THE GOOD SHOPPING GUIDE



How to improve your brand's ethical reputation

How to improve your brand's ethical ratings and reputation by becoming a GOOD brand

The Good Shopping Guide has long been the trusted source for brands' ethical ratings and business reputation across multiple criteria including sustainability, animal welfare and human issues. GSG Ethical Scores and famous brand comparison tables are promoted, quoted, and spread far and wide by Google, Ai-focused mass information providers, and traditional media such as Sky News.

Your headline GSG Ethical Score is therefore crucial to your reputation and to back up your marketing claims. Consumers, businesses, journalists, investors and employees want to see independent verification of your marketing claims. Ethical Accreditation is a widely used tool by scores of leading brands to protect and enhance their brand and their corporate reputation.

This is a quick introductory guide to how the ethical ratings scoring system works so you can see what you can do to optimise your positive impact and your ethical ratings. Even if you are not currently featured in the guide then you can still follow this improvement methodology and apply for our formal endorsement and use of the Ethical Accreditation mark. If you need any help or guidance from our expert team, just contact us and we will be happy to help. Or you can fill in our quick Free Initial Assessment form or simply Apply for Ethical Accreditation here. It usually only takes 6 weeks, and we will talk you through it step by step.



HOW TO GET A HIGH GSG ETHICAL SCORE

THE SCORING SYSTEM

There are up to 37 different criteria that add up to form your company's headline GSG Ethical Score. The Good Shopping Guide researchers give additional ratings for positive ethical policies and subtract ratings for negative activities and lack of policies (including those flagged through criticisms from credible third parties). You won't need to worry about many of these 37 criteria as they will not be relevant to your sector – most product sectors are scored on only 10 or so criteria. You can refer to The Good Shopping Guide brand comparison tables or ask us which specific criteria apply to your own product sector. Scores are generally awarded at company level so that users of the guide can see the whole picture and relate their brand choices to where their money is ultimately going to.

While there are many single-issue certification bodies that ensure standards for organic produce, fair trade, cruelty-free or energy efficiency, our *Good Shopping Guide* Ethical Accreditation mark covers the whole spectrum of ethical concerns. This boosts your reputation with consumers, businesses, employees, trade journalists and investors.

The companies, brands, or products which have gained Ethical Accreditation have been thoroughly screened and scrutinised by our team of researchers, ensuring that only companies, brands or products that are eco-friendly and have a strong code of ethics and an unwavering commitment to corporate social responsibility have the privilege to carry the GSG Ethical mark.



SECTION A: ENVIRONMENT & SUSTAINABILITY CRITERIA

1. Environmental Report

A company environmental report or policy statement should contain fixed targets rather than vague statements of intent.

To earn The Good Shopping Guide top rating: the report or statement must be dated within the last two years. The report must set multiple concrete and company-wide performance targets relating to the environment and display some evidence of progress on previous targets. It must also demonstrate an understanding of the company's main environmental impacts. These requirements may be less strict for small and medium sized companies. For instance, small companies' environmental reports may be less comprehensive but may still earn a top rating. Companies which fail to publish any report get a bottom rating; companies with inadequate reports get a middle rating.

2. Nuclear Power

Social and environmental consumers dislike nuclear power for two main reasons: its link to the production of nuclear weapons and the pollutant properties of radioactive waste. Nuclear waste remains dangerous for 250,000 years, which increases the security problem attached to its potential for use in nuclear weapons. The nuclear industry argues that, as an electricity generator that does not produce greenhouse gases, nuclear power should have a role in combating climate change. However, environmental campaigners prefer to support a sustainable future through energy conservation and the development of 'cleaner' power sources such as solar, wind, and hydro power. These renewables do not come with the same risks as nuclear power.



2. Nuclear Power Cont...

A bottom rating indicates the company is involved in the design, construction or operation of nuclear power stations, radioactive waste handling and/or the mining, processing, or reprocessing of uranium. It also may indicate the production of other nuclear-related equipment, such as monitoring facilities. Companies receive a bottom rating if they are found to be involved in the Nuclear Power industry.

3. Genetic Modification (GM)

No one really knows the possible effects of GM food (Genetically Modified food) on the environment. GM crops have not been around long enough for scientists to know if these foods are truly safe for consumption. The public and certain NGOs are therefore anxious about their use. Releasing genetically altered organisms into the environment could disrupt ecosystems, as genetically modified crops are considered more harmful to many groups of wildlife than their conventional equivalent. The genetic code for some GM crops is patented and owned by large seed companies, which gives these companies undue power over farmers.

In the Food and Drink sectors, a bottom rating indicates that the company uses GM ingredients in any of its products. A middle rating is given to companies that do not have a policy on their website regarding the use of GMOs but where no negative records were found. A top rating is awarded to companies that clearly state that they do not use GM ingredients in their products. There are other categories where this methodology is also applied, such as the Period Products section, where GM cotton is a prevalent issue. In other sectors, a bottom rating is awarded to companies involved in the non-medical genetic modification of plants or animals or to companies that use GM in their products. A top rating is awarded to companies that have a statement opposing the use of GM crops and/or where no criticisms have been found.



THE GOOD SHOPPING GUIDE

4. Organic

Non-organic farming reduces biodiversity, encourages irreversible soil erosion and generates run-off that is awash with harmful chemicals. Organic produce is grown or made without the use of synthetic fertilisers, pesticides, herbicides or fungicides.

In the Fashion sector, a company only receives a top ethical rating if it sells one or more own-brand product lines made of certified organic material, such as from the Global Organic Textiles Standard (GOTS). In all other sectors where this category appears, a top rating indicates that one or more of the brand's products is approved by an organic certification body, including, but not limited to, Soil Association, European Union, ECOCERT, and USDA.

5. Fossil Fuels

The burning of fossil fuels is one of the primary causes of climate change and global warming, contributing to rising greenhouse gas emissions. Phasing out fossil fuels is therefore essential to climate progress. Whilst many companies are now turning towards renewable energy as a more sustainable alternative, there are some companies that are still profiting from fossil fuels.

A bottom rating indicates that a company is involved in the fossil fuels industry. This includes (but is not limited to) companies that are involved in the sale or extraction of fossil fuels such as oil, coal and natural gas or companies involved in the manufacture of fossil fuel power plants.



6. Sustainable Materials

Footwear made with unsustainable, polluting materials has become a big sustainability issue in recent decades. We have all seen images of plastic flip-flops washing up on beaches and piles of unethically made trainers in landfill. It is important to ensure that shoes and trainers are made with eco-friendly materials that will not result in tonnes of environmental waste.

In the Shoes & Trainers sector, a brand receives a top ethical rating if it sells a range of products made with sustainable or recycled materials. This includes, but is not limited to, organic cotton, sugarcane, hemp, and recycled plastics.

7. Palm Oil

Palm oil is well known for its harmful impact on the Environment, Animals and People. This includes its role in contributing to deforestation and biodiversity loss, as well as the accusations of human rights abuses against numerous palm oil producers. There is currently no reliable certification for sustainable palm oil, the most ethical choice for businesses is to avoid palm oil altogether.

8. Toxic Chemicals Policy

Household cleaning products may contain chemicals that are linked to numerous health and environmental concerns. These chemicals have been linked to asthma, in utero and infant developmental problems, harm to the reproductive system, and even cancer. In addition, chemicals can pollute streams and rivers and persist in the environment indefinitely, possibly entering the food chain. Within the Cleaning Products, Washing-up Liquid and Laundry Detergents sectors, we assess companies on their usage of the following chemicals: formaldehyde, parabens, phthalates, and triclosan. These chemicals are particularly toxic.



8. Toxic Chemicals Policy Cont...

To get a top rating here: a company must have a policy that outlines that it does not use any of these chemicals. If a company can prove that they do not use three of those chemicals, they are given a middle rating. The lowest rating is given to companies who continue to use more than one toxic chemical or where no policy can be found. In the Paint sector, Toxic Chemicals Policy relates to the use of Volatile Organic Compounds (VOCs), which have been linked to air pollution and health risks. For a top rating, a company must clearly state that its paints contain low levels of Volatile Organic Compounds (VOCs) or none at all.

9. Eco Schemes

The Energy Saving Recommended logo was established by the Energy Saving Trust and guarantees a high standard of energy efficiency. The logo appears on a wide range of household appliances, including fridges, freezers, dishwashers, washing machines, tumble dryers, light bulbs, light fittings, gas boilers and heating controls.

A top rating indicates that one or more of the company's products is recommended by the Energy Saving Trust.

10. Eco Labels

An Ecolabel certification shows that a product or service is produced with less impact on the environment and can help people make informed choices. Some labels look at the overall environmental impact of a product or service from its inception to final disposal (life cycle assessment) whilst other labels only focus on certain environmental aspects.

To get a top rating under this criterion indicates that one or more of the company's products within the sector being researched bear a Type I Ecolabel, as defined by the International Organisation for Standardization (ISO). This includes Blue Angel, Nordic Swan, the EU EcolabelEco Flower), Japan's Eco Mark, EPEAT, Energy Star, etc.

11. Timber Sourcing Policy

This category applies to our Ethical Furniture sector. Unsustainable forest management, where too many trees are removed too quickly or entire forests are logged, is increasing due to the huge demand for timber and paper products. This contributes to global deforestation and climate change, threatening wildlife and communities that are dependent on forest resources.

A top rating is awarded here to companies* with 100% FSC certified (or other credible schemes like PEFC) garden/tropical hardwood and where the majority (50%+) of all other timber products are certified/recycled. A middle rating is given to companies where the majority (50%+) of wood products are FSC certified/recycled, and a bottom rating is given where less than 50% of wood is certified/recycled or there is no published policy or information available. (*These ratings are awarded to the brand/retailer rather than to the company group).

12. Energy Mix

Consumers are becoming increasingly conscious of the environmental benefits of using renewable energy within the home. It is therefore important for energy suppliers to use as much renewable energy in their fuel mix as possible.

For a top rating, companies within the Energy sector must source 100% of their electricity from renewable sources. For a middle rating, they must source the same or more than the minimum percentage required by law, which differs between the UK and Northern Ireland. Companies that do not reach the minimum requirement receive a bottom rating.



13. Reusable Cup Scheme

Plastic pollution and packaging waste are well-known environmental issues, which is why reusable containers are becoming a popular solution.

Within the Coffee Shops sector, a top rating is awarded to brands that offer customers the option to bring in a reusable cup. Unfortunately, due to the COVID-19 pandemic and hygiene safety, many coffee shops removed the reusable cup option. We hope that in the future we will be able to reintroduce this criterion.

14. Pollution

This category applies to companies in the Energy sector. Pollution is a critical environmental concern, contributing to the destruction of our planet and exacerbating global warming.

To achieve a top rating, a company must not have received any criticism in the public domain relating to pollution in the last 5 years.

15. Environmental Destruction

This category applies to companies in the Finance sector, which are known for their involvement in harmful environmental projects, such as coal plants and fossil fuel extraction. A low rating is awarded to companies that have been found to be involved in a project that has drawn widespread criticism from environmental NGOs and campaigners in the last 5 years.



16. Carbon Disclosure & Reduction Targets

(applies to large companies only)

There is now bigger pressure than ever on businesses to do more when it comes to halting climate change. Due to a large amount of money deposited, held and invested by the finance sector, it is important that companies show transparency and commitment to reducing their carbon emissions.

To get a top GSG rating here, a company must publicly disclose its Scope 1, 2, and 3 carbon emissions and pledge to reduce these emissions in line with the Paris Agreement goals*. If companies only do one of the above, they receive a middle rating. (* This applies to large companies only; micro, small and medium-sized companies are exempt from this criteria)

17. Better Cotton Initiative

(applies to large companies only)

The Better Cotton Initiative (BCI) exists to make global cotton production more sustainable for the people who produce it, the environment it grows in, and for the sector's future. The four main aims of the BCI are to: reduce the environmental impact of cotton production; Improve the livelihoods and economic development in cotton-producing areas; improve commitment to and flow of Better Cotton throughout the supply chain; ensure the credibility and sustainability of the Better Cotton Initiative.

In the Fashion Retailers sector, a top rating is awarded to companies that are members of the Better Cotton Initiative. (It is important to note that this category is not applicable to small and medium-sized companies with limited/less complex supply chains and clear policies on sourcing)



SECTION B: ANIMALS CRITERIA

18. Animal Welfare

Companies are penalised under our Animal Welfare criteria if they conduct or commission animal testing for non-medical purposes. They are also penalised if they have been the subject of continuing criticism from animal rights organisations such as Cruelty Free International and People for the Ethical Treatment of Animals (PETA).

For a top rating, a company must not conduct or commission tests on animals and must not be the subject of criticism from animal rights campaigners.

In the sectors outlined below*, a company must have one of the following: 1) CFI Leaping Bunny certification 2) A robust Animal Testing Policy which confirms they operate a fixed-cut off date for ingredients and products within the supply chain 3) Only produce and sell within the EU

*Cleaning Products, Laundry Detergents, Make-up, Shampoo & Conditioner, Skincare, Soap, Sun Protection, Toothpaste, Washing-up Liquid, and Paint.

Within the Fashion sector, to obtain a top rating, a company must have a robust Animal Welfare Policy. For example, ruling out the use of animal materials within products from endangered species, fur and angora; only use leather/skin when it is a by-product, no wool obtained through mulesing, no live plucking etc. In addition to this, if a company sells own-brand cosmetics, it must adhere to the criteria outlined above for Health & Beauty products.



19. Vegetarian/Vegan Verified

This criterion rewards companies' support for a plant-based lifestyle. Apart from the moral questions that surround killing or using animals for food, a plant-based diet is better from an ecological standpoint too, since animal products are extremely inefficient to produce and come with a high environmental cost.

A top rating in this category indicates that a brand has one or more products certified as vegetarian or vegan, such as from The Vegetarian Society or The Vegan Society. Accredited companies can also submit ingredients list for independent assessment by The Good Shopping Guide to achieve a top rating in this criterion.

20. Sustainable Fishing Methods

Unsustainable fishing methods lead to high amounts of bycatch, where unwanted fish species are caught, killed, and discarded. Using sustainable fishing methods can reduce bycatch and help protect our ocean life.

In the Tinned Tuna sector, a top rating is awarded to companies with a policy that rules out all unsustainable fishing methods and confirms that all tuna in their supply chain is either caught through pole and line or hand line methods.



SECTION C: PEOPLE & HUMAN RIGHTS CRITERIA

21. Human Rights

Many companies rely on cheap labour to produce their products for the maximum profit margins, leaving many supply chain workers with insufficient income. Moreover, poorly managed supply chains are full of unethical practices towards wage workers, such as forced and child labour, poor working conditions, and abuse.

Companies and businesses are penalised under this category if, in the last 5 years, they have been implicated in human rights abuses (either through their supply chain or through their involvement in a project that has proven links with human rights abuses).

Within the Supermarkets sector, we apply a different weighting for Human Rights criticisms. Due to the number of different sectors Supermarkets operate in and the greater risk of controversy, points are awarded for up to 4 criticisms to allow for greater differentiation between the scores.

22. Human Rights+

A bottom rating is awarded when more than 5 criticisms relating to human rights abuses have been found.

23. Code of Conduct

This category applies to the Fashion, Home, and Technology sectors.

The top ethical rating is awarded to companies which have drawn up a comprehensive Supplier Code of Conduct.



23. Code of Conduct Cont.

The code must be publicly available and formally acknowledge the right to form a union, regulate against excessive working hours and forced or child labour, as well as other standards set by the International Labor Organization (ILO).

24. Armaments

A top rating is awarded to brands with <u>no involvement</u> in the manufacture or supply of nuclear or conventional weapons, including ships, tanks, armoured vehicles and aircraft; components of weapons systems; fuel, computing and communications services; systems aiding the launch, guidance, delivery or deployment of missiles. Non-strategic parts of the military, such as catering services or medication, are not included in this list.

25. Political Donations

We include this criterion because we do not believe that corporations should fund political parties. There is considerable evidence that the huge wealth of corporations can distort the political process.

A top rating indicates that the company and/or company employees have not donated more than £10,000 (or the equivalent in US Dollars) in the last 5 years to a party or political organisation in the UK or the US.

26. Fairtrade

Certification from The Fairtrade Foundation ensures that producers are guaranteed a minimum price and paid regularly. This price covers the cost of production, the payment of workers, and the development of farms and small holdings. Fairtrade protects small farmers from the fluctuating prices that have previously pushed many below the poverty line.

SHOPPING

26. Fairtrade Cont.

In our section on Ethical Coffee Shops, a top rating is awarded to companies that exclusively sell coffee certified with the Fairtrade mark. Similar criteria apply to our Tea, Coffee, Chocolate, Bananas, and Sugar tables.

In the Jewellery sector, a company receives a top rating if all the gold used in their products are either fully Fairtrade certified or fully recycled. Companies with a product range of Fairtrade certified or recycled gold receive a middle rating. If a company does not sell gold, they will receive a top rating as the criterion is not applicable to their business.

27. Irresponsible Marketing

As we all presently live in a free-market economy, we have learned to accept that the language of marketing tends to accentuate the positive and play down the negative. The point at which this becomes 'irresponsible' is difficult to define, but we focus mainly on those practices that have direct health implications.

To achieve a top rating, a company must not have been criticised for the marketing of its products that have had a negative effect on public health, such as harmful medications. This category only applies to the Health & Beauty section of our site.

28. Conflict Minerals

Conflict minerals' are often present in a wide range of household electronics, including mobile phones, laptops and televisions. It is therefore important for the companies that sell these products to be diligent and transparent about the risk of conflict minerals in their supply chains.



28. Conflict Minerals Cont.

To receive a top rating, a company must be signed up to the Responsible Minerals Initiative and have a statement or policy document which clarifies the steps the company takes to minimise the direct or indirect sourcing of conflict minerals within its supply chain. The expectations are less strict for smaller companies, due to having less complex supply chains which are more easily traceable, though a statement is still required.

29. Irresponsible Lending

This category only applies to companies in the Finance sector.

A top rating indicates <u>no involvement</u> in a project in the last five years that has drawn widespread criticism from human rights groups.

30. Irresponsible Lending+

A brand receives a bottom Irresponsible Lending+ when more than 5 criticisms relating to investments have been found.

31. Ethical Trading Schemes

The top ethical rating is awarded to those companies which are members of the Ethical Trading Initiative (ETI) or are affiliated to the Fair Labor Association (FLA). This guarantees that the company's supply chain is subject to independent scrutiny. It is important to note that this category is not applicable to small to medium-sized companies with limited/less complex supply chains and clear policies on labour standards, which will be analysed by The Good Shopping Guide.



SECTION D: OTHER CRITERIA

32. Public Record Criticisms

A top rating indicates that a company has not received any serious criticism in the last five years from NGOs or credible news organisations, such as Human Rights Watch and The Guardian. The huge range of criticism covered by this criterion mainly relates to the environment and human rights. The undue political influence exercised through lobby groups and industry associations, and involvement in political corruption, are also represented under this criteria.

In the Home, Technology, and Fashion sections of The Good Shopping Guide, this category is split into Human Rights and Other Criticisms. Within the Supermarkets sector, we apply a different weighting for Public Record Criticisms. Due to the huge number of different sectors Supermarkets operate in and the greater risk of controversy, points are awarded for up to 4 criticisms to allow for greater differentiation between the scores.

33. Public Record Criticisms+

A brand receives a bottom rating for Public Record Criticisms+ when more than 5 criticisms have been found. In sectors where Human Rights is listed as a separate category, this becomes Other Criticisms+.

34. Mutual Status

Under this criteria, mutual building societies and organisations which are not for the profit of shareholders are awarded a top rating.



35. Responsible Investment Policy

As consumers become increasingly aware of where their money is invested and choose not to support potentially unethical businesses/projects, it is important for companies to integrate ESG factors into their investment funds and display transparency to customers.

A top rating is awarded to companies which integrate ESG/sustainability principles into investments PLUS rule out all controversial investments (armaments, tobacco, fossil fuels etc.). However, a 5% tolerance level is accepted where relevant (when accompanied by adherence to clear policies and codes).

36. Ethical Innovator

A top rating is awarded to brands/companies with a clear 'ethical ethos'. This includes brands/companies that were set up for ethical reasons and offer products that are particularly sustainable and unique, or focus heavily on addressing a particular social, environmental or animal welfare issue.

37. Ethical Accreditation

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