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President's message

Dear Friends and Colleagues,

2023 is an inflection point, as we gratefully re-enter into this new post pandemic world. Remote inspections, audits, online meetings, and training now have a more permanent place in all of our daily lives. Establishing a new balance between the virtual versus face-to-face should reflect this shift toward risk and competence-based approaches.

2023 is also a year for IOAS to ramp up staffing and integrate more modern and sophisticated software systems. All these growing pains reflect our ongoing commitments to preserving and protecting organic integrity, in an ever growing and challenging organic world.

Increasing cooperation, intel and timely communications across complex, multi-certified supply chains is essential to ensuring real time oversight. This requires a greater responsibility for all of us to establish much more proactive strategies across our industry. This is especially true as several major new organic rules roll out across the world, which highlights the need for continuous improvements and harmonization of best practice.

As always, we remain grateful for our great staff, Board, committee members and all our accredited certifiers, partners and allies for your dedication, passion and camaraderie.

Sincerely

Michael Sligh
IOAS President
Our Mission

Cultivating integrity and trust across the organic community.

- Improving the life of our planet and its people by supporting the environment and social justice through credible claims.
- Providing a quality service with experts who are rigorous in our field.
- Providing integrity by being impartial, objective and transparent in policies and in action.
- Innovation where we look forward to learning new skills and processes and review old habits.
- Respecting people and treating everyone equitably.
The week I am writing this message I have been attending meetings of the International Accreditation Forum, the umbrella organisation for accreditation bodies around the world. IOAS has been a member and MLA signatory since 2017 and will undergo its third peer review process performed by the Asia Pacific regional group of IAF in 2024. The scope of the discussions in IAF and its regional groups is much wider than the current scope of interest of IOAS as to date we remain very focused on organic and sustainability standards which all come under product certification. A phenomenal amount of work goes on behind the scenes in such meetings to harmonise the work of accreditation bodies and certification bodies with the aim of building trust for businesses and consumers. Scheme owners, both public and private also put in a lot of effort to achieve the same; to make their claims and labels dependable.

Most of the time these claims are reliable, but we have to be honest that as we all build better systems and respected products and services under those systems attract better prices and/or bigger markets, they become the object of fraud. IAF itself has recognised this and published an information document on fraud in 2023. Organic production is successful and sadly is subject to such attacks.

Organic scheme owners have responded to this challenge. An obvious example is the ‘Strengthening Organic Enforcement’ initiative of the National Organic Program in the USA. The European Union compliance approach and additional measures being implemented by the Global Organic Textile Standard and Textile Exchange are further examples. Implementation in a harmonized manner is however the key and that requires competent people in accreditation and certification bodies working in stable, efficient, and effective organisations.

Bribery, abuse of power, influence, self-interest, conflicts as well as weak management can all allow fraud to creep into supply chains. Filtering out the bad actors from the good takes more time and resources and unfortunately adds cost to all despite our increasing emphasis on risk-based approaches. Over the last year, IOAS has taken tough decisions to suspend and withdraw accreditation from certification bodies because their systems have not proven to be resilient. We can do that because we have the resource, competence, and independence. That’s not always popular but it’s necessary to protect the organic market. The system is not perfect but there is lots of work going on in many places to improve it. There is still more to do, and that effort will always be needed.
Our Work

IOAS was formed 25 years ago when IFOAM realized (shortly after the development of the first organic certification scheme) that not only did the world need certified agricultural products and practices, there was also a need for specialized oversight of organic certification and control bodies (CBs).

Organic and sustainable certification has since developed, and the number of schemes increased, and we now work with eight accreditation schemes.

Like most accreditation bodies IOAS will, along with other investigations, check a Certification Body’s corporate structure, procedures, policies and records, staff competence and conduct witness audits of the CB’s work.

The IOAS specializes however in working only with organic and sustainable accreditation schemes that meet our mission. Our staff are specialist organic and sustainable professionals, with up-to-date knowledge and training of organic production and know where to look for the use of certain pesticides, herbicides, and fertilizers, as well as genetically modified organisms (GMOs).

Learn more about the accreditation schemes we offer by viewing https://ioas.org/services/ pages
We currently work with a total of 82 Certification Bodies (CBs), 5 in Applicant status and 77 which have Accredited status. Our CBs are based all over the world.

IOAS Clients by home continent.
- 7 North America
- 8 Central and South America
- 25 Europe
- 33 Asia
- 1 Africa
- 8 Oceania

These Client CBs have 38906 operators in 135 countries around the world, an increase in operators overall of 12% compared to 2021/22. While the majority of our Client’s operators are based in India, Germany, and the United Kingdom, the number of operators based in Italy and China have dramatically increased.

The way we monitor and assess these CBs is a mixture of reviewing files and visits, some of which take place onsite and others remotely. The breakdown for 2022 is shown below.

<table>
<thead>
<tr>
<th>Assessment Type</th>
<th>Onsite</th>
<th>Remote</th>
</tr>
</thead>
<tbody>
<tr>
<td>Formula review</td>
<td>0%</td>
<td>100%</td>
</tr>
<tr>
<td>Office</td>
<td>42%</td>
<td>58%</td>
</tr>
<tr>
<td>Operator files</td>
<td>0%</td>
<td>100%</td>
</tr>
<tr>
<td>Witness Audit</td>
<td>47%</td>
<td>53%</td>
</tr>
</tbody>
</table>

This year we also undertook an unannounced audit of a CB. Conducted remotely it combined 6 review audits that were requested at short notice with the CB office involved to support the unannounced review audits and file checks.
Photographs courtesy of Daniel Szalai (IOAS) and Kiran Kumar during an assessment visit to a CB office and coffee operator. India, May 2023.

Checking records, records and more records.

Investigating soil treatment and composting.

Checking the composting process and biodynamic preparations

Surveying the land.

Taking a closer look at growing habitat.

Checking working procedures, storage and labelling.
Clients

IOAS Clients as at 30 June 2023

More Client information on our Certification Body database
Inside the IOAS

The IOAS staff live and work all over the world. Our procedures, policies and structure are designed to deliver the same high levels of integrity, transparency, representation and accountability that we require from our clients.

Our staff are based in 28 different countries.

Over the last few years, as part of our improvement plans, we have brought in Client Service Managers to focus on providing client accreditation administration duties, enabling the Assessors to focus more time on assessment and inspections.

Our Impartiality Committee reviews and samples decisions and examines our policies and procedures for any evidence of partiality. Our Accreditation Committee was established to make decisions and recommendations regarding the accreditation status of our client certification bodies based on the reports provided by the assessors.

Our Appeals Committee was established to handle formal objections and is an important aspect of the IOAS system for impartiality. The Committee meets as and when required.

Learn more by viewing the https://ioas.org/about-ioas/structure/ pages on the IOAS website.
Integrity and Quality

Fraud - A simple, five letter word that conjures so many instant reactions: fear, anger, suspicion, worry, to name just a few. The tremendous jump in digital adoption and remote work practices during the COVID-19 pandemic has enabled new forms of fraudulent activity and amplified the importance of effective fraud management. No one is immune to increasingly frequent fraud attacks, from stolen identities to account takeovers and personalized phishing scams. The conformity assessment world is no different.

IOAS follows strict protocols to protect itself from fraud, including increased awareness of IT-related attacks as well as the adoption of an internal “Anti-Fraud Policy”.

In addition, in 2019, IOAS founded the Alliance for Organic Integrity (AOI) as an independent, not-for-profit organization, which was tasked with 5 key strategic areas of work, one of which is combating fraud in the organic community, as it is the potential for fraud in the organic marketplace that presents the biggest threat to the integrity and quality of IOAS accreditation.

**Summary of Complaints**

In 2022:
- 35 complaints regarding our CBs, four of which were rejected as invalid.
- 11 complaints regarding IOAS.
- 2 instances of misuse or abuse.
- 3 appeals, none upheld.

**Summary of Sanctions**

In 2022:
- 3 warning letters.
- 43 notifications of Intent to suspend.
- 7 suspensions (partial or entire scope).
- 5 withdrawals (partial or entire scope).
- 1 termination.

2022 saw an unprecedented number of complaints, alleging fraud among accredited certifiers and their operators. Identifying and proving fraud is beyond challenging, particularly during a period of strictly remote IOAS assessments as was seen during the pandemic. Now that IOAS is moving back to on-site assessments and witness audits, our assessors are essentially tasked with acting as fraud forensics specialists when investigating claims of fraud during routine or unannounced, “for cause” assessments. All of which has led IOAS to consider and rethink what our role is as an Accreditation Body and where our duty to investigate potentially criminal behavior begins and ends.

It is a touchy subject and one that will likely require further discussion and consideration within the accreditation arena as a whole. Regardless, IOAS remains committed to holding the bar high when it comes to quality and integrity and performing our due diligence whenever there is a threat of fraud in the organic marketplace.

Teresa Barnett
Quality Director
Financial Income

All IOAS income is derived from the work we perform for certification bodies.

With an increase in the number of CBs working with IOAS as well as an increase in assessment activity we broke through the USD1.5m barrier for the first time in our history with the largest percentage increase from direct fees for assessment and surveillance.

Annual fees also rose but contributed less to overall income than in previous years in line with our wish to increasingly directly link fees to work and assessments undertaken during the course of accreditation. In 2022 we had approximately 80 CBs working with us with an average overall investment of USD20,000.
Expenditure breakdown for 2022

- Personnel: 80%
- Meeting costs: 7%
- Office & company costs: 6%
- Quality improvements: 5%
- Outreach & association fees: 7%
- Other investments: 3%

Expenditure also increased from 2021 to 2022 resulting in an overall break-even position.

We continued to invest in new IT systems. Personnel continues at a consistent 80% of our costs despite the appointment of new staff.

During 2022 we gradually returned to some internal and external face-to-face meetings including the celebration of our 25th anniversary. We also invested further seed funding in the Alliance for Organic Integrity.

Our new IT system, 'Osys' (pictured right) is now being slowly introduced and is going to improve our ability to handle multiple accreditations during audits and provide our clients with a new portal for data and access to information.
The Alliance for Organic Integrity was formed as a result of the 20th IOAS Anniversary Seminar in Delhi in 2017. A separate organization was needed to help tackle integrity issues in the organic guarantee system that are outside the scope of IOAS as an accreditation body. In 2019 the Alliance became an established fully independent organization.

The Alliance’s mission, is to be the global multistakeholder Alliance that delivers the education, tools and resources needed to lift quality in organic control; maintaining the integrity of organic certification and consumer confidence in the organic label.

The Alliance currently has 13 partners and continues to grow and is collaborating with stakeholders from industry, control bodies, government agencies and non-profits to share knowledge, innovations, resources and solutions for organic integrity.

The Alliance’s projects & services:
- Harmonizing requirements to enable more efficient & consistent application in organic control.
- Forensic Tools for better organic control & to help prevent fraud.
- Training & Consultancy lifting quality through education & training.
- The Organic Hub a shared resource for the organic community.
- The Organic Observatory a market surveillance project.
- The Organic Standard revived online journal.

In February 2023, The Alliance sponsored a multi-stakeholder event run by its partner The Anti Fraud Initiative (AFI) bringing together stakeholders (from organic trade, CBs, laboratories, sector organisations and representatives of the European Parliament, some member state COP members, the EU Commission) to discuss fraud and in particular, the issues around residue testing.

In March 2023 due to the recent integrity concerns over organic cotton certification in India the Alliance attended the recent Global Organic Textile Standards / Organic Cotton Accelerator / International Federation of Organic Agriculture Movements (GOTS/OCA/IFOAM) conference at Indore.

The Alliance is now planning to undertake a project to support the organic cotton industry in addressing these issues through use of the Organic Observatory and will be working closely with partners to achieve this.

To learn more about the Alliance for Organic Integrity please visit www.alliancefororganicintegrity.bio