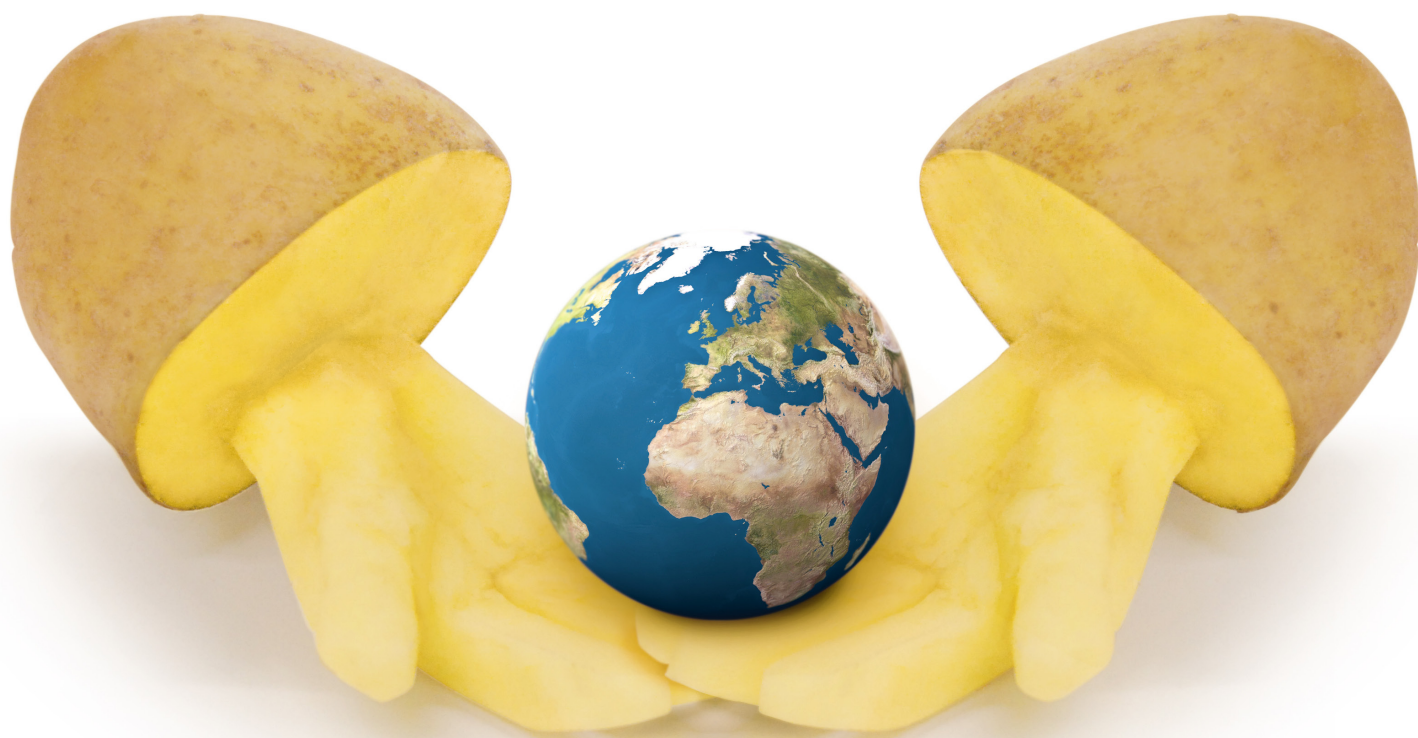


Say
sustainable,
say **Agrico.**



Say growth,
say **Agrico.**



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ISO 26000: A GUIDANCE STANDARD FOR SOCIAL RESPONSIBILITY

THE ISO 26000 GUIDANCE STANDARD

ISO 26000, a guidance document created by the International Organisation for Standardisation (ISO), was released in late 2010. Delivered through the support of over 500 experts on all matters which relate to social responsibility, and through an extensive process of stakeholder consultation, the standard provides the best guidance available for companies which are looking to make a real and lasting impact upon sustainable global development.

Businesses and organisations are becoming increasingly aware that the effective management of their relationship with society, the environment, and the economy is vital for ensuring operational success; ISO 26000 provides guidance on how to manage this relationship. The standard encourages social responsibility best practice and provides guidance for improving working conditions, human rights, the environment, fair operating practices, and interactions with the community.

The difference between the ISO 26000 guidance standard and its predecessors is its non-certifiable nature. It provides guidance for businesses and organisations, it does not contain requirements, it is not a guideline, and it is therefore not certifiable. But it can be used as a guide to effectively integrate social responsibility into an organisations values and practices. To achieve successful integration it is advised that an organisation undertakes a process of 'self-assessment', under the guidance of ISO 26000, in order to effectively self-assess their past, present, and potential future efforts with regards to social responsibility. Only after this appraisal and the process of self-assessment should an organisation 'self-declare' under ISO 26000.

The key to successful ISO 26000 integration is transparency. It would be straightforward for any business or organisation to self-declare under the guidance of ISO 26000 without actually undertaking the process of self-assessment that ISO 26000 recommends. But without documented evidence of the self-assessment process there would be no substance behind the self-declaration. This report, and the process of self-assessment and self-declaration it documents, provides the evidence for Agrico's commitment to social responsibility and demonstrates the steps it has taken to ultimately self-declare under ISO 26000.

ISO 26000: KEY PRINCIPLES

The ISO 26000 document states seven 'Key Principles' that are central to ISO 26000 and social responsibility and which all socially responsible organisations should follow and embody and which should be central to any organisation's business operations, activities, and decisions. The guidance standard key principles are:

- Accountability
- Transparency
- Ethical Behaviour
- A Respect for Stakeholder Interests
- A Respect for the Rule of Law
- A Respect for International Norms of Behaviour
- A Respect for Human Rights

In addition to the key principles, ISO 26000 also provides guidance on a number of other social responsibility themes. These themes are organised into seven 'core subjects' which include:

- Organisational Governance
- Human Rights
- Labour Practices
- The Environment
- Fair Operating Practices
- Customer and Consumer Issues
- Community Involvement and Development

The core subjects are then broken down further into a number of 'key issues' which cover many specific areas relating to social responsibility. These key issues number 39 in total and will be explored in greater detail later in this document.



Installing the Gaia 11kw wind turbines at the Agrico UK head office



Agrico is the place to be for potatoes. Say potato, say Agrico.

Agrico Holland, an Introduction

Agrico is a Dutch farmer cooperative of some 900 members and around 190 employees; it produces in excess of 550,000 tonnes of seed potatoes per year and has a turnover of approximately EUR 200-250 million per annum. The company is engaged in the breeding, growing, collecting, packing and marketing of potatoes and is the market leader and global player in the market-oriented development of potato varieties and the production and marketing of high quality seed and table potatoes. The objective of the cooperative is to ensure worldwide marketing for its member's products and to achieve the highest possible price for their goods.

Agrico works intensively with an international network of subsidiaries and joint investment interests, with companies in France, Great Britain, Poland, Sweden and Canada. In addition to this there are Agrico agents in virtually all seed potato importing countries.

The Agrico Mission

- By responding to the needs of consumers, Agrico is a reliable partner for its customers and by having a strong position in the market chain, it aims to contribute as much as possible to the income of its members.
- Agrico conducts its activities in an efficient, responsible, result-driven way and offers a challenging environment for its employees and is a reliable supplier of high-quality products for its customers.

The Agrico Vision

Agrico is committed to breeding top quality potatoes, geared to the specific demands and local conditions of customers all over the world.

Agrico UK, an Introduction

Agrico UK, a UK registered Limited company, is a specialist developer and supplier of high grade conventionally bred seed potatoes, covering standard and organic production regimes for pre-packers, processors, seed merchants and branded operations worldwide. We are contracted to grow over 1,100 Ha of conventional and organic seed per annum and supply certified Scottish, English and Dutch seed, collectively marketing approximately 45,000 - 50,000 tonnes a year.

We choose varieties, developed at 'Agrico Research BV' in Holland, that cater for the domestic consumer preference, and that grow well in the UK climate. By working with a carefully selected team of growers on a technical level, we then multiply these varieties up to sell seed potatoes commercially to customers in the table, chipping, crisping, and processing industries. Although a subsidiary of Agrico Holland, Agrico UK Ltd operates independently to accommodate for the home market and selected export markets, but has the advantages that come from being part of a larger organisation.

Agrico UK: A History

As one of the world's leading potato breeders, Agrico set up agency agreements in the mid 1970's to represent its extensive programme in the UK market. Agrico products proved to be very popular, and as a result Agrico UK was established in 1986 to facilitate the increasing import of Dutch seed potatoes. With the head office originally based at Ely in Cambridgeshire, in 1998 Agrico UK moved to its present day facilities at Castleton of Eassie in Scotland. With the continuing success in the UK, and recognition of the ever changing global market requirements, this has led to a natural commitment to UK seed production.



The Agrico UK Team

What we do

Agrico multiply potatoes over a period of many years to create enough quantity of seed to sell commercially. We do this by working with our officially approved growers through the Seed Potato Classification Scheme (SPCS); at all stages of production our potatoes are maintained to strict quality and biosecurity standards. These standards include the 'Safe Haven' certification scheme (which provides additional protection for the British potato industry and its customers from bacterial ring rot), the 'Seed Potato Classification Scheme' (SPCS), and Food and Environment Research Agency (FERA) quality standards. Throughout the multiplication process and the growing of Agrico varieties, we offer assistance to growers to help them with agronomy advice. We have experienced field personnel on hand to assist with:

- Planting
- Production throughout the growing season
- Harvest
- Storage handling and grading guidance relevant to the market
- Selling seed potatoes

Once the multiplication process is completed we market and sell our seed potatoes, both conventional and organic, to our customers, often through contracted agreements.

Our Values

Our values and our aims are clearly stated in our Customer Charter, which can be found on our company website. Our aim is to deliver the highest quality seed potatoes to our customers in a reliable and sustainable way. To achieve this we will always listen to our customers and growers and we will be honest, accessible and professional. We will always be fair and act with integrity and aim to create a business everyone can be proud of.

A STATEMENT FROM THE EXECUTIVE DIRECTOR OF AGRICO UK LTD



With the global challenge of rising populations and increasing pressure from climate change, developing sustainable production techniques that can produce more food using less land becomes ever more important. However, higher yields sustainably delivered are not within themselves the whole picture. It is important to be environmentally responsible at home but to also be aware of the potential environmental impacts of our operations overseas. For example, it is vital that the seed we supply to export countries is free from known pests and diseases to

ensure the receiving countries ecosystems are safeguarded. Corporate Social Responsibility (CSR) embraces good environmental stewardship, but also covers all aspects of business activity, technical competence, staff competence and professionalism, and community engagement. By using the ISO 26000 guidance document to shape our approach to CSR, we recognise that all elements within the business mix have a role in developing a socially responsible approach to all of our activities.

Archie Gibson, Executive Director of Agrico UK

AGRICO HOLLAND AND THE BEGINNING OF THE ISO 26000 JOURNEY

In late 2012, the board and management team of Agrico BV decided that social responsibility should be considered when determining the company's strategic policy. Social responsibility was certainly nothing new to Agrico, with a number of forward thinking initiatives already in place which contributed to CSR. However, without a clearly defined and structured CSR strategy, Agrico's sustainability initiatives (e.g. separating waste and saving energy) were perhaps more ad-hoc than structured. What was needed was a framework within which to base a more systematic approach to CSR.

Agrico Holland now have a successful CSR strategy and have devised many initiatives to improve their contribution to CSR. In late 2013, Agrico Holland achieved their ISO 26000 self-declaration and made a statement confirming that Agrico had successfully and optimally integrated the key themes of ISO 26000. This statement was also a clear demonstration of intent; a commitment to improve the environment, to work on sustainable solutions, to respect members, suppliers, and customers, to listen to suggestions, and to be actively involved in the community.

Following on from the initial ISO 26000 self-assessment, which focussed primarily on the Agrico head office, Agrico Holland have now begun to apply the principles of ISO 26000 to the wider supply chain. The policy of the 'Sustainable Potato Supply Chain' will now form the basis of Agrico's operational policy up until 2017.

Please see the Agrico Holland website and the current ISO 26000 report (2014): <http://en.agrico.nl/about-agrico/socially-responsible-entrepreneurship>

AGRICO HOLLAND SUMMARY OF PROGRESS WITH ISO 26000: GOOD PRACTICE AND KEY INITIATIVES

- There is an *Agrico Youth Council*, which takes part in themed debates and discussions about future industry issues.
- Employees are fully involved with policy management through meetings and workshops.
- Stakeholders are informed of any news through newsletters, articles in the agricultural press, and through the Agrico website.
- Agrico organises a variety show every November, this provides a platform for an open dialogue with internal and external stakeholders.
- Agrico operates a *Work Council* which is consulted on HR and other important strategic discussions.
- An analysis of waste flows and energy consumption (baseline measurement) has been undertaken.
- A sustainable purchasing protocol has been created.
- There is a code of ethics.
- Paper consumption and cartridge consumption for printers has been reduced.
- Waste bins have been centralised on site at the head office in an effort to reduce waste.

As a subsidiary of Agrico Holland, Agrico UK Ltd has now begun the process of self-declaration with the ISO 26000 guidance standard. This follows on from the successful integration of the guidance standard within the business operations of Agrico Holland and the desire for the standard to be adopted by all Agrico subsidiaries.

In February 2015 the process of integration began at Agrico UK Ltd and since this time the company has moved rapidly forward with the creation of its CSR policy. The development of the policy has involved a number of key steps, these have included:

- Becoming familiar with the ISO 26000 standard and related literature.
- Purchasing and studying the ISO 26000 guidance document.
- Identification of Agrico's sphere of influence.
- Identification of Agrico UK's stakeholders and their expectations.
- Stakeholder communication: How often do we need to communicate with our stakeholders and how do we maintain an effective dialogue?
- Engagement with our stakeholders through team briefing sessions, presentations at our grower meetings, and the placement of articles in our newsletters and in the agricultural press.
- Which ISO 26000 core subjects and key issues are relevant to Agrico UK? What do Agrico UK already achieve in terms of the ISO 26000 (Social Responsibility) key principles, core subjects, and key issues?
- How can Agrico UK improve? What actions can we take to improve our performance?
- Taking forward our chosen social responsibility initiatives.

This document introduces Agrico UK Ltd and details the process that the company has undertaken in order to self-assess and ultimately self-declare under the guidance of ISO 26000. We hope that you enjoy reading about our journey to self-declaration, and will continue to follow our progress in future as we devise new and innovative ways with which to make socially responsible improvements to our business.

SCOPE OF THE AGRICO UK LTD CSR PROJECT - 2015-2016

The scope for the Agrico UK Ltd ISO 26000 programme applies to the year 2015/2016 with an initial focus placed mainly upon the Agrico UK office and potato storage areas.

The Agrico UK Ltd office and potato storage areas can be found at the following address:

Agrico UK Ltd,

Castleton of Eassie,
Eassie,
By Forfar,
Angus,
DD8 1SJ.



ISO 26000 Guidance Document on Social Responsibility: Self-Declaration Statement

The undersigned, Mr Archie Gibson, Executive Director of Agrico UK Ltd, declares that Agrico UK has undertaken a process of self-assessment under the guidance of the ISO 26000 international standard. Agrico UK Ltd has now integrated the ISO 26000 guidance into its working practices and has used the guidance standard as a framework within which to identify areas of improvement under the three pillars of social responsibility: the environment, the economy, and society. The self-assessment and self-declaration process will be conducted annually.

Agrico UK Ltd has undertaken a self-assessment process, which began in February 2015, and which has followed these steps:

1. A familiarisation with the ISO 26000 guidance standard and relevant associated literature.
2. Identification of Agrico UK Ltd stakeholders, both internal and external, with a stakeholder communication matrix. This matrix provides information on who are the direct and in-direct stakeholders to Agrico UK Ltd, the expectations of stakeholders, the form of dialogue which Agrico UK Ltd undertakes with each stakeholder, and what role they may play within Agrico UK Ltd.'s social responsibility policy.
3. Communication with stakeholders, both internal (employees) and external (e.g. our growers and customers) through team briefing sessions, interviews, newsletters, and presentations at meetings.
4. The use of an 'Issue Matrix' in order to identify what Agrico UK Ltd already achieve in terms of social responsibility and where improvements can be made. This self-assessment was conducted under the seven principles of social responsibility, which form the core subject of Organisational Governance and the additional six core subjects of social responsibility: Human Rights, Labour Practices, The Environment, Fair Operating Practices, Consumer Issues, Community Involvement and Development.
5. Following the results of the self-assessment and identification of the ISO 26000 issues which were found to be relevant to Agrico UK Ltd, an 'Action List' was created. This list documents the areas where Agrico UK can make improvements under the remit of social responsibility.
6. Turning the 'Action List' into a 'Success List' through the implementation of a number of CSR projects.

(The action list points are further documented within the remainder of this document).

Agrico UK Ltd,
Castleton of Eassie,
Eassie, By Forfar,

DD8 1SJ.

A handwritten signature in black ink that reads "Archie Gibson". The signature is written in a cursive style and is underlined with a single horizontal line.

Mr Archie Gibson,
Executive Director, Agrico UK Ltd.

AGRICO UK LTD STAKEHOLDER ANALYSIS

INTRODUCTION

It is vital that an organisation, when undertaking a process of continual improvement in relation to CSR, should actively identify and engage with its stakeholders. Identifying and understanding stakeholder interests, expectations, and views is vital for developing a successful and effective CSR policy. Stakeholder recognition and involvement is therefore central to the CSR and ISO 26000 process.

AGRICO UK'S STAKEHOLDERS

Agrico UK's stakeholders, both internal and external, and direct and in-direct, can be found below in [Table 1](#) and [Figure 1](#).

Table 1: Agrico UK Stakeholders, both direct and indirect.

Stakeholders	
<i>Direct</i>	<i>Indirect</i>
Our growers Agrico UK employees Our customers (Processors and Pre-packers) Agrico Holland The local community Our sister companies Our logistics and supply chain partners	Retailers Government organisations e.g. FERA and SASA Competitors Trade associations e.g. BPTA Restaurants Consumers

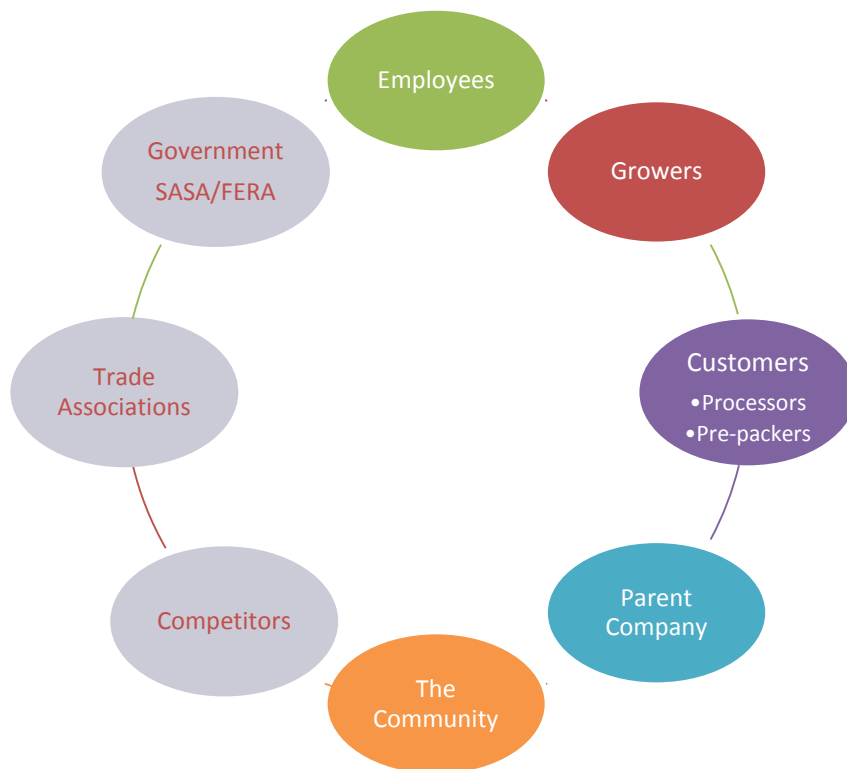


Figure 1: Agrico UK stakeholders. Our CSR policy is initially aimed at stakeholders indicated in the coloured areas.

HOW HAVE AGRICO UK INVOLVED THEIR STAKEHOLDERS?

In order to begin the process of ISO 26000 self-assessment it has been important to identify and inform all of our stakeholders regarding our intentions in relation to ISO 26000 and our CSR policy. This stakeholder communication has taken the form of newsletter articles, presentations, interviews, and articles in the agricultural press. Examples of our stakeholder communication process can be found below:

1. Articles in the agricultural press informing Agrico UK external stakeholders of our CSR intentions.
2. Articles in our bi-annual newsletter informing external stakeholders of our CSR mission goals.
3. Team briefing sessions for Agrico UK staff in order to provide information on ISO 26000 and social responsibility. The briefing sessions also gave staff the opportunity to contribute ideas to the ISO 26000 process, and to gain an understanding of how they may be involved in the process.
4. Employee individual interviews: these interviews were conducted in order to check understanding of the ISO 26000 process, to enable employees to fully understand the key principles of ISO 26000 and how they can help with the full integration of the principles into Agrico UK's business operations, and to gain an employee viewpoint on Agrico UK's intended actions on the key issues of ISO 26000.
5. Presentations at our pool committee meetings in order to inform the pool committee of our ISO 26000 CSR programme.
6. Presentations at our grower meetings in order to inform the wider grower community of our ISO 26000 CSR programme.
7. Communication with our parent company, Agrico Holland, to discuss CSR topic synergies and to promote best practice.

Our stakeholder communication policy for the year 2015/2016 mainly focusses on informing our external stakeholders of our developing CSR programme. However, we have consulted Agrico UK employees and they have become fully involved with the process through the contribution of ideas and with individual staff members taking forward our social responsibility initiatives.

Next year, 2016/2017, we will begin to consult with our stakeholders more widely. This will take the form of external stakeholder interviews, whereby we will meet with our growers and our customers in order to discuss areas where Agrico UK can potentially improve in terms of our CSR policy. As part of our stakeholder engagement process, and our desire to develop best practice stakeholder communication methods, we have identified what our direct stakeholders expectations are likely to be. In addition, we have also identified how and how often we should communicate with our stakeholders. This information can be found in the following section.



Our Growers

<i>Expectations</i>	<i>Form and Frequency of Dialogue</i>
<ul style="list-style-type: none"> • Profitability through the sale of products. • An acceptable pool price based upon transparent assessments of the market conditions for the year. • For Agrico UK to be a reliable partner in the industry. • Agrico UK should act in a transparent, accountable, and ethical way and should recognise and respect the interests of the grower community. • Periodic meetings and open dialogue. 	<ul style="list-style-type: none"> • Emails. • Phone calls. • Potato variety shows. • Website. • The Agrico UK app. • Periodic meetings.

Our Employees

<i>Expectations</i>	<i>Form and Frequency of Dialogue</i>
<ul style="list-style-type: none"> • A safe work environment. • Fair remuneration package according to their role. • Clean and tidy work environment. • Supportive work environment. • Access to certain benefits e.g. health insurance, pension. • Access to statutory benefits such as sick pay, maternity/paternity leave. • Access to adequate training and development in order to support an individual's ability to carry out their assigned role. • To have the correct tools to undertake their role. • Seasonal staff are supplied by a Gangmaster licenced agency and are paid the new National Living Wage. 	<ul style="list-style-type: none"> • Regular meetings. • Training and development sessions. • Appraisal (annually). • Presentations at annual meetings. • Team briefing sessions as required. • Gangmasters Licencing Authority validate registered labour providers annually.

Our Customers

<i>Expectations</i>	<i>Form and Frequency of Dialogue</i>
<ul style="list-style-type: none"> • Products that match needs and requirements. • Food safety and reliability. • Prompt and effective complaint resolution. • An honest, accessible, helpful, and fair service from Agrico UK. • Fair and clear contractual process where contracts are appropriate. • Quick rectification of any mistakes. • Professional conduct. • Timely communication. 	<ul style="list-style-type: none"> • Emails. • Phone calls. • One to one meetings. • Potato variety shows. • Website. • The Agrico UK App. • Articles and adverts in agricultural media.

Our Parent Company, Agrico Holland

<i>Expectations</i>	<i>Form and Frequency of Dialogue</i>
<ul style="list-style-type: none"> • Reliability of partnership. • Value creation. • Informative, honest, and effective communication. • To be part of the Agrico global team. 	<ul style="list-style-type: none"> • Annual board meetings. • Regular phone and email contact. • Attendance at the annual variety and seedling show in Holland.

Our Local Community

<i>Expectations</i>	<i>Form and Frequency of Dialogue</i>
<ul style="list-style-type: none"> • For the well-being of the community to be maintained or enhanced by Agrico UK. • Education where appropriate. • Visible presence of local businesses at local shows. • Provision of employment to members of the local community. • Participation in the Food & Drink Federations Food Ambassadors Programme 	<ul style="list-style-type: none"> • Phone. • Email. • Website. • Face to face, presence at local schools for schools projects and local events and shows. • Local media engagement e.g. newspaper articles.

ROLE OF AGRICO UK STAKEHOLDERS IN CSR POLICY

All of our stakeholders have a role to play in creating, maintaining, and developing our CSR policy (Table 2). For our first CSR year (2015-2016) we have devised our social responsibility programme with the assistance of all Agrico UK staff. The initial process of setting up the policy, and in finding out which sections of the ISO 26000 document were relevant, was undertaken by the Author and the Executive Director, with additional assistance from Agrico Holland. A staff briefing session was then held with all staff members which explained the ISO 26000 process, what it means for Agrico UK, and how all staff could get involved. We then took this process a step further and the Author held 1-1 interviews with all employees so that everyone could input into the self-assessment process.

The role of additional stakeholders in the development of our CSR policy has so far been necessarily limited. Our stakeholders have been kept informed through presentations at meetings, our newsletter, and through articles in the agricultural press. However, once we have our social responsibility initiative up and running we will consult our additional stakeholders and we will use this information to guide our policy in the coming years. This process will begin in our 2016-2017 CSR year.

Table 2: Agrico UK stakeholders and their role in our CSR policy

<i>Stakeholder</i>	<i>Role in CSR Policy</i>
Our Growers	<ul style="list-style-type: none"> • Suppliers of high-quality seed potatoes. • Have an important part to play in recognising the importance of integrating CSR policy into Agrico UK’s working practices and their own. • Will make an important contribution to the CSR integration process.
Our Employees	<ul style="list-style-type: none"> • Employees are at the centre of an organisations CSR policy. • They have an important role to play in the CSR integration process.
Our Customers	<ul style="list-style-type: none"> • Influence the purchasing of a product at an acceptable price.
Our Parent Company, Agrico Holland	<ul style="list-style-type: none"> • Effective knowledge exchange (sharing ideas and best practice).
Our Local Community	<ul style="list-style-type: none"> • Have an important role to play in any organisations CSR policy. The core subject ‘Community Involvement’ reflects this.



The Agrico ‘Tattie Tastic’ Schools Project

THE PRINCIPLES OF CORPORATE SOCIAL RESPONSIBILITY

INTRODUCTION

Through practicing social responsibility an organisation is seeking to contribute to the overall goal of sustainable economic, societal, and environmental development. ISO 26000 states seven key principles of social responsibility; key principles that all socially responsible organisations should follow and embody. The key principles are central to ISO 26000 and social responsibility, they should therefore be central to any organisation's business operations, activities, and decisions. The key principles list is not exhaustive, but must be considered in combination with other principles found within the remaining core subjects of the ISO 26000 document.

The guidance standard key principles are:

- Accountability
- Transparency
- Ethical Behaviour
- A Respect for Stakeholder Interests
- A Respect for the Rule of Law
- A Respect for International Norms of Behaviour
- A Respect for Human Rights

Agrico UK already incorporates these key principles into its business activities and operations and they are enshrined within the Agrico UK customer charter. The work Agrico already undertakes towards the seven principles is detailed below (all definitions of the key principles are taken from the ISO 26000 guidance document on Social Responsibility - ISO 26000:2010 (E)).

ACCOUNTABILITY

The principle of Accountability is.....

'An obligation on management to be answerable to the controlling interests of the organisation and on the organisation to be answerable to legal authorities with regard to laws and regulations.'

Society

Agrico UK reports its business activities and strategy to its parent company, Agrico Holland, through board meetings and regular communications. Agrico UK growers are updated during bi-annual meetings and meetings are also held periodically with the Agrico UK pool committee. Agrico UK staff members are updated at weekly meetings and there is an annual, more detailed and extensive, staff meeting.

Economy

Agrico UK produce an annual financial report and present financial information to the Agrico board following an external annual audit. Staff members are informed of financial matters regularly and in more detail at the annual staff meeting. Pool prices are set annually and open letters are sent out to our growers. Agrico UK is also registered with Companies House and files financial statements and annual company returns in line with the *Companies Act 2006*. A statement with regards to the financial stability of Agrico UK is also made annually by our accountant.

Environment

All environmental accountability is governed by UK law e.g. trade effluent regulations. In this way Agrico UK is accountable for the impact of its activities on the environment.

TRANSPARENCY

The principle of Transparency is.....

'An organisation should be transparent in its decisions and activities that impact on society and the environment.'

Society

Agrico UK is transparent about its activities which impact society. There are weekly staff meetings to discuss decisions and ad-hoc meetings are held as required. Board meetings are held bi-annually and there are pool committee and grower meetings periodically. In addition, decisions and activities are communicated through bi-annual newsletters and through the Agrico UK website. Case studies and best practice guides are also often compiled by Agrico UK.

Economy

Agrico UK have a transparent financial reporting process. The financial report is kept in house, with staff members informed of financial performance at the annual staff meeting and at other times where appropriate. Details of financial reporting are also discussed periodically with the Agrico board and our pool prices paid to our growers are published within an open letter. Employees are kept up to date with our financial/sales performance through key performance indicator reports presented at each weekly meeting and through monthly management reports.

Environment

Agrico UK act in an environmentally transparent manner. We discuss our environmental performance at staff meetings and we share progress reports on our various environmental projects, such as our wind turbine project, with our stakeholders through the Agrico UK newsletter. Energy usage meter readings are also taken each week and this information is presented to employees annually so that everyone is well informed with regards to energy usage.

Agrico UK commissioned an Energy Saving Trust report in 2010 and we also commissioned a Resource Efficient Scotland Resource Opportunity Assessment in 2015. These reports will be used to guide future energy saving initiatives. Agrico UK are subject to a number of annual audit processes, these are related to the Red Tractor and the Safe Haven schemes, amongst others.

ETHICS

The principle of ethics is.....

'An organisation's behaviour should be based on the values of honesty, equity, and integrity. These values imply concern for people, animals and the environment and a commitment to address the impact of its activities and decisions on stakeholders' interests.'

Ethical values are incorporated into the Agrico UK business model. Our key values and principles are clearly communicated through our Customer Charter, which is available on our website; the charter signifies our commitment to our customers and represents industry best practice. We operate under a number of rules and regulations, which are designed to ensure a company operates in a fair and ethical manner. These include the British Potato Trade Association (BPTA) and European Potato Trade Association (EUROPATAT) trading rules and Farm Saved Seed certification rules managed by the British Society of Plant Breeders (BSPB). We also operate under the Safe Haven and Red Tractor schemes and we are Soil Association accredited.

RESPECT FOR STAKEHOLDER INTERESTS

The principle of respect for stakeholder interests is.....

'An organisation should respect, consider, and respond to the interests of its stakeholders.'

Agrico UK has identified its stakeholders and recognises its sphere of influence. The interests of these stakeholders have been identified and acknowledged. Agrico maintains an open dialogue with all of its direct stakeholders (customers, growers, employees, and the parent company) and responds to their concerns.

Employee meetings are held weekly and as required. Employees also undergo an annual appraisal process through which their needs and interests can be addressed. Pool committee meetings are held annually and our field personnel have regular contact with our growers and customers, assisting with agronomy advice during planting, production, harvest, storage, and grading.

RESPECT FOR PREVAILING LEGISLATION AND REGULATIONS

The principle of respect for the rule of law is.....

'An organisation should accept that respect for the rule of law is mandatory.'

Agrico UK respects and implements national and international legislation and regulations. Agrico UK employees have access to all relevant health and safety information in our employee health and safety handbook, we have also recently completed an employee handbook which contains all of the information required for staff in terms of relevant holiday, sickness, and parental rights legislation. Agrico check that their contracted labour agency are Gangmasters Licensing Authority certified.

RESPECT FOR INTERNATIONAL CODES OF CONDUCT

The principle of respect for international norms of behaviour is.....

'An organisation should respect international norms of behaviour, while adhering to the principle of respect for the rule of law.'

Agrico UK conforms to national and international legislation and regulations. This is the minimum standard. Agrico UK adhere to European terms of trade (e.g. RUCIP trade rules) and the British Potato Trade Association (BPTA) terms and conditions of purchase and sale. When exporting to countries out-with the EU, Agrico UK do not knowingly act against international norms of behaviour.

RESPECT FOR HUMAN RIGHTS

The principle of respect for human rights is.....

'An organisation should respect human rights and recognise both their importance and their universality.'

Agrico UK already respects the rights set out in the *European Convention on Human Rights* and the *UK Human Rights Act, 1998*. Agrico UK does not deal with countries where human rights abuses are evident and where countries are politically unstable and/or have active conflicts. Agrico UK always ensures that trade is undertaken with traders who have an established reputation. Agrico check that their contracted labour agency are Gangmasters Licensing Authority certified.



THE CORE SUBJECTS OF ISO 26000, WHERE CAN AGRICO UK IMPROVE?

The ISO 26000 guidance document is organised into seven core subjects (Figure 2) with the core subjects further broken down into a total of 39 separate issues (Figure 3-9). As the guidance document is designed to provide organisations from around the world, large or small, advice on social responsibility, the document has a broad scope. It is therefore important to find out which issues are relevant to your organisation from the total of 39.

There are a number of ways to do this, but an 'Issue Matrix' is the most convenient and manageable. You can work through each core subject and the associated issues one by one to find out which are relevant to your organisation. To do this it is necessary to ask a series of questions for each issue; if you find that a question is answered negatively (of questions 1-4) and the issue is found to not be relevant then you can just move onto the next. The questions which are asked for each issue include:

1. Is the issue relevant to your organisation? What are the current actions which your organisation undertakes in order to contribute to this issue and is there anything more you can do?
2. Which laws and regulations, which relate to this issue, does your organisation already adhere to? Is there anything more your organisation can do beyond compliance? (If an issue is already covered by law in your country then this automatically supersedes the issue and the issue is irrelevant).
3. Does your organisation have any leverage or influence on this issue?
4. What kind of activities can your organisation take on this issue in order to drive improvements?
5. Which stakeholders need to be involved in taking the activities forward?
6. What is the step by step process for the planned activities?

From the issue matrix it is then possible to identify a sub-set of relevant issues for your organisation to take forward. A summary of the Agrico UK self-assessment/issue matrix can be found in this section.



Figure 2: The seven core subjects of ISO 26000



Figure 3: The core subject ‘Organisational Governance’ with the seven associated key issues/key principles

What do Agrico UK already do?

Where can Agrico UK improve?

Please see the previous section on the ISO 26000 key principles to find out how Agrico UK already incorporate the key principles of organisational governance into our working practices.

The ISO 26000 self-assessment process will help Agrico UK to become more accountable and transparent. But we are also going to look at ways that we may become more environmentally accountable. In order to do this we will look at accreditation with ISO 14001, an environmental management system standard. This will take the form of a cost/benefit analysis; a decision on whether we go for full accreditation can then be made once we have all of the information we need.



Figure 4: The core subject of 'Human Rights' with the eight associated key issues

What do Agrico UK already do?

Where can Agrico UK improve?

Agrico UK respect human rights, exercise due diligence, and do not export to countries with a poor human rights record. Agrico UK adhere to and support the principles of the Human Rights Act 1998 and support the principles of a range of UK equality and labour laws.

As there is such a strong legal framework already in place in the UK which deals with human rights, equality, discrimination, civil and political rights, and economic rights then there are no real areas where Agrico UK can make further improvements.



Figure 5: The core subject ‘Labour Practices’ with the five associated key issues

What do Agrico UK already do?

Where can Agrico UK improve?

Labour practices are already heavily regulated in the UK through various UK labour laws; Agrico UK respects and adheres to these laws. Agrico UK has an in-house health and safety team who meet to discuss on-site H&S matters, to revise and improve where needed any risk assessments, and to make sure that all staff receive adequate training so that they can undertake their work safely.

Staff at Agrico UK are trained and developed in-line with the requirements for their role. There is ample opportunity for staff members to drive their own development at work and staff are encouraged to suggest opportunities for training. Agrico UK makes a clear commitment to its staff and was accredited with the Investors in People (IIP) standard in 2012. Recently we have been awarded the Bronze level of accreditation and this clearly demonstrates our commitment to our staff and to sustainability.

The main areas where Agrico UK can make improvements in the area of labour practices relates to health and safety and human training and development. In terms of health and safety, our H&S committee are going to meet quarterly, they currently meet throughout the year but now these meetings will become more structured and regular in order to discuss H&S matters and to review risk assessments.

We also believe that we can make some additional improvements to training and development for our staff. We plan to run staff workshops for our Navision order management computer program, this will increase staff competency with the system with the knock-on benefit of increasing productivity and efficiency in the workplace. Other computer courses are also scheduled for all staff members; this will cover Microsoft Excel and Word in particular, with the additional opportunity to undertake Microsoft PowerPoint and Access courses as well.

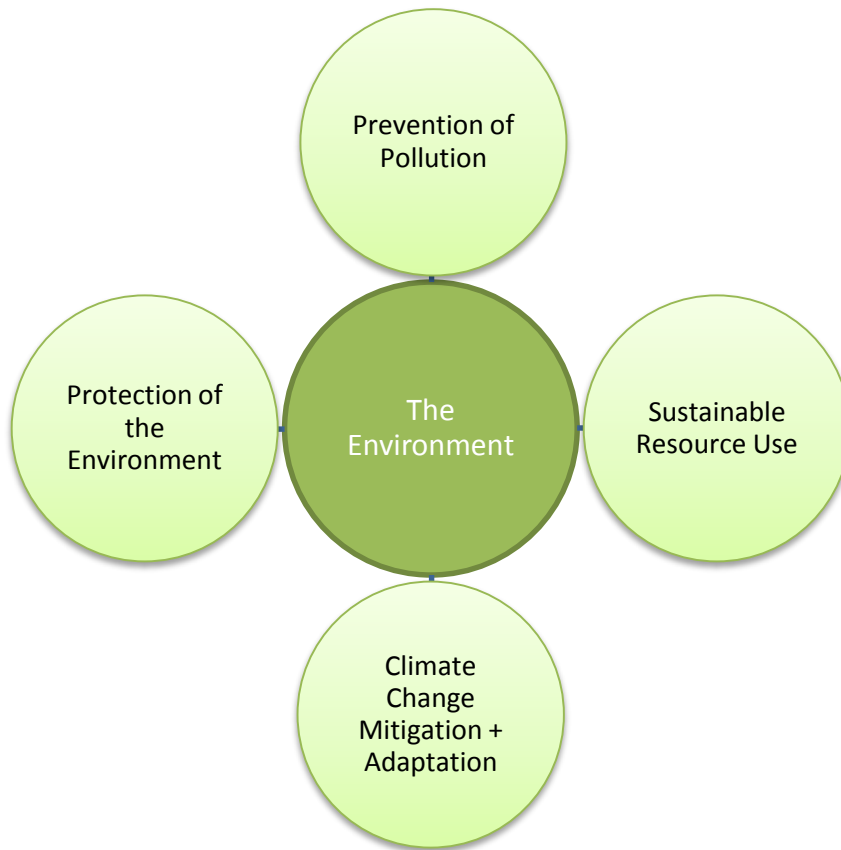


Figure 6: The core subject 'The Environment' with the four associated key issues

What do Agrico UK already do?

Where can Agrico UK improve?

Agrico UK are passionate about the environment and believe that we should do everything we can to limit pollution, to promote sustainable resource use, to recycle, and to lower greenhouse gas emissions.

Our contributions to these ideals have thus far ranged from a wind turbine project, which has seen the installation of three 11Kw Gaia wind turbines on site and which now provide most of our electricity needs, to recycling of plastic, paper, and glass.

We have also commissioned an energy efficiency summary from the Energy Saving Trust and a resource opportunity assessment from Resource Efficient Scotland. These reports will help to guide us with our environmental efforts in the future.

We have decided to implement a number of projects through the ISO 26000 self-assessment process which will help us to become more environmentally responsible. These projects range from the installation of LED lighting in our office areas in order to save energy, placing motion sensors on the stairs in our office so that lights are not left on, and conducting an investigation into the feasibility of using heat recovery technology in our potato storage areas.

Additionally, we are looking into the costs/benefits of using renewable heating (biomass boiler) to heat our office areas and to heat our potatoes before grading. Our final environmental project involves adding a further module to our award winning 'Tattie Tastic' schools outreach programme called 'Sustainable Farming Practices'. Children from local schools will learn about how important sustainable farming practices are.



Figure 7: The core subject ‘Fair Operating Practices’ with the five associated key issues

What do Agrico UK already do?

Where can Agrico UK improve?

<p>Agrico UK support the principles of and adhere to anti-corruption legislation in the UK. Agrico UK also exercise responsible political involvement, with a number of staff members at Agrico involved with organisations and associations which may have an influence upon public policy e.g. The British Potato Trade Association (BPTA) and the Scottish Food and Drink Federation (SFDF).</p> <p>Agrico UK compete fairly. We have a freely available Customer Charter which sets out our commitment to our customers and states our principles of accessibility, professionalism, visibility, fairness, integrity, and honesty.</p> <p>A respect for property rights is very important to Agrico UK. After all, plant breeding is the foundation of successful crop production and delivering new varieties which improve yield, in field performance, and end user quality is essential to the long-term viability and competitiveness of the UK potato trade.</p>	<p>Agrico Holland, our parent company are currently developing a code of conduct. When complete, Agrico UK will also begin to incorporate this code of conduct into our working practices. However, we already have a customer charter which sets out clearly what is expected of staff in terms of ethics, transparency, honesty, and integrity.</p> <p>As part of this issue it is important that Agrico UK identifies the sphere of influence. We will make sure that once our sphere of influence is identified that we promote ISO 26000 and social responsibility in our supply chain. We will do this by sharing information with our stakeholders, both internal and external, during staff meetings, meetings with our pool committee and our growers, and through our newsletters, events, variety shows, and company website.</p>
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Figure 8: The core subject ‘Consumer Issues’ with the associated seven key issues

What do Agrico UK already do?

Where can Agrico UK improve?

Agrico UK already does a lot to contribute to fair marketing and contractual processes. Our potato app keeps our growers and customers informed with regards to the performance of our products. The services available to Agrico customers and the Agrico UK commitment to customers are also set out on the website and within our Customer Charter.

We are committed to resolving complaints efficiently and effectively in a professional manner. Agrico UK employees are available during working hours and will be courteous, professional, and helpful and will seek to resolve complaints quickly. Any complaints received are investigated thoroughly, with all details registered within our complaints database together with photographic evidence gathered by our technical staff.

With the Agrico UK Customer Charter already in place we are undertaking a best practice approach to customer and consumer issues. However, in order to try to improve in this area, we intend to promote recycling in our supply chain. For instance, the Agrico seed bags used for our products are made from polypropylene plastic and we will be promoting the recycling options for these bags to our customers.



Figure 9: The core subject ‘Community Involvement and Development’ with the seven associated key issues

What do Agrico UK already do?

Where can Agrico UK improve?

Agrico UK are already heavily involved with our local community. For instance, we have developed an award winning schools outreach programme called ‘Tattie Tastic’, which educates local school children on lots of topics related to the agricultural industry.

We support technology development and we are always looking to support knowledge transfer between industry and academia. To this end we have a PhD student working at Agrico UK and we are involved with a proof of concept project which is looking at bio-ethanol production from potato waste. An additional project which we are involved with is the use of a bacteriophage to reduce bacterial colonisation of potatoes, and the use of an ozone generator to reduce bacterial degradation of potatoes in storage.

We would like to improve in this area by adding extra elements to our schools outreach programme. This will take the form of an additional module on the programme called ‘Sustainable Farming Practices’. The new module will be delivered by one of our staff members.

SUMMARY OF AGRICO UK ACTION LIST

Organisational Governance:

1. We are going to consider accreditation with ISO14001, an environmental management standard.
2. Our H&S committee are going to meet quarterly, they currently meet throughout the year but now these meetings will become more structured and regular in order to discuss H&S matters and to review risk assessments.

Human Rights:

As there is such a strong legal framework already in place in the UK which deals with human rights, equality, discrimination, civil and political rights, and economic rights then there are no real areas where Agrico UK can make further improvements in terms of human rights.

Labour Practices:

1. We plan to run staff workshops for our Navision computer system.
2. We are going to provide computer training courses for our staff members (focussed initially on Microsoft Word and Excel courses).
3. We will create a new employee handbook which will contain a wide range of relevant information for staff. This will be complemented by a new company car policy and our existing health and safety staff handbook.

The Environment:

1. Installation of LED lighting in our office area.
2. Placement of motion sensors in our stairway areas.
3. Conducting an investigation into the feasibility of using heat recovery technology in our potato storage areas.
4. Undertaking a cost/benefit analysis for the installation of a biomass boiler on site.
5. The addition of a further module to our schools outreach programme called 'Sustainable Farming Practices'.

Fair Operating Practices:

1. Integration of the Agrico code of conduct.
2. Identification of our sphere of influence.
3. Promotion of CSR in our sphere of influence.

Consumer Issues:

1. We will undertake a survey of our customers to investigate the recycling methods used for our Agrico UK polypropylene bags.

Community Involvement and Development:

1. The addition of a further module to our schools outreach programme called 'Sustainable Farming Practices'.

HOW HAS AGRICO UK PRIORITISED ITS ACTIONS?

In some cases it may be necessary to prioritise CSR actions from the 'Action List'. However, we at Agrico UK have decided that prioritisation of our actions is not strictly necessary. We would like to take all action points forward together. We have organised our actions into short term 'quick win' projects and into longer term more significant projects.

WHO IS RESPONSIBLE FOR AGRICO UK'S CSR INITIATIVES?

As part of the process of CSR integration at Agrico UK it is important that the responsibility for our social responsibility initiatives are shared. CSR and ISO 26000 integration will perhaps start off life as a top-down process, but for the process to be a success all employees must understand the concepts, identify with the need for a business to be more socially responsible, and to identify the specific benefits that a CSR programme can have for the company and an individual.

To start the process team briefings were held with all staff members. Then 1-1 interviews were held with each employee. From this process of staff engagement employees could see what issues were likely to be most relevant to Agrico UK and they could comment on the issue matrix process. The most important part of the interviews was the assignment of individual staff members to individual action points. In this way responsibility could be shared across the company.



AGRICO UK SUCCESS LIST (2015-2016)

Since the start of our CSR programme in February 2015 and the identification of our 'Action List' in late May 2015 we have been working on various social responsibility initiatives in order to drive improvements in and out with our business. Our action list will be reviewed annually, our progress so far is indicated below:

Organisational Governance:

1. ISO 14001: The Author has conducted a cost/benefit analysis for ISO 14001 accreditation. This now needs to be discussed further at board level.
2. Our H&S committee now meets more regularly and we have appointed a new H&S secretary to make sure our meetings are held regularly and the whole process is more structured. We have also recently reviewed all of our risk assessments on-site.

Labour Practices:

1. In August and September 2015 we ran a series of 'Navision' training sessions for our staff.
2. Beginning in August 2015 all staff began to undertake Microsoft Excel and Word training online.
3. The first draft of our new Company Car Policy and Employee Handbook was finished in September 2015.

The Environment:

1. In October 2015 we changed all of our office lighting to LED lighting.
2. In October 2015 we installed motion sensors in our stairway areas to save energy and improve safety.
3. In July and August 2015 we investigated the possibility of using heat recovery technology to recover heat from our refrigeration units to heat our potatoes before grading. We consulted members of industry and academia on this project; it was decided that the project would not be feasible.
4. As of October 2015 we are still investigating options for the installation of a biomass boiler on site.
5. We are currently putting together a new module for the schools outreach programme 'Tattie Tastic'. This new module will be delivered in 2016.

Fair Operating Practices:

1. As of October 2015 Agrico Holland are still working on getting the Agrico code of conduct just right. As soon as this process is finished Agrico UK will work on integrating the code of conduct, however, our existing Customer Charter already provides detailed guidance for our staff.
2. We have identified our sphere of influence (please see the relevant sections of this report).
3. We are promoting CSR in our own organisation and within our sphere of influence. This has been undertaken as part of our stakeholder engagement process and has involved team briefings and staff interviews, and presentations at our pool committee and grower meetings. We will continue to promote CSR in our supply chain and sphere of influence in the years to come.

Consumer Issues:

1. We have been working on a survey which will give us an idea of how many of our customers actively recycle our polypropylene seed bags. This will promote recycling in our supply chain.

Community Involvement and Development:

1. We are currently putting together a new module for the schools outreach programme 'Tattie Tastic'. This new module will be delivered in 2016.

MOVING FORWARD

DEVELOPING SUPPORT AND COMPETENCIES

We have employed a number of methods in order to develop support for our CSR policy, both with our internal and external stakeholders. In terms of CSR competency, this has been developed 'in-house' for our employees through a variety of means.

Our Employees

As this is our first CSR year it has been particularly important to focus upon gaining and developing the support and competency of Agrico UK employees. This has been achieved through team briefing sessions and employee interviews. All staff are also updated on CSR project progress weekly at our Monday morning meeting. Our progress is further reported to our employees through the bi-annual Agrico UK newsletter. Our CSR initiatives are also all assigned to different members of staff, in this way responsibility for our social responsibility programme is shared.

In future, we will continue to update our staff on CSR progress at weekly meetings and through our newsletter. For our next CSR year, 2016-2017, we will make sure that our staff input into our CSR progress by holding CSR workshops in order to brainstorm ideas for future CSR initiatives. These initiatives will be assigned to individuals and groups of team members, in this way the responsibility for taking forward our CSR programme in the coming years will continue to be shared.

Our Parent Company

Our CSR policy has been developed with the support of Agrico Holland, our parent company. This has involved conference calls with the CSR coordinator at Agrico Holland in order to discuss ideas, progress, and synergies. Additionally, CSR discussions have been held at board level between our companies. Our parent company is also informed of our progress through our bi-annual newsletter.

Our future CSR efforts will be supported by our parent company and we will continue to share ideas, to discuss synergies, and share best practice in the coming years.

Our Customers, Growers, and Additional External Stakeholders

Engagement with our external stakeholders (our community, our growers, and our customers) has been essential as our CSR programme requires the support of these stakeholders. Our policy has been to gain support but to also share and promote the benefits of social responsibility. This has been achieved through presentations at our pool committee and grower meetings and through sharing our CSR programme intentions through articles published within the agricultural press and within our newsletter.

For our next CSR year, 2016-2017, we will begin to directly consult our customers and our growers on matters related to CSR. This will take the form of a series interviews with a representative sample of our customers and growers in order to find out how these stakeholders would like us to improve, and to ascertain what social responsibility issues are most important to them.

INTEGRATING SOCIAL RESPONSIBILITY INTO CONTROL PROCESSES, SYSTEMS, AND PROCEDURES

Social responsibility is now fully integrated into Agrico UK's policy and procedures. This has been achieved through raising awareness of CSR through team briefing sessions and employee interviews and through progress reports at weekly meetings. All of our social responsibility initiatives are assigned to individual staff members and progress with these initiatives is linked to our performance review and appraisal process. Social responsibility ideals are also a key part of our existing customer charter which all employees

are expected to adhere to, this will be further complemented by our new code of ethics which will be incorporated into our working practices throughout 2016.

COMMUNICATING AND REPORTING

We will communicate our CSR progress through various means to our internal and our external stakeholders. The main method of reporting will be through our annual CSR report, which will be issued at the end of each calendar year and which will continue to document our progress through the coming years. Communication will take the form of presentations at our pool committee and grower meetings, through updates on our website, within our newsletter, and with articles in the agricultural press.

MONITORING ACTIVITIES AND ASSESSING PERFORMANCE

We employ a variety of methods to monitor our CSR project progress and to assess performance. These include:

- An 'Action List' and subsequent 'Success List' which will demonstrate what we have achieved and when.
- Linking our social responsibility initiatives to the responsibility of individual team members and the annual performance review process.
- The use of Gantt charts to monitor overall project progress and timescales and progress of individual initiatives.

HANDOVER OF CSR RESPONSIBILITIES AND RE-ASSESSMENT TIMELINES

Development of our CSR programme has initially taken a lot of time and effort in order to understand how we already contribute to social responsibility and how we can progress in the future. This process has required familiarisation with ISO 26000 and the creation of our detailed 'Issue Matrix', Gantt charts, and 'Action Lists'. Our stakeholder communication process was also reviewed and planned in detail. This work was undertaken by the Author with close collaboration with the Executive Director of Agrico UK, the CSR representative of Agrico Holland, and all Agrico UK employees.

Now that the CSR policy is set up and awareness has been raised of CSR with our employees it will be possible for staff members to collectively take forward our CSR programme in the future. This will require a handover of CSR responsibilities from the Author to a CSR Agrico UK committee. In order to facilitate this process, and to guide the committee for the coming years, an 'Agrico UK ISO 26000 User Guide' will be created by the Author. The committee will meet periodically in order to discuss actions and successes, to monitor the progress of our CSR initiatives, to organise our CSR stakeholder communication and engagement procedures, and to develop our annual CSR report which will be released at the end of each calendar year.

CONCLUDING REMARKS

Thank you for taking the time to read our 2015/2016 social responsibility report. We hope you have enjoyed reading this document and will continue to follow our social responsibility journey as we seek to make continual improvements to our business. Further reports will be released annually at the end of the calendar year, but we will endeavour to update our stakeholders with regards to our social responsibility initiatives periodically. These updates will be released through our bi-annual newsletters, articles in the agricultural press, and through our website and Twitter feeds.

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