

Copenhagen, January 25, 2018



DIEH

Danish Ethical Trading Initiative

PROMOTING HIGH ETHICAL STANDARDS IN GLOBAL VALUE CHAINS



Statement from the Director

Dear Mr. Secretary-General,

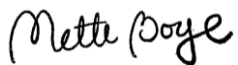
I am pleased to confirm that the Danish Ethical Trading Initiative (DIEH) continues to support the ten principles of the UN Global Compact with respect to human rights, labour, environment, and anti-corruption.

The Danish Ethical Trading Initiative is an independent multi-stakeholder initiative, a member organisation for businesses, NGOs, trade unions, public institutions and organisations willing to commit themselves to responsible supply chain management.

With this commitment, we express our continued intent to advance the principles within our sphere of influence, and will make a clear statement of this commitment to our stakeholders and to the general public.

DIEH recognises the vital role that the UNGC plays in advancing sustainable development across the global business community. We share these aims and look forward to continued partnership with the UNGC and, where appropriate, its local networks to scale up meaningful outreach with business and the international community towards global sustainable development goals.

Yours sincerely,

A handwritten signature in black ink, reading "Mette Boye". The signature is written in a cursive, flowing style.

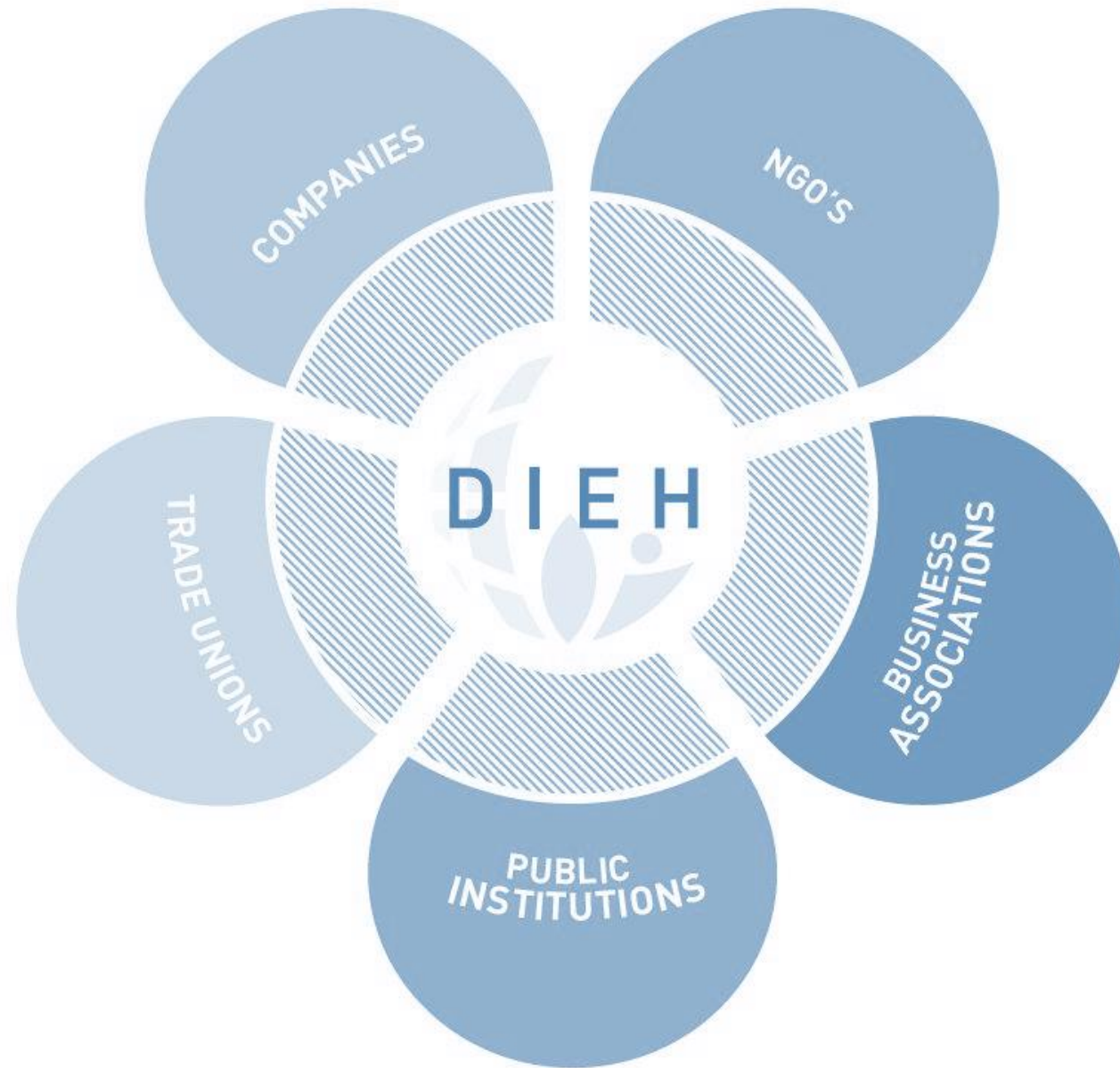
Mette Boye

Director, DIEH

Communication on Engagement To our Stakeholders

In this Communication of Engagement, we highlight our key actions to support the UN Global Compact and its principles over the last two years, from **January 2016 to January 2018**. DIEH will make this information available to our stakeholders through our primary channels of communication.

The Danish Ethical Trading Initiative is a **multi-stakeholder initiative** that brings significant stakeholders together to develop **constructive solutions** to ethical trade challenges and dilemmas.



We aspire to create high ethical standards in global value chains –

Our goal is to develop sustainable working – and environmental conditions across the global supply chains of Danish companies, through focused efforts, which bring about tangible improvements in developing countries and growth economies.

DIEH aims to contribute to Danish foreign policy by developing best practice cases within ethical trade that drive positive business development across developing countries.

Collaboration and dialogue pave the way -

Our goal is to create tangible improvements across global value chains through collaboration and dialogue on ethical trade in practice.

For this reason, DIEH works to create concrete tools, which our members can apply throughout their work within ethical trade. We have also created a knowledge sharing platform where our members and other relevant stakeholders can engage, share good practice, and network with peers.

Since 2008, DIEH has prided itself on being an initiative and the focal point of ethical trade in Denmark. Our goal is to **advance** and **promote** international trade in accordance with human- and labour rights and to **facilitate** companies and organisations in their efforts to foster a sustainable development in developing countries and growth economies.

The background of the slide is a photograph of a lush green terraced rice field in a mountainous region. Two farmers, a man and a woman, are walking through the field. The man is carrying a large woven basket on his back, and the woman is carrying a child on her back. The terraces are carved into the hillsides, creating a series of concentric, wavy lines. The sky is overcast, and the overall atmosphere is peaceful and rural.

About DIEH

Our Engagement

Workshops, seminars and
conferences

Platform for networking

Tools and guidance

Training of members and
suppliers

Disseminate knowledge
and qualify the debate

Through **mutual
dialogue and
collaboration**, DIEH and
its members undertake
to establish significant
improvements in **global
value chains**.

Selected outcomes

Benchmarking performance, and trendspotting

State of Ethical Trading

State of Ethical Trading provides an insight into the progress and challenges encountered by DIEH members in their work on ethical trade. The reports serve as a benchmarking tool, and provides an annual status of the work with, and the vision of promoting trade that respects human and worker rights and promotes sustainable development.

The knowledge presented in the reports are based on the annual reporting to DIEH from our members.



Highlighting Small and Medium sized companies' contribution to the Sustainable Development Goals

In 2017 DIEH hosted two workshops inspiring SMEs on how to work with the UNs Sustainable Development Goals to link sustainability into their core business. The workshops also inspired a handful of good practise cases, leading the way for organisations with the same goal.

Selected outcomes

Tools, reports and guidance

Counteracting exploitation of migrant workers –

The project on counteracting exploitation of migrant workers in tomato production in Italy through a collaborative multi stakeholder project involves major retailers, unions and NGOs in Norway, UK, Denmark and Italy.



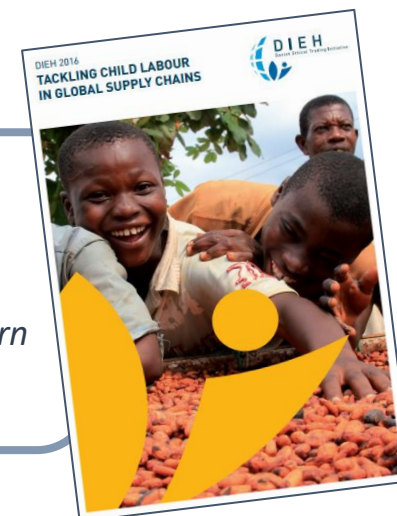
Guide to Buying Responsibly -

The ethical Trading Initiatives of Denmark, Norway, and UK presented a guidance for companies on purchasing practices, drawing on the findings of a collaborative supplier survey run in partnership between the Initiatives and the ILO, with support from SEDEX. The guide from 2017 includes best practice examples and outlines the five key business practices that influence wages and working conditions. Nearly 1,500 supplier companies employing 1.5 million workers across 87 countries responded to the Joint ETIs/ILO survey and in further survey findings.



Tackling child labour in global supply chains –

In 2016, DIEH published an updated guide on tackling child labour. The guide provides an insightful overview of how child labour is defined, an outline of the core conventions, the Modern Slavery Act, and key recommendations.



Selected outcomes

Spotlight on the Myanmar Garment sector

IMPROVING PRODUCTIVITY,
QUALITY AND WORKING CONDITIONS
**IN THE MYANMAR
GARMENT INDUSTRY**

Project title	MYPOD – Myanmar Productivity, Occupational Safety and Health and Social Dialogue
Location	Yangon industrial zones, Myanmar
Project period	September 2017 – September 2020
Project objective	MYPOD aims to generate more decent jobs, sustainable increased value addition and participation in the Myanmar garment sector through improved work environment, productivity and social dialogue in twelve selected garment factories.
Project outcomes	The project has two outcomes, firstly that employers and workers at project factories benefit from improved work environment, productivity and social dialogue. Secondly, that there is an increased sector-wide awareness and technical capacity among suppliers and brands for improvement processes. A business case will be developed to document the commercial and workplace effects shown at project factories.
Beneficiaries	<ul style="list-style-type: none">•Managers and workers involved in change process in the twelve factories•Managers and workers in other textile factories introduced to integrated and participatory lean improvement of work environment, productivity and social dialogue•Workers and managers in the garment sector in Myanmar, including suppliers, brands, social partners and universities

Indirect Sourcing, Direct Responsibility

The guide provides an overview of the challenges of addressing responsible sourcing through intermediaries and introduces suggested actions to be implemented in buying companies' responsible sourcing programs



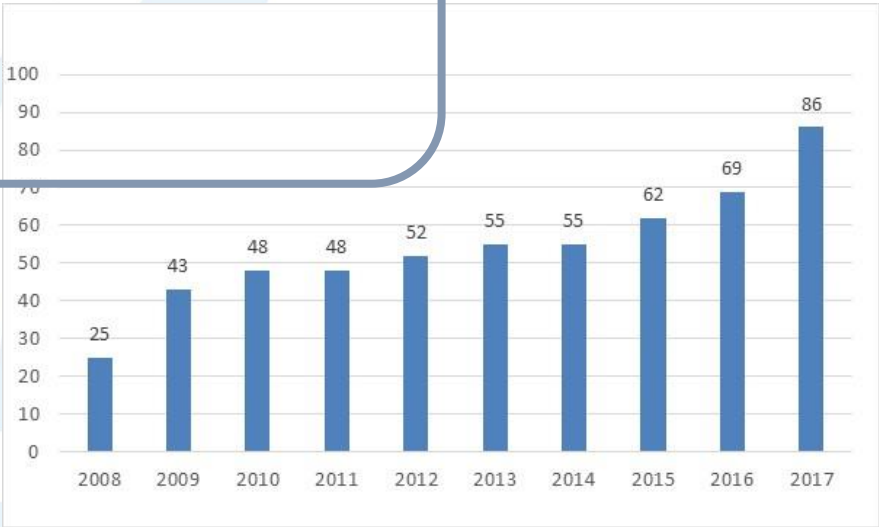
Living wages in global supply chains: a new agenda for business

The briefing covers how to gain buy-in at a senior level to addressing supply chain wages, outlining the clear benefits for businesses and workers. It also highlights case studies in the garment, tea and banana sectors, where companies have joined with other stakeholders on creating the right conditions for setting wage levels.



Strengthening the Support for Ethical Trade

Over the past two years, **33 new** companies and organisations have chosen to join DIEH and support Ethical Trade.



Today, DIEH gathers some of the most significant private companies, public organisations, business associations, labour organisations, trade unions and NGOs. The resources and competencies of our members lay the basis for the **continuous improvement of labour practices and environmental management** in value chains.