



ORGANICO REALFOODS LIMITED

Company Number: 2610753

## Good By Nature - Summary

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*Review: 10/2022*

### Statement on Charitable Policy.

We should recap our mission statement:

"At Organico we buy and sell good food. Good food is food that's well made and tasty but also that's good for the planet and fair to the people we work with and who work for us... from farm to fork and from boat to plate".

Good By Nature defines our philanthropic approach. Our mission statement stands for EVERYTHING we do. It's the reason we were founded and the reason we exist. Our products are 100% sustainably-fished or farmed. Good by Nature is not a vague promise for the future or a little bit of remedial action on the side.

Good by Nature means every product we sell is by its very nature good – no deforestation, now or in the past, let alone vague future promises, no genetic modification, no soil degradation or toxic water pollution, no participation in historical overfishing, no endangering of bio-diversity and threatened species, no damaging by-catch, no monopolistic control of supply chains, no secretive patents, no financial dominance or aggressive tax-avoidance, fair practices, fair exchange, no abuse of the labour force and fair working conditions, verified but also by implication i.e. by the fact we make low risk supply chain choices.

Good By Nature also defines the type of charitable work that we engage in. As an organic and sustainable food company, our focus is first to support environmental improvements and best practice and second to oppose greenwash and false solutions. We want the majority of our charitable contributions to support the values we work for and the type of production systems and supply chain we represent and cherish. Including outreach and pro-bono work, we aim for charitable contributions to equal a quarter of our profit when times are good. However regardless of profit, we are committed in our Better than Net Zero policy to climate investment and mitigation payments in both good or bad years.

## Summary of Payments

This is the categories and summary of contributions we have made in our last two fiscal years. Our accounting year end is September.

Classification	FY 2021	FY 2022
Carbon Tax/Compensation Funding	£101,803	£49,025
Carbon Footprint Reduction	£14,736	£3,746
Carbon Offset & Reparations	£36,445	£16,222
Food Ethics, Actions & Support	£13,249	£25,000
UK Local Community & Employees	£808	£1,211
Pro-Bono Work	£25,000	£40,521
<b>Total</b>	<b>£192,040</b>	<b>£135,725</b>

## Summary Overview:

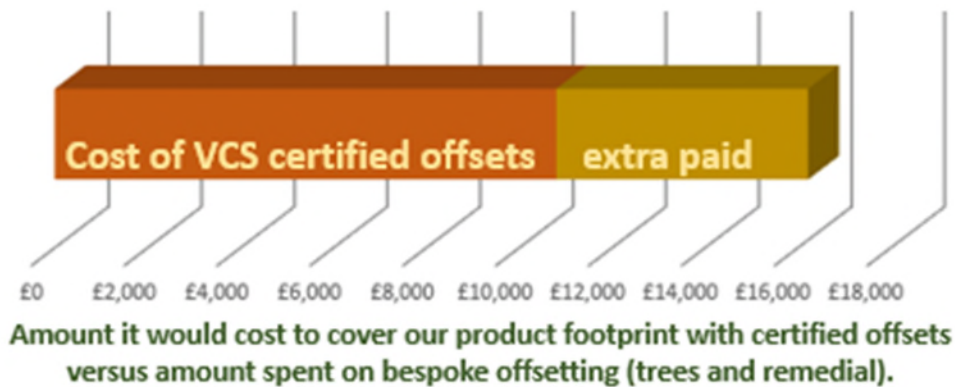
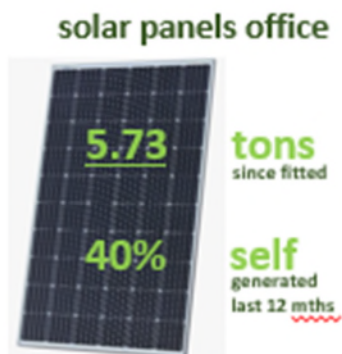
Our **Better than Net Zero** policy is at the heart of our promise to a) account b) reduce and c) compensate for and offset our Co2 emissions. The current situation is: -

- Solar panels and led lighting in office
- Third party accounting of product footprint from cradle to gate with values integrated into our inventory/accounting package
- Carbon compensation or substitution investments totaling just over £150k, a little below 15% of our calculated footprint
- The "Organico Forest" of 500,000 trees by 2025 just over the half way mark.
- Total carbon contributions exceed our calculated Co2 and cost of a verified offset.

In the last 12 months our work promoting small scale fisheries has progressed well:

- Fabulous results on the plastic positive Azores project.
- Good work promoting Naturland Azores tuna certification to try to develop sales.
- Introduction of fair-trade certified tuna in both France and now the UK.
- Strong progress of proposed alternative certification by the Sustainable Fisheries and Communities Trust with standards, structure and approach agreed.
- Ongoing pressure from the campaigns we work with has led to "the most comprehensive review" of MSC standards {in their own words} to address a number of major problems with their certification.

Finally, we've begun to engage methodically with our suppliers to see what stage they are at with their own wider ethical engagements and commitments. In our local community we've a) adopted a local road to clean, b) supported our local Food Bank, c) created a mini garden in the communal car park and d) supported a pioneer organic farm and a local charity for our team meetings. We also work tirelessly and daily to communicate good food values. Our Food Talks has continued during the period but with some problems on the organisation side of things requiring a re-think.



Calculated product footprint with amount now generated per annum {< 15% through renewable generation} / average guess of Co2 removal from tree planting

## Product Sourcing



**100% organic or sustainably-fished**



# Good By Nature - Detail

## Background Recap

Net Zero is first about reducing your own emissions as far as possible and then offsetting the remainder. Organisation emissions are mostly defined as Scope 1 and 2 with some Scope 3, basically transport you don't own yourself. These Scopes are headers defined in the Green House Gas Protocol of 2001 and form the basic structure for mandatory GHG reporting.

For most trading/selling businesses the majority of emissions are the many other categories in Scope 3, which can be basically described as indirect emissions. Most serious Net Zero pledges therefore cover Scope 3 emissions which could also be more easily defined as product emissions.

There is a problem with counting Scope 3. Theoretically this should be the responsibility of all the suppliers upstream – but no-one has legislated for that. More important these are very difficult emissions to be able to impact: the general fuel supply and power grid are fossil fuel based so not in our control, nor in the control of our suppliers.

Our Better than Net Policy is described in a Document printed in October 2021. This is accessible to the public. There are also internal reports and a large number of appendices that form part of the carbon education and review work we did over the 12 months prior which we are willing to share on a case-by-case basis.

## Carbon Accounting

Our carbon accounting partner is a company based in Basingstoke, called Carbon Footprint Limited (CFL). Our Fiscal Year end is the 30<sup>th</sup> of September so we do our carbon accounting in tandem with our financial year end accounting.

CFL verify our organisation data, produce a Co2 calculation and we offset this through the CFL website using certified Verified Carbon Standard offsets from Verra. Our year-end 2022 assessment should be completed by the end of November.

Our product footprint was calculated in 2021 by CFL. The calculation was done using proxy figures based on ISO14067:2018 and GHG protocols. We counted our product footprint from "Cradle to Gate" which means to the door of the customer - and therefore does not include disposal or consumption-based emissions.

The 2021 value was entered into our inventory package and is used as a current best guess figure that can be tracked moving forward. Basically, we are able to produce a Co2 result running a simple report from our central accounting and inventory package. Around 90% of our turnover comes from calculated values and for the remainder we used like products or an average of all our products.

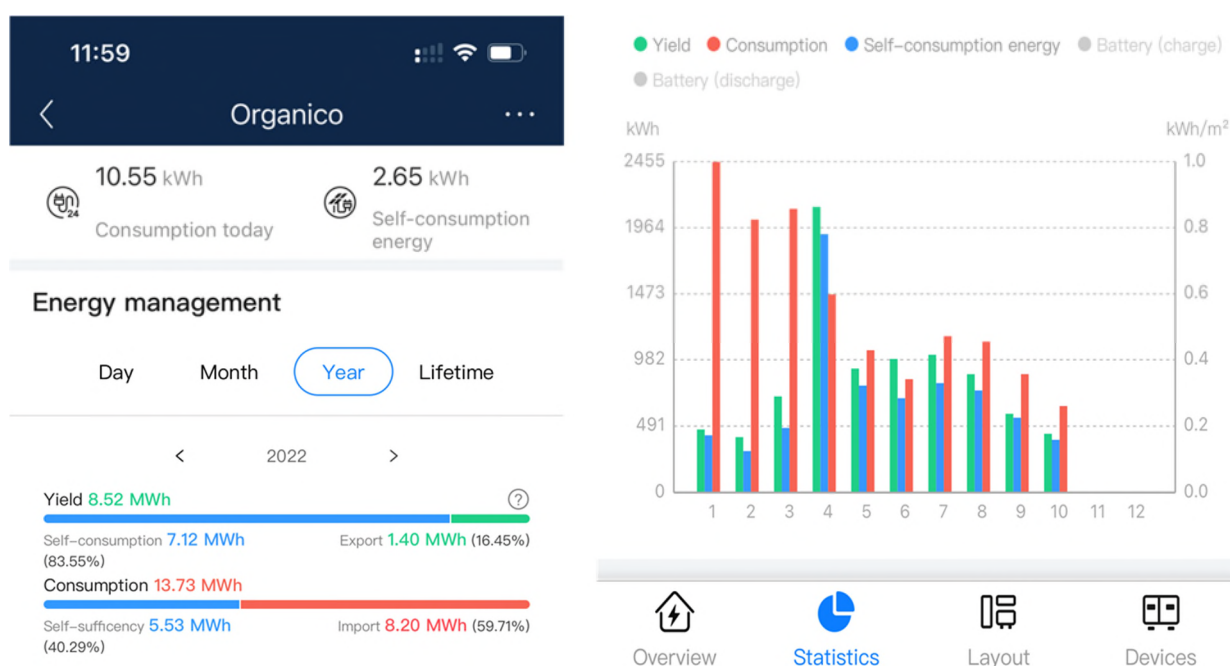
Our total assessed product footprint for FY 2022 is 1179.40 tons.

Our “Better than” policy is based on 5- and 10-year periods with 5 year aims and 10 year aims. In 2025 we will re-submit our products for a new calculation. There is a lot of work going on with product GHG calculations and a level of debate and discussion that we are not competent to comment on ourselves. We are therefore educating ourselves in the meantime by engaging with different consultancies, joining conferences and learning what our peers are using.

## Carbon Footprint Reduction

In FY2021 we installed solar panels on our roofs. In FY2022 we replaced all our light bulbs with LED lights. In the next fiscal year, we will be trialing a new winter schedule to keep half the office switched off and will also look into reducing the power used by our computer systems. In addition, we’ve set up a a) “where possible” switch to train usage policy for our business trips, b) leased an EV, c) encouraged car sharing, d) supported cycling and e) increased working-from-home.

### 40% Own generation of electricity



- Snapshot of reading from solar panel app. We bought a storage battery as well with the panels to be able to save some weekend electricity for Monday use.

## Carbon Offset & Reparations

Offsetting in general is criticised, partly because of bad schemes in the past and partly because there simply isn’t enough offsets to go around and get rid of total and still growing global emissions. Next offsets can lull users into complacency that they are privately doing enough and can carry on as normal. But doing nothing is not really a great alternative either. Our “Better than” policy tries to hold all these various contradictions in hand.

There are two certification schemes available for offsets – the Verified Carbon Standard and the Gold Standard. For the bulk of our emissions (the Co2 of our products) we chose not to go down the certified route. Why? A good certification will involve tons of science and therefore scientists, engaged in absolutely precise metrics on the ground, project by project, water-tight legal property rights, and a big infrastructure to establish the standards, the systems, the administration and of course a big travel bill. The bulk of that spend will be spent in advanced economies and not in developing countries most affected by climate change. It just doesn't ring right for us.

Ethical Consumer states (\*) that only 30% of a certified offset ends up in the actual offset project itself. We feel it could be a lot less. If we are in the midst of a climate emergency then surely any money spent on offsetting, mitigations or reparations should be spent as much as possible on the actual projects themselves – not go-betweens. We do understand we are not buying legitimate offsets with proofs of Co2 withdrawal and are comfortable with that fact.

We have set ourselves 3 conditions in climate policy over the current 5-year plan: -

- Our annual climate spend must match what it would cost to buy certified offsets.
- The tree planting component of our policy should exceed our assessed Co2 footprint.
- We will pay to plant 500,000 trees in 5 years.

Working out precise tree, soil or any other natural carbon sequestration sink is a highly complicated scientific task requiring expertise but it is also quite clear that a) trees that stay in situ do capture carbon which can be scientifically estimated and b) they have general biodiversity benefits and good forestry projects support local communities where the trees are being planted. Project Drawdown, which has scientifically assessed all possible sinks, puts tropical tree planting as one of the most effective carbon sinks available.

In our policy we also wanted to commit to charities involved in what we classify as remedial work. We've therefore supported the Environmental Justice Foundation, for their work in climate justice advocacy, and Ecosystem Restoration Camps to support the restoration of heavily damaged soils globally. Restoring soils also helps to store carbon.

In fiscal Year 2022 we've spent £16,222 on carbon offsetting and remedial charities. Our product footprint is calculated at just below 1200 tons. VCS certified offsets would have cost us < £11,000 from CFL. According to an average estimate of tree Co2 absorption from the charity One Tree Planted (\*) our tree fund purchase of 66,660 trees in the current fiscal year captures 13,332 tons of Co2 over a 20-year tree lifespan period.

## **Our theory of Carbon Compensation**

As a company we control very few of the Co2 emitting factors in our product chain – no production, no transport and no owned warehouse. We have already reduced our own direct emissions almost as far as they can go, and we sell lower footprint and low waste products. Benchmarked against the British Retail Consortium's Climate Action Roadmap we are well ahead of the curve. Our base commitment shows us to be in a position to claim carbon neutral, carbon positive, net zero, etc. - so why have we gone even further?

(\*) **One Tree Planted won the 1% for the Planet 2019 changemaker nonprofit partner and the figure is derived from a blog on their site from a forestry expert, printed and filed.**

We have understood that global warming is fundamentally about weaning the world economy off fossil fuels and that offsets and remedial action, although positive, are a side show. The carbon compensation or substitution part of our better than policy is therefore critical. If we can't directly ourselves reduce the Co2 embedded in the products we buy and sell, we can substitute for them. Substitution is a theory even allowed by the Fair-Trade standards and is an intelligible approach in that we can directly contribute to the needed transition towards 100% renewable energy.

We therefore committed to build a carbon compensation fund with £50,000 per annum contributions for 10 years. The £50,000 corresponds to over 1% of our turnover with 1% of turnover (approximately) been the reference indicator for us so if we grow quickly, our annual contributions would increase.

If every company in the UK made a 1% turnover commitment, a company with £50million turnover would invest £500k every year, and a company with £500million turnover would be investing £5million per annum, etc. Total UK private business is valued at £4trillion of sales per annum. So £40billion of extra funds would be invested in renewables each and every year from now to 2030. The WHOLE UK renewable sector is currently valued at just over £40billion (\*).

The £50,000 investment commitment is made regardless of profit and before any dividends are paid out to shareholders. In other words, it is money that could be spent by the company or paid to shareholders. BUT it isn't. Frankly it's like an upfront tax or a fixed cost which we are voluntarily adding to our cost of operating.

Our goal is that over the 10-year compensation fund plan, we will have built up renewable investments that compensate for roughly 50% of our annual carbon footprint. Given that governments in the EU and UK, where our footprint is mostly generated, are themselves committed to a rapid move away from fossil fuels in the energy mix; we believe that in 2030 we will be very close to been naturally neutral in Co2 irrespective of offsetting. We've used figures from Thrive Renewable, a highly rated B Corp certified company (and also on the B Corp Best for the World Environment List), to obtain a carbon saving indication from the shares owned.

## **Supporting Small scale and/or Local sustainable fishing**

Our main brand is Fish4Ever representing some 70% of turnover. Fish4Ever is sustainably fished fish that is "genuinely" sustainable and therefore at odds with the industrial definition of sustainable fishing and the main fishery certification, the MSC or Marine Stewardship Council.

Genuinely sustainable means a) ALL the fishing methods we support are highly targeted and selective with no or near-zero by-catch, b) none of our fishing damages or impacts the sea floor, c) we always source from local boats that are d) flagged and administered by the local legal authority. The fishing we support is democratic, inclusive and socially responsible. 15 years ago, Greenpeace described Fish4Ever "a world leader in sustainable and equitable tuna sourcing".

(\*) <https://www.statista.com/statistics/676741/uk-business-turnover-by-size/>

In recent years, our main charitable work has been focussed on protecting the interest of small-scale fisheries through alternative certifications (see pro bono section) and highlighting the importance of socio-economic factors in the world of fish sustainability.

We are funding two main projects in the Azores, our key supply origin for tuna:

- A **plastic positive project** with the International Pole & Line Federation (IPNLF), Bio-Coop of France, the Azores Fisheries Observation Program (Popa) and OMA, a local charity, whereby local tuna boats collect plastic marine litter abandoned or lost by other fishing boats. This year the project involved 17 boats, 81 events and 735.6kg of marine litter collected - exponentially more than what is lost by the Azores tuna fishery itself.
- **Naturland certification of the Azores fishery.** This has been entirely organised, sponsored and paid for by Fish4Ever. Naturland is a long-established organic certifier which has developed a standard for wild fish and fair trade. In July 2022 the Naturland expert meeting was held with the Azores Ministry of Fisheries, Popa, IPNLF, the local tuna fishing boats association (Apasa) and the Azores tuna manufacturer's association.

We have also invested a lot of money in buying certified fair-trade yellowfin tuna from the Maldives for both the French and English markets. This project belongs to a Swiss company called Blue You and is not funded by Fish4Ever. The purpose is to make a socially responsible option visible to consumers and therefore attract attention to the issue of who is fishing tuna and highlight the issue of equitable trade, respectful of human rights and dignity. In the same vein, Fish4Ever had commenced a fairly-traded project in Morocco for sardines and mackerel but this has hit problems and was not advanced during Fiscal Year 2022. This project is presently not certified and the challenge is to find a program that might be appropriate as well as local partners that would be interested to take this on.

## **General Food Ethics, Actions & Support**

We are lifetime members of Slow Foods international and the Soil Association, the UK's organic charity. We support the Organic Trade Board and together with food charities, Sustain and the Food Ethics Council, are founding members of Food Talks [www.foodtalks.co.uk](http://www.foodtalks.co.uk) which basically invites reputable speakers to discuss a food ethics question. This was knocked into an off-line format during Covid and has been quite difficult to operate since due to the partners' time commitments. As the commercial partner, we have offered to pay to continue Food Talks going forward – but it may have run its course.

## **UK Local & Community Work**

We need to do more in this area but essentially, we regard the food ecology and ethics world and sustainable fish world as our "community." We are also worried about being seen as preachy and are unsure about how to connect what we do as relevant to our local area. We do support the local food bank in Earley and Wokingham as well as Fareshare, have done some local planting, booked our company conference in RISC, a local Reading community charity and adopted a local road to clean.

## Pro-Bono Work

The majority of our pro bono work is undertaken by our founder, Charles Redfern. Charles has led alternative certification discussions within the Slow Fish/Slow Food movement as well as participation with industry colleague Sole Discretion in a scoping exercise that involved the Soil Association, the New Economic Foundation and the Universities of Exeter and Plymouth.

During the current fiscal year Charles has spent a great deal of time on a number of work committees as well as the Steering Panel for the Sustainable Fisheries and Communities Trust which is getting close to proposing a new fishery certification that would take into account social as well as ecological criteria and support smaller scale fisheries that are disadvantaged by the industrial fishing bias of the MSC.

Charles is also an active member of the On the Hook coalition and Make Stewardship Count, two organisations working to reform and improve the MSC. These alliances have been persistent and scientific in their objections and criticism of the MSC and have played no small part in the new far more stringent standards now proposed by the MSC.

Charles is a fairly passive member of the committee which comments on the Marine Conservation Society's Good Fish to Guide (Fish to Eat/Fish to Avoid) traffic light system and participates in the English Organic Forum that works to promote, rather unsuccessfully at present, organic solutions in farming systems at the government policy level in the UK.

Charles keeps in touch with IFOAM, FIBL and other organic representative bodies in Europe and is a founder of Food Talks in London which puts on free talks in King's Cross and lately mostly on-line with partners, the Hub, the Foods Ethics Council and Sustain (a partnership of all UK food charities).

Charles participated in an on-line presentation, together with fair-trade USA and Commerce Equitable, a French umbrella organisation, representing fair trade generally, for Tupa, whose members are French supermarkets and major brands looking at their tuna sourcing policies. He has also dedicated a lot of time to the previously mentioned plastic positive project and managing the Naturland certification. For the aforementioned Morocco project, an expert consultant with native language skills has been appointed to try to move the various pieces forward.

We calculate that 1/5<sup>th</sup> of Charles' time is taken in advocacy and engagement work, and the pro bono rate is based on an average SME MD's remuneration. Additionally, 4 other members of staff are involved less intensively in company causes and engagements which has been counted as equal to 5% of the total payroll.

## Co2 Compensation & Offsets Calculation



How many shares do you have/want to buy?

Number of shares: 69768		
<b>kWh generated</b> Kilowatt hours of renewable electricity generated	<b>428445.29</b>	?
<b>UK homes equivalent</b> Number of households provided with clean electricity	<b>119.74</b>	?
<b>Carbon saving</b> Tonnes of carbon dioxide equivalent	<b>150.62</b>	?
<b>Thrive Renewables shares</b> Number of shares which achieve this impact	<b>69768.00</b>	?

Currency: £ GBP

To offset 1200 tonnes of CO<sub>2</sub>e, you have the following options.

### Global Portfolio

Personalised Downloadable Certificate Available

£ 10600.00 to offset 1200 tonnes  
(£ 9.00 per tonne)

Add To Basket Monthly Subscription

Your funding supports our Global Portfolio VCS certified carbon reduction programmes across the world via a range of projects that include carbon avoidance, clean and renewable energy generation. Many are within developing countries, where they also provide additional social benefits.

### UK Tree Planting

Personalised Downloadable Certificate Available

£ 23760.00 incl. 20% VAT to offset 1200 tonnes  
(£ 19.80 incl. 20% VAT per tonne)

Choose region: Any - Plant where needed Add To Basket Monthly Subscription

Your funding supports the planting of trees in the UK region of your choice. The project mainly plants in school locations, helping to educate children and support wildlife habitats whilst sequestering carbon emissions.

For each tCO<sub>2</sub>e offset, one tree is planted in the UK and an additional tCO<sub>2</sub>e is offset through a VCS Tree Budding project to guarantee the emission reductions.



Websites accessed on 12/10/2022

## Co2 Value of Compensation/Substitution Fund

Our total fund in Year 3 based on price paid is £150,828 with £63,538 in Thrive Renewables, £67,441 in Octopus Renewables Infrastructure Plc and £19,849 in Vestas Wind System. These are all investments in 100% renewable generation. The Thrive website shows an amount of carbon saved per shareholding (above left) so, based on the most recent price we've paid, we've extrapolated £150k of shares which gave a carbon saving of 150 tons or 120 UK homes supplied with clean electricity. Given Thrive works more at micro-generation level compared to Vestas and Octopus and utility-scale projects generate more power; we could assume that this is an under-estimate.

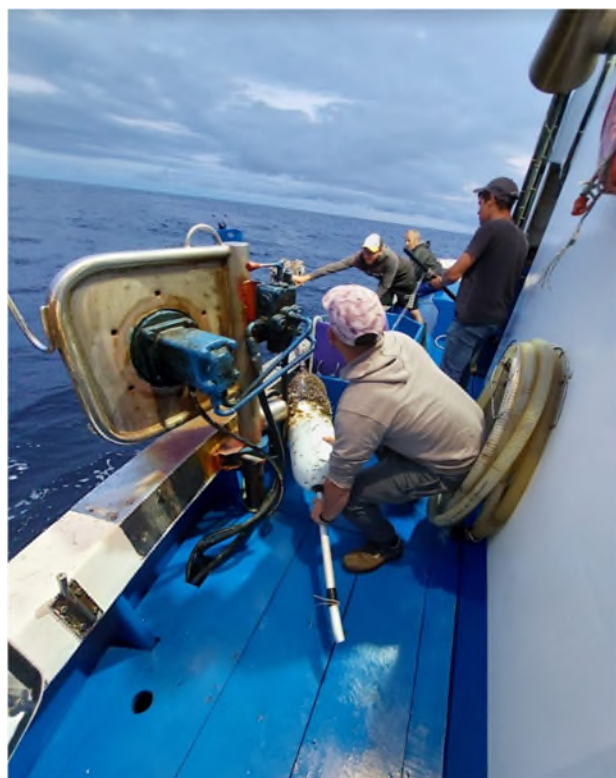
## Cost of Purchasing VCS Certified Offsets

Carbon offsets from different projects cost different prices depending on location and type of asset invested in. By pledging to pay "at least as much" as a certified offset would cost (above right) we demonstrate a willingness to pay a market price of sorts whilst maintaining our choice to have a bigger import and support projects directly.

## Carbon Absorption of Trees

In 2022 the price of a tree planted from Eden Reforestation when up to \$15 cents. We've pledged \$10,000 which means our FY 2022 pledge would pay for 66,660 trees. We are looking for average/approximate figures of tree sequestration and came across a blog on the One Tree Planted Site (this charity won the 1% for the Planet non-profit change maker award in 2020) which gave a value of 10kg per tree per year. Using a conservative life tree estimate of 20 years that works out at 200kg per tree, multiply by the number of trees planted and then divide by 1000 for ton values = 13,372.

## Plastic Positive Project /plastic collection in pictures



## Naturland Azores Expert Meeting & Press Trip

