



Ethical
Trading
Initiative

For workers' rights. For better business.

Annual review 2018/19



Financial year overview: better lives for workers everywhere

20 YEARS OF ETI

2018 was a special year for ETI.

We marked our 20th anniversary year with a number of special activities, including a 2-day conference, *Responsible supply chains: the future of ethical trade*.

The event, organised in partnership with Elevate, featured over 60 speakers from across the business, NGO and trades union sectors, and attracted over 300 delegates. In tandem, we also produced a 20th anniversary *Global trends and insights* report pulling together headline findings from our programmes, and promoting best practice case studies from our members in key areas such as modern slavery, access to remedy and better buying.

As we look to the next 20 years, ETI continues to operate in a unique space, and remains true to its founding principles of fostering effective collaboration and cooperation.

ETI and its corporate members continue to collaborate and learn from instances raised where workers have not been respected or their rights have

been disregarded. ETI provides ongoing support and guidance to members to bring about remedy and better insights as to how things can go wrong. Specific instances often remain confidential, but members benefit from collective learning to improve their future due diligence.

Our 5 priorities were agreed by our tripartite membership (companies, NGOs, and trade unions) in October 2015, and continue to inform everything we do:

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

These priorities act as a conduit for enabling more robust corporate performance amongst our members, and provide a strong basis for influencing on business and human rights more widely. Together with our supply chain programmes, training courses, reports, guidance and toolkits, they help to build good practice and better lives for workers everywhere.

BELOW Panellists at our 20th anniversary conference, *Responsible supply chains: the future of ethical trade*



Highlights

TRANSPARENCY

ETI is committed to greater transparency and openness, as are our members, and in 2017 we set up a tripartite advisory group to explore how to drive increased transparency in 3 areas: ETI's own transparency; transparency in relation to our members; and members' own transparency and what is required of them as part of being an ETI member. The group received direct feedback from over 70% of the corporate membership base and reported in 2019 with a set of recommendations for next steps. These will now be prioritised and progressed and we will be mapping out next steps and engaging with our members over the coming year.

MODERN SLAVERY

Major international conference on tackling modern slavery, forced labour and human trafficking in public sector supply chains held at the Queen Elizabeth II Conference Centre in London in March. Co-hosted by the UK government and the OSCE in partnership with the Australian, Canadian and USA governments. Over 170 attendees from national and local governments, international bodies, civil society organisations, public procurement specialists, private sector companies, trades unions, academics and independent experts.

GENDER EQUALITY

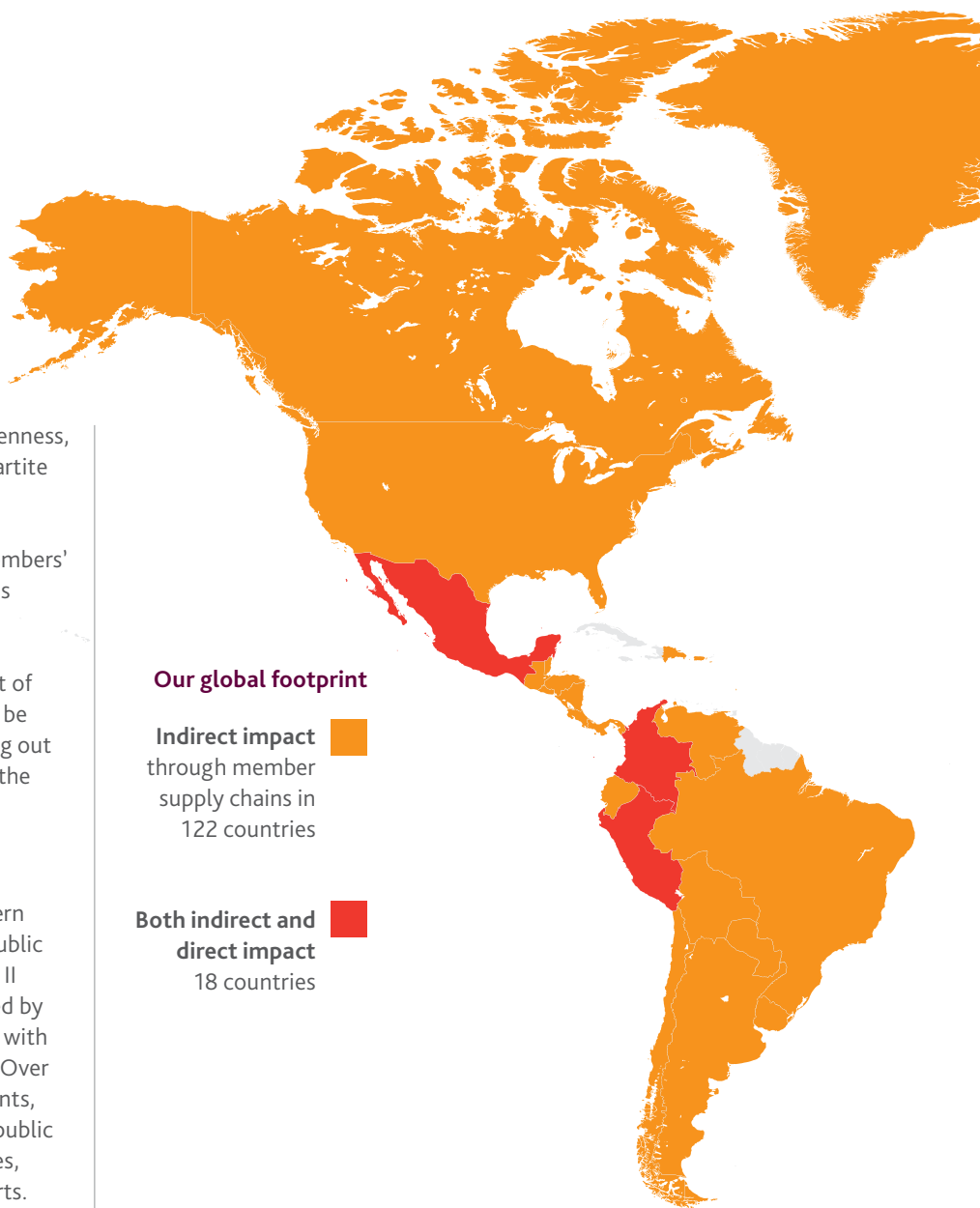
Collaboration with Professor Stephanie Barrientos of the University of Manchester's Global Development Institute to pair leading gender experts with 10 brands to analyse progress being made on ensuring gender equality in international supply chains. Programme led to requests from members for publication of practical guidance on gender.

Publication of Base Code Guidance on Gender Equality (October), in part in response to requests for practical guidance following the University of Manchester programme. Supporting businesses in understanding the likely gender issues in their supply chains and how to respond to them. Launch of ETI's Gender Strategy, committing to building consensus on gender equality as an enabler of workers' rights, ensuring women workers are adequately represented, implementing gender-related advocacy work and mainstreaming gender within the ETI Secretariat.

Our global footprint

Indirect impact
through member
supply chains in
122 countries

**Both indirect and
direct impact**
18 countries

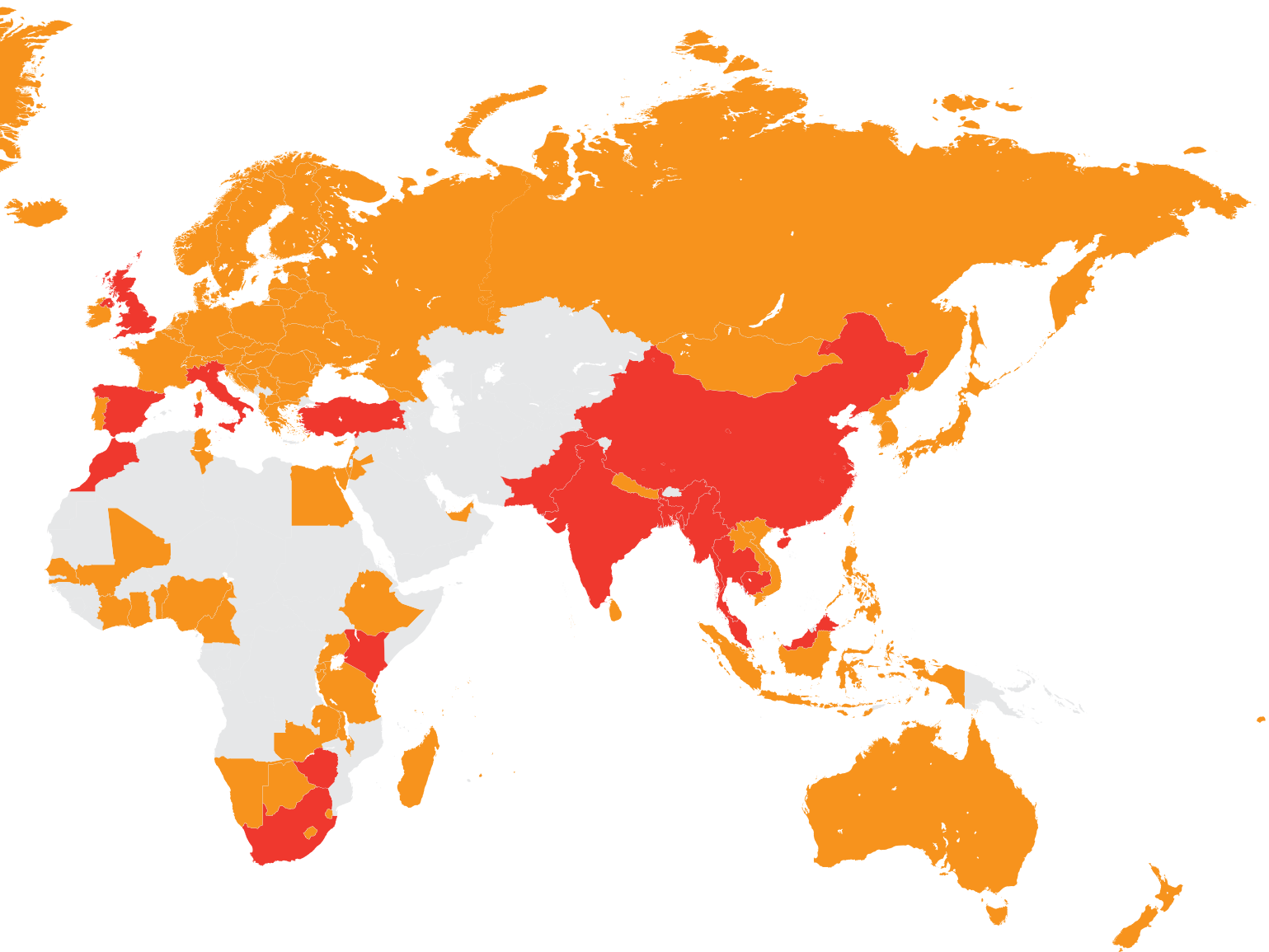


DISABILITY

Base Code Guidance on Disability in the Supply Chain published in July, outlining steps companies can take to become disability inclusive employers, contribute to economic development in socially responsible ways that ensure no one is left behind, and support their suppliers in disability inclusion.

FREEDOM OF ASSOCIATION

Launch in February of members-only online resource Implementing Clause 2 of the ETI Base Code, a practical 5-step roadmap towards effective support of independent worker representation and trade union relationships.



BUSINESS MODELS AND

PURCHASING PRACTICES

Report on improving company business models commissioned by ETI and produced by the business schools of King's College London and the University of Warwick. The report identified types of business models and purchasing practices most likely to contribute to deteriorating labour standards in global supply chains and called for gradual but systemic change across the whole of business – at shareholder, consumer, competition and production level – as well as industry-wide collaboration to drive longstanding change.

ACCESS TO REMEDY GUIDANCE

Publication in February of new guidance on how to develop effective remediation strategies in line with the UNGPs and establish systems to address labour rights abuses. Primarily aimed at companies but also relevant to trade unions, labour rights entities, worker-led organisations, NGOs and civil society actors.

MALAYSIA PROJECT

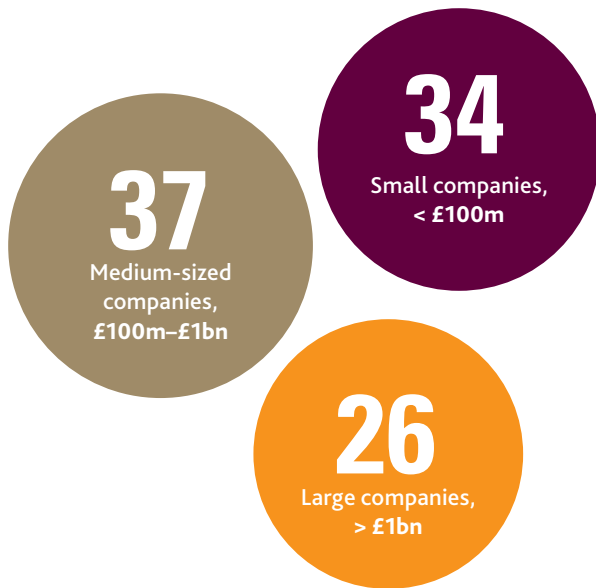
Funding secured from Home Office's Modern Slavery Unit for a 2-year programme of work aimed at improving the rights of vulnerable migrant workers in Malaysia, amid growing allegations of serious rights violations among workers producing rubber gloves for European and US hospitals (including the NHS). Project will establish access to remedy principles to be endorsed by leading businesses and applied globally within their supply chains, and pilot online technology platform enabling workers to report exploitation and access remedy.

NEW REPORTING FRAMEWORK

New approach to supporting progression on our Ethical Trade Framework launched, with full support (including one-to-one guidance if needed) for corporate members through development and progression.

Corporate members: 97

By size:



NEW MEMBERS SINCE 1 APRIL 2018

Birdsnest
 Dixons Carphone
 Goodweave
 Joules
 Lee Cooper
 Lindex
 Phase Eight
 Quiz Clothing
 Seasalt Cornwall

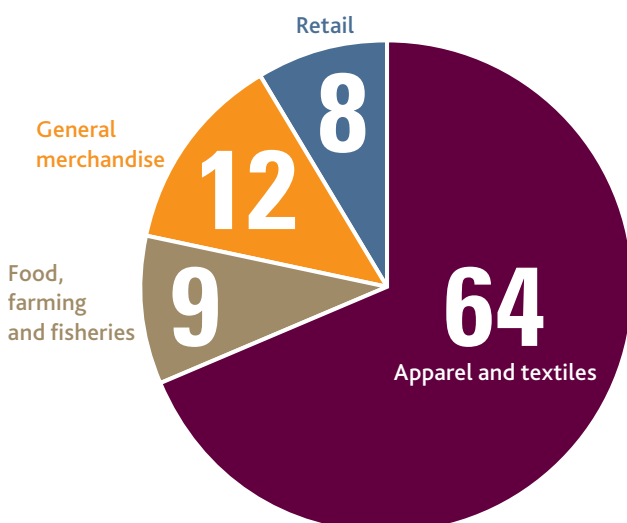
SINCE 1 APRIL 2019

Aldi South
 Alsico
 Expo freight (EFL)
 Hot Springs
 Liberty
 Schoolblazer
 Thought

PUBLISHED RESOURCES 1 APRIL 2018 – 31 MARCH 2019

1. Responding to the human rights crisis in Myanmar
2. Managing risks associated with modern slavery
3. Business models & labour standards: making the connection
4. How to implement Clause 2 of ETI's Base Code, including a 5-step roadmap
5. ETI gender strategy
6. Trade unions, structure
7. Entry points to worker representation
8. POIs for FOA and evidence required for each stage
9. How FOA, CB and worker representation intersect
10. Access to remedy - practical guidance for companies
11. ETI scoring guidance
12. Review of H&M group's roadmap to fair living wage
13. Ethical trade, global trends and insights
14. Modern slavery statements evaluation framework
15. Base code guidance: gender equality
16. Empowering women in India's garment industry (VIDEO)
17. Base Code guidance: disability
18. Modern slavery in supply chains: a review of the research
19. Gender inequality in international supply chains
20. Business: it's time to act
21. Bangladesh programme update
22. Responding to the human rights crisis in Myanmar

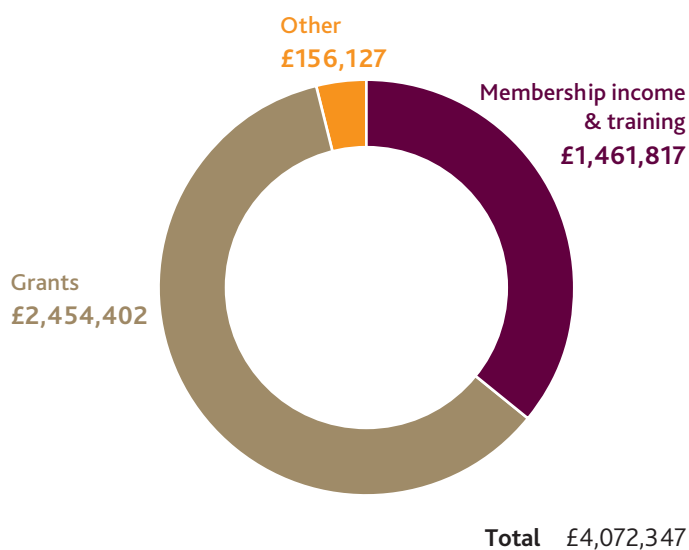
By sector:



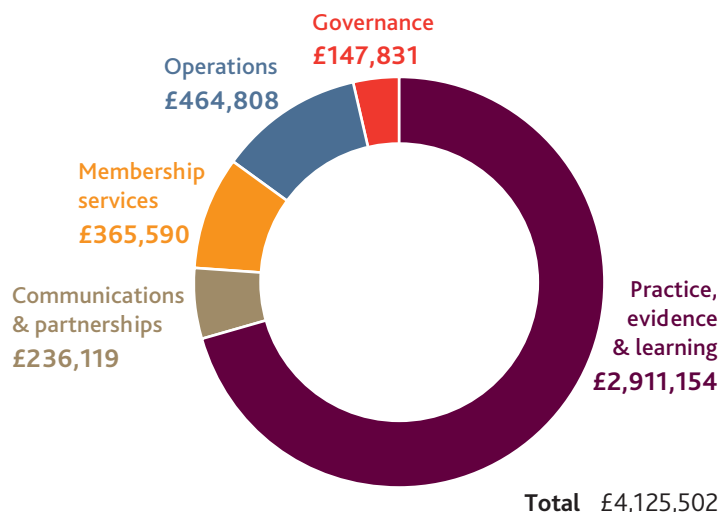
Our finances

We continue to strengthen our links with core partners and saw a 6% increase in funding from £3,825,366 in 2017-18 to £4,072,347 in 2018-19. In addition to membership and training fees, we are hugely appreciative of the long-term strategic support we receive from our institutional donors and members, 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 the UK's Foreign and Commonwealth Office, Freedom Fund, Ethical Trade Norway and the C&A Foundation in addition to our Responsible, Accountable and Transparent Enterprise (RATE) funding from DFID.

ANNUAL INCOME



ANNUAL EXPENDITURE



As we look to the next 20 years, ETI continues to operate in a unique space, and remains true to its founding principles of fostering effective collaboration and cooperation.



OUR BOARD

Chair
Philip Chamberlain
 Formerly C&A

Corporate representatives
Jane Blacklock
 Fatface
Giles Bolton
 Tesco
Chris Harrop
 Marshalls
Paul Williams
 Princes

NGO representatives
Anne Lindsay
 CAFOD
Penny Fowler
 Oxfam GB
Tim Aldred
 Fairtrade

Trade union representatives
Alison Tate
 ITUC
Ruwan Subasinghe
 ITF
Stephen Russell
 TUC

DFID observer
Nina Schuler

Photos
Claudia Janke

Ethical Trading Initiative
 ethicaltrade.org

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