

Annual Review 2017/18



Financial year overview: driving transformative change in company supply chains

During the 2017/18 Financial Year, the Ethical Trading Initiative (ETI) continued to be a clear voice in support of the ever evolving business and human rights agenda.

This year we continued to work closely to the five priorities agreed by our tripartite membership (companies, NGOs and trade unions) in October 2015:

- To lead on the application of the UN's General Principles on Business and Human Rights (UNGPs) as they relate to workers' rights
- To ensure workers are represented
- To catalyse the formation of a global network of ethical trade platforms
- To see an increase in business accountability, and
- To influence ethical trade policy and practice.

BELOW Garment worker in India





ABOVE Indonesian garment workers

Our priorities act as a conduit for enabling better and more robust corporate performance amongst our members and for influencing on business and human rights more widely, while our supply chain programmes and in-house training and publications help to build good practice.

Internally, ETI's new reporting framework was finalised and our online reporting platform, Perspective, went live – changes that will significantly increase visibility of member performance and highlight challenges. Externally, in our project work and through our working groups we gave advice and shared our expertise in key supply chains.

We recruited more businesses to our initiative supporting the rights of young women in India's Tamil Nadu spinning mills, firmly moving the agenda from rights to health to broader workers' rights. Our Social Dialogue project in Bangladesh continued to expand and now reaches over 62,000 workers. And our platform in Turkey, which gives both Turkish workers and Syrian refugees a voice, is now fully established, reaching hundreds of factories to give space for local stakeholders to develop action plans to embed human rights.

Additionally, while we recognise that circumstances in Thailand remain challenging for migrant workers in the fishing, farming and food processing sectors, we played the role of 'honest broker'; giving support to Thai unions, NGOs and human rights defenders.

Specific achievements during the period included:

- New guidance on ethical purchasing practices for companies, developed jointly with our sister organisations in Norway and Denmark and based on ground-breaking research with the ILO involving 1,454 suppliers from 87 countries to build evidence on the relationship between purchasing practices and working conditions; we also published guidance on managing the business risks of child labour and of modern slavery.



Our priorities act as a conduit for enabling better and more robust corporate performance amongst our members



- Deepening corporate understanding of gender issues in supply chains by bringing together 10 corporate members and the University of Manchester to analyse the progress being made in ensuring greater gender equality in international supply chains.
- Advocacy on working conditions and wages in Cambodia and Myanmar, with representation being made by ETI Director and our members to government ministers. ETI helped co-ordinate our members, the Fair Labor Association, American Apparel & Footwear Association and the Foreign Trade Association, to express concerns in a joint written statement and in meetings with government ministers.
- Taking the opportunity afforded by the start of our 20th anniversary year in January 2018, we affirmed our commitment to encourage transformative change through the start of a year-long campaign that celebrates how we drive improvements in company performance, persuade and influence labour policy and legislation and build strategic alliances in key sourcing markets.

Financially, we are grateful to, and work very closely with, the UK's Department for International Development (DFID). Our ability to attract and use such funds to innovate and demonstrate impact for workers is of crucial importance and we extend our thanks to all institutional donors as well as to our membership.

BELOW Migrant European fruit and vegetable packer in the UK



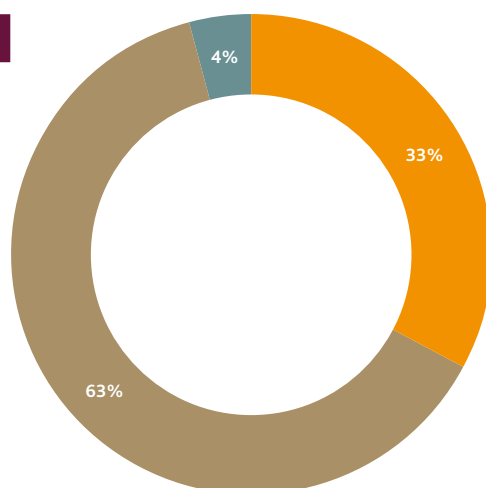
Our finances

We continue to strengthen our links with core partners and saw a 20% increase in funding from £3,185,038 in 2016–2017 to £3,825,366 in 2017–18. In addition to membership and training fees, we are hugely appreciative of the long-term strategic support we receive from our institutional donors, which helps to increase our impact and to entrench thinking and action around business and human rights issues and opportunities. This support includes partnerships with DANIDA, the UK's Foreign and Commonwealth Office, the Freedom Fund and the Commonwealth Foundation in addition to our Responsible, Accountable and Transparent Enterprise (RATE) funding from DFID.

ANNUAL INCOME

- **Membership income:**
£1,278,627
- **Grants:** £2,395,911
- **Training:** £150,828

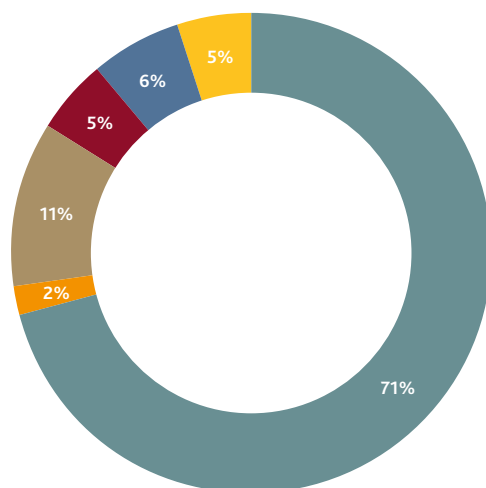
Total: £3,825,366



ANNUAL EXPENDITURE

- **Programmes:**
£2,677,091
- **Knowledge and learning:** £185,762
- **Communications and partnerships:**
£212,481
- **Membership services:** £186,816
- **Operations:** £427,382
- **Governance:** £81,205

Total: £3,770,737



Ethical Trading Initiative
ethicaltrade.org

Registered No. 3578127



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