

Social Audit case study: Loch Fyne Oysters

Loch Fyne Oysters is using 'social accounting' to demonstrate its environmental and ethical credentials to customers.

"The fact that these are audited accounts rather than just a narrative gives them much more weight," explains Anne Stewart, HR Manager at Loch Fyne Oysters.

"It has helped us in securing some contracts. Customers increasingly want proof that their suppliers are operating the policies that they say they are. We are now able to produce a set of audited accounts that show, for example, that we only use sustainable species."

Co-operative Development Scotland introduced a number of co-operative and employee owned businesses to social accounting in 2008 as part of an initiative with the Social Audit Network, which helps companies throughout the UK prepare social accounts and have them independently audited.

Sarah Deas, CDS Chief Executive, said: "There is clear evidence to suggest that social accounting can help co-operative and employee-owned businesses build long-term relationships with customers and stakeholders by demonstrating their wider impact on society. We are delighted that this has been Loch Fyne Oysters' experience and we will continue to promote this approach where appropriate."

Loch Fyne Oysters used questionnaires, interviews, site visits and financial reports to survey customers, staff, suppliers and partners on topics including customer satisfaction, environmental sustainability, partnership working and product quality.

For example, between 78% and 85% of customers sampled rated Loch Fyne's quality of service as excellent or good. The accounts also outline the company's 'no compromise' approach to sustainable sourcing, explaining that it will not source fish caught by methods deemed to be harmful to the marine ecosystem, such as deep-sea trawlers.

The data produced is then audited by a panel of experts including a qualified social accounting auditor.

A spin-off benefit of the social accounting process was increased awareness amongst staff of the different elements of Loch Fyne Oysters and how they work together. The business includes a successful oyster bar and shop, a smokehouse, a mail order and trade sales service and Scotland's largest oyster farm and mussel farm.

"Not all staff were aware of some of the things going on in other parts of the company, so it certainly helped interaction," Anne says. "It gave us a good overview of the whole business, rather than just seeing it in parts."

Loch Fyne Oysters is now committed to producing social accounts every two years. The company is owned by its 150 staff and has an annual turnover of £15m.