



Annual Report July 2021



Providing Global Organic and Sustainable Accreditation

Contents

Foreword	4
Director's message	5
To make an impact that matters	6
Accreditation visit in Thailand	7
Schemes we work with	8 & 9
Independent, transparent and reliable accreditation guaranteed	10
IOAS Clients	11
IOAS and United Nations Sustainable Development Goals	12 & 13
Quality	14 & 15
Finance	16 & 17
Alliance for Organic Integrity	18

Foreword



Dear Friends and Colleagues,

The old saying that “an ounce of prevention is worth a pound of cure” probably never meant so much as we continue to endure one of the modern world’s biggest pandemics. We trust that as we hopefully, carefully and safely begin to re-emerge into the real world that the many, many lessons from this nightmare can be fully realized and that our loved ones remain safe.

We are encouraged by talks of establishing a “Global Pandemic Treaty” that would commit countries to pandemic preparedness and cooperation. This was something that clearly was missing during this plague along with global commitments to ensuring that all peoples get the urgent and immediate access to vaccines, both of which are critical if we are indeed to enter into the new normal of a post-coronavirus crisis world.

Just as prevention and greater readiness would have greatly reduced the harms from coronavirus, we in the organic community must do our part to realize our lessons as well, and to do so by truly delivering on the multiple benefits of organic production because these benefits are now needed more than ever. Real soil building and carbon sequestration, long and diversified cropping and livestock rotations, fairness to farmers and workers, and the enhancement of biodiversity are all keys to restoring our ecological resilience, which are healing steps for a troubled world and the basic promise and requirements of certified organic.

As we prepare to re-emerge let us re-commit to ensuring these basic components of organic production are indeed being verified in a consistent and competent manner and that we are cooperating fully in order to achieve our goals. Prevention and readiness are very appropriate watch words for our work ahead together.

Both the IOAS and our sister organization, Alliance for Organic Integrity have been working diligently during these stressful lock-downs. Much has been learned about the benefits and limitations of virtual oversight, as well as the on-going importance of shifting to a risk-based approach; since we cannot go everywhere, what is most urgent and why?

We will need to further unpack these many lessons and build these into our systems to strengthen our resilience through greater prevention and readiness. We must also be patient and pace ourselves carefully as we begin to address the growing backlog of new demand that has built up during this time.

We wish to extend our heart-felt thanks to staff, members and to the whole organic community for not only rising to the call, but going well beyond the call of duty to keep our organic guarantee system alive and well.

Here’s to better times ahead, and learning our lessons – we all need to do our part and make things right.

Michael Sligh
IOAS President

Director's Message

A definition of integrity that is widely attributed to C.S. Lewis, the British writer of 'The Chronicles of Narnia', is "...doing the right thing, even when no-one is looking." I find that rather beautiful and pure. Integrity and trust are key to the market of organic products and other eco claims, and the mission statement of IOAS – 'Cultivating integrity and trust across the organic community' reflects our engagement and commitment to supporting these values.



It is clearly unavoidable to mention the pandemic of 2020-21, however it has pushed us to look for other solutions confirming that 'Necessity is the mother of invention'. For the whole of the year covered by this annual report the majority of our assessments of CBs have been performed remotely, even at the level of the farm. We have seen failures and frustration as well as great successes. We have collaborated with others to get the job done and we have brought in new personnel to help. We have experienced delays in getting work done as the whole community struggled to keep going and we took the painful decision to close to applications in October 2020 because we were concerned about integrity.

We are re-opening and emerging but still there are parts of the world where we work where the pandemic is worsening, so challenges will remain into next year. We continue to work on new ways of being better at what we do in support of our mission and being able to respond efficiently and effectively to the many CBs that want to enter the schemes that we work with. I thank them for their patience. Lastly, I sincerely thank all of the IOAS team for the extra effort the last year has demanded of them and their quite obvious commitment to integrity.

That's not to claim that we are the sole protectors as producers, traders and certification bodies are at the front line, but we are in a unique position amongst accreditation bodies. Most ABs are engaged in many different sectors whereas IOAS maintains its main focus on oversight of CBs offering certification of organic production. Our scope of interest has widened slightly to include schemes in the field of sustainability, environmentally-sound and socially responsible production. I consider this focus of great value giving us a concentration of expertise, but I am determined that it should not make us blind to the wider world as well.

David Crucefix
Executive Director

To make an impact that matters..

Our objective is to increase the use of organic and ecologically sound methods of production which respect the environment and rights and welfare of all participants all over the world.



Farmers and businesses can work in a fair environment and find markets for their products.



Consumers can trust the label on the products they buy.



The following photographs show an IOAS visit in 2020 to monitor the inspection and certification of rice farming and processing in Thailand.





Schemes we work with

To support the growth of Organic and sustainable markets we provide Certification Bodies with an efficient, effective accreditation process and access to a choice of legislative and private schemes. Our clients benefit from a cost effective combined service.

We now provide organic and sustainable accreditation for several schemes which meet our strict criteria regarding environmental and social protection.

ISO/IEC 17065 is often used as the basis for conformity assessment schemes for bodies certifying products, processes and services. Using this standard, IOAS provides accreditation for private schemes, as well as Freshcare – Food Safety & Quality Standard, GlobalG.A.P., Ley N° 20.089 Sistema Nacional de Certificación de Productos Orgánicos Agrícolas – Chilean National Certification System for Organic Agricultural Products, Ley de Productos Orgánicos (LPO) – Mexican Regulation for the Operation of Organic Agriculture Activities, and the National Standard for Organic and Bio-Dynamic Produce of Australia.

Canada Organic Regime (COR)



The IOAS is an approved Conformity Verification Body and able to assess the competence of Certification Bodies both inside and outside of Canada as specified under the Safe Food for Canadians Regulations (SFCR). The IOAS makes recommendations for accreditation to the Canadian Food Inspection Agency (CFIA).

The COSMetics Organic and natural Standard (COSMOS)



A voluntary accreditation for organic and natural cosmetics operated by COSMOS-standard AISBL, an international non-profit association. The standard sets out innovative, challenging and progressive criteria that consumers can trust, and that are clear for the industry and good for the environment.

European Union Equivalency



IOAS performs assessment and makes a recommendation to the European Commission against ISO/IEC 17065 for equivalence to the European regulation (EC) 834/2007 for the production and sale of organic products in Europe including equivalence of imports from third countries.

IFOAM



IFOAM was the very first international verification of competence for certification bodies active in organic agriculture. IFOAM accreditation is awarded to certification bodies that comply with “IFOAM Accreditation Requirements” (IAR) and use compliant or equivalent standards as per the IFOAM Standards Requirements.

Global Organic Textile Standard



The GOTS voluntary standard ensures the organic status of textiles from the harvesting of the raw materials through ecological, environmental and socially responsible manufacturing all the way to labelling in order to provide credible assurance to the consumer.

NATRUE AISBL



NATRUE has worked with IOAS since 2012 to develop an independent accreditation scheme to ensure the availability of quality natural and organic cosmetic products. There are now 31 countries around the world actively using the NATRUE label and over 5800 products from more than 250 brands.

GLOBALG.A.P.



A voluntary worldwide standard for the certification of agricultural products for safe and sustainable agriculture practices. Producers comply with widely accepted criteria for food safety, sustainable production methods, worker and animal welfare, and responsible use of water, compound feed and plant propagation materials.

Textile Exchange



A comprehensive range of voluntary standards and requirements recognised worldwide to support the textile industry on Content, Organic Content, Recycled, Global Recycled, Responsible Down and Responsible Wool Claims. The IOAS has worked with Textile Exchange since 2010.



Independent, transparent and reliable accreditation guaranteed

Since our creation in 1997 as the daughter organisation of IFOAM Organics International, IOAS has developed, grown and expanded worldwide, consolidating our position in the organic sector as a guarantee of an independent, transparent and reliable accreditation.



IOAS is recognised by the Canadian Food Inspection Agency (CFIA) to conduct evaluation work as a Conformity Verification Body for the Canada Organic Regime.

Third party oversight is also provided through membership of the Asia Pacific Accreditation Cooperation (APAC) and as a signatory of the International Accreditation Forum (IAF) Multilateral Recognition Arrangements (MLA) for the main scope ISO/IEC 17065 and sub-scope of GlobalG.A.P.



IOAS Clients



SUSTAINABLE DEVELOPMENT GOALS

The United Nations Sustainable Development Goals (SDGs) are the blueprint to achieve a better and more sustainable future for all.

They are a call for action by all countries across all economic classes to promote prosperity while protecting the planet.

The SDGs recognise that ending poverty must go hand-in-hand with strategies that build economic growth and address a range of social needs including education, health, social protection, and job opportunities, while tackling climate change and environmental protection.

The 17 Goals were adopted by all UN Member States in 2015.

IOAS provides world wide organic and sustainable accreditation for the certification of food safety, sustainable production methods, worker and animal welfare, responsible use of water, feed and plant propagation materials.



A better and more sustainable future for all.



IOAS works with Governments and Private Scheme Owners around the world towards the achievement of SDGs.

Every country faces challenges with regard to environmental sustainability, product safety/security and competitiveness.

Accreditation and certification provides a high quality efficient infrastructure supporting the organisation of production and supply chains and the successful cooperation of public and private organisations. Standardisation ensures the interoperability of products and services. Technical information becomes comparable and can help drive improvements, improving the efficiency of processes and enhancing product quality.

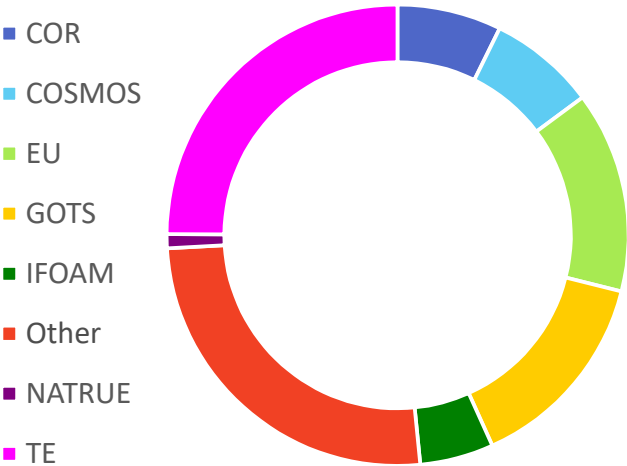
Economic benefits can be achieved in which compliance with mutually recognised standards contributes to a cost reduction in international trading. Courtesy of the assurances offered with accredited and certified products or services, there is a climate of trust in the market and opportunities for economic growth.

IOAS accreditation contributes to standardisation, conformity assessment and market surveillance - all of which help build a quality infrastructure beneficial for the effective operation of domestic markets and help facilitate access to foreign markets.

Environmental certifications can reduce emissions and improve employee and community health. These factors can constitute savings to the organisation and cumulatively saving millions to the economy in social costs.



IOAS Client operators by schemes in 2020



Cost savings can be achieved through IOAS accreditation by meeting multiple regulations at the same time as providing international recognition.



Quality

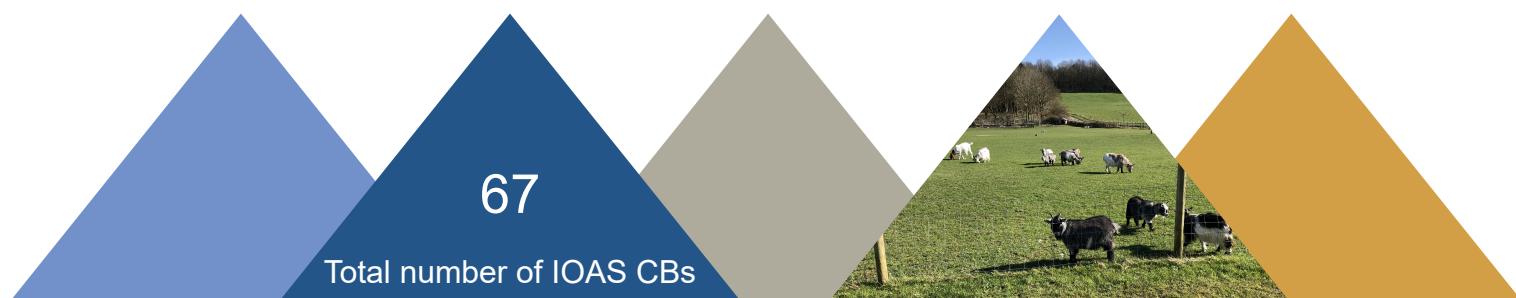


Having started with IOAS on February 1, 2021, I have spent the past three months learning about the internal operations of the organisation. It has been an exciting crash-course on the IOAS processes for document control, internal audits, complaints, appeals, Board of Directors protocol, and team-building. My prior 24 years of experience in conformity assessment and accreditation, particularly in the role of Quality Manager, coupled with the enthusiasm and expertise of the IOAS staff, made the on-boarding process smooth and enjoyable.

One of my first initiatives as IOAS Quality Manager was to review key, high level policies and decisions with an eye to strengthening them from a legal perspective. As part of that initiative, new legal counsel was engaged with extensive experience not only with non-profit organizations, but also with accreditation, certification and standards-setting. This is an uncommon and invaluable combination of skills and I look forward to working with this new firm long into the future.

Looking ahead, I have been working closely with the senior management team to find and implement opportunities for streamlining the accreditation process and IOAS procedures, while still maintaining the highest standard of quality. It is an exciting time for the organisation and its clients and I am proud to be a part of it.

*Teresa Barnett
IOAS Quality Manager*



Complaints from January - December 2020

We deal with complaints regarding clients and our own organisation seriously, continually reviewing and making sure we are fair and rigorous in our approach. Comments and complaints are always investigated with reports back to the informant on the validity of the issue and the outcome of the investigation.

Sixteen complaints were received and investigated regarding IOAS accredited certification bodies. Three were rejected and thirteen were investigated and closed.

Two complaints were received against IOAS, one was rejected as invalid and the other investigated and closed.

Fraudulent claims of accreditation and intentional misuse of logos

There were no reported claims of logo misuse or fraudulent claims of accreditation.

Sanctions during the period January - December 2020

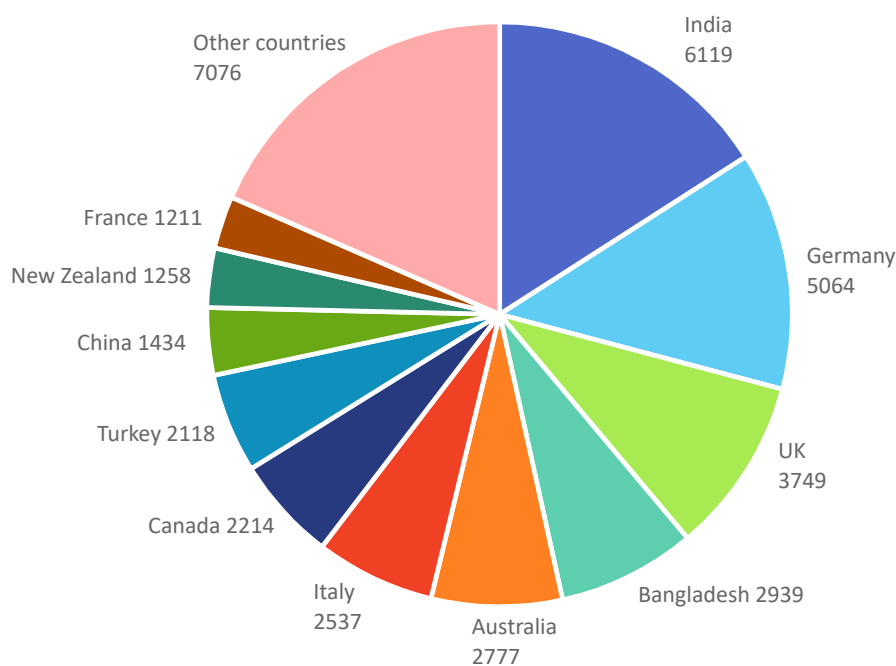
- 13 warnings to accredited CBs
- 8 penalty fees charged, affecting 4 CBs
- 7 intents to suspend
- 4 suspensions
- 1 withdrawal
- 0 terminations

Appeals against IOAS decisions between January - December 2020

All CBs have the right to appeal against a sanction and we provide a formal appeal process as part of our own just and transparent system.

There were 2 appeals by CBs against IOAS accreditation decisions. Both were rejected and the original accreditation decisions were upheld.

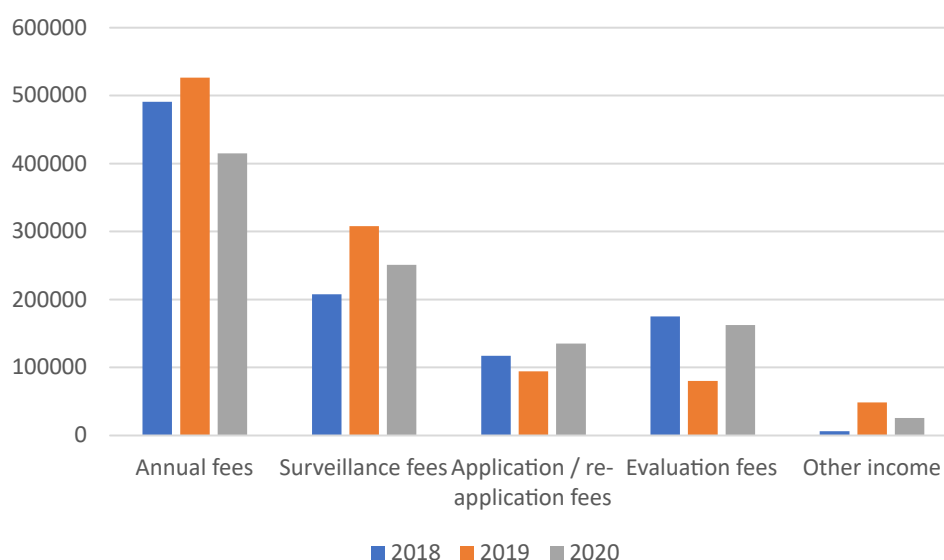
This graph shows the number of operators our clients certify around the world.





Finance

From a business and financial perspective, 2020 was a year of adjustments – an effect felt by most if not all companies around the world due to the COVID-19 pandemic. For IOAS this effect manifested as reductions in income due to delayed or cancelled visits, especially in the period from mid-March to end of May last year. This effect combined with the expected reduction in annual fees income following the revision of the fee schedule at the end of 2019, resulted in 6.4% lower gross income in 2020 than 2019 (see bar graph for year to year comparison).



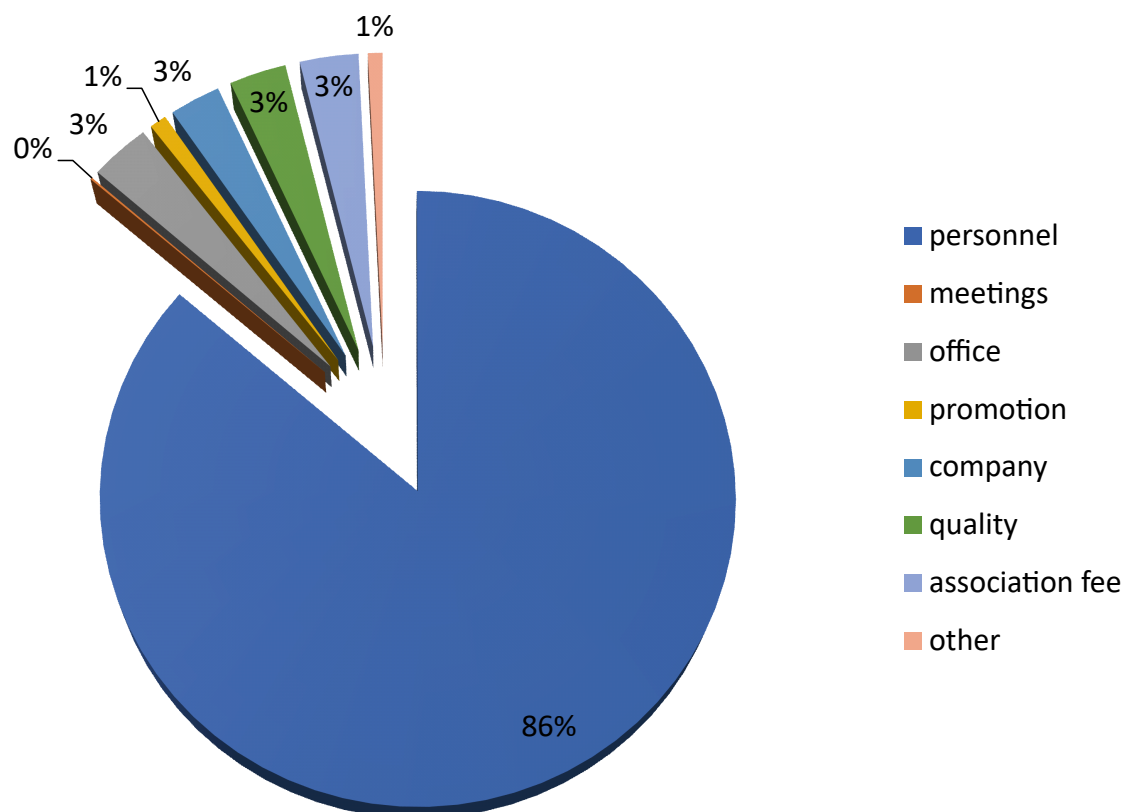
The decrease in overall income was balanced with reductions in expenses, some of which were planned and others made in response to the circumstances. The meetings budget was eliminated as this was primarily for travel expenses, and we have hosted all our regular business, Board and Committee meetings remotely via web-based conference platforms since April 2020. Marketing and promotional costs were also reduced considerably, while the Quality Improvement item remained steady as during the stall in visit activity our staff took advantage of opportunities to attend training events offered online, some of which had previously not been available in this format.

Below the bottom line the IOAS continues to invest in the future and our mission of cultivating integrity and trust across the organic community. We are entering our third year of providing seed funding for the Alliance for Organic Integrity, which was formed in 2019 and is gaining momentum with partnerships and projects intended to inform and educate, focusing on the goal of improving organic integrity throughout the supply chain. In 2020 the IOAS entered into license agreement with Dynasec Netherlands B.V. to implement a customised accreditation workflow management program that will allow improved capacity for growth and expansion in terms of clients and services. Most importantly, we continue to invest in professional staff with 6 new full-time positions added to the budget in 2021 and more to come in 2022.

Despite the setbacks experienced in the last year, the IOAS as a company and as a team are resilient and already bouncing back stronger than before. We are receiving many new applications for accreditation, and with our improved system capacity and increased staffing we look forward to a healthy recovery and unprecedented growth in the coming year.

Iris Rendon
Assistant Executive Director

2020 Expenditure



The Growth of IOAS

Having sufficient and competent personnel is the key to IOAS achieving its vision. As the number of our clients and the range of schemes and scopes we offer has grown, this year we have heavily invested in IOAS's future. We are part way through developing the new accreditation management system and restructuring our organisation as well as recruiting more staff to facilitate the growing demand for our services.



Alliance *for* Organic Integrity



As a founding partner, IOAS continues to support the Alliance in its mission to strengthen organic assurance globally.

The Alliance for Organic Integrity, formed after the 20th Anniversary IOAS Seminar in Delhi in 2017, is now a fully independent, US-registered, non-profit 501(c)(3) company, set up with initial support from IOAS.

The Board Members are Francis Blake (President), Michael Sligh, Bo van Elzakker, and the most recent appointment, Paula Aberasturi, a lawyer from the Philippines who is prominent in her local organic movement and an alumna of the IFOAM Organic Leadership Program. A search for a fifth Board Member is currently ongoing. Gina Lumauig, was appointed as coordinator in March 2021.

The Alliance has welcomed partners that share its aims of 'strengthening organic assurance globally'. Aside from founding partner, IOAS, these are: Anti-Fraud Initiative (AFI), Skal Bio Controle, International Organic Inspectors Association (IOIA), Verum Control, IFOAM Organics International, Organic Arable, Global Organic Textile Standard (GOTS), Organic Services, and Organic Processing and Trade Association Europe (OPTA).



Over the last year the Alliance has held a number of training events for organic professionals. They have also hosted a two-day online workshop for stakeholders, plus another workshop for Partners. All events were well received by participants. .

Two key projects are in development with plans to launch both this coming year:

- Setting up an Organic Supply Chain Observatory, to collect, analyze and share information and intelligence on risks to organic integrity in the market;
- A comprehensive E-learning course for inspection, certification and accreditation personnel with credentialed qualifications and ongoing professional development.

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