters published by environmental regulators in the Philippines. The companies on the list had consistently failed to comply with environmental standards for effluent discharge. (ref: 62)

Habitats & Resources

(See also ‘Use of palm oil without adequate remediation’ in Climate Change above.)

Disputes over Indian water extraction (2005)

According to the June 2005 issue of Corporate Watch, Pepsi had had its license to extract water for its bottling plant in Pudusseri,

India, revoked by local authorities after the surrounding area started to suffer from severe water scarcity. (ref: 63)

Water scarcity and pesticides in products (October 2006)

According to an article on the Bloomberg Businessweek site (businessweek.com), dated 11 June 2007, PepsiCo had been involved with water and pesticide issues in India. The article stated that in October 2006, “villagers charged that PepsiCo... consumes excessive groundwater in their parched communities. Even worse was the repeated claim that the snack and beverage company.....were allowing pesticide residue from groundwater to get into locally made soda”. (ref: 64)

Animals

Animal Testing

Worst ECRA rating for animal testing (August 2010)

A search was made of the Pepsico website (pepsico.com) in August 2010. The following statement was found:

“PepsiCo does not conduct any animal tests and does not directly fund any animal tests on its beverages and foods. Where governmental agencies require animal tests to demonstrate ingredient safety, companies using those ingredients rely on third party testing.

PepsiCo has shared our concern regarding the ethical and humane treatment of animals with our suppliers and others in the industry. We encourage the use of alternative testing methods whenever and wherever possible and have financially supported research to develop these alternative methods.”

ECRA felt that the statement implied that Pepsico indirectly funded animal tests by using third parties. The statement did not explicitly say that the company does not have a policy of not testing or commissioning tests on animals. The company received ECRA's worst rating for animal testing policy. (ref: 65)

Factory farming

Meat products (2006)

According to the company website www.pepsico.com, viewed by ECRA in September 2006, Frito-Lay snacks range included a number of meat snacks made from meat not labelled as free range or organic. (ref: 66)

People

Human Rights

(See also ‘Disputes over Indian water extraction’ in **Habitats & Resources** above.)

(See also ‘Use of palm oil without adequate remediation’ in **Climate Change** above.)

Operations in eight oppressive regimes (2009)

The Pepsico 10-K form was viewed from the US SEC Info website (secinfo.com) on 5 May 2010. The company was found to have subsidiaries in the following countries considered by ECRA at the time of writing to be oppressive regimes: Indonesia, China, Egypt, Russian Federation, Egypt, North Korea, Saudi Arabia and Thailand. (ref: 67)

Workers’ Rights

Tropicana accused of paying low wages (13 July 2008)

An opinion piece published in July 2008 on the St. Petersburg Times website, www.tampabay.com, named Tropicana as a company which pays low wages to farm workers. It did not state whether the wages were being the living wage. (ref: 68)

Intimidation of workers by management (January 2006)

In March 2006 an article was posted on the website of the International Union of Food workers (IUF), www.iuf.org, which referred to victimisation of eight female workers, sexual harassment, mass intimidation of union members and unfair dismissals at PepsiCo's Frito-Lay plant in Grodziesk, Poland.

The article claimed that in January 2006 management at the plant distributed a letter to all employees, which they were required to sign in the presence of a witness and return within five days, stating that they had resigned from the union. (ref: 69)

Supply Chain Policy

Worst ECRA rating for supply chain reporting (September 2010)

A search was made of the Copella website (copellafruitjuices.co.uk) in September 2010. No supply chain policy was found. The company had its own farm in the UK, where it grew apples for inclusion in its juice. However, it made a range of juices, including apple and mango juice. As it had no policy and it was likely that the ingredients for some of its juices came from countries where labour standards were poor, it received ECRA's worst rating for supply chain policy. (ref: 58)

Irresponsible Marketing

Irresponsible marketing to children (March 2009)

In March 2009 The Food Magazine reported that a number of celebrities were used in advertising campaigns for foods that would have been banned from television advertising during programmes with a high proportion of young viewers, because they contained high levels of sugar, saturated fat, fat and/or salt. David Beckham, Madonna and Kylie Minogue were said to have marketed Pepsi, which would have made the product appealing to children. (ref: 30)

India: Pesticide residues in drinks (March 2007)

In March 2007, IBM Live reported that the Indian Health Ministry submitted an affidavit in the Supreme Court concerning pesticide residues in cold drinks. The Delhi-based NGO Centre for Science and Environment was reported to have conducted two studies into pesticide residues in Pepsi and Coca-Cola drinks, in 2003 and 2007. The 2007 study was said to have found that Pepsi contained 30 times higher pesticide residue than in 2003. (ref: 70)

(See also ‘Pesticides in soft drinks’ in **Pollution & Toxics** above.)

Politics

Genetic Engineering

No company wide GM policy (2010)

Pepsico UK's PR representatives agreed to complete a questionnaire in May 2010 detailing company policies, including genetically modified organisms. Although the response noted that the company did not use GM ingredients in the EU, it had no company wide policy and therefore received a negative mark in this category. (ref: 59)

Cheetos likely to contain GM ingredients (May 2007)

According to www.truefoodnow.org website viewed by ECRA in May 2007, all varieties of Frito-Lay's Cheetos sold in the US were likely to contain genetically engineered ingredients; the company had informed its corn and potato suppliers that it wished to avoid GM ingredients, but acknowledged that oils and other ingredients in its products might be from GM sources. (ref: 71)

Cracker Jack popcorn likely to contain GM ingredients (May 2007)

According to www.truefoodnow.org viewed by ECRA in May 2007, Frito-Lay's Cracker Jack popcorn sold in the US was likely to contain genetically engineered ingredients. Although Frito-Lay had informed its corn and potato suppliers that the company wished to avoid GE crops, it acknowledged that canola or other oils and ingredients in its products may be from GE. (ref: 71)

Political Activities

Member of industry association barred from WHO (February 2006)

According to an article from the Environment News Service, dated 2nd February 2006, posted on www.corpwatch.org, the

World Health Organization (WHO) had barred life sciences industry association International Life Sciences Institute (ILSI), of which PepsiCo was a member, over concerns that its members had a financial stake in the outcome of setting global standards protecting food and water supplies. According to the article, ILSI had funded WHO research that found no direct link between sugar consumption and obesity, had tried to avoid stronger curbs on toxic pollutants, and tried to discredit a possible link between perfluorochemicals and cancer. (ref: 72)

Worst rating for information provision on lobbying (2005)

The 2005 SustainAbility/WWF report 'Influencing Power: Reviewing the conduct and content of corporate lobbying', ranked how 100 major companies reported on lobbying and its relationship to their core business, from the provision of no information (51 companies) through to 'basic' (31 companies), 'developing' (10 companies), 'systematic' (8 companies) or 'integrated' reporting (0 companies). It said that PepsiCo had received the lowest rating due to it making no information available. (ref: 73)

Political donations to US parties (2009)

A search was made on the PepsiCo website (pepsico.com) in August 2010. During this search, a document disclosing the companies political donations was found. It stated that the company had given over \$20,000 to Republican politicians' funds. It also stated that the company had given \$100,000 to the Budget Reform Now ballot proposition, which further research showed was lead by Republican Arnold Schwarzenegger. The document also stated that thousands of dollars had been donated to Democratic politicians' funds. Also, 5,000 had been given to "Republican House Leadership" and \$10,000 to the Enough is Enough ballot initiative. \$2,000 was given to the Greater Indianapolis Republican Finance Committee. (ref: 65)

Anti-Social Finance

Subsidiaries in eighteen tax havens (2009)

According to the Securities Information website, www.secinfo.com, viewed by ECRA in May 2010, PepsiCo Inc had operations in eighteen countries which were considered by ECRA at the time of writing to be tax havens: the Bahamas, Barbados, Bermuda, Cayman Islands, Costa Rica, Cyprus, Gibraltar, Guatemala, Hong Kong, Ireland, Liechtenstein, Luxembourg, Mauritius, Netherlands Antilles, Panama, Philippines, Singapore and Uruguay. (ref: 67)

Del Monte and Just Juice

Owned by Fresh Del Monte Produce Inc which is owned by Abu Ghazaleh Family (31%). Fresh Del Monte Produce Inc is also owned by FMR Corp (11%)

Fresh Del Monte Produce Inc, 74 Boulevard D'Italie, Monte Carlo, 9800, Monaco

FMR Corp, 82 Devonshire St, Boston, MA 02109, USA

Environment

Environmental Reporting

Worst ECRA rating for environmental reporting (2010)

A search was made of the Fresh Del Monte Produce Inc website (freshdelmonte.com) in September 2010. No separate annual environmental report or sustainability report could be found. The Sustainability section of the site included information on the company's environmental activities.

No future, dated quantified targets could be found (there was a target to plant an additional 700 of Gmelina trees in 2010, but this was only 1 target whereas ECRA expects to see at least 2).

The information given was not dated but the website was copyrighted to 2010.

No evidence of independent verification could be found.

The information given addressed the following areas; water quality and quantity (there was no mention of water scarcity or stress but some of the conservation projects had happened in countries that may well suffer water stress/scarcity), soil, energy, air, biodiversity, waste (recycling, packaging, disposal, reduction). There was no mention of pesticides in the Sustainability section of the website. A Google search of the site showed that the company had stated that "when using pesticides we seek the least toxic chemical that will control the pest.", but the click through from this link to the actual webpage did not work (the URL showed that it was in the Science section of the website, as opposed to the Sustainability section). As there was no mention of pesticides, the company could not be said to have a reasonable understanding of its main impacts.

For these reasons the company received ECRA's worst rating for environmental reporting. (ref: 74)

Pollution & Toxics

Workers' rights abuses and pollution in Costa Rica (October 2010)

According to an article in the Guardian newspaper on 2nd October 2010, Del Monte had been involved in incidents in the Costa Rican pineapple industry.

At the time of adding this information to ECRA's database, it should be noted that there were 2 separate companies that this allegation could apply to (Del Monte Foods and Fresh Del Monte Produce Inc), due to the fact that they both had Del Monte in their company name. However, it was not clear that Del Monte Foods were involved in agriculture as directly as Fresh Del Monte produce were.

The article stated that "the use of agrochemicals" had led to drinking water being contaminated and that villagers had been forced to collect water from tankers for over 3 years.

It also stated that there had been repression of attempts to unionise including mass sackings.

Del Monte responded by stating that it had strict controls on chemicals, that workers were free to join unions and that the government was monitoring the drinking water situation. (ref: 75)

Environmental destruction in Northeast Brazil (2005)

According to the June 2007 issue of Banana Trade News Bulletin, a professor at the Ceara State Centre for Technology Education, Brazil, was reported to be studying the environmental impacts of large-scale banana plantations belonging to Del Monte. It said that already, in 2003, the company had been accused of polluting the river Acu with carbamates and organophosphoric products, and in 2005, it had apparently been denounced for having cut a swathe of forest to make way for its drainage system. Shortly after this denunciation, in which the professor had said "It is unacceptable that these companies abuse the environment so flagrantly and the courts do nothing", the local government had apparently voted in a law prohibiting the cutting of fan palm (carnauba) trees. (ref: 76)

Shareholdings in Tesco (2007)

According to the Tesco factsheet on investment information website Hemscott.com, viewed by ECRA in August 2007, Fidelity International and FMR had shareholdings in Tesco, a company criticised by ECRA under the categories: habitats & resources, workers' rights, climate change, factory farming and pollution & toxics. (ref: 77)

Habitats & Resources

Allegations of misleading claims about activities (2006)

According to the spring 2006 issue of Union to Union, delegates to a conference of Latin American banana workers' unions had criticised big banana companies, including Del Monte Fresh, for the way in which they portrayed their activities in majority

world countries. A statement by the delegates declared that “it is appalling to see the picture that companies ... paint of themselves to consumers and their governments in North America and Europe, claiming to respect and to comply with labour and environmental legislation.” (ref: 78)

(See also ‘Environmental destruction in Northeast Brazil’ in Pollution & Toxics above.)

(See also ‘Shareholdings in Tesco’ in Pollution & Toxics above.)

Animals

Factory farming

Poultry farming and slaughtering operations (2006)

According to the Fresh Del Monte company website www.freshdelmonte.com, viewed by ECRA in March 2006, National Poultry Co was a Jordanian poultry (broiler) farming company which had its own hatchery, breeding farms, feed mill, distribution fleet and slaughterhouse. (ref: 79)

(See also ‘Shareholdings in Tesco’ in Pollution & Toxics above.)

Animal Rights

(See also ‘Poultry farming and slaughtering operations’ in Factory farming above.)

People

Human Rights

Land rights and workers’ rights abuses (September 2008)

According to an article in the Huffington Post (huffingtonpost.com) dated 15 February 2010, Del Monte had been involved in abuses in Colombia. At the time of adding this information to ECRA’s database, it should be noted that there were 2 separate companies that this allegation was likely to apply to (Del Monte Foods and Fresh Del Monte Produce Inc), due to the fact that they both had Del Monte in their company name. However, no evidence could be found on the Del Monte Foods website that it sold products including bananas.

The article referred to the testimony of a person who had been working in a private security company that the US government had deemed a terrorist organisation. This company, the AUC, had received major support from Del Monte and 2 other well-known fruit brands, according to the witness.

The article stated that according to the witness, other whistleblowers and investigators, the AUC were employed by “the banana companies” to drive the FARC guerillas away from the banana-growing area and protect the companies plantations. Once this had been achieved these companies “continued to pay the AUC to ‘pacify’ their work force, suppress the labor unions and terrorise peasant squatters seeking their own competing land claims.” (ref: 80)

Allegations of involvement with anti-union paramilitaries (17 May 2007)

According to an article in the International Herald Tribune, dated 17th May 2007, Del Monte and other US multinational banana buyers in Colombia had been implicated in the killing of thousands of people over a decade. In the course of a court case a “paramilitary warlord” was reported to have said that the companies had made regular payments to the paramilitaries, who then killed thousands of people, including union representatives. The company was said to have denied the allegations. (ref: 81)

Alleged payments to Colombian paramilitaries and union busting (2007)

According to the June 2007 issue of Banana Trade News Bulletin, Del Monte was one of the companies accused in May 2007 by a jailed Colombian war lord of having made payments to Colombian paramilitaries- something Del Monte had immediately denied.

Colombia’s chief prosecutor had declared that companies which had made such payments, supposedly to protect the safety of their workers, shared responsibility for paramilitary murders. Meanwhile, Colombian labour and human rights activists were reported to have said that Colombian companies and multinationals had routinely paid paramilitaries to act as union busters, killing union leaders and so making the country the most dangerous in the world for unions. (ref: 76)

Workers’ Rights

(See also ‘Workers’ rights abuses and pollution in Costa Rica’ in Pollution & Toxics above.)

(See also ‘Land rights and workers’ rights abuses’ in Human Rights above.)

Anti-union activities following murder of worker (2008)

According to Banana Trade News Bulletin No 39 February 2008 when Marco Tulio Ramirez was killed inside the Yuma Plantation belonging to Bandegua, the SITRABI union sought the views of the company about the circumstances surround their colleague’s murder.

Following the murder the company was said to have put up barriers at the entrance and employed private security guards to patrol throughout the plantation. As General Secretary of the local SITRABI section at Yuma, Marco Ramirez was also under threat of losing his job because of his strong defence of workers’ rights against violations of the collective bargaining agreement. Bandegua had accused him of sabotaging production and encouraging workers to strike. Following international attention on the company over the killing, Bandegua had asked SITRABI to write a letter completely dissociating the company from the event. SITRABI refused, especially as their members had bad experiences of Del Monte’s private security company. Since the killing heavily armed men on motorbikes were said to have patrolled freely throughout the plantations, increasing tension for all concerned. However, when the union asked Bandegua to question the security company it hires about the murder, exchanges became more heated. Eventually, in mid-October, the company suggested that the union and company jointly approach the Public Ministry to request that the investigation be made a priority of the new international body CIGIG. (ref: 82)

Supply Chain Policy

Middle ECRA rating for supply chain policy (September 2010)

A search was made of the Fresh Del Monte Product Inc website (freshdelmonte.com) in September 2010. The Code of Conduct and Business Ethics Policy was downloaded. The webpage entitled Fair Working Conditions was downloaded. Between these two sources, it was established that the company fulfilled the clauses on forced labour, freedom of association and discrimination. It outlawed child labour but crucially did not define the age at which it considered a person to still be a child. The company stated that it had had some of its sites certified SA8000, but did not state that it had adopted the SA8000 code across its supply chain.

Under the SA 8000 certification system, commercial audit bodies were approved to verify working conditions, but there was no requirement that NGOs/trade unions/not for profits are also used in the verification process (auditing). (ref: 74)

Politics

Genetic Engineering

GM policy not in evidence (September 2010)

In September 2010, a search was made of the Fresh Del Monte Produce Inc website (freshdelmonte.com). No mention of genetic modification could be found. However, it was found that the company sold feed grain (grain for feeding livestock) in Argentina. Argentina was a country that allowed the growing of GM crops and livestock feed was a common GM product. No policy on

GM could be found on the company website. (ref: 74)

GM possible in certain products (2006)

According to the Greenpeace Shoppers Guide to Genetic Modification, viewed on the Greenpeace UK website on 7th September 2006, the following products had been given the 'red' rating applied to "food which may contain GM ingredients or be derived from animals fed on GM crops": Fruitini. (ref: 83)

Anti-Social Finance

Tax avoidance by moving profits through offshore subsidiaries (2008)

According to Banana Trade News Bulletin No 39 February 2008 an investigation by the Guardian newspaper revealed that global banana companies had been using tax havens to avoid paying tax in the UK, USA and in the developing nations where they operated.

The investigation revealed that the companies were "creating elaborate structures to move profits through subsidiaries to offshore centres such as the the Cayman Islands, Bermuda and the British Virgin Islands". Governments at both ends of the chain were more and more deprived of the ability to raise taxes for development or services.

The result was said to be that "Dole, Chiquita and Fresh Del Monte, the three companies that supply several UK supermarkets and between them control more than two thirds of the worldwide banana trade, generated over \$50bn (£24bn) of sales and \$1.4 of global profits in the last five years. Yet they paid just \$200m, or just over 14% of profits in taxes between them over that period, out analysis of their financial accounts reveals." Some years, the research revealed, the banana companies had paid an effective tax rate as low as 8%, even though the standard rate in the US where they had their headquarters and filed their full accounts was 35%. The front page feature elicited a range of reactions from civil society, but no comment from the companies was forthcoming. (ref: 82)

(See also 'Allegations of involvement with anti-union paramilitaries' in Human Rights above.)

(See also 'Alleged payments to Colombian paramilitaries and union busting' in Human Rights above.)

Don Simon orange juice

Owned by Don Simon which is owned by J Garcia Carrion which is owned by Priesca sa.

Priesca sa, Calle Senda De Enmedio (Pb Puente Tocino) 15, 30009 Murcia, Murcia Spain

Environment

Environmental Reporting

Worst ECRA rating for environmental reporting (August 2010)

The Don Simon website (donsimon.com) was searched in August 2010. The site was in Spanish. Don Simon fruit juice had been found on sale in a UK supermarket. As the site was in Spanish, ECRA could not ascertain whether or not there was an environmental report. However the site appeared very basic and no pages/links seemed to contain a report. A search for the Spanish words for environment, environmental and environmentally was made, these words could not be found on the Spanish version of the website.

The company received ECRA's worst rating for environmental reporting. (ref: 84)

People

Supply Chain Policy

Worst ECRA rating for supply chain policy (August 2010)

The Don Simon website (donsimon.com) was searched in August 2010. The site was in Spanish. Don Simon fruit juice had been found on sale in a UK supermarket. As the site was in Spanish, ECRA could not ascertain whether or not there was a supply chain policy. However the site appeared very basic and no pages/links seemed to contain a policy. A search for the Spanish words for worker and supply was made, these words could not be found on the Spanish version of the website.

The company received ECRA's worst rating for supply chain policy. (ref: 84)

Fruit Hit Orange Juice [F]

Owned by Natural Beverage Company Ltd

Natural Beverage Company Ltd, Castlemead, Lower Castle Street, Bristol, BS1 3AG

Environment

Environmental Reporting

Best ECRA rating for environmental reporting (August 2010)

According to a representative of the Natural Beverage Company during a phonecall with ECRA in August 2010, the company had a turnover of less than £5m. A search on the company website (naturalbeverages.co.uk) showed that the company only produced Fairtrade products.

Under the Fairtrade scheme, certified farmers were encouraged to adopt organic practices. For these reasons, the company was exempt from ECRA's environmental reporting category. (ref: 85)

Animals

Animal Rights

Sale of dairy products (August 2010)

A search was made of the Natural Beverage Company Ltd website (naturalbeverages.co.uk) in August 2010. It was found that the company manufactured a product that was mainly made of dairy milk. The company sold fruit juice, smoothies and chocolate milk. The website stated that "skimmed milk" was used but gave no details of the welfare standards of the animals that produced the milk. The product was Fairtrade Foundation certified but there was no evidence of other certification. (ref: 86)

People

Supply Chain Policy

Best ECRA rating for supply chain policy (August 2010)

According to a phone conversation with a Natural Beverage Company Ltd representative on 16th August 2010, the company had a turnover of less than £5m. As a company with a turnover of less than £5m, producing only Fairtrade products, the company received an exemption in ECRA's supply chain category. (ref: 85)

Politics

Genetic Engineering

GM contamination likely (August 2010)

A search was made of the Natural Beverages website (naturalbeverages.co.uk) in August 2010. It was found that the company sold milkshake. No GM policy could be found, it was not stated that the milk or the product was organic. As non-organic milk was like to contain GMOs (via animal feed), the company was marked down in this category on the Ethical Consumer database. (ref: 86)

Company Ethos

All products Fairtrade (August 2010)

According to the Natural Beverage Company Ltd's website (naturalbeverages.co.uk) searched in August 2010, all the company's products were Fairtrade Foundation certified and the company had a commitment to Fairtrade. (ref: 86)

Product sustainability

Fairtrade Product

Fairtrade certified (August 2010)

According to the Fairtrade Foundation website (fairtrade.org.uk) checked in August 2010, the Natural Beverage Company made Fruit Hit-brand Fairtrade-certified orange juice. (ref: 3)

Fruit Passion, Grower's Direct and Sunpride

Owned by Gerber Juice Company Ltd which is owned by Hanover Acceptances Ltd which is owned by Rombas Holdings SA which is owned by Quadriga Worldwide

Gerber Juice Company Ltd, Mallard Court, Express Park,, Bridgwater, Somerset, TA6 4RN

Quadriga Worldwide, Forum 1, Station Road, Theale, Berks., RG7 4RA, UK

Environment

Environmental Reporting

Worst ECRA rating for environmental reporting (August 2010)

A search was made of the Gerber Juice Company Ltd's website (gerberjuice.com) in August 2010. No environmental report could be found. There was absolutely no mention of environmental issues. The company received ECRA's worst rating for environmental reporting. (ref: 64)

People

Supply Chain Policy

Worst ECRA rating for supply chain reporting (August 2010)

A search was made of the Hanover Acceptance's website (hanoveracceptances.com) in August 2010. No supply chain policy could be found. The company received ECRA's worst rating for supply chain policy. (ref: 87)

Product sustainability

Fairtrade Product

Fairtrade certified (August 2010)

According to the Fruit Passion website (fruit-passion.com) searched in August 2010, Fairtrade-certified orange juice was available under this brand. (ref: 88)

Grove Organic Fruit Co

Owned by Grove Organic Fruit Co which is owned by Wellness Foods Limited which is owned by Erbium Holdings Ltd which is owned by Lydian Capital Partners LP
Lydian Capital Partners LP, Rue du Rhône 63, CH-1204 Geneva, Switzerland

Environment

Environmental Reporting

Worst ECRA rating for environmental reporting (August 2010)

A search was made of the Grove Organic Fruit Co website

(grovefresh.co.uk) in August 2010. No environmental report was found. The company therefore received ECRA's worst rating for environmental reporting. (ref: 89)

Climate Change

No effective remediation for palm oil use (May 2010)

A shop survey on 10 March 2010 in ASDA, Hulme, Manchester, showed vegetable fat as an ingredient Stream Foods Ltd "School Bars" product. This is a generic term usually including palm oil. A questionnaire requesting information on policy issues, including palm oil was sent to Stream Foods in May 2010. The questionnaire was not returned, nor was any information available on the company's website (/www.fruit-bowl.com), both viewed 21 April 2010. As the company appeared to be using palm oil without any effective remediation strategy it was given negative marks in the categories of climate change, human rights and habitats and resources because of the negative consequences of the palm oil trade on land rights and deforestation. (ref: 90)

Habitats & Resources

(See also 'No effective remediation for palm oil use' in Climate Change above.)

People

Human Rights

(See also 'No effective remediation for palm oil use' in Climate Change above.)

Operations in 1 oppressive regime (August 2010)

A search was made of the Dorset Cereals website (dorsetcereals.co.uk) in August 2010. Dorset Cereals was owned by Wellness Foods Limited. The site stated that the company had its own websites for its Canada and US markets. The US was on ECRA's list of oppressive regimes at the time of writing. The site also listed other countries where the company's product was stocked, including UAE, Thailand, Russia and China, but as the company's products only seemed to be stocked there, and the company itself had no operations there, the company was not marked down for this. (ref: 91)

Palm oil free (July 2010)

In July 2010 Ethical Consumer received a statement from Dorset Cereals Ltd regarding its use of palm oil. The communication stated: "Over the last few months we have been phasing out the use of Palm Oil at Dorset Cereals and we now DO NOT use Palm Oil in any of our recipes. We have carried out extensive research into this area and have made the decision to remove Palm Oil, of any sort, from our supply chain." Ethical Consumer considered this to be a positive policy addressing a climate change, habitats and resources and human rights issue.

Dorset Cereals was owned by Wellness Foods Limited at the time of writing. (ref: 92)

Supply Chain Policy

Worst ECRA rating for supply chain policy (August 2010)

A search was made of the Grove Organic Fruit Co website (grovefresh.co.uk) in August 2010. No supply chain policy was found. The company's products were certified by the Soil Association.

Soil Association certification does not cover labour standards issues. At the time of writing, the Soil Association's most up to date document on this subject was its ethical trade standards document (April 2010). This document stated that the standards were voluntary and companies only had to comply with them if they were using the Soil Association's ethical trade label. No evidence could be found that the company was using this label. The company received ECRA's worst rating for supply chain policy. (ref: 89)

Politics

Genetic Engineering

GM policy not evident (August 2010)

A search was made of the Wellness Foods Limited website (wellnessfoods.co.uk) in August 2010. Products were found on the website (eg Fairtrade honey) that were not said to be organic and may have contained GM materials. Further exploration of product-specific websites did not contradict this finding. No GM policy could be found on the Wellness Foods Limited website. (ref: 93)

Anti-Social Finance

Non disclosure of private equity investments (5 April 2010)

A representative of ECRA telephoned Geneva based Lydian Capital Advisors on 5 May 2010 and requested information concerning Lydian Capital Partners key investments. A representative of Lydian Capital Advisors responded that this information was confidential. ECRA regarded private equity's refusal to disclose ownership as anti-social finance. (ref: 94)

Product sustainability

Organic product

Soil Association certified (August 2010)

According to an email from a Soil Association representative, Grove Organic fruit juice was Soil Association certified. (ref: 95)

James White and Manic Organic

Owned by James White Drinks

James White Drinks Ltd, White's Fruit Farm, Helmingham Road, Ashbocking, Suffolk, IP6 9JS

Environment

Environmental Reporting

Worst ECRA rating for environmental reporting (August 2010)

A search was made of the James White Drinks website (jameswhite.co.uk) in August 2010. No environmental reporting could be found. The company had a turnover of £5.1m according to Hoovers.com (checked in August 2010). Many of the companies products were Soil Association certified, but not all.

The company received ECRA's worst rating for environmental reporting. (ref: 96)

People

Supply Chain Policy

Worst ECRA rating for supply chain policy (August 2010)

A search was made of the James White Drinks website (jameswhite.co.uk) in August 2010. No supply chain policy could be found. According to a Hoovers.com search in August 2010, the company had a turnover of £5.1m. Many of the companies products were Soil Association certified, but not all. None were fair trade.

The company were sent a questionnaire in July/August 2010, which included a question about supply chain policy. No response was forthcoming. A significant proportion of the company's product range included fruits/vegetables that were commonly sourced from overseas. For example, the Big Tom-branded product contained "20 different ingredients from around the world", but the countries of origin were not disclosed. The company was given worst rating for supply chain policy. (ref: 96)

Product sustainability

Organic product

Soil Association certified (August 2010)

(ref: 14)

M&S

Owned by Marks & Spencer Group plc

Marks & Spencer Group plc, CORPORATE PR MANAGER, Waterside House, 35 North Wharf Road, London, W2 1NW, UK

Environment

Environmental Reporting

Best ECRA rating for environmental report (2010)

Marks & Spencer's 'How we do business report 2010' was downloaded from the company's website, corporate.marksandspencer.com, in August 2010. It reported on how the company had performed on the commitments made in its Plan A project, including carbon emissions reductions, and an assurance statement from Ernst & Young.

The company's 'Plan A 2010-2015' document contained 180 commitments to achieve by 2015, with the ultimate goal of becoming the world's most sustainable major retailer. The Plan covers five areas: Climate Change, Waste, Sustainable Raw Materials, Health and being a Fair Partner.

Targets for 2015 include:

- * Reduce our operational carbon emissions by 35% and make our operations carbon neutral
- * Reducing store refrigeration gas carbon emissions by 50% by 2015. Using CO2 systems in all new store refrigeration installations from 2010, replace HCFCs by 2014 and HFCs by 2030.
- * Send no operational and construction waste to landfill and reduce our operational waste by 25% and construction waste by 50%
- * Tripling our sales of organic food in the UK and Republic of Ireland by 2012.
- * Work towards M&S fruit, vegetables and salads being 75% pesticide residue-free by 2015 and 100% pesticide residue-free by 2020.

The company was considered to have demonstrated a reasonable understanding of its main environmental impacts, and alongside the facts that it had dated, quantified future targets and its environmental data was independently verified, it received Ethical Consumer's best rating for environmental reporting. (ref: 97)

Average independent rating on CSR in supermarkets (November 2006)

The National Consumer Council's 2006 report on supermarkets awarded Marks and Spencer an average rating (C) for its environmental performance. The report looked at a number of different areas including food transport, waste, nature, and sustainable farming. These were assessed as follows: On food transport issues the company was rated D (room for improvement) and specifically criticised for air freighted fruit long distance. It was awarded D for waste, saying that there was still room for improvement and was criticised for having no toilet paper or kitchen roll with declared recycled content. It received an A (excellent) for its fish stocking policy (and was said to be 'leading the way') and only a D for trees as there was no FSC-certified wooden kitchenware. Finally, it scored C for sustainable farming as there was only a reasonably good range of range of organic options in the food stores surveyed. (ref: 39)

Independent praise for environmental policies (2005)

The January 2005 issue of ENDS Report stated that in terms of environmental policies, Marks & Spencer 'led the pack' of

large UK department stores. The article stated that M&S had a comprehensive chemicals strategy which limited or banned certain dyes and other chemicals, including some azo-dyes and alkyltins. It was also said to place stronger restrictions on children's clothes, which could not include brominated flame retardants or phthalates.

M&S was also said to be carrying out a 'limited reintroduction' of organic cotton into products and to have a limit of 0.005ppm for pesticides in clothes. It was also said to be lobbying for increased organic cotton production through the Organic Exchange international body. (ref: 98)

Climate Change

Policy on stocking local produce (2008)

In response to a request by ECRA in October 2008 for Marks and Spencer's policy on stocking local produce, the company stated that it had completed detailed work on the carbon footprint of all the food it sold, from raw material production, through food manufacture, to retaining, customer use and disposal. It stated that, under Plan A, its 100-point "eco-plan" it was committed to tackling all the substantive parts of its food carbon footprint - farming, refrigeration, manufacture and the minimisation of food waste. The company stated that due to this research, it believed that food miles played a small role in tackling the climate change impact of food. It stated that it had a commitment to UK sourcing, saying that last year, it had bought 10% of UK blackberries, 12% of UK raspberries, 26% of UK plums, 10% of UK strawberries and 48% of UK cherries. However, since the company had not committed itself to targets to increase sales of local produce, it received a negative mark in this category.

It stated that it offered over 590 organic food lines throughout the year and that its 2007/8 organic food sales increased by around 40% on the previous year. However, whilst ECRA considered these to be positive figures, since the company had not set targets to increase these sales figures in the future, it received a negative mark in this category. (ref: 99)

Pollution & Toxics

Listed on Fountain Set (Holding) CSR Page (2006)

According to CSR Asia Weekly Vol.2 Week 25, Marks & Spencer was amongst a group of brands listed as customers on the Fountain Sets CSR page.

Fountain Sets (Holding) Limited was a publically listed company in Hong Kong, consisting of 13 companies including Dongguan Fuann Textiles. It was said to have supplied to international retail brands and in 2005 Worldwide sales reached HK\$6.64 billion (US\$851 million).

The South China Morning Post (16th June, 2006) had reported that Dongguan Fuann Textiles had illegally discharged excessive waste water directly into a river by laying a secret pipe through which it piped over 20,000 tonnes a day, nearly equivalent to its total waste water treatment plant's capacity. Fountain Set (Holdings) was facing a fine of up to 500,000 yuan. Dongguan's deputy Mayor Li Yuquan was said to have blamed Dongguan Fuan Textiles for river pollution and said it should be severely punished. (ref: 100)

Products containing one paraben (March 2010)

During a shop survey in Manchester city centre in March 2010, it was found that Marks and Spencer Mint and Rosemary shampoo and Ylang Ylang shampoo contained methylparaben. Parabens were considered by Ethical Consumer to be pollutants. (ref: 101)

Habitats & Resources

Allegations of stealing water in Kenya (21 October 2006)

Guardian Unlimited / Guardian website www.guardian.co.uk "How your supermarket flowers empty Kenya's rivers" (21 October 2006). This article reported on allegations made about

flower producers in Kenya stealing local water supplies. The article stated: "According to the head of the water authority, the 12 largest flower firms...in the region...supply supermarkets such as M&S...". Amongst the stakeholders were a local human rights group supported by ActionAid. The article stated that the water authority had to lock up water outlets to stop the flower companies stealing water and that the river had receded by 60 miles. (ref: 102)

Animals

Animal Testing

Middle rating for animal testing (October 2008)

According to Marks and Spencer's response to an ECRA questionnaire received in October 2008 the company had a policy against animal testing on all of its own brand household and cosmetic items. It stated that it has never tested its beauty or household products on animals, and that the BUAV has now certified that since Jan 2006, none of the individual ingredients had been tested in this way either. It also stated that M&S supported research into alternative testing practices through FRAME, which is the main research body on alternative testing and that the BUAV's Chief Executive, Michelle Thew had said "Marks and Spencer has demonstrated its commitment to driving animal testing out of the cosmetics and household products industry, and promoting the true meaning of being animal testing free."

According to the BUAV, to be approved for the Humane Cosmetics Standard and the Humane Household Products Standard, a company must no longer conduct or commission animal testing and must apply a verifiable fixed cut-off date - an unmoveable date after which none of the products or ingredients have been animal tested. Each company must be open to an independent audit throughout the supply chain to ensure that they adhere to the animal testing policy criteria.

However, from January 2010, M&S started selling branded products including Colgate and Head & Shoulders which are made by companies that test on animals.

Marks and Spencer's therefore received ECRA's middle rating for animal testing. (ref: 99)

Factory farming

Animal welfare policy (2008)

In response to a request by ECRA in October 2008 for Marks and Spencer's policy on animal welfare, the company stated that it had committed itself to three targets on improving animal welfare in its 100-point "eco-plan", Plan A. These were:

- converting all fresh turkey, geese, duck and pork products to free range
- further improving stocking densities of Oakham chicken
- improving traceability in non-food supply chains for animal-derived raw materials and work with animal welfare groups to develop sourcing policies on animal welfare for leather and wool.

All targets in Plan A were due to be reached in 2012. ECRA recognised the positive moves the company was making to increase the range of free range meat products it sold, however, since it also sold meat which was not labelled as free range or organic, it received a negative mark in this category. (ref: 99)

Animal Rights

Animal derived ingredients (October 2009)

On 3rd October 2009 it was reported in the Mail Online, www.dailymail.co.uk, that Marks and Spencer Percy Pig sweets contained pork gelatine. (ref: 103)

Anti-union activity at Turkish supplier (19 January 2009)

In January 2009, the website for the International Textile, Garment and Leather Workers' Federation, www.itglwf.org, reported on

labour rights abuses at a leading Turkish leather goods exporter, Desa. The company was said to have fired more than 40 workers in 2008 after they had joined the leather trade union, Deri Is. In cases that Turkish courts had pronounced judgement, it was reported that they had demanded reinstatement. The company was said to have entered negotiations with Deri Is, but did not commit to anything in writing and was, at the time of the article, refusing to reinstate some of those dismissed and was not accepting that it must engage with Deri Is as a social partner.

Trade Unions across Europe were said to have called on buyers, including Marks and Spencer, to “use the contractual obligations of their codes of conduct and force Desa to end its bad faith bargaining and reach agreement with Deri Is on re-instatement of all the dismissed workers”. (ref: 104)

Sale of slaughterhouse by-products (2008)

During a search of the company’s website (www.marksandspencer.com) in November 2008, ECRA found that the company sold a range of products which ECRA considered likely to contain slaughterhouse by-products including leather, rennet, animal fat and gelatine. (ref: 105)

People

Human Rights

Operations in nine oppressive regimes (August 2010)

A search was made of the Marks and Spencer company website (marksandspencer.com) in August 2010. The following statement was found above the list of countries that the company had operations in:

“We have over 300 stores in over 40 territories. Going forward we plan to expand our international business through both our franchised operations and partnerships in some of the world’s most dynamic emerging economies.”

This list included countries that were on ECRA’s list of oppressive regimes at the time of writing, they were:

China, Indonesia, Kuwait, Libya, Philippines, Russia, Saudi Arabia, Thailand, UAE (ref: 106)

Products sourced from two oppressive regimes and one tax haven (June 2007)

An email received from Marks and Spencer in June 2007 confirmed that the company sourced some of its clothes from countries, rated by Ethical Consumer as being oppressive regimes: China, Indonesia and the Philippines. (ref: 107)

Abuses at supplier factory in Indonesia (2005)

According to a report dated June 2007 by the International Trade Union Confederation, PT Sinar Apparel International was a garment manufacturer in Indonesia which manufactured for major brands, including Marks & Spencer, Gap and John Apparel. The report stated that in 2005 management had refused to bargain with the organised union, and instead tried to bribe union leaders. When this failed, the company was said to have sacked the union’s chair. A one-day strike over a wages dispute was then said to have been met with the sacking of another union member. Pressure from international organisations and companies was said to have resulted in the reinstatement of one of the sacked workers by the end of 2005 and the initiation of negotiations with the union, but the report stated that the case of the other worker remained outstanding. (ref: 108)

Workers’ Rights

Workers’ rights abuses at supplier factory (2010)

According to an article which appeared on the Guardian website (www.guardian.co.uk) on 8 August 2010, an investigation by the Guardian’s sister publication, the Observer, had found numerous workers’ rights abuses in Indian supplier factories of three high-street fashion brands. These included M&S. The investigation found that factories supplying M&S were using

workers hired through middlemen who paid them as little as 26 pence per hour.

A worker at a Viva Global factory that supplied M&S said that if the workers complained to the management about the wages, they were told they could always leave the factory. Workers at this factory also said that until recently they had been required to stay for up to 16 hours a day on single pay. One worker said they could not afford to feed their children on their 5,000 rupees (£69) a month basic wage. Others said they worked from 9am to 10pm for a basic 4,600 rupees per month, with overtime paid at single rate. “We need to work for the money and if we don’t the company will kick us out”, said Bitthu, 26.

In response to these allegations, M&S said it had yet to find evidence of the wage claims. It said it was aware of the overtime situation at this factory, which had been picked up through its auditing process. They said M&S had been working with this factory for five years and had only just started having problems with them. The company said it was confident there had been no excessive overtime in the past two months. The chief operating officer for Viva Global claimed that some workers may want to harm the factory by making unsubstantiated claims. He also said that he was aware of workers who did an 8 hour shift at his factory, then another 8 in another factory, but denied that any workers had put in 16-hour days in the one unit. (ref: 109)

Low standards on Colombian flower farms (2006)

According to the March 2007 War on Want report ‘Growing Pains: the human cost of cut flowers in British supermarkets’, Florverde was a certification programme set up by the Association of Colombian Flower Exporters (Asocoflores), allegedly to minimise the environmental impacts of the cut flowers industry and protect workers’ rights. It said that M&S had significantly increased its orders from the scheme following a 2006 visit to Colombia. However, War on Want believed the mark gave no guarantee of environmentally friendly practices or safe working conditions. It said that on Florverde farms, 36% of the toxic chemicals used had been considered ‘extremely or ‘highly’ toxic by the World Health Organisation, in a 2005 study. It said workers interviewed by War on Want had complained of job-related medical problems such as repetitive strain injury and had been banned from organising a union to negotiate health safeguards and better pay. One worker on a Florverde farm had confirmed that joining a trade union was difficult if not impossible: “The farm tried to bribe the workers to leave the union, and gave bonuses, vacations and food subsidies to workers who weren’t part of the union.” (ref: 110)

Lack of recognition of caste in India (May 2010)

In May 2010 an article in CSR Asia Weekly criticised a number of multinationals operating in India for failure to recognise discrimination on the basis of caste as an issue that should be addressed. According to the article: “Failing to acknowledge caste will not change the status quo. Caste inequities can be reduced only by highlighting caste and the divisions it perpetuates. It becomes quite clear that few companies in India truly understand the business case for diversity when they perpetuate the rhetoric that caste based reservation should be abolished because merit and efficiency are in danger.” (ref: 111)

Supply Chain Policy

Worst ECRA rating for supply chain policy (August 2010)

In order to rate a company’s supply chain policy (also referred to as code of conduct, code of practice, supplier policy and various other synonymous terms), ECRA needed to see a copy of the document that is communicated to workers. This was because workers have a right to know the conditions under which the companies are expecting them to work, so that workers could use this information to press for improvements. At the time of writing, several ETI-member companies had not fully integrated the ETI Base Code and Principles of Implementation into their

supply chain policies, and it had come to ECRA's attention that companies do not have to fulfil this criteria in order to gain membership of the ETI. Indeed, some members stated that their policy was "aligned to"/"based on" the Base Code etc, but examination of their policies revealed that key points from the Base Code were missing.

Although ECRA recognised that by adopting a supply chain policy, a company's supply chain does not instantly become compliant with the policy, ECRA sees the policy as an important statement of what the company's feels is acceptable minimum standards.

In August 2010, Ethical Consumer searched online and found the Marks and Spencers' Global Sourcing Principles (GSP), dated 2005.

This document provided information but not enough to satisfy all 7 clauses (although it did include adequate clauses on forced labour and discrimination). The GSP stated that the company had "adopted the ETI Base Code as our international standard, and we expect suppliers to work with this", however it then went on to only define child labour as "normally" involving children under 15. It included no commitment to paying a living wage or having a maximum working week of 48 hours plus 12 hours overtime. It stated that workers should only be allowed to join "lawful" trade unions or workers' associations. It was not clear if the word "lawful" applied to workers' associations. If the phrase had been "workers' associations or lawful trade unions", this would have been sufficient to fulfil the clause that ECRA expects to see on this issue. As large companies routinely spent thousands of pounds on CSR documents, ECRA does not generally give companies the benefit of the doubt in cases where they may have misused the English language.

The document also stated that "at the very least, suppliers must meet all local and national regulations". In order to gain a best or middle rating for supply chain policy, the policy had to be the minimum standard, the "very least". As local and national regulations often fall short of, for example, stipulating that living wages must be paid, it could not be considered that the company's supply chain policy was the basic standard which the company wanted workers in its supply chain to receive.

The company did provide information in its "How we do business 2010" that demonstrated that it had some understanding of supply chain issues. The company did carry out audits but there was no mention of trade union/NGO or not-for-profit involvement in the audits.

The company received ECRA's worst rating for supply chain policy. Had it clearly and fully incorporated the ETI Base Code into its Global Sourcing Principles, or even provided clear evidence that the ETI Base Code was the code that was being communicated to all workers, it would have received the best rating. It may have been the case that it was the actual ETI Base Code that was communicated to suppliers and workers, and that suppliers were audited according to the Base Code, and that the GSP was intended for a different purpose. However, as this was not clarified, and given the tendency for companies to be reluctant to commit fully to the ETI Base Code, ECRA had to rate the company on its GSP. (ref: 106)

Labour Behind the Label rating (2009)

The Labour Behind the Label report "Let's Clean Up Fashion – 2009 update" gave companies grades from zero to five to indicate how far along the route towards implementing a living wage they were. Marks and Spencer were given a score of 3, which meant the company "can offer concrete examples of steps to develop and implement a living wage methodology in supplier base, but only in a few pilot projects." The report stated that the company was a member of the ETI and that "M&S' work on productivity is gaining in momentum, but the project in isolation offers no guarantee of living wages. M&S' failure to engage with freedom

of association so far has held it back from attaining a higher grade. M&S believes that, 'Freedom of Association is important as it gives workers the opportunity to voice their opinions and express their views. It can be achieved in a number of ways, including through trade unions or workers committees.'

NB: A 'workers' committee' and a 'trade union' are fundamentally different things. When workers' committees are instituted they often replace genuine worker organisation and the bargaining power vital to real freedom of association efforts is lost. Such an approach remains a fatal weakness in M&S' work." (ref: 112)

Member of ETI (2008)

The Ethical Trading Initiative website (www.ethicaltrade.org), viewed by ECRA in November 2008, listed Marks and Spencer as a member. Once a company is accepted as a member, they were required to adopt the ETI Base Code of Conduct and implement it into their supply chains. Progress reports on code implementation, and on improvements to labour practices was required. (ref: 27)

Politics

Genetic Engineering

Use of GM cotton in clothing products (2009)

ECRA Wrote to M&S in December 2008 asking about its policy towards GM cotton. This was its response:

We actively engage with a number of key NGO's on this issue, to better understand the implications. Currently standard cotton is traded on the commodity market, and its identity past the farm gate is lost, therefore it is near impossible to understand what practices have been adopted at farm level. This is why we now have a cotton strategy in place to better understand our sources and work with farmers to improve their impact on the environment.

This did not constitute a clear group-wide GM free policy and so received ECRA's middle rating in this category. (ref: 113)

Boycott Call

Boycott call over Israeli goods (November 2008)

According to the Islamic Human Rights Commission website viewed in March 2010, the group was calling for a boycott of Marks & Spencer because it had an established history of supporting the apartheid state of Israel by purchasing goods from illegal Israeli settlements and supporting Israel with \$233 million in trade annually (Jerusalem Report, 5 June 2000). (ref: 114)

Anti-Social Finance

Subsidiaries in five tax havens (August 2010)

According to the Hoovers website (hoovers.com) searched in August 2010, Marks and Spencer had subsidiaries in the following countries deemed by ECRA, at the time of writing, to be tax havens:

Guernsey, Hong Kong, Singapore, Ireland (ref: 115)

Excessive CEO remuneration (February 2010)

On 1st February 2010 the BBC website, www.bbc.co.uk, reported that the new chief executive of Marks and Spencer, Marc Bolland, was to receive nearly £8.5m in salary and compensation awards after joining the company in May 2010. (ref: 116)

Excessive CEO pay and bonus (2007)

According to the BBC news website (<http://news.bbc.co.uk/>), viewed 8 June 2007 Marks & Spencer's chief executive received £3.6m in salary and bonuses in 2006, up 68% on a year ago. His salary rose from £975,000 to £1.05m plus a £2.6m cash and shares bonus. (ref: 117)

Morrisons juice

Owned by Wm Morrison Supermarkets plc

Wm Morrison Supermarkets plc, Hilmore House, Gain Lane, Bradford, West Yorkshire, BD3 7DL

Environment

Environmental Reporting

Middle ECRA rating for environment report (August 2010)

A search was made of the Wm Morrison Supermarkets website (morrisons.co.uk) in August 2010. The 2010 CSR report was downloaded. No evidence of independent verification of the report could be found. More than 2 future, dated, quantified targets were found, here are 2 examples:

30% absolute reduction in CO₂e by 2020.

Zero waste direct to landfill by 2013.

The report covered the following issues; carbon, waste, stores benchmarked under BRE Environmental Assessment method, renewables, transport, water consumption (but no mention of water stress or scarcity), company use of refrigeration, own-brand factory impacts reduction, packaging, food waste, carrier bags, recycling, emissions.

The company had its own farm, which it used as a base for research into sustainable and efficient agriculture. The company had a Farm Programme and wanted to be a leading supporter of British farming. The company had a reasonable understanding of its' main impacts.

The company received ECRA's middle rating for environmental reporting. (ref: 118)

Poor independent rating of environmental performance (November 2006)

The National Consumer Council's 2006 report on supermarkets awarded Morrisons a poor overall rating (E) for its environmental performance. The report looked at a number of different areas including food transport, waste, nature, and sustainable farming. These were assessed as follows:

D (room for improvement) on food transport issues. The company was also reported to air freight fruit (from India and US). It was awarded E for waste and fish, and a D for trees as only a proportion of kitchenware was FSC certified. Additionally, it only scored D for sustainable farming as there was only a restricted range of organic options in the food stores surveyed. (ref: 39)

Criticism of environmental reporting (2006)

According to a report in the Independent newspaper of 20th February 2006, Wm Morrison was one of 14 FTSE 100 companies whose CSR reports had been criticised by corporate communications consultancy Salterbaxter as containing "too little substantive information and performance data to be considered legitimate CSR reports." (ref: 119)

Climate Change

Palm oil policy (January 2010)

Ethical Consumer viewed the Morrisons policy on palm oil sourcing on its website, www.morrisons.co.uk, in January 2010 which read as follows: We are committed to encouraging the responsible sourcing of palm oil and ensure its cultivation is not threatening forests or natural habitats. We joined the Roundtable on Sustainable Palm Oil (RSPO), to help promote best practice for the cultivation and use of sustainable palm oil throughout the supply chain. We are working with our suppliers to ensure palm oil used as an ingredient in our own label products comes from sustainable sources. This was not a guarantee that the company was not using unsustainably sourced palm oil and as uptake of Certified Sustainable Palm Oil (CSPO) had been low it was highly likely that the company was using unsustainable palm oil. The company therefore received related criticisms in

the climate change, habitats and resources and human rights categories. (ref: 120)

Policy on stocking local produce (2008)

The Morrisons Corporate Social Responsibility Report 2008 gave details on local products stocked in Morrisons stores. These included 500 dedicated Scottish products in Scottish stores, 230 locally sourced products in Welsh stores, a North Yorkshire fresh food range in a North Yorkshire store comprising 35 products and the first 'regional' bread made from local flour and sold in stores in Yorkshire, Wessex and East Anglia. Whilst ECRA considered it to be very positive that the supermarket chain was stocking such products, there was no mention in the CSR report or on the company's website (www.morrisons.co.uk) of planned future targets to increase the stocking of local products. (ref: 121)

Criticised for policy on lightbulb stocking (August 2007)

Greenpeace criticised Morrisons in summer 2007 for the stocking of incandescent bulbs in its stores. According to Greenpeace, there was no justifiable reason why such "energy wasting" products should still be on sale and argued that retailers had a responsibility to remove such products from their shelves. Morrisons was awarded an 'F' rating (the top being an A) in the Greenpeace survey. The survey had asked retailers for their commitment to a specific date for a complete phase-out of energy inefficient incandescent bulbs and also rated companies on the proportion of energy efficient to wasteful bulbs and the price of energy efficient bulbs. Morrisons was one of four companies which, at the time, either had no commitment to phase-out bulbs, or had commitment for post 2012. (ref: 122)

Pollution & Toxics

No policy on reduction of use of pesticides and chemicals (2008)

Wm Morrison did not reply to an email request by ECRA, in October 2008, for the company's policy on reduction of pesticide and chemical use. No mention of such a policy could be found on the company's website (www.morrisons.co.uk) when it was searched in the same month. The only mention of pesticides was in Morrisons Corporate Social Responsibility Report 2008, which mentioned that all the company's fresh produce suppliers were accredited to the EUREPGAP standard. The report stated that EUREPGAP "independently monitor growers' control and use of pesticides." However, the EUREPGAP accreditation did not require targets to be set for the reduction of pesticide use, rather, it just monitored the safe handling of such chemicals. As a result, ECRA did not consider that Morrisons was making moves to identify and reduce the use of pesticides and chemicals of concern used on its fresh produce. (ref: 121)

Habitats & Resources

(See also 'Palm oil policy' in Climate Change above.)

(See also 'Poor independent rating of environmental performance' in Environmental Reporting above.)

Sold garden furniture not labelled as sustainable or FSC (24 April 2006)

Greenpeace reported in April 2006 that Morrisons had been sourcing garden furniture that was not certified by the Forestry Stewardship Council (FSC). According to Greenpeace, the supermarket had been sourcing uncertified garden furniture from south east Asia and had been unable to provide proof that the wood had been sourced from legal and well managed forests. According to the campaigners, illegal and destructive logging in the region's rainforests had driven endangered species to the brink of extinction (ref: 40)

Animals

Animal Testing

Worst ECRA rating for animal testing policy (August 2010)

Ethical Consumer visited the social responsibility section of the

Morrisons website, www.morrisons.co.uk in August 2010 and found its animal testing policy which stated the following ‘We are opposed to testing on animals and therefore do not conduct or fund such tests on our own brand cosmetic, toiletry, or household products, or the ingredients in them. We do not commission our suppliers or any other third party to carry out such tests.’

However this was no guarantee that the company was not using animal tested ingredients in its own brand products and in fact with no policy to the contrary in all likelihood the company was selling products containing animal tested ingredients. In addition the supermarket sold non-own brand products made by companies which were known by ECRA to actively test their products on animals. The company therefore received ECRA’s worst rating for animal testing policy. (ref: 118)

Factory farming

Sold factory farmed meat (2008)

According to the 2008 WM Morrison CSR report, the company sold some meat that was not labelled as organic or free range. According to the report, the duck meat it sold came from free range ducks, and it did sell some free range and organic chicken. However, it also mentioned that it had “the smallest price difference” between its own-brand RSPCA Freedom Foods range and “our regular own-brand range, making it affordable for everyone.” It was therefore assumed that some of the meat on sale in Morrisons came from factory farmed animals. (ref: 121)

Animal Rights

Sale of products containing slaughterhouse by-products (2008)

During a search of the company’s website (www.morrisons.co.uk) in October 2008, ECRA found that the company sold a range of products which ECRA considered likely to contain slaughterhouse by-products including rennet, animal fat and gelatine. (ref: 123)

(See also ‘Sold factory farmed meat’ in **Factory farming** above.)

People

Human Rights

(See also ‘Palm oil policy’ in **Climate Change** above.)

No policy on settlement produce (2010)

According to research published by the Ecumenical Council for Corporate Responsibility (ECCR) in October 2009, Morrisons did not have a publicly available policy on stocking produce from the Israeli occupied Palestinian territories. Some supermarkets in the ECCR report had policies against this, while some did source from settlements. The report could not put Morrisons in either of these categories, but in the absence of a policy stating otherwise, ECRA considered it likely that the company was sourcing produce from settlements. Settlements were described as an appropriation of land, illegal under international law, which in the West Bank was often associated with violence and threats against Palestinian residents by the Israeli army and by armed settlers. (ref: 124)

Workers’ Rights

Poor UK working conditions (2007)

According to an article dated 15th August 2007 on the Guardian newspaper website www.guardian.co.uk, in summer 2007 Morrisons was one of two British supermarkets accused of failing to scrutinise its supply chains. The accusations resulted from the discovery of illegal Bulgarian workers at one of the company’s fruit and vegetable suppliers who had allegedly been forced to live in unsanitary and cramped conditions, were fed on scavenged food and had their pay withheld by gangmasters for over a month. The gangmaster concerned was said to have had their license revoked earlier in the year but to have been allowed

to wind up its business at the time when the abused workers were discovered. (ref: 125)

Poor conditions in South African supplier farms (February 2009)

The War on Want report ‘Sour Grapes: South African wine workers and British supermarket power’, published in February 2009, stated that the UK government’s Competition Commission report of April 2008 found that “supermarkets have used their buying power to squeeze suppliers by transferring risk and costs onto them”. Suppliers were reported to be hesitant to speak out against supermarkets in case they were removed from the supermarket’s list of suppliers.

Specific problems noted in relation to South African producers were the fact that it was rare for suppliers to have formal contracts, leading to the potential of being de-listed at short notice; supermarkets changing their costs and prices as they liked to suit their needs, and last minute order cancellations without compensation. South African producers were said not to receive assured prices, so there was no guarantee that they could cover their costs. Delays in payment for orders were said to be common, with 120-day long delays becoming increasingly so. Discounts offered by supermarkets were said to be often passed on to suppliers, through pressure to ‘promote’ the products. Supermarkets were also said to charge for good positioning on the shelf: from £15,000 to £100,000. In addition, it was stated that supermarkets often press suppliers to enter into exclusivity agreements with them, so that the suppliers were entirely dependent on one customer.

The report claimed that “it is the South African workers who pay the price for UK supermarket power and greed.” Issues related to this were said to be: sacking workers; lack of formal employment contracts and low wages. The trend towards employing seasonal workers who had no benefits was said to be increasing: in 1995 the ratio of seasonal workers to permanent workers was about equal; by 2000 it was 65%:35%. This was said to reduce the ability of the workers to organise. Women were said to be more vulnerable as a result of the worsening working conditions of workers, to be paid lower wages than men, and to be frequently subjected to sexual harassment at work.

Morrisons was named as one of the largest importers of South African wine, with a 9% share of all sales. (ref: 37)

Accused by union of sex discrimination regarding redundancies (8 November 2005)

In a press release on its website (www.gmb.org.uk), dated 08/11/05, the GMB Union alleged that Morrisons had discriminated against the women employees that it was sacking. Following the company’s takeover of Safeway supermarkets Morrisons planned widespread redundancies from various former Safeway depot and admin sites. After trades union intervention, the company agreed to a national redundancy plan to give enhanced redundancy pay to the (mostly male) depot workers due to lose their jobs in 2006. The GMB stated that Morrisons refused to cover its South Shields administration site in this agreement, where 175 (mostly female) admin staff were due to lose their jobs on Christmas Eve. Therefore, a 39 year old admin worker in South Shields, with ten years service would leave with 10 weeks pay of about £250 per week. A depot worker in Kent of the same age and service would get 26 weeks pay plus £1000. This works out at exactly three times the rate a sacked South Shields worker would get. (ref: 126)

Supply Chain Policy

Middle ECRA rating for supply chain policy (August 2010)

A search was made of the Wm Morrison Supermarkets website (morrisons.co.uk) in August 2010. The 2010 CSR report was downloaded. This report made reference to the company’s Ethical Trading Code, which was also downloaded. The code contained adequate clauses on child and forced labour, discrimination and

freedom of association. No upper limit for working hours was stated. Although it was stated that living wages should be paid, the definition of living wages given did not include any mention of discretionary income or similar. For these 2 reasons, the company received ECRA's middle rating for supply chain policy, as the verification of working conditions was of a decent standard. The verification was carried out by Fair Working Conditions, a not for profit organisation. The FWC site stated that "Our Audit process not only reviews the traditional 'paper trail' associated with employment norm compliance, but also gives equal importance to employee opinion. Via confidential individual and group interviews with a minimum 20% of total employee headcount, we go to some length to genuinely understand and record employee sentiment. This feature of the Audit is fundamental and is conducted without Management supervision or influence. Our Auditors state an objective opinion regarding a company's compliance to Health & Safety norms, labour legislation and overall infrastructure, but it is the workforce that ultimately decides whether or not their employment conditions are fair. The FWC program is unique in this regard." (ref: 118)

Irresponsible Marketing

Fine for selling "gone off" fish (2008)

According to Ethical Performance Volume 9 Issue 8 Morrisons had been fined for selling fish that had gone off, from its store in Malvern. The supermarket was said to have been found guilty by Worcester Magistrates of two offences under the Food Safety Act 1990 in a case brought after a customer complained about the freshness of fish purchased from the store. It was fined a total of £19,500 plus costs of £2,135.

Trading Standards investigators found a sample of cod taken in November 2006 contained almost four times the level of Total Volatile Nitrogen (TVN) considered acceptable. (ref: 127)

Banned ingredients found in medicine (January 2007)

According to the January/March issue of the Food Magazine (issue 76), a survey of 41 children's medicines found that Morrisons' Junior Paracetamol 3 mths+, contained the sweeteners E420 Sorbitol, E950 Acesulfame, E954 Saccharin and E965 Maltitol. The magazine stated that these sweeteners were 'banned from food and drink specifically designed for consumption by children under three years old'. It was also mentioned that sorbitol and maltitol could have a 'laxative effect at high doses'. (ref: 128)

Fine for unfit food (2006)

According to a news story on the news.bbc.co.uk website, dated 4th January 2007, in 2007 Morrisons had been fined £11,000 for selling a mouldy pie to a customer, who was said to have been sick after she bit into the green product. (ref: 129)

Politics

Genetic Engineering

No GM policy (August 2010)

A search was made of the Wm Morrison website (morrison.co.uk) in August 2010. The company's GM policy was found (see below). At the time of writing, it was not unusual for companies to claim to use no GM ingredients when in reality, they used ingredients derived from animals likely to have been fed on GM feed. In addition, it should be noted that the company sold a wide range of non own-brand products from companies without company-wide GM policies.

"We excluded Genetically Modified (GM) ingredients and derivatives from our own-brand products a number of years ago. We do not have any own-brand GM foods on our shelves and nor do we intend to stock them. We have a comprehensive and continuous product-sampling programme in place to help monitor this. In addition, we do not accept products from cloned or GM animals." (ref: 118)

No policy on genetic engineering (2008)

ECRA made a search of the Morrisons website (www.morrison.co.uk) in June 2008, for a copy of the company's policy on Genetic Engineering. There was mention of the development of GM-free biodegradable packaging in the company's Corporate Social Responsibility Report, but no policy on the sale of goods containing GM products or their derivatives could be found. (ref: 130)

Criticised for likelihood of GM ingredients in products (2006)

According to the Greenpeace Shoppers Guide to GM, viewed on the Greenpeace UK website on 7th September 2006, the following products had been given the 'red' rating applied to "food which may contain GM ingredients or be derived from animals fed on GM crops": Morrison's beef, chicken, lamb, pork, eggs and milk and dairy products. (ref: 83)

Anti-Social Finance

(See also 'Poor conditions in South African supplier farms' in Workers' Rights above.)

Excessive directors remuneration (2007)

According to a report in the Guardian in April 2007, a director of Morrisons received £3m after she quit the business in December 2006. According to the article, the director made a total of £4.2 million, including salary, severance pay, profit share and bonuses. (ref: 131)

Princes juice

Owned by Princes Ltd which is owned by Mitsubishi Corporation

Mitsubishi Corporation, Mitsubishi Shoji Building, 6-3, Marunouchi 2-chome, Chiyoda-ku, Tokyo 100-8086, Japan

Environment

Environmental Reporting

Middle ECRA rating for Environmental Reporting (2009)

The Princes Corporate Responsibility Report 2009 was viewed on its website in March 2010. It contained future targets and how it was performing against targets that had been set. These were reducing energy and water use, zero waste to landfill, support of carton recycling and increasing recycled content of PET bottles. Princes had MSC certified salmon products for sale in the UK.

There were no targets to do with meat production/agriculture and no mention of a GM policy. The report did not contain any carbon disclosure or independent verification and therefore received a middle rating. (ref: 132)

Nuclear Power

Uranium mining (2009)

According to its Annual Report 2009, Mitsubishi Corp was involved in uranium production in Canada and the Kintyre uranium mine in Australia as a fuel for nuclear power stations. (ref: 133)

Climate Change

Climate change impact sector (2009)

According to Mitsubishi's Annual Report 2009, the company was involved in coal, natural gas, crude oil and LNG projects all over the world. It owns 50% of the Bowen coalfield in Australia.

It also said it was "actively involved in trying to develop" new fossil fuel resources such as oil sands.

These sectors have a high impact on climate change. (ref: 133)

High energy usage from aluminium refining (2005)

According to a 2005 report on the aluminium industry by the International Rivers Network, aluminium refining was an extremely energy intensive process. The Mozal refinery

in Mozambique was said to be in the process of doubling its capacity which, according to the report, meant that it would use up four times as much electricity as all other uses in the country combined. (ref: 134)

Car sales to police in oppressive regime (2005)

According to the August 10th 2005 issue of Green Left Weekly, Mitsubishi Australia had been awarded a contract to supply its Magna cars to the Iraqi police force. Iraq was considered by ECRA to have an oppressive regime at the time of writing, and the article criticised companies perceived as profiting from the US military occupation of the country. (ref: 135)

Pollution & Toxics

Nanotech involvement (2009)

A search was made of the Mitsubishi Corporation website (mitsubishi.com) on 17 February 2010. The following information was found "MC [Mitsubishi Corporation] Awarded Grand Prize at Nanotech Exhibitio...MC's exhibit was praised for 'demonstrating the far-reaching capabilities of a general trading company by displaying concrete examples of uses for nanotechnology in environmental and energy fields, such as with electric vehicles and organic thin-film solar cells'. MC has worked to develop nanotechnology for many years and this award is evidence that these efforts have been recognized internationally." (ref: 136)

Concerns over health and safety issues near Sakhalin II oil field (2006)

According to a report published by CEE Bankwatch Network and Gender action, "Big oil's gender impacts in Azerbaijan, Georgia and Sakhalin", 2006, local communities in the region of the Sakhalin II oil project, in which Mitsubishi had been involved, had expressed concerns over the health and safety of residents in Korsakov, a local town. According to the report, several street had been widened to accommodate large construction vehicles, at the expense of pavements used by local pedestrians; heavy construction vehicles through the town had caused increased pollution and dust which had led to increased and uncommon sicknesses in children and people interviewed referred to alarming reports in the local media of increased rates of venereal diseases and AIDS. (ref: 137)

Japanese lawsuit over asthma causation (2007)

According to the 17th January 2007 issue of CSR Asia Weekly, a lawsuit before the Tokyo High Court was claiming that exhaust fumes from diesel vehicles had caused the plaintiffs to develop asthma. It said they were seeking compensation from the manufacturers as well as from the national and Tokyo governments. Mitsubishi Motors Corp and the other six defendants had apparently agreed to start talks on a massive healthcare subsidy plan proposed by the Tokyo Metropolitan Government that would cost around 4 billion yen per year for health related expenses borne by all bronchial asthma patients aged 18 or older in Tokyo. (ref: 138)

Habitats & Resources

Oil and gas extraction at Sakhalin Island (February 2005)

SchNEWS issue 485 18 February 2005 stated that Mitsubishi was one of four companies criticised for involvement in oil and gas extraction at Sakhalin Island, Russia. According to SchNEWS construction of the 500-mile pipeline threatened the island's pristine salmon habitat, new offshore platforms were in the middle of breeding grounds for the last remaining 100 Western Grey Whales, the pipeline crossed a sacred indigenous burial site and threatened the livelihood of tens of thousands of fishermen. The Nivkh, Uilta and Evenki peoples of Sakhalin had asked the oil companies to mitigate the adverse impacts, but no action had been taken. (ref: 139)

Threat to endangered species (2005)

According to the summer 2005 issue of Earth Island Journal, Royal

Dutch Shell had been criticised for its plans to build an oil pipeline through the only feeding grounds of the endangered Western Grey Whale, in waters off North Eastern Russia. Mitsubishi and Mitsui corporations were also said to be involved in building the pipeline, which experts were concerned could drive the species to extinction. (ref: 140)

Unsustainable fishing (2009)

Princes' sustainability policy which related to their fishing activities was viewed on its website in March 2010 in its Corporate Responsibility Report 2009. It did sell Marine Stewardship Council (MSC) certified fish products - salmon in the UK - and stated that its tuna suppliers were monitored by the Earth Island Institute (EII), ensuring that all the tuna was dolphin safe.

However, according to Greenpeace, at the time of writing Princes mainly used purse seining with fish aggregation devices which may be 'dolphin friendly' as it said on its tuna tins, but results in a significant bycatch of other marine species. Princes do not label their tuna with species, how caught and where caught so consumers could not choose to only buy pole and line skipjack which is what Greenpeace recommended. (ref: 132)

Animals

Factory farming

Sale of meat and fish (March 2010)

According to the Princes Ltd website viewed in March 2010, Princes products included canned meat and canned fish under the Princes, Napolina and Shippams brands. As the canned meat was not labelled as organic, it was assumed to have come from animals which had been factory farmed. (ref: 141)

Supplies animal feed (2010)

According to the Mitsubishi Corp Annual Report viewed in March 2010, the company owned 56% Nosan Corp. which manufactured and marketed animal feed. (ref: 142)

Farming of tuna (2009)

According to the Mitsubishi Corp Annual Report 2009, Mitsubishi owns 49% of Atunes de Levante a Spanish company involved in the farming of tuna in the Mediterranean. (ref: 133)

Animal Rights

Slaughter and processing of pigs (2009)

According to the Mitsubishi Corp Annual Report 2009, the company owned 80% of Indiana Packers Corporation which was involved in the procuring and processing of pigs and sales of pork in the U.S.A. As these products were not labelled as organic or free-range, it was assumed that the animals had been factory farmed. (ref: 142)

(See also 'Sale of meat and fish' in Factory farming above.)

(See also 'Supplies animal feed' in Factory farming above.)

People

Human Rights

Negative impacts of Sakhalin II on local community (2006)

According to a report published by CEE Bankwatch Network and Gender action, "Big oil's gender impacts in Azerbaijan, Georgia and Sakhalin", 2006, interviews with the local community around the Sakhalin island oil project, in which Mitsubishi had been involved, found that they judged the project impacts on their lives as predominantly negative. The report highlighted a number of social and economic problems, including: damaged and threatened subsistence fishing, hunting and gathering, especially impacting the indigenous peoples of Sakhalin; decreased possibilities for recreation in nature; damage to the local fishing industry and decreased security and quantity of drinking water supply. (ref: 137)

Isolation of village near Sakhalin II oil field (2006)

According to a report published by CEE Bankwatch Network and

Gender action, "Big oil's gender impacts in Azerbaijan, Georgia and Sakhalin", 2006, Ozersk, a small village near the Sakhalin II oil project, in which Mitsubishi had been involved, had been isolated and disconnected from the nearest town as a result of the destruction of the communal road by the heavy vehicles used in the construction of the liquid natural gas plant. According to the report, as a consequence of this, the village was only being supplied with bread two to three times per week. (ref: 137)

(See also 'Oil and gas extraction at Sakhalin Island' in **Habitats & Resources** above.)

Workers' Rights

Failure to consider impact on women of Baku-Tbilisi-Ceyan project (2006)

According to a report published by CEE Bankwatch Network and Gender action, "Big oil's gender impacts in Azerbaijan, Georgia and Sakhalin", 2006, environmental and social impact assessments for the Baku-Tbilisi-Ceyan pipeline and Sakhalin II oilfield projects (in which Mitsubishi had been involved) had not adequately considered possible negative impacts on women. As a consequence, in some areas women had received fewer employment opportunities, rates of prostitution had increased, women were subject to sexual harassment and worked long hours at the expense of their families. (ref: 137)

Discrimination against women at Sakhalin II oil project (2006)

According to a report published by CEE Bankwatch Network and Gender action, "Big oil's gender impacts in Azerbaijan, Georgia and Sakhalin", 2006, women employed at the Sakhalin II oil project, in which Mitsubishi had been involved, had been subject to discrimination and poor working conditions. According to the report, one major complaint by interviewees was the excessively long working hours (including during weekends) which did not allow women to take care of their family responsibilities. Bankwatch/Gender Action reported that several interviewees had mentioned that subcontractors shared 'blacklists' of workers who had left or were fired, preventing a workers from getting another job in the Sakhalin II project. (ref: 137)

Supply Chain Policy

Worst ECRA rating for supply chain policy (March 2010)

When the company's website (www.princes.co.uk) was visited by ECRA on 11 March 2010, a statement regarding its responsibilities was found in its Corporate Responsibility Report 2009. This claimed that the company complied fully with labour, health & safety and employment laws of the countries in which it operated and claimed that its suppliers are required to comply to this and were regularly audited by the company in order to ensure this. However, as there were no further details as to auditing systems or statements on forced labour, working hours, living wages, union membership or child labour the company received a worst rating from ethical consumer regarding its supply chain policy. (ref: 143)

Politics

Genetic Engineering

No GM policy (March 2010)

On March 11 2010, ECRA made a search of the Princes Ltd website (www.princes.co.uk) for a GM policy. No such document could be found. As the company owns several cooking oil brands, a sector in which the use of GM crops is common, ECRA would expect the company to have a distinct policy on the use of GM foods. (ref: 143)

Boycott Call

Operations in Burma (March 2010)

According to the Burma Campaign UK website's Dirty List of companies involved in Burma, viewed by ECRA in March 2010,

Mitsubishi maintains an office in Rangoon, where it facilitates the distribution and sale of numerous products and services including petroleum, steel and textile products. Historically, Mitsubishi has invested US \$70 million in the Yetagun gas project; Nippon Oil is also a Mitsubishi Company. Mitsubishi also carries out work for the Myanmar Port Authority, supplying cranes and dredgers – by increasing the capacity of Rangoon Port the company is enabling the regime to increase the profits it makes from trade.

The following statement was found on the Burma Campaign UK's website in 2010: "The Burma Campaign UK calls for supporters to contact one or more of the companies on the Dirty List and ask them to cut their ties with Burma's military government. If appropriate, tell them you will not purchase their products as long as they continue to support the regime in Burma." (ref: 144)

Political Activities

Member of one international lobby group (2010)

According to the organisation's website www.wbcd.org, viewed by ECRA in March 2010, Mitsubishi Corporation was a member of the World Business Council for Sustainable Development. This was regarded by ECRA as an international corporate lobby group which exerted undue corporate influence on policy-makers in favour of market solutions that were potentially detrimental to the environment and human rights. (ref: 145)

Lobbying for consumers to pay for e-waste recycling (2005)

According to the 2005 Computer Report Card, produced by Silicon Valley Toxics Coalition (SVTC) and the Computer TakeBack Campaign (CTBC), Mitsubishi was one of a number of companies that was part of a US trade coalition actively lobbying in favour of a recycling system that would charge the consumer a fee on purchase of electronic equipment to fund its recovery and processing. According to SVTC/CTBC, unlike producer responsibility recycling systems, this model, called an Advanced Recycling Fee (ARF), provided no incentives for the companies to design products which were less toxic or easier to recycle properly. (ref: 146)

Membership of ICC lobby group (2007)

The website of the International Chamber of Commerce (www.iccwbo.org), viewed on 16th May 2007, listed Mitsubishi as a member. According to the ICC, it had "direct access to national governments all over the world through its national committees"; "speaks for world business when governments take up such issues as intellectual property rights, transport policy, trade law or the environment"; "At UN summits on sustainable development, financing for development and the information society, ICC spearheads the business contribution." ECRA noted that the activity of lobby groups such as the ICC often meant that business interests were protected at the expense of the environmental and human rights. (ref: 147)

Ragman's Lane apple juice [O]

Owned by Ragman's Lane Farm

Ragman's Lane Farm, Lydbrook, Gloucestershire, GL17 9PA

Environment

Environmental Reporting

Exemption in ECRA environmental reporting category (August 2010)

According to the Ragman's Lane Farm website (ragmans.co.uk), searched in August 2010, "the farm uses permaculture as a guiding design principle and is primarily about educating and employing people to work the land sustainably, giving them the opportunity to 'learn on the job'"

The company produced mushroom logs and Soil Association-certified apple juice.

A subsequent email from a company representative confirmed that the company's turnover was under £5m. For these reasons, the company received an exemption in Ethical Consumer's environmental reporting category. (ref: 148)

Politics

Company Ethos

Profits reinvested for education (August 2010)

According to a response from Ragman's Lane Farm to an ECRA questionnaire, the company had a policy of reinvesting profits into its permaculture education programme. (ref: 149)

Organic company (August 2010)

A search of the Ragman's Lane Farm website (ragmans.co.uk) was made in August 2010. It showed that the company sold the following products that were all organic:

Soil Association-certified apple juice and mushroom logs (logs implanted with mushroom spores to produce fresh mushrooms, according to an email from the company, these were organic).

The company also ran permaculture courses including courses on bee-keeping.

The site stated that "the farm uses permaculture as a guiding design principle and is primarily about educating and employing people to work the land sustainably, giving them the opportunity to 'learn on the job'". (ref: 148)

Product sustainability

Organic product

Soil Association certified (August 2010)

A search was made of the Ragman's Lane Farm website (ragmans.co.uk) in August 2010. It was found that the company's apple juice was Soil Association certified. (ref: 148)

RDA Organics orange and grapefruit [O]

Owned by Booost Trading Ltd

Booost Trading Ltd, Target House, 218-220 Garratt Lane, SW18 4EA

Environment

Environmental Reporting

Exemption in environmental reporting category (August 2010)

According to the Hoovers website (hoovers.com) searched in August 2010, Booost Trading had a turnover of less than £5m. As a company with a turnover of less than £5m, producing only organic products, the company received an exemption in ECRA's environmental reporting category. (ref: 115)

People

Supply Chain Policy

Best rating for supply chain policy (August 2010)

Booost Trading traded as RDA Organics. According to the RDA Organics website, the company sourced its ingredients from across the world according to availability and season. The company did list the country of origin of many of its ingredients. All the company's products were Soil Association certified. The company was a fast-growing business, but its Hoovers record showed that its turnover was way below £5m. The Soil Association's standards for producers stated that they "should comply with the Soil Association's Ethical Trade standards". (ref: 150)

Politics

Company Ethos

Organic company (August 2010)

Booost Company traded as RDA Organics. In August 2010, the company website (rdaorganic.com) was checked. The site stated that the company was "100% organic". (ref: 150)

Product sustainability

Organic product

Soil Association certified (August 2010)

According to an email from the Soil Association in August 2010, the RDA brand of fruit juice was Soil Association certified. (ref: 95)

Sainsbury's juice

Owned by J Sainsbury plc

J Sainsbury plc, 33 Holborn, London, EC1N 2HT, UK

Environment

Environmental Reporting

Middle ECRA rating for Environmental Report (January 2010)

A search was made of the J Sainsbury plc company website (j-sainsbury.co.uk) in August 2010. The 2010 sustainability report was downloaded. Environmental reporting information was found, some of it in the section about sourcing. No evidence of independent verification could be found. The report contained several future dated quantified targets. Here are two:

reduce CO2 by 25% by 2012

source 100% Certified Sustainable Palm Oil (CSPO) by 2014

The reporting contained information on the following areas: palm oil, energy, packaging, food waste, other company waste, other customer waste, company use of refrigeration, transport, renewables, water (consumption and stress), carrier bags, impacts via the supply chain, MSC fish, FSC and Woodland Trust, carbon footprinting.

Information that was dated November 2009 was found on the company website "Sainsbury's today announces the launch of a new electric car recharge network that will give drivers in London easy access to a charge point"

The company addressed the issues of MSC fish, FSC certification and also palm oil. These were all environmental impacts of the agricultural/extractive parts of the supply chain. The following statement was also found "Our Pesticide Policy actively encourages our suppliers to minimise their use of pesticides". It was felt that the company had a reasonable understanding of its' main impacts.

The company was given ECRA's middle rating for environmental reporting. (ref: 151)

Average independent rating for environmental performance (November 2006)

The National Consumer Council's 2006 report on supermarkets awarded Sainsbury's a C rating for its environmental performance (showing potential). The rating covered supermarkets' progress on CSR issues including: commitment to stocking seasonal food and organics, sustainable sourcing policies and attempts at cutting waste.

These were assessed as follows:

D (room for improvement) on food transport issues. Only 59% of its in-season veg was sourced from the UK according to the survey.

It was awarded C for waste and a B for its fish policies and

stocking. It scored C for trees as a quarter of its kitchenware was FSC certified. Additionally, it scored B for sustainable farming as it stocked the highest percentage of organic options in the surveyed food categories. It also had a stated policy to publish its pesticide residues data. (ref: 39)

Climate Change

Palm oil policy (2009)

According to the 2009 J Sainsburys CR Report:

“By summer 2009, all packaging will be labelled with the use of palm oil Sainsburys will use only certified sustainable palm oil by the end of 2014.

All our frozen fish products (excluding ready meals) now only use palm oil from sources certified by the Roundtable on Sustainable Palm Oil (RSPO), and the majority of our bar soaps now use palm oil from sustainable sources.”

However, the company was still at the time of writing using unsustainable palm oil. As a result Sainsburys received negative marks in the climate change, habitats and resources and human rights categories due to the associated serious negative impacts of palm oil. (ref: 152)

Policy on stocking local produce 2008 (2008)

Sainsbury's did not respond to a request by ECRA in October 2008 for the company's policy on stocking local produce. The company's 2008 Corporate Responsibility report made some statements about stocking British produce, including that all counter beef and lamb in Scotland, Wales, the West Country and Northern Ireland was regionally sourced, as well as 100% of the fresh beef sold in the company's nine Northern Ireland stores had been sourced, processed and packaged locally. Sainsbury's also mentioned its “Supply Something New” scheme which attempted to make it easier for small and medium suppliers to introduce their products to the company. Whilst ECRA saw this as a positive move, the company had not quoted how much of its sales came from local produce, nor set any targets to increase them. (ref: 153)

(See also ‘Average independent rating for environmental performance’ in Environmental Reporting above.)

Pollution & Toxics

Product containing parabens (March 2010)

In March 2010 the J Sainsbury website, www.sainsburys.co.uk, stated that the company's Apple Shampoo contained Methylparaben and Propylparaben. Parabens were considered by Ethical Consumer to be pollutants. (ref: 154)

Habitats & Resources

(See also ‘Palm oil policy’ in Climate Change above.)

Timber sourcing policy (2008)

In response to ECRA's request for the company's timber sourcing policy in November 2008, Sainsbury's sent their ‘Paper, Pulp and Timber Sourcing Policy Statement,’ which read: “Our aim is that all timber and wood fibre used should originate from forests where there is full legal and verifiable title to the land used, that its management is environmentally and socially sustainable and no materials are taken from areas of High Conservation Value Forestry, or areas of significant conflict. Recycled wood fibre has a major part to play in ensuring sustainable use of the world's forests and preference will be given to use of recycled fibre alongside independent third party certified virgin forest products.’ Sainsbury's stated that its preferred certification scheme was the Forest Stewardship Council (FSC). Sainsbury's also mentioned using an independent third party certification to verify that products from certified forests were not mixed with products from uncertified forests at any point in the supply chain. It called this ‘chain of custody certification,’ although it did not state whether or not it was currently using the process or for how much of its supply chain. Sainsbury's noted that it was the first

supermarket chain to convert all its own-brand household tissues (toilet roll, kitchen roll and tissues) to exclusively FSC certified (for virgin material) and 100% recycled content. (ref: 155)

(See also ‘Average independent rating for environmental performance’ in Environmental Reporting above.)

Animals

Animal Testing

Animal testing policy (August 2010)

In July/August 2010, Sainsbury's were sent a questionnaire that included a question about animal testing policy. The company did not reply. The following statement was found in the FAQ section of the company website (j-sainsbury.co.uk):

“We are opposed to animal testing and have not commissioned any testing 1988. Animals are used to test our own-label pet food for flavour, preference and palatability in a similar way to the human taste panels we use for food ranges. These animals are kept in a healthy environment, managed by our suppliers, and we do not permit any establishment that carries out any form of invasive animal testing to house or care for these animals.”

This was a good policy in that it contained a fixed cut off date, but there was no mention of household goods and toiletries. Naturewatch's “Compassionate Shopping Guide - 12th edition” was checked. It stated that the company had a 5 year rule on household products and a fixed cut off date for cosmetics and toiletries.

As the company also retailed non-own brand products tested on animals and it's fixed cut off date did not apply to all own-brand products, the company received a worst ECRA rating for animal testing. (ref: 151)

Factory farming

Animal Welfare Policy (2008)

Sainsbury's did not respond to a written request by ECRA in October 2008 for the company's animal welfare policy. The company's website www.j-sainsbury.co.uk, viewed by ECRA in November 2008, stated that Sainsbury's aimed to extend its higher welfare standards for chickens to frozen and processed lines, commencing 2011. It said that it had introduced a new range of Freedom Foods chicken which meant that “nearly a third” of its own-brand chicken would be higher welfare. It also stated that all its shell eggs would be ‘cage-free’ by 2012 and that it had “gradually reduced” the proportion of caged eggs in its processed products over the past 12 months, adding that all its “Taste the difference”, “Supernaturals” and “Kids” ranges used free-range eggs. However, the website stated that the company sold two ranges of chicken - “Fresh British” and “Sainsbury's Basics” that were not labelled as Freedom Food, free-range or organic standard. Additionally, the company made no mention of free-range or organic certification of other types of meat it sold. As a result, ECRA considered it likely that some of these meat products had come from factory farmed animals and the company received a negative mark in this category. (ref: 153)

Sold factory farmed pig meat (June 2006)

According to Supermarkets & Farm Animal Welfare ‘Raising the Standard’ published by the Compassion in World Farming (CIWF) Trust in 2006, Sainsbury's was still selling pig meat under its own label that was imported from stall systems. In these systems, sows were confined in narrow stalls and were unable to turn round or exercise during their pregnancy. Sow stalls had been banned in the UK on cruelty grounds. 70% of the pig meat sold by Sainsbury's was from the offspring of mothering sows kept in narrow farrowing crates. (ref: 43)

Low rating for animal welfare standards (January 2006)

According to the Food Magazine (Issue 72, Jan/Mar 2006), Sainsbury's was one of four UK supermarkets that had shown

'poorer results' in research carried out by Compassion in World Farming for its 'Compassionate Supermarket of the Year' Awards. (ref: 156)

Animal Rights

Products contained unexpected animal derived ingredients (March 2009)

In March 2009 The Food Magazine reported that Sainsbury's Chocolate Trifle contained pork gelatine, a slaughterhouse by-product, but that the product was not labelled as 'unsuitable for vegetarians'. (ref: 30)

Stocked products containing animal by-products (2008)

During a search of the company's website (www.j-sainsbury.co.uk) in November 2008, ECRA found that the company sold a range of products which ECRA considered likely to contain slaughterhouse by-products including rennet, animal fat and gelatine. (ref: 157)

(See also 'Animal Welfare Policy' in Factory farming above.)

People

Human Rights

Sale of products from illegal settlements (2006)

According to a July 2006 report by War on Want, Sainsbury was one of several supermarkets which sold products such as Soda Stream items made in the illegal settlement of Mishor Adumim. Settlements were described as an appropriation of land, illegal under international law, which in the West Bank was often associated with violence and threats against Palestinian residents by the Israeli army and by armed settlers. (ref: 158)

(See also 'Palm oil policy' in Climate Change above.)

Sourced products from illegal settlements (2009)

According to research published by the Ecumenical Council for Corporate Responsibility (ECCR) in October 2009, Sainsbury's was one of the UK's major supermarkets stocking produce from the Israeli occupied Palestinian territories. The research stated that products likely to be sourced from settlements included herbs, salad, potatoes, dates, figs, pomegranates and early season grapes. Settlements were described as an appropriation of land, illegal under international law, which in the West Bank was often associated with violence and threats against Palestinian residents by the Israeli army and by armed settlers. Sainsbury's stated that it was seeking greater clarity from the UK government about how to identify growers as being settlements or Palestinian enterprises so as to facilitate clearer labelling. (ref: 124)

Workers' Rights

Fine for workplace accident (2006)

According to the January-March 2006 issue of Hazards, Sainsbury's had been convicted of safety offences and was fined £10,000 and ordered to pay costs of £11,040 after a bakery manager slipped on a wet floor and suffered neck and back injuries. (ref: 159)

Labour rights abuses in Kenya (2009)

A report published by The Corporate Responsibility (CORE) Coalition in May 2009 revealed workers' rights abuses occurring in Kenyan flower farms. According to the report, about 75% of Kenya's flower exports were eventually purchased by UK retailers. It said that large supermarkets, including Sainsbury's, had become particularly important players in the market. The report stated that workers revealed wages ranging from around 80p per day to £1.25 in the highest paying firms - significantly below what workers would need to provide their basic needs. It said there was widespread gender discrimination, since the lower paid jobs working in the greenhouses tended to be given to women, while men were disproportionately given the higher paid spraying jobs. Sexual harassment was noted as a major problem, with many women reporting that systematic abuse by supervisors

and sometimes fellow workers was allowed to continue without redress. Workers were found to be expected to work long hours - up to 16 hours per day during periods of peak demand such as Mother's Day and Valentine's Day, in clear violation of Kenyan employment law. The farms also failed to provide a safe working environment, with many workers being exposed to extremely toxic chemicals and reporting serious health effects. They were also found to be at risk of acquiring disabling repetitive strain injuries which caused chronic pain and severely restricted their ability to work. While trade unions were formally recognised and had been formed on a small minority of farms, in practice, workers tended to be discouraged from joining. (ref: 20)

Migrant workers housed in 'squalid' conditions (2008)

According to a report published in May 2009 by the Ecumenical Council for Corporate Responsibility, in August 2008 a farmer in Scotland who supplied Sainsbury's was investigated by the Gangmasters' Licensing Authority and other agencies for housing migrants, mainly from Bulgaria, in 'squalid' conditions. (ref: 160)

Supply Chain Policy

Middle ECRA rating for supply chain policy (August 2010)

A search was made of the J Sainsbury website (j-sainsbury.co.uk) in August 2010. The 2010 sustainability report was downloaded. This report referred to the "Code of conduct for socially responsible sourcing". This code contained adequate provisions on child labour, forced labour, wages, hours, freedom of association and discrimination. The company's sustainability report stated that it used "independent 3rd party" auditors in the verification of conditions in its supply chains. It did not name them. It did not state that any NGOs/trade unions/not-for-profits were involved in this verification. For this reason, the company missed out on a best ECRA rating and was given a middle ECRA rating for supply chain policy. (ref: 151)

No real effort to apply living wage (2009)

The Labour Behind the Label report "Let's Clean Up Fashion - 2009 update" gave companies grades from zero to five to indicate how far along the route towards implementing a living wage they were. Sainsbury's received a grade 2, which was defined in the report as meaning the company "acknowledges that minimum and industry benchmark wages are not sufficient standards, but no real efforts to apply living wage." The authors of the report commented that "as with last year, Sainsbury's have failed to supply any concrete information about their work." (ref: 112)

Membership of ETI (2008)

According to the Ethical Trading Initiative website (www.ethicaltrade.org), viewed by ECRA in November 2008, Sainsbury's was listed as a member. Once companies have been accepted as members, they should adopt the ETI Base Code of Conduct and implement it into their supply chains. Progress reports on code implementation, and on improvements to labour practices, were required. (ref: 27)

Irresponsible Marketing

Sale of tobacco products (2007)

The Mintel December 2007 Convenience Retailing Report defined convenience retailers as 'open 7 days a week... and selling an extended range of goods including tobacco products...' Sainsbury Local was a retailer profiled in this report. (ref: 49)

Misleading labelling of high fat spreads (March 2009)

In March 2009 The Food Magazine reported that Sainsbury's Basics Soft Spread, Freefrom Vegetable Spread and Sunflower Spread were labelled with an 'amber' traffic light, which should have meant that they contained a 'medium' level of saturated fat (between 1.5% and 5%). However, the products were said to have contained high levels of saturated fat (between 9% and 15%). The article stated that manufacturers were allowed to

use this misleading claim due to an incongruity in labelling law. Sainsbury's 'So Organic' Olive Spread was said to have contained only 4% olive oil and 55% sunflower oil and palm fat. (ref: 30)
(See also 'Products contained unexpected animal derived ingredients' in Animal Rights above.)

Politics

Genetic Engineering

GM Policy (August 2010)

A search was made of the J Sainsbury plc website (j-sainsbury.co.uk) in August 2010. The company's position on GM was found in the FAQ section of the website. It stated that only certain Sainsbury ranges were GM-free, including the organic range and some of the "Taste the Difference" range. The company did not have a group-wide policy outlawing GM from its products. It also stocked many non own-brand products that were likely to include GM ingredients. (ref: 151)

No policy on GM cotton (2009)

In December 2008 Sainsbury's was asked to provide Ethical Consumer with its policy towards genetically modified cotton but no reply was received. A search of the company's corporate website was made on 23 January 2009 and a relevant page was found from the 2005 CSR report (www.j-sainsbury.com/files/reports/cr2005/index.asp?pageid=52) which stated "Our position on cotton: Most of Sainsbury's cotton products originate from countries that do not use GM cotton seed. The likelihood of GM being present is low. The nature of the global market in cotton makes it difficult to identify precisely where the cotton is grown and we therefore cannot guarantee that any of our products are non-GM." No mention of the issue was made in the company's 2008 CSR report.

Consequently, because Ethical Consumer reported in its January 2006 issue that "cotton grown from genetically modified crops currently accounts for around 35% of the global market," the company received a criticism for selling GM cotton products in the absence of any undertaking that it was avoiding GM cotton. (ref: 161)

GM material possible in food products (2006)

According to the Greenpeace Shoppers Guide to GM, viewed on the Greenpeace UK website on 7th September 2006, the following products had been given the 'red' rating applied to "food which may contain GM ingredients or be derived from animals fed on GM crops": Sainsbury's beef, lamb, traditional beef, milk/dairy products. (ref: 83)

Anti-Social Finance

Poor conditions in South African supplier farms (February 2009)

The War on Want report 'Sour Grapes: South African wine workers and British supermarket power', published in February 2009, stated that the UK government's Competition Commission report of April 2008 found that "supermarkets have used their buying power to squeeze suppliers by transferring risk and costs onto them". Suppliers were reported to be hesitant to speak out against supermarkets in case they were removed from the supermarket's list of suppliers.

Specific problems noted in relation to South African producers were the fact that it was rare for suppliers to have formal contracts, leading to the potential of being de-listed at short notice; supermarkets changing their costs and prices as they liked to suit their needs, and last minute order cancellations without compensation. South African producers were said not to receive assured prices, so there was no guarantee that they could cover their costs. Delays in payment for orders were said to be common, with 120-day long delays becoming increasingly so. Discounts offered by supermarkets were said to be often passed

on to suppliers, through pressure to 'promote' the products. Supermarkets were also said to charge for good positioning on the shelf: from £15,000 to £100,000. In addition, it was stated that supermarkets often press suppliers to enter into exclusivity agreements with them, so that the suppliers were entirely dependent on one customer.

The report claimed that "it is the South African workers who pay the price for UK supermarket power and greed." Issues related to this were said to be: sacking workers; lack of formal employment contracts and low wages. The trend towards employing seasonal workers who had no benefits was said to be increasing: in 1995 the ratio of seasonal workers to permanent workers was about equal; by 2000 it was 65%:35%. This was said to reduce the ability of the workers to organise. Women were said to be more vulnerable as a result of the worsening working conditions of workers, to be paid lower wages than men, and to be frequently subjected to sexual harassment at work.

Sainsbury's was named as one of the largest importers of South African wine, with a 12% share of all sales. (ref: 37)

Allegations of unlawful practices linked to tobacco prices (April 2008)

According to an article which appeared on the BBC news website on the 25th of April 2008, the Office of Fair Trading (OFT) had alleged that tobacco firms and supermarkets had been engaged in unlawful practices linked to retail prices for tobacco. Allegations were that retailers and tobacco groups had arranged to swap information on future pricing, and that there was an understanding that the price of some brands would be linked to rival brands. Sainsbury was one of the companies named by the OFT. (ref: 57)

Criticised for unfair treatment of suppliers (2006)

According to the website of the Forum for Private Business, an organisation representing small businesses in the UK, viewed by ECRA in June 2006, at that time Sainsbury was named as one of the companies in the 'Hall of Shame.' It was said to have been the subject by a crackdown by the Office of Fair Trading after trying to impose "harsh new payment terms" on suppliers. (ref: 162)

Tesco orange juice

Owned by Tesco plc

Tesco plc, Tesco House, Delamare Road, Cheshunt, Waltham Cross, Herts, EN8 9SL, UK

Environment

Environmental Reporting

Middle ECRA rating for environmental reporting (August 2010)

A search was made of the Tesco website (tescoplc.com) in August 2010. The 2010 sustainability report was found. The report contained more than 20 dated, quantified, future targets. Here are some examples:

Zero carbon by 2050 (without the use of offsets)

100% of waste diverted from landfill in 2011 in Ireland

Reduction in plastic bags of 70% by start of 2011 in the UK

ERM had audited Tesco's carbon footprint claim, but no evidence that ERM had audited the rest of the environmental information could be found.

The report included information on the following areas; waste (including packaging and recycling, water (although this was about measuring the water footprint, not actually assessing the company's impact on water stress and scarcity), transport, building impacts, renewables, Carbon Trust, influencing the environmental habits of customers, the company's funding of £25m of the costs

of the Sustainable Consumption Institute at Manchester University, biofuels, introducing solar panels and insulation products. There was no mention of genetic modification. The company addressed the environmental impacts of the agricultural parts of its supply chain, for example in fishing and in cattle, where microphones had been fitted to cows in order to research ways in which to reduce methane emissions. The company received ECRA's middle rating for environmental reporting. (ref: 163)

Poor independent rating on CSR in supermarkets (November 2006)

The National Consumer Council's 2006 report on supermarkets awarded Tesco a poor overall rating (D) for its environmental performance. The report looked at a number of different areas including food transport, waste, nature and sustainable farming. These were assessed as follows:

D (room for improvement) on food transport issues. 61% of its in-season vegetables were UK sourced and the helpline was described as "particularly unhelpful". It showed potential for its waste, but only scored a D for its fish stocking and E for its trees policy as only 5% of its wooden kitchenware was FSC certified. It scored C for its organics stocking. (ref: 39)

Other publication critical of CSR report (April 2005)

A CSR Network Press Release dated 18 April 2005 stated that Tesco's Corporate Responsibility Review 2003/04 looked impressive, but had some clear gaps. The press release stated that Tesco's report only covered the UK in any systematic way, despite over £6bn of Tesco's sales being outside the UK, including countries where legislation on environmental and social issues was far less stringent. The release went on to state that commendably the report did contain information on Tesco's approach to ethical trading, but that there was no information on the results of audits, how many problems were identified and what had happened since. (ref: 164)

Climate Change

Use of non-certified sustainable palm oil (July 2009)

In May/June 2009, Tesco was contacted by ECRA and a copy of its palm oil policy was requested. The company did not reply. A search was made of the company website (www.tescocorporate.com) on 10th July 2009. The site stated that the company had a target of sourcing all "palm derived ingredients from certified sustainable oil" by 2015, but did not state that Tesco was already using Certified Sustainable Palm Oil. The palm oil supplier was not specified, neither was the country of origin. At the time of writing, most CSPO had had to be sold as normal palm oil, due to poor take up of CSPO amongst companies, many of whom were members of the RSPO. Therefore, due to the fact that the company did not communicate to ECRA (either directly or through its publicly-available documents) that it sourced CSPO or bought Greenpalm certificate or any other meaningful alternative, the company received negative marks for impacts on climate change, habitat destruction and human rights. (ref: 165)

False claims on energy labels (2009)

According to the December 2009 (419) issue of the ENDS Report, one sixth of all washer-dryers, light bulbs and ovens tested by the government in 2009 failed to live up to the energy efficiencies claimed on their labels. According to the Market Transformation Programme, which conducts the annual tests, about 16% of all bulbs failed their energy efficiency class, the rest of the failures were in luminous output or wattage input. Named as one of those that failed was Tesco. (ref: 166)

High carbon score in 2008 (October 2008)

According to the October 2008 issue of the ENDS Report, Tesco had a high carbon disclosure score. The table listed the 5 highest scoring companies in carbon-intensive sectors and the 6 highest scoring companies in non-carbon-intensive sectors. The company was fifth in the non-carbon-intensive list. The table only listed

companies in the FTSE 350, the information was for the year 2008. (ref: 167)

Pollution & Toxics

Named on Fountain Set (Holding) CSR page (2006)

According to CSR Asia Weekly Vol.2 Week 25, Tesco was amongst a group of brands listed as customers on the Fountain Sets CSR page.

Fountain Sets (Holding) Limited was a publically listed company in Hong Kong, consisting of 13 companies including Dongguan Fuann Textiles. It was said to have supplied to international retail brands and in 2005 Worldwide sales reached HK\$6.64 billion (US\$851 million).

The South China Morning Post (16th June, 2006) had reported that Dongguan Fuann Textiles had illegally discharged excessive waste water directly into a river by laying a secret pipe through which it piped over 20,000 tonnes a day, nearly equivalent to its total waste water treatment plant's capacity. Fountain Set (Holdings) was facing a fine of up to 500,000 yuan. Dongguan's deputy Mayor Li Yuquan was said to have blamed Dongguan Fuan Textiles for river pollution and said it should be severely punished. (ref: 100)

Union repression and poisoned workers in supply chain (October 2010)

According to an article in the Guardian newspaper on 2nd October 2010, Tesco had been involved in incidents in the Costa Rican pineapple industry.

The article stated that Grupe Acon supplied Tesco and that "price cuts in European supermarkets have led to wages being drastically cut by Grupo Acon." It was said that attempts to join unions had been repressed, including by the use of mass sackings. The article stated that supermarkets were "complicit despite their public commitments to source food responsibly".

According to the article, Tesco stated that it was part way through a project in Costa Rica looking at pay, labour relations, health and safety and seasonal labour.

Workers were said to suffer serious health issues due to the chemicals being used in the course of their work, including accidental chemical poisoning. (ref: 75)

Policy on stocking organic and Fairtrade produce (2008)

In response to a request by ECRA for the company's policies on stocking organic and Fairtrade produce, Tesco sent the following statement: "We stock a wide range of both products and have helped to grow both markets significantly." However, ECRA did not consider this to constitute a policy, since the company had not mentioned amounts of these products, nor expressed an intention to increase the range of Fairtrade products sold. This put Tesco behind other major supermarkets which had made commitments in these areas. (ref: 168)

Habitats & Resources

Allegations of breached planning rules (2006)

According to a BBC investigation released on 18th August 2006 and covered on the news.bbc.co.uk website, Tesco had been found to have breached planning regulations on some of its stores. A shop in Portwood, Stockport, was found to have been built 20% over the size for which the company had planning consent, and was still said to be open and turning over £1 million a week. At another site in Buckinghamshire a 27,000 tonne pile of waste, taken from an incident when the wall of a new Tesco store collapsed onto a main trainline, was said to have been left on a Site of Outstanding Natural Beauty, despite orders from the council to remove it. The company was said to have claimed that it was trying to rectify the situation in both circumstances, but the journalist who made the original programme was quoted as saying that Tesco stood accused of "dragging out the planning process, challenging enforcement orders, manipulating the planning laws, bending

them, and breaking them on occasion.” (ref: 169)

Illegal timber sourcing (2005)

According to the April 2005 issue of ENDS Report, in 2003 Tesco had been expelled from the WWF-led Forest Trade Network after it was discovered to have been selling wood items made from illegally logged timber. It was said in 2005 to be ‘yet to rejoin’ the network. (ref: 170)

(See also ‘Use of non-certified sustainable palm oil’ in **Climate Change** above.)

Animals

Animal Testing

Worst ECRA rating for animal testing policy (May 2008)

Dobbies responded to a request by ECRA for a copy of its animal testing policy with the following statement ‘To the best of our knowledge none of our beauty products are tested on animals (we have no own brand beauty products). The majority of our products are based on plant extracts and essential oils e.g. lavender, rose, mint orange etc. and a number of products sourced from suppliers are free from things like synthetic fragrances, sodium lauryl sulphate, butylated hydroxyanisole and parabens.’ However, this was not considered to constitute an effective animal testing policy given that Dobbies operates in a sector where animal testing is commonplace (garden chemicals are routinely tested on animals), Dobbies therefore receives ECRA’s worst rating for animal testing policy. (ref: 171)

Middle ECRA rating for animal testing policy (August 2010)

A search was made of the Tesco website (tesco plc.com) in August 2010. The following statement was found about animal testing:

“We do not support testing on animals for cosmetic or household products and do not carry out or commission such tests on our own-brand products or the ingredients they contain. Tesco Naturally and Natural ranges do not use any ingredient that has been tested or retested on animals for cosmetic purposes since 31 Dec 1990. All other Tesco products operate a fixed cut off date, for ingredients, of 31 Dec 2007. We support FRAME which seeks to end animal testing.”

Although Tesco had a good own-brand policy, because the company sold other brands that did use animal testing, the company received middle ECRA rating in the animal testing column. (ref: 163)

Factory farming

Sale of factory farmed meat and eggs from caged birds (2008)

On its website (www.tescocorporate.com), viewed November 2008, Tesco outlined its position on animal welfare. It stated that it met all legal and industry standards for animal welfare and that it aimed to increase sales of chickens raised with higher welfare standards. However, it did not mention any targets to reduce sale of factory farmed birds or eggs from caged hens. Since the company sold non-organic and non-free range meat and eggs, ECRA considered it likely that these products had come from factory farmed sources. Tesco was the subject of a campaign by Compassion in World Farming in 2008 due to its refusal to pledge to improve conditions of its chickens sold for meat or used to produce eggs. (ref: 172)

Unsound food hygiene practices (2007)

According to Hillside Animal Sanctuary Winter 2007/8 newsletter, in May 2007 BBC1’s ‘Whistleblower’ programme revealed unsound practices carried out by Tesco, including selling out of date meat and fish and other ‘behind the scenes’ health risks. The programme highlighted a complete lack of bio security compliance by Tesco supplier Crown Chicken. (ref: 173)

No commitment to cage-free hens (2007)

According to Farm Animal Voice Winter 2007 Tesco was one of the only supermarkets to have made no commitment on going ‘cage free’ and eliminating products from battery hens from its stores. (ref: 174)

Animal Rights

Sale of fur products (2005)

According to the April 2005 issue of Advocates for Animals update, Dobbies Garden centres had been found to be selling ornamental toys made with real animal fur. After complaints from customers, the chain was said to have withdrawn the specific toys, but had also told AFA that it had no plans to implement a fur-free policy in its stores. (ref: 175)

(See also ‘Sale of factory farmed meat and eggs from caged birds’ in **Factory farming** above.)

(See also ‘Unsound food hygiene practices’ in **Factory farming** above.)

People

Human Rights

Violations of the rights of Bangladeshi garment workers (2009)

A report published by the Corporate Responsibility (CORE) Coalition in May 2009 revealed abuses of garment workers’ rights in Bangladesh. According to the report, half of all Bangladesh’s garment exports were destined for the European market, including the UK. It said that major retailers, including Tesco, bought tens of millions of pounds worth of clothing produced by Bangladeshi workers each year. The power wielded by these large UK buyers over the terms of purchasing contracts was said to be used to impose very demanding requirements for low prices and fast turnaround times on Bangladeshi factories, creating competitiveness, often at the cost of workers’ rights. The report said that Bangladeshi garment workers were paid extremely low wages, with an average monthly wage of less than £25, far below what had been calculated to represent the costs of basic necessities in Bangladesh. Workers were typically required to work 10-16 hours per day, in violation of both existing Bangladeshi law and ILO Conventions. Another major problem in the sector, as identified by this report, was that most workers were denied freedom of expression. Trade unions that enabled independent representation of workers’ interests and concerns remained illegal within the export processing zones (EPZs). From January 2007-December 2008 a caretaker government ruled that industrial action and trade union activity were punishable with a sentence of between two and five years’ imprisonment. As well as legal barriers to workers exercising their rights to collective bargaining and freedom of expression, they were also said to face harassment, including sexual harassment and intimidation if they sought to defend their rights. Some workers had reported that physical violence had been used to repress organising efforts, with cases of illegal dismissal, harassment and beatings by law enforcement agencies or factories’ private security or imprisoned on falsified charges. (ref: 20)

(See also ‘Use of non-certified sustainable palm oil’ in **Climate Change** above.)

Sources produce from illegal settlements (2009)

According to research published by the Ecumenical Council for Corporate Responsibility (ECCR) in October 2009, Tesco was one of the UK’s major supermarkets stocking produce from the Israeli occupied Palestinian territories. The research stated that products likely to be sourced from settlements included exotic fruit, salad, stone fruit, healthcare products and meat-free frozen foods. Settlements were described as an appropriation of land, illegal under international law, which in the West Bank was often associated with violence and threats against Palestinian residents by the Israeli army and by armed settlers. Tesco stated that it

had encouraged the UK government to provide clearer labelling requirements regarding settlement goods and would implement these if and when produced. (ref: 124)

Workers' Rights

Living wage and hours abuses (February 2010)

According to an article on the Ekklesia website (ekkleisia.co.uk) dated 25 February 2010, some workers in Tesco's supply chain, in four Bangladeshi factories, were paid well below a living wage and sometimes worked 80 hours a week. The ETI Base Code states that a living wage should be paid and that working hours should not exceed 48 hours plus 12 hours voluntary overtime. (ref: 176)

Child labour in cosmetics supply chain (19 July 2009)

According to an article in on the Times website (www.timesonline.co.uk), dated 19 July 2009, child labour had been found in Tesco's supply chain. It was said that the company sourced mica from S Black, which in turn sourced it from Merck. The article stated that Merck KGaA sourced mica from Jharkhand, India, where child labour was widespread. A local NGO was said to estimate that "tens of thousands of local children may be working in mica mines." It was said that a six year old girl and her eight year old sister were found sifting through stones hoping to earn enough for a meal. The reporter was said to have found 15 other children working in similar situations. One of the workers stated that "If we each earn 50 rupees (63p) in a day then we eat... Sometimes we don't". To earn this amount, workers were said to have to work 12 hours a day. One of the workers stated that "loose earth falls down all the time. Last year one girl was buried". It was not clear whether or not she lived. It was said that the minimum working age in India was 14 but that for mine work, it was 18. It was said that police were bribed to overlook these legal breaches. Several workers mentioned that they scared of getting malaria and snake bits. Other workers stated that they had incurred exhaustion, broken bones and heatstroke.

According to the article, Tesco stated that it would get in touch with suppliers and investigate and that it was taking the matter seriously. Mica is used in the production of some cosmetics. (ref: 177)

Criticised for workers' rights abuses (2009)

A report published by the Clean Clothes Campaign in February 2009 detailed several workers' rights abuses occurring at Tesco supplier factories in Bangladesh, India, Thailand and Sri Lanka. It accused the factories of forcing workers to do overtime, of at least an hour per day, but only paying them for one or two overtime hours each month. Workers had complained of the poor housing provided by Tesco's supplier and of poor job security caused by the employment of most workers on temporary contracts. Workers also reported being evicted from their jobs if they formed unions and threatened with such action in their call letter. One worker described verbal abuse as a "regular daily matter" and in another, workers described being slapped by supervisors; one even had her head banged on a table. (ref: 178)

Supply Chain Policy

Middle ECRA rating for supply chain policy (August 2010)

A search was made of the Tesco website in August 2010. Information about the management of labour standards in the supply chain was found in the 2010 sustainability report. The report stated that the company expected its suppliers to work to the standards in the ETI Base Code, then listed the standards. Some of the standards listed reflected those in the ETI Base Code, others did not (the age at which a person ceased to be considered a child was not stated and the maximum working hours were not stated).

In order to rate a company's supply chain policy (also referred to as code of conduct, code of practice, supplier policy and various other

synonymous terms), ECRA needs to see a copy of the document that is communicated to workers. This is because workers have a right to know the conditions under which the companies are expecting them to work, so that the workers can use this information to press for improvements. At the time of writing, several ETI-member companies had not fully integrated the ETI Base Code and Principles of Implementation into their supply chain policies, and it had come to ECRA's attention that companies do not have to fulfil this criteria in order to gain membership of the ETI. For these reasons, ECRA rated the company on the standards it had listed in its sustainability report.

Tesco used only auditors that it had approved through its progressive auditor assessment programme. A link to details about this was given but the link did not work. A search on the company's website did not bring up further details about the programme. No mention of NGO/trade union/not-for-profit involvement in the auditing and verification process was given. No names of audit companies used was given.

For the reasons above, ECRA gave the company its middle rating for supply chain policy. (ref: 163)

Membership of ETI (2008)

According to the ETI website www.ethicaltrade.org, visited by ECRA in November 2008, Tesco was listed as a member. For companies to be accepted as members, they were required to adopt the ETI Base Code of Conduct and implement it into their supply chains. Progress reports on code implementation, and on improvements to labour practices was required. (ref: 27)

Supply chain criticism (September 2006)

According to the Labour Behind the Label (LBL) report, "Let's clean up fashion", published in September 2006, LBL had several criticisms of Tesco. The report noted that although the company was working on implementing a living wage methodology in supplier factories, this was only at the level of a few pilot projects. LBL also alleged that the company made no real efforts to make sure that its workers had access to freedom of association and collective bargaining, even though the company had acknowledged that management and worker training was needed in order to achieve access.

LBL also expressed concerns about the lack of robust procedures to monitor and verify that workers rights were being upheld, but also noted that Tesco was a member of the ETI and the Multi Fibre Agreement Forum. The report stated that Tesco had operations in China, which was on ECRA's list of oppressive regimes at the time of writing.

Of particular note is this statement in the report "Riots over wages by workers at a Bangladesh factory supplying Tesco earlier this year [2006] resulted in a worker being killed in clashes with police". (ref: 26)

Irresponsible Marketing

Named in tobacco price fixing allegation (2008)

According to the Sky News Website on Monday 28th April, 2008 (viewed by ECRA on 08/05/2008) eleven leading supermarkets, including Tesco, were named in a report on tobacco price fixing by the Office of Fair Trading. The OFT had been investigating alleged deals between two tobacco firms - Imperial Tobacco and Gallher - and 11 retailers. The claims related to the alleged collusion of the eleven firms on the wholesale price of cigarettes and the gap in retail prices between different brands. The offences spanned a three year period from 2000. John Fingleton, chief executive of the OFT said "if proven, the alleged practices would amount to a serious breach of the law." Sky business correspondent Joel Hills said: "Imperial Tobacco and Gallaher account for over 80% of the cigarette market in the UK. (ref: 29)

Sells tobacco products (2007)

The Mintel December 2007 Convenience Retailing Report defined

convenience retailers as 'open 7 days a week... and selling an extended range of goods including tobacco products...' Tesco Express and One Stop was a retailer profiled in this report. (ref: 49)

Caught breaching EU rules on harmful chemicals (2010)

According to an article which appeared on the Ecologist website (www.ecologist.org) on 13 October 2010, major retailers in Europe including Tesco were found to be breaking EU rules designed to protect consumers from harmful chemicals, according to an investigation.

Under the landmark Registration Evaluation Authorisation and restriction of Chemicals (REACH) legislation introduced in 2007, consumers, upon request, had been given the 'right to know' about whether products they were buying contained certain chemicals known to be toxic or carcinogenic. These harmful chemicals were due to be phased out in the future but in the meantime were listed by the EU as substances of very high concern (SVHC).

An investigation by the European Environmental Bureau (EEB) to test this legislation saw just 22 per cent of requests receive adequate responses. Half of the requests were not answered at all by retailers including Tesco.

In the case of Tesco, stores in Hungary were selling flip flop shoes containing harmful chemicals.

'Whether it is a misunderstanding of their requirements or a clear and informed refusal remains to be seen but some retailers are clearly failing their obligations regarding REACH,' said an EEB report on their investigation.

Many retailers confessed to being unable to find the products requested on their inventory or being unable to get information from suppliers. But EEB said ultimately retailers were responsible and required by law to have all relevant safety information.

'All citizens ought to be given full information about what properties of chemicals are in the products they buy. A parent, for instance, should automatically be informed whether a pencil case for their child contains phthalates which can impair sexual development,' said Christian Schaible, EEB Chemicals Policy Officer.

"Unfortunately, EU law forces consumers to repeatedly ask about chemicals in stores, and suppliers are only obliged to give information under specific conditions. However, we have shown that not even this legal right is guaranteed in practice", he added.

A spokesperson for Tesco said it was aware of its requirements under REACH. 'We have a Restricted Chemicals Code of Practice in place for Clothing and Footwear that includes the SVHC's detailed in REACH. We have worked closely with our suppliers to identify these substances and have replaced them with suitable alternatives.' (ref: 179)

Politics

Genetic Engineering

GM - lack of clear group-wide policy (August 2010)

A search was made of the Tesco website (tesco.com) in August 2010. A statement about GM was found (see below). As the company did not rule out the existence of GM material in the animal feed used for animals from which the company derived products (eg non-organic milk), the company could not be said to have a policy of not stocking products containing GM. In addition, the company was known to stock many products from other companies likely to use GM ingredients.

"Using Genetically Modified foods

Our policy on Genetically Modified (GM) foods is based on what you, our customers, have told us you want. And our research shows that UK customers don't want GM foods in our stores.

So naturally we don't have any own-brand GM foods on our shelves and all of our organic animals are reared using non-GM feed." (ref: 163)

Likely to sell GM cotton (July 2009)

At the time of writing, GM cotton was prevalent in the cotton supply chain. ECRA sent Tesco a questionnaire in May/June 2009, it contained a question about the company's GM policy. The company did not reply. In January 2009, the company had made the following response to the ECRA Clothing Retailers Questionnaire 2009, "We do not have a specific policy regarding the use of GM cotton, although we continue to monitor the situation." No mention was made of the company's policy on GM cotton when its website (tesco.co.uk) was searched in July 2009. As it was unlikely that the company's policy had changed, it continued to receive a negative mark for its lack of a GM-free policy. (ref: 165)

GM possible in certain food products (2006)

According to the Greenpeace Shoppers Guide to Genetic Modification, viewed on the Greenpeace UK website on 7th September 2006, the following products had been given the 'red' rating applied to "food which may contain GM ingredients or be derived from animals fed on GM crops": Tesco pork and Tesco milk and dairy products. (ref: 83)

Boycott Call

Boycott by CASPIAN for use of spy chips (September 2009)

The Boycott Tesco website www.boycotttesco.com published by CASPIAN (Consumers Against Supermarket Privacy Invasion and Numbering) was viewed by ECRA in September 2009. The website stated that Tesco had been using RFID (Radio Frequency Identification) spy chips in violation of an international call by privacy experts worldwide for a moratorium on item-level RFID tagging. Item level tagging involves placing an RFID tag on a product a consumer buys (as opposed to a tag on the outside of a crate or box of products in a warehouse). According to the website Tesco had announced plans to expand the trial from two to ten stores setting a precedent for other stores. The website called for a boycott of Tesco for the use of RFID technology. (ref: 180)

Boycott call over sale of live turtles (May 2008)

Care for the Wild International (CWI) had called for a boycott of Tesco over the sale of live turtles, tortoises and frogs in its Chinese stores. CWI had presented Tesco with evidence of animal welfare issues over the trade before calling for the boycott after Tesco refused to stop stocking the animals, according to the group's website (www.careforthewild.com) viewed by ECRA May 2008. (ref: 181)

MPs call for boycott of Tesco standard chicken (July 2008)

In July 2008 an article on the website Farmer's Weekly Interactive (www.fwi.co.uk) stated that a group of British MPs had called for a boycott of chickens sold in Tesco stores because of poor welfare standards. (ref: 182)

Political Activities

Political Donations in the UK (2007)

According to Tesco's Annual Report and Financial Statements 2007 viewed on their corporate website (www.tescocorporate.com) on 6 February 2008:

"There were no political donations (2006 – £nil). During the year, the Group made contributions of £41,608 (2006 – £54,219) in the form of sponsorship for political events: Labour Party £11,000; Liberal Democrat Party £5,350; Conservative Party £4,218; Progressive Democrat Party £2,213; Fine Gael £1,476; Fianna Fail £1,408; the Republic of Ireland Labour Party £234; Trade Unions £15,709." (ref: 183)

Membership of two free trade lobby groups (2006)

According to a 2006 report by the Seattle to Brussels Network, called 'Corporate Power Over EU Trade Policy: Good for

business, bad for the world', Tesco Metro was a member of the European Retail Round Table, which was similar in structure and its lobbying to the European Round Table of Industrialists. It also stated that Tesco was affiliated to Eurocommerce, which "aims, as a representative of a major economic sector, to ensure that trade and services in the European policy formation process are duly taken into account". (ref: 184)

Anti-Social Finance

(See also 'Child labour in cosmetics supply chain' in **Workers' Rights** above.)

Tax avoidance plan (February 2008)

According to an article published in The Guardian on 27th of February 2008, Tesco had created a structure involving offshore tax havens to avoid paying tax. The newspaper's investigation had uncovered a string of Cayman Island companies used by Tesco, as the rate of corporation tax is zero in the islands. The stores were sold to external investors which apparently allowed Tesco to avoid tax on about £500m profit.

This investigation became the subject of a later Libel action by Tesco - which claims it only made £23m from the structure. (see e.g. Telegraph 08/04/2008).

According to a story which appeared on www.talkingretail.com on 17 September 2008, the Guardian ran a front page apology to Tesco, in which it agreed to pay the legal costs Tesco had forked out during the libel process. (ref: 185)

Poor conditions in South African supplier farms (February 2009)

The War on Want report 'Sour Grapes: South African wine workers and British supermarket power', published in February 2009, stated that the UK government's Competition Commission report of April 2008 found that "supermarkets have used their buying power to squeeze suppliers by transferring risk and costs onto them". Suppliers were reported to be hesitant to speak out against supermarkets in case they were removed from the supermarket's list of suppliers.

Specific problems noted in relation to South African producers were the fact that it was rare for suppliers to have formal contracts, leading to the potential of being de-listed at short notice; supermarkets changing their costs and prices as they liked to suit their needs, and last minute order cancellations without compensation. South African producers were said not to receive assured prices, so there was no guarantee that they could cover their costs. Delays in payment for orders were said to be common, with 120-day long delays becoming increasingly so. Discounts offered by supermarkets were said to be often passed on to suppliers, through pressure to 'promote' the products. Supermarkets were also said to charge for good positioning on the shelf: from £15,000 to £100,000. In addition, it was stated that supermarkets often press suppliers to enter into exclusivity agreements with them, so that the suppliers were entirely dependent on one customer.

The report claimed that "it is the South African workers who pay the price for UK supermarket power and greed." Issues related to this were said to be: sacking workers; lack of formal employment contracts and low wages. The trend towards employing seasonal workers who had no benefits was said to be increasing: in 1995 the ratio of seasonal workers to permanent workers was about equal; by 2000 it was 65%:35%. This was said to reduce the ability of the workers to organise. Women were said to be more vulnerable as a result of the worsening working conditions of workers, to be paid lower wages than men, and to be frequently subjected to sexual harassment at work.

Tesco was named as one of the largest importers of South African wine, with a 20% share of all sales. (ref: 37)

Waitrose juice

Owned by Leckford Estate Ltd which is owned by John Lewis Partnership plc

John Lewis Partnership plc, 171 Victoria Street, London, SW1E 5NN

Environment

Environmental Reporting

Middle ECRA rating for environment report (2009)

The John Lewis Partnership 2009 Corporate Social Responsibility Report was downloaded from the company's website, www.johnlewispartnership.co.uk in March 2010. The report provided information on the environmental impacts of the company in five key areas: emissions, energy consumption, waste, water and transport.

The CSR report included a number of dated, quantified targets, such as: reducing carbon dioxide emissions per £ million sales by 10 per cent by 2010 against a 2001-02 baseline, 20% by 2020, and 60% by 2050 (relative to trade in 2001); improving the energy efficiency of shops and offices by 20 per cent by 2010 (based on 2003 baseline); divert 95% of our waste from landfill by 2013; recycle 75% waste by year-end 2012; halve CO2 emissions from refrigeration by 2012. There was also some information about progress made against targets and information was provided regarding the company's carbon emissions.

No mention was made of independent verification of the report. Therefore John Lewis Partnership plc received Ethical Consumer's middle rating for environment reporting. (ref: 186)

Pollution & Toxics

Bioaccumulative chemicals (2007)

A shop survey on 28th June 2007 found a John Lewis shop in Manchester to be selling school wear which contained Teflon. Chemicals such as Teflon, belonging to the "non-stick" family of perfluorinated chemicals (PFCs) had been classified as cancer-causing by the US Environmental Protection Agency and had been found in a wide range of species including polar bears, dolphins and humans worldwide. Environmental campaigners have called for PFCs to be replaced with safer alternatives especially in clothing and other consumer products. PFCs, such as Teflon are used in many school trousers and skirts to give them durability and are frequently labelled "non-iron". (ref: 187)

Fined for river pollution (2006)

According to the May 2006 issue of ENDS Report, in 2006 John Lewis was fined £12,000 and ordered to pay £2,000 in costs over an incident in which diesel oil leaking from a tank polluted the Holy Brook, a tributary of the River Kennett. A faulty gauge had caused the tank to be overfilled, which an employee had not realised was a fault, and the overflow system's poor design was said to have allowed the diesel to escape through drains. (ref: 188)

Habitats & Resources

Timber sourcing policy (2008)

In response to a request by ECRA in October 2008 for the company's timber sourcing policy, Waitrose stated that all Waitrose paper products (tissues/kitchen roll/toilet roll) would be FSC approved by the end of 2008. The company said that at the time of writing it was on target to achieve the cut off date, although not all packaging reflected the FSC approval at the time of writing since the company was "selling through existing packaging - so as to not waste it". The company also stated that its own-label sandwiches were now in packs made from FSC certified cardboard. It said that it sold a very limited number of wood products, but that when it sold John Lewis home wares products in its stores, these were subject to John Lewis sourcing standards, "whose aim it is to ensure that the timber they purchase comes from verifiable sources with secure chains of custody and

which meet minimum standards of good forest management". The John Lewis Corporate Social Responsibility Report 2008, viewed by ECRA in November 2008, stated that in 2008, 78% of the garden furniture the company would purchase would be FSC certified and that by 2009 it would be purchasing 100% FSC certified garden furniture. The report also stated that the company was extending its timber policy to assess all wood-based products from 2008. (ref: 189)

Sold unsustainably sourced wooden flooring (27 March 2006)

The Environmental Investigation Agency's March 2006 report "Behind the Veneer" named John Lewis as a UK retailer which was selling merbau flooring. It claimed that the Junckers brand of flooring sold by John Lewis was highly likely to have come from illegally logged timber from Papua where deforestation and illegal logging was a serious concern. (ref: 190)

Animals

Animal Testing

Worst Ethical Consumer rating for animal testing (September 2010)

The John Lewis Partnership website (www.johnlewispartnership.co.uk), viewed by Ethical Consumer in September 2010, stated that "our animal welfare commitments include a ban on animal testing on own-label cosmetics, toiletries, baby care and personal care products". It was highly likely that the company sold other non-own brand products that were tested on animals. The company received Ethical Consumer's worst rating for animal testing, as, according to "The Compassionate Shopping Guide", there was no fixed cut off date for its own-brand household products. (ref: 191)

Factory farming

Animal welfare policy (2008)

In response to ECRA's request in October 2008 for the company's animal welfare policy, Waitrose set out a number of positive commitments:

- All its chicken was at least 'Waitrose Select Farm', which it claimed had a stocking density consistent with RSPCA Freedom Food Standards
- As of the time of writing all its eggs were free range
- Since July 2008 all egg in Waitrose food had been free range
- All its pork was from pigs reared outdoors
- All its ducks were free range with access to ponds

However, the Waitrose website (www.waitrose.com) also named several other meat products sold by the company which were not mentioned in the above policy, nor labelled as either free range or organic. Since the company did not mention any animal welfare policy regarding these meat products, including lamb, beef and veal, ECRA considered it likely that some of these may have come from intensively farmed sources. (ref: 189)

Sale of intensively farmed duck (2006)

According to Viva!'s report, Ducks Out of Water, published in 2006, Waitrose stocked Button Norfolk Farms Barbary ducks which were not free range, having no access to the outside nor access to water for swimming. (ref: 192)

Animal Rights

Is a farmer of milk, eggs and chickens (March 2010)

According to the Waitrose website viewed in March 2010, the Leckford Estate is owned by John Lewis and is a farming estate which supplies Waitrose stores with milk, free range eggs and free range poultry. (ref: 193)

Sale of leather products (2008)

ECRA made a search of the John Lewis website (www.johnlewis.com) in November 2008. The website showed several leather

products on sale. Leather was considered to be an animal rights issue, since it was a slaughterhouse by-product. (ref: 194)

(See also 'Animal welfare policy' in Factory farming above.)

People

Human Rights

Conflict Diamond Survey Results (May 2007)

In May 2007 Amnesty International and Global Witness released a report entitled "Conflict Diamonds, UK jewellery retailers still not doing enough." John Lewis were mentioned in this report. The report was based on findings from a questionnaire sent to leading retailers. It stated that "although most companies adhere to the industry's minimal system of self regulation, these are not effective in preventing the trade in blood diamonds, and more needs to be done by industry leaders to ensure that diamonds no longer fuel conflict." John Lewis itself did not respond to the survey and so did not disclose any auditing system or other measures taken to combat conflict diamonds. It was also not a member of any jewellery trade associations and did not have a policy on conflict diamonds on its website. However in 2004 the writers of the report stated that the company followed the recommendations of the British Jewellers Association and had written to suppliers asking them to confirm that all diamonds were conflict free. (ref: 21)

Illegal settlements - sale of products (2009)

According to the 2009 Corporate Watch report "Profiting from Occupation", the John Lewis Partnership was "one of the only large retailers to sell Ahava beauty products." It was said that Ahava was a settlement company that had its base in Mitzpe Shalem, an illegal settlement. (ref: 45)

Stocks produce from illegal settlements (2009)

According to research published by the Ecumenical Council for Corporate Responsibility (ECCR) in October 2009, Waitrose was one of the UK's major supermarkets stocking produce from the Israeli occupied Palestinian territories. Waitrose had stated that it had a policy of full supply chain traceability and that suppliers audited farms once a year. It claimed that Waitrose Buyers and technologists had recently visited West Bank farms to ensure that they met standards set in Waitrose's 'responsible sourcing code of practice'. Settlements were described as an appropriation of land, illegal under international law, which in the West Bank was often associated with violence and threats against Palestinian residents by the Israeli army and by armed settlers. (ref: 124)

Workers' Rights

Supplier accused of forced labour (May 2008)

According to an article found on the Guardian website, www.guardian.co.uk, in May 2008, a UK-wide investigation into allegations of forced labour among migrant daffodil pickers had resulted in one of the industry's largest suppliers losing its licence. The Gangmasters Licensing Authority accused the company of imposing debts on its mainly Polish workers, failing to provide them with adequate housing and paying as little as £24 a day in wages. One of the outlets that the company supplied to was Waitrose. (ref: 195)

Workers' rights abuses on Kenyan flower farms (2009)

A report published by The Corporate Responsibility (CORE) Coalition in May 2009 revealed workers' rights abuses occurring in Kenyan flower farms. According to the report, about 75% of Kenya's flower exports were eventually purchased by UK retailers. It said that large supermarkets, including Waitrose, had become particularly important players in the market. The report stated that workers revealed wages ranging from around 80p per day to £1.25 in the highest paying firms - significantly below what workers would need to provide their basic needs. It said there was widespread gender discrimination, since the lower paid jobs

working in the greenhouses tended to be given to women, while men were disproportionately given the higher paid spraying jobs. Sexual harassment was noted as a major problem, with many women reporting that systematic abuse by supervisors and sometimes fellow workers was allowed to continue without redress. Workers were found to be expected to work long hours - up to 16 hours per day during periods of peak demand such as Mother's Day and Valentine's Day, in clear violation of Kenyan employment law. The farms also failed to provide a safe working environment, with many workers being exposed to extremely toxic chemicals and reporting serious health effects. They were also found to be at risk of acquiring disabling repetitive strain injuries which caused chronic pain and severely restricted their ability to work. While trade unions were formally recognised and had been formed on a small minority of farms, in practice, workers tended to be discouraged from joining. (ref: 20)

Concerns about child labour in Madagascar (March 2010)

An article published in the Sunday Times in March 2010, "Bitter plight of the vanilla trade children", stated that Waitrose marketed vanilla from Madagascar, where children were increasingly involved in the production of the spice. A Unicef report was said to have claimed that many working children in the country were being denied their right to an education.

The company was said to have claimed that their suppliers guaranteed not to rely on children, but that it would investigate the issue. (ref: 196)

Supply Chain Policy

Middle ECRA rating for supply chain policy (September 2010)

A search was made of the John Lewis Partnership website in September 2010. The Responsible Sourcing Code of Practice was downloaded. The code contained adequate provisions except for in the areas of forced labour and discrimination, where the small print of the code showed that the company was prepared to forego these standards if local legislation demanded it. ECRA felt that this was not an adequate response, given that ECRA would not consider a commitment to paying legal minimum wages as sufficient without a living wages commitment, and also bearing in mind that many countries' legal minimums on forced labour and discrimination fell way below the standards that ECRA expected to see. (ref: 197)

Irresponsible Marketing

Sale of tobacco products (2008)

The Waitrose website (www.waitrose.com), viewed by ECRA on 1 December 2008, listed new members of staff, one of whom had been recruited to the Beers, Spirits and Tobacco Buying team. As a result, the company received a negative mark for the sale of tobacco products. (ref: 193)

Politics

Genetic Engineering

GM policy for own brand products (August 2010)

In August 2010 Ethical Consumer emailed Waitrose Ltd and attached a questionnaire that included a question regarding the company's use of genetically modified (GM) ingredients. The company responded as follows:

Waitrose does not allow the use of any Genetically Modified crops or food ingredients derived from GM crops in our own-brand food.

We make every effort to use animal feed that is free from GM in close collaboration with our suppliers. It is, however, becoming increasingly difficult to do so...

Our laying hens (i.e. eggs), chicken, duck, farmed fish and New Zealand Lamb are fed a non-GM diet. We can guarantee that our frozen salmon, frozen New Zealand Lamb and the New Zealand

lamb used in our ready meals are also fed a non-GM diet. In addition, and to help ensure continued choice for our customers, we are working to sustainably source a greater amount of non-soya based animal feed from the UK.

A Soil Association report published in November 2008, entitled 'Silent invasion: the hidden use of GM crops in livestock feed', estimated that around 60% of the maize and 30% of the soya in the feed used by dairy and pig farmers is GM. Due to the fact that Waitrose could not guarantee that the feed used for its animals was not GM, and the prevalence of GM animal feed on the market, it was marked down in this category. (ref: 198)

Company Ethos

Employee-owned business (March 2010)

According to the John Lewis Corporate Social Responsibility Report 2009, the Partnership is an employee-owned business with the employees sharing in the profits and having a say in the business. (ref: 186)

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Ratings Information

General Information

Although the Ethical Consumer database holds information going back to 1991, all ratings and Ethiscores are based only on information published in the last five years. It's also important to remember that while most corporate responsibility rating organisations 'rate' company groups as single organisations, Ethical Consumer structured to map complex company groups. The exception to this is under the policy categories: "Environmental Reporting", "Supply Chain Policy" and "Animal Testing Policy" categories, where ratings can refer to the specific subsidiary's environmental report or Supply Chain Policy if this is better. When one company buys another, the new company is deemed to have inherited the past record of the other, unless there is clear evidence that the take-over has seen a change in policy and practice.

Significant effort is made by Ethical Consumer to maintain the integrity and accuracy of information. Each company is assigned to its UHC (Ultimate Holding Company) but frequent global mergers, takeovers and acquisitions mean that company group information can be of an advisory nature only. Therefore, if a particular piece of information is to play a significant role in a campaigning or investment decision, we recommend making additional ownership checks or contacting us on 0161 226 2929 for a quote for a screening. Of course, accurate ownership information is of the utmost importance to us at Ethical Consumer, and we make every effort to monitor significant changes. If you discover information which you believe is incorrect, please contact us and we can make changes within 24 hours if necessary.

Where our information comes from

The Ethical Consumer database (available online as Corporate Critic) is compiled primarily from information already in the public domain. Our team of researchers regularly search through over 100 publications and summarise information on corporate activity into easy-to-read abstracts or 'stories'. Information on companies is taken from:

- **Publications by environmental, animal rights and Third World campaigning NGOs** such as Greenpeace, Friends of the Earth, Amnesty, WDM etc.
- **Corporate communications** such as Annual Reports and company websites for environmental reports, codes of conduct and animal testing policies.
- **Commercial defence and nuclear industry directories**
- **Pollution and health & safety prosecution records**
- **A wide range of other international sources**
- **Daily news**

Each abstract is fully referenced to a particular publication, permitting users to explore and follow up stories in more detail. Our researchers in Manchester add new stories to the database on a daily basis. These are uploaded onto Corporate Critic website and the Ethiscore website and so ratings are recalculated nightly. Because of the ongoing nature of this behaviour-monitoring process, we do not systematically check each story or rating with companies prior to publication. We encourage companies to contact us if they believe a story or rating is in error and we will always address the issues raised.

Ratings Key ☒ **Full Circle** (our worst rating) ☐ **Clear Circle** (our middle rating) ☐ **No Circle** (our best rating)

The Categories /ENVIRONMENT

Environmental Reporting

- ☒ The company or parent company:
 - i) did not respond to a request by ECRA for a copy of its environmental policy or report and did not display such a policy or report on its website, OR
 - ii) supplied to ECRA or displayed on its website an environmental policy or report which contained neither specific targets nor discussion of impacts specific to the company.
- ☐ The company or parent company supplied to ECRA or displayed on its website an environmental policy or report which contained at least two quantified targets and/or discussion of impacts but:
 - i) was not dated within the last two years, OR
 - ii) failed to demonstrate a reasonable understanding of the company's main impacts, OR
 - iii) was not independently verified.
- ☐ The company or parent company:
 - i) supplied to ECRA or displayed on its website an environmental policy or report which;
 - (a) contained at least two specific time and performance targets, AND
 - (b) which demonstrated a reasonable understanding of the company's main impacts, AND
 - (c) was dated within the last two years, AND
 - (d) was independently verified by an organisation named in the report.
 - ii) is a small business (turnover of less than £5 million per year) specialising in the supply of products with low environmental impacts or which are of environmental benefit or which offer other social benefits.

Nuclear Power

- ☒ The company is involved in:
 - i) design, construction, decommissioning, ownership or operation of nuclear power stations, AND/OR
 - ii) nuclear fuel and related equipment - the mining, processing or reprocessing of uranium; nuclear fuel fabrication; fuel rods etc, AND/OR
 - iii) nuclear reactor products and services - such as nuclear reactors, reactor cores, neutron detectors, control rods, steam generator, AND/OR
 - iv) the transport of waste from the nuclear industry, AND/OR
 - v) membership of a nuclear power industry association such as British Nuclear Industry Forum and World Nuclear Association.
- ☐ The company is involved in:
 - i) production of other nuclear related equipment for example monitoring and testing equipment; electricity and communications cabling, insulation, seals; temperature and pressure measurement devices; gas and water analysers; air coolers, compressors, pumps, valves and IT products, AND/OR
 - ii) the supply of radioactive waste services such as treatment, handling and storage.
- ☐ We have found no evidence for involvement in nuclear power for the company.

The Categories /ENVIRONMENT (CONTINUED)

Climate Change

Negative ratings in this category indicate that the company has been criticised for involvement in sectors considered by Ethical Consumer to contribute significantly to climate change, such as fossil fuels, aviation, cars or cement, or that it has been criticised for having high levels of contribution to climate change emissions, by direct emissions, through its products, or by making misleading claims about climate change.

- ☒ Involvement in areas deemed by us to be a higher contributor to climate change (such as fossil fuels) OR involvement in more than one areas deemed to be less significant (for example; cars, aviation, lobbying)
- ☐ Involvement in one of the above areas deemed as less significant.
- ☐ No criticisms have been found under this category for the company in question.

Pollution & Toxics

Negative ratings in this category indicate that a company has been prosecuted or criticised by government or campaign groups for emissions of toxic or damaging substances into the environment, AND/OR a company is involved in the manufacture or sale of chemicals or products containing chemicals which are a cause of concern because of their impacts on human and animal health and the environment (eg toxic or bioaccumulative chemicals, ozone depleting chemicals or pesticides and herbicides.)

- ☒ The company has either received one major criticism (such as a major pollution incident) or a number of minor criticisms (ie involvement in nanotechnology, unsustainable packaging, small fines for pollution).
- ☐ The company has received one or two minor criticisms in this area.
- ☐ No criticisms have been found under this category for the company in question.

Habitats and Resources

Negative ratings in this category indicate that a company has been criticised for activities which: destroy or damage the environment through unsustainable resource extraction and mining, or detrimental land use, OR destruction of specific habitats, depleting biodiversity and reducing the ability of ecosystems to renew themselves, including unsustainable fishing and forestry or impacting severely on the habitats and lives of endangered species.

- ☒ The company has either received one (or more) major criticism OR more than two minor criticisms.
- ☐ The company has received one or two minor criticisms in this area.
- ☐ No criticisms have been found under this category for the company in question.

The Categories /ANIMALS

Animal Testing

- ☒ The company:
 - i) conducts or commissions tests on animals for non-medical products or ingredients, OR
 - ii) conducts or commissions tests on animals for medical products or ingredients, OR
 - iii) sells animal-tested cosmetics, toiletries or household products, OR
 - iv) operates in a sector where animal testing is common and has no written animal testing policy statement, or did not reply to our request for a copy of one, or sent us a policy with standards less stringent than those required for a middle rating.
- ☐ i) The company operates in a sector where animal testing is common and has a policy of not testing products or ingredients on animals, and of not commissioning such tests but does not have a fixed cut-off date (i.e. a specific date set by the company after which it will not use any new ingredients tested on animals), OR
- ☐ ii) The company is a retailer with a fixed cut-off date for own brand products but also sells animal tested non own brands.
- ☐ The company EITHER does not operate in a sector where animal testing is common OR operates in a sector where animal testing is common and has a fixed cut-off date policy.

Factory Farming

- ☒ The company:
 - i) is a factory farmer of meat, poultry (broilers and eggs), fish or fur, OR
 - ii) manufactures or supplies intensive farming equipment such as battery cages, beak trimmers, pig crates, OR
 - iii) supplies breeding stock, OR

iv) sells or processes meat, poultry (broilers and eggs) or fur that is not labelled as free range or organic.

- ☐ The company has an investment relationship with a company criticised in this category.

Animal Rights

- ☒ The company is:
 - i) a farmer of non-intensive or free range meat, poultry or fish
 - ii) sells or processes meat, poultry or fish
 - iii) involved in the production, supply or retail of fur
 - iv) a slaughterhouse owner or user of slaughterhouse by-products such as leather and gelatine
- ☐ The company is:
 - i) a supplier of animal feedstuffs, OR
 - ii) is a dairy farmer or egg producer, OR
 - iii) is involved other activities which lead to the suffering of animals such as zoos and circuses and the production of musk and civet. OR
 - iv) a company or employee has been accused of cruelty to animals.

The Categories /PEOPLE

Human Rights

- ☒ Involvement in one or more of the following:
i) operations in six or more oppressive regimes taken from the list below.
ii) human rights abuses, through any of the following:
a) the use of its equipment, staff or facilities in perpetrating human rights abuses
b) human rights abuses perpetrated by security forces associated with a companys operations
c) involvement in projects that have proven links with human rights abuses
d) collaboration with a government AND/OR military in perpetrating human rights abuses
e) allegations of human rights abuses by company staff
iii) land rights abuses; specific instances where indigenous peoples have been or may be removed from their land, or whose livelihoods may be threatened, to facilitate corporate operations (either extant or planned)
- ☐ A company will receive our middle rating, a clear circle, if it has operations in two or more of the following regimes on our 2006 list of Oppressive Regimes: Belarus, Burma, Burundi, Cameroon, Chad, China, Cote D'Ivoire, Cuba, Democratic Republic of Congo, Egypt, Equatorial Guinea, Eritrea, Guatemala, Haiti, Indonesia, Iran, Iraq, Kazakhstan, Kuwait, Laos, Lebanon, Libya, North Korea, Pakistan, Philippines, Russia, Saudi Arabia, Sudan, Swaziland, Syria, Tajikistan, Thailand, Togo, UAE, USA, Uzbekistan, Vietnam, Zimbabwe.
A company will not receive a mark in this column if all its products sourced from these regimes are marketed as fair trade. Our Oppressive Regimes listing has been compiled from different human rights and workers' rights reports.

☐ Our best rating indicates that we have not received any criticisms under this category for the company in question.

Workers' Rights

- ☒ A full circle or clear circle represents criticism of the company or its suppliers for infringement of workers' rights, which includes:
intimidation of workers by management; use of forced or slave labour; payment of wages below a level which is adequate to live on; a working week of over 48 hours; forced and/or excessive overtime; exploitative use of child labour; denial of the right to associate, form unions or bargain collectively; discrimination on the grounds of race, sex, sexuality or creed; the provision of inadequate or dangerous working conditions.
- ☐ No criticisms have been found under this category for the company in question.

Supply Chain Policy

In industries where supply chains commonly stretch into low wage economies we expect companies to have developed a publicly available supply chain policy addressing workers' rights at supplier companies. We look for the following elements in each policy:

- 1) no use of forced labour
- 2) freedom of association
- 3) payment of a living wage
- 4) working week limited to 48 hours and 12 hours overtime
- 5) eliminations of child labour (under 15 years old, or under 14 if country has ILO exemption)
- 6) no discrimination by race, sex etc
- 7) independent monitoring

Codes with all 7 clauses will receive the best rating. Companies which manufacture products that are labelled and certified as Fairtrade, or smaller companies (turnover of less than £5 million) which can show an effective, if not necessarily explicit, policy addressing workers' rights at supplier companies will also receive a best rating. As will companies that operate in sectors where ECRA considers supply chain policies unnecessary. 4-6 clauses get a middle rating (half circle). 0-3 clauses or no code at all receive a worst rating (whole circle).

Irresponsible Marketing

- ☒ Marketing of products in a way that has been criticised for causing severe physical harm. The manufacture or sale of tobacco products automatically receives a worst rating in this category as does the infringement of the International Code of Marketing of Breastmilk Substitutes. Our lowest rating could also indicate several minor criticisms in this area.
- ☐ Marketing of products in a way that has been criticised as being detrimental to health or likely to cause injury. This includes the use of excessively thin or childlike models in fashion advertising.
- ☐ No criticisms have been found under this category for the company in question.

Arms & Military Supply

- ☒ Involvement in the manufacture or supply of nuclear or conventional weapons including: ships, tanks, armoured vehicles and aircraft; weapons systems components; systems aiding the launch, guidance, delivery or deployment of missiles; fuel; computing; communications services.
- ☐ A clear circle (middle rating) represents the manufacture or supply of non-strategic parts for the military, not including food and drink.
- ☐ No criticisms have been found under this category for the company in question.

The Categories /POLITICS

Political Activity

- ☒ The company has made a donation of £50,000 or more to a political party, either direct or indirect or in 'soft money,' in the last five years, or has membership of 3 or more lobby groups, or has directly lobbied governments or supranational institutions on trade liberalisation issues.
- ☐ Membership of 2 or less lobby groups, or a donation of less than £50,000 to political parties in the last 5 years, or secondment of staff to political parties, governments or supranational institutions.

The Categories /POLITICS (CONTINUED)

A lobby group is defined as a corporate lobby group which lobbies for free trade at the expense of the environment, animal welfare, human rights or health protection. A current list of such groups includes:

- American Chamber of Commerce/AMCHAM-EU
- Bilderberg Group
- Business Action for Sustainable Development
- Business Round Table
- European Round Table of Industrialists
- European Services Forum
- International Chamber of Commerce
- Transatlantic Business Dialogue
- Trilateral Commission
- US Coalition of Service Industries
- World Business Council for Sustainable Development
- World Economic Forum

Boycott Call

- A boycott of the brand name featured in the report has been called somewhere in the world or a boycott of the entire company group has been called.
- A boycott of one of the parent company's subsidiaries or brands has been called somewhere in the world.

Genetic Engineering

- Involvement in:
 - i) the non-medical genetic modification of plants or animals, and/or
 - ii) gene patenting, and/or
 - iii) xenotransplantation.
- Involvement in:
 - i) the manufacture or sale of non-medical products involving or containing genetically modified organisms (GMOs), and/or

- ii) the manufacture or sale of non-medical products likely to contain GMOs and the lack of a clear company group-wide GMO free policy, and/or
- iii) public statements in favour of the use of GMOs in non-medical products.
- iv) the development or marketing of medical procedures or products involving genetic modification, which have been criticised on ethical grounds.

Anti-Social Finance

Ratings are based on criticisms for activities which are likely to impact negatively on the economic well-being of the societies that companies operate in. Such criticisms include: tax evasion and use of tax havens; bribery and corruption, insider share dealing, involvement in Third World debt, price fixing, irresponsible marketing of financial products, excessive directors' remuneration.

Company Ethos

This category is intended to draw the attention of consumers to company groups who, by structural innovation or clear product policies, demonstrate an ethos committed to sustainability. We understand sustainability to include environmental, social justice and animal rights elements.

- ★ A full star may indicate a policy to only sell fairtrade products, organic products, vegan products or BUAV approved products or a combination of these. A large star may also indicate a formalised not-for-profit trading structure.
- ☆ A clear star indicates a policy to only sell innovative environmental alternatives

The Categories /PRODUCT SUSTAINABILITY

Organic Product
1 point indicates that the product is certified organic.

Fairly Traded Product
1 point indicates that the product is labelled with the Fairtrade Mark (UK) or equivalent FLOI symbol.
Half a point indicates that the product is marketed as fair trade.

Positive Environmental Features
1 point indicates that the product has been recommended by an independent environmental organisation, or that the product has received the TCO environmental label.
Half a point indicates that the product has received either an A+ (or

better) EU Energy Label, the Blue Angel Label of the Nordic Swan label.

Other Sustainability Features
1 point indicates that the product embodies other significant sustainability feature.
Half a point indicates that the product embodies other less significant sustainability features.

Animal Welfare Features
1 point indicates that the product is certified by the Vegan or Vegetarian Society.
Half a point indicates that the product is marketed as vegan or vegetarian.

The Categories /ETHISCORE

The Ethiscore is a numerical ethical rating designed to help users quickly differentiate companies which have attracted significant levels of criticism from those which have attracted less attention. Excellent for benchmarking companies within product or market sectors, the Ethiscore is also a superb tool for monitoring corporate ethical improvements.

The are two types of ethiscore
A company Ethiscore of 0 to 15 points.
15 is the best Ethiscore and 0 worst. The company Ethiscore is based on the subtraction of all the corporate responsibility categories in which the database holds current criticisms from a baseline number of 14.

Therefore if a company has received criticisms in the Animal Testing (1 point) and Workers Rights (1 point) categories, its ethiscore will be 12.

[14 (baseline) minus 2 categories = 12].

If the company had a lesser criticism under, say, Workers Rights (0.5 points) then its Ethiscore would be 14 minus 1.5 = 12.5
The fifteenth point is for 'Company Sustainability' - a positive Corporate Responsibility category - which gives an additional point to companies who, for example, only sell organic products.

A product Ethiscore of 0 to 20 points.
20 is the best Ethiscore and 0 worst.
This Ethiscore is a score for products and is made up by combining a company Ethiscore with a rating for product sustainability, and is based on five positive attributes which a product may have. Therefore if a 12 point company is listed as selling an organic (1 point) and fairtrade (1 point) tea, then the tea would receive an ethiscore of 12+2 = 14.