

31st of August 2018

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Re: Statement of Continued Support to the UNGC Principles (Part I of COE)

To our stakeholders,

I am pleased to confirm the ISEAL Alliance's continued support for the mandate of the UN Global Compact and its principles in the areas of human rights, labour, environment and anti-corruption.

The ISEAL Alliance is the global association of sustainability standards. We work to promote the uptake and use of credible, multi-stakeholder sustainability standards across all sectors and industries. We work towards this goal together with our members and the broader ISEAL community which consists of a diverse set of stakeholders across sectors and geographies.

Our second Communication of Engagement summarizes ISEAL Alliance's work and outcomes that have contributed to the UNGC principles and shaped sustainable supply chain practices over the past two years.

Further information about ISEAL, its members, and its activities, can be found on our website (<http://www.isealalliance.org>). We welcome all feedback on the content of this Communication on Engagement.

Sincerely,



Ms Karin Kreider

Executive Director

ISEAL Alliance

Part II. Description of Actions

Area of action: propose and implement partnerships on corporate sustainability and engage with other stakeholders

The ISEAL Alliance supports and enables the creation of multi-stakeholder sustainability standards, which embody market-oriented sustainability partnerships. The ISEAL Alliance currently consists of 20 standards systems and three accreditation organisations;

- Alliance for Water Stewardship (AWS)
- Aquaculture Stewardship Council (ASC)
- Better Cotton Initiative (BCI)
- Bonsucro
- Fairtrade International (FLO)
- Fair Trade USA
- Forest Stewardship Council (FSC)
- Global Coffee Platform (GCP – formerly 4C Association)
- Golf Environment (GEO)
- GoodWeave International
- International Fishmeal and Fish Oil Responsible Supply Standard (IFFO RS)
- Linking Environment and Farming (LEAF)
- Marine Stewardship Council (MSC)
- Rainforest Alliance/UTZ Certified (RA)
- Responsible Jewellery Council (RJC)
- Roundtable on Sustainable Palm Oil (RSPO)
- Roundtable on Sustainable Biomaterials (RSB)
- Sustainable Agriculture Network (SAN)
- Textile Exchange
- Union for Ethical Biotrade (UEBT)
- Accreditation Services International (ASI)
- International Organic Accreditation Service (IOAS)
- Social Accountability Accreditation Services (SAAS)

These ISEAL standards systems cover a range of environmental, economic, labour and human rights aspects, and are key tools that enable businesses to implement the ten UNGC principles and contribute to progress against the Sustainable Development Goals.

Importantly, ISEAL aims to maximize the sustainability impacts of its members in their respective sectors and industries. To this end, all full ISEAL members have to be compliant with the three ISEAL Codes of Good practice which define how a credible and impactful multi-stakeholder standards system should be developed and implemented.

In addition to supporting the creation of new credible standards and improving existing standards, ISEAL also partners with a range of other actors to promote and increase the awareness and uptake of sustainable supply chain management. This has led to ISEAL forming strategic partnerships with business platforms and other initiatives with a global reach, delivering shared communications products like reports, webinars and blogs.

With a focus on emerging markets, ISEAL has organized a range of events and training sessions, including symposiums in Sao Paolo, Brazil, and Jakarta, Indonesia, for businesses looking to further engage with

sustainability standards. In our outreach and policy activities, ISEAL has partnered with various UN agencies and bodies, including UNIDO, UNEP, UNECE, and supported the UN Forum on Sustainability Standards.

ISEAL has been a founding member of a number of initiatives, such as the Global Living Wage Coalition, a partnership between six ISEAL standards and their partners which seeks to deliver continuous improvements in workers' wages. The ultimate aim of this coalition is for workers to be paid a living wage, and for businesses and governments to recognise the legitimacy of the benchmarking process. ISEAL has also partnered with GIZ and Sustainable Food Lab to found the Living Income Community of Practice, and a Gender Working Group for Sustainability Standards. Through the ISEAL Innovations Fund, ISEAL has also supported the development of the Integrated Pest Management Coalition, which provides important guidance on the use of pesticides.

In 2017, ISEAL and the World Wide Fund for Nature (WWF) published a report that urges companies to look at the sustainability of their supply chains to realise the SDGs. The report 'SDGs mean business: How credible standards can help companies deliver the 2030 Agenda' explores how credible voluntary standards can be used as business tools to deliver on the SDGs. The report suggests that putting the SDGs at the core of the world's economic strategy could drive major development in growth and productivity. The report is accompanied by three infographics, which illustrate how the adoption of sustainability standards can contribute towards achieving SDGs 2, 6, 7 and 8.

Area of action: support UN Global Compact business participants as they implement and report on their sustainability efforts.

By using effective, credible sustainability standards, businesses can improve their sustainability performance. As such the use of credible standards is a key indicator which UNGC business participants can use to report on their implementation of sustainability efforts.

Between 2015-2018, ISEAL has carried out a range of activities to promote the uptake of credible standards globally and in emerging economies. This impact set out to deliver one overarching outcome: *To increase the understanding and acceptance of the impacts and business case for using credible standards systems.*

To this end, ISEAL engaged with an average of over 2,450 business leaders each year over the course of the project to support their implementation of credible sustainability standards, and has produced impacts and business messaging on the use of sustainability standards that has been seen by over 88,000 people. Through the efforts of ISEAL and its members, certification continues to grow in the emerging economies, with the average annual growth of ISEAL member production certificates at 36%.

As documented below (under 'Measurements of Outcome'), ISEAL has reached out to a growing business audience to raise awareness around the impact and business case of using credible sustainability standards.

Area of action: lend capacity to Global Compact Local Networks and/or the UN Global Compact in New York.

ISEAL has been collaborating with UNGC UK and the UNGC Headquarter in New York. These exchanges have mainly focussed on how sustainability standards and sustainable supply chain management are key elements in private sector approach to implementing the SDGs.

ISEAL has been a participant in the activities and consultations of the UK Stakeholders for Sustainable Development (UKSSD) - of which UNGC UK is a co-organizer. As the UK Government looks to consult stakeholders such as UKSSD on their Voluntary National Review of progress made towards the Sustainable Development Goals, ISEAL will continue to offer support and technical expertise, particularly around SDG8 (Decent Work and Economic Growth) and SDG12 (Responsible Consumption and Production). It is also actively

involved in the World Benchmarking Alliance, which aims to create reliable, public, SDG-benchmarks based on credible tools such as sustainability standards.

Area of action: join and/or support issue platforms and workstreams.

Through its partnership with the Global Living Wage Coalition (GLWC) - which brings together Fairtrade International, the Forest Stewardship Council, GoodWeave International, the Rainforest Alliance, the Sustainable Agriculture Network, Social Accountability International and the international living wage experts Dr. Richard Anker and Ms. Martha Anker - ISEAL supports the mission to improvements in workers' wages in farms, factories and supply chains. ISEAL is also a founding member of the Living Income Community of Practice, an alliance of partners that supports activities focused on improving smallholder incomes towards living income benchmarks, aiming to enable smallholder farmers to achieve a decent standard of living.

ISEAL has released numerous thought pieces and blogs on tackling forced labour in supply chains, raising awareness of this important issue. Through its members, ISEAL also works to promote worker voices and to eradicate child labour. An example of this is our member GoodWeave, which to date has freed 3936 children directly from exploitation.

Part III. Measurement of Outcome

Since our previous Communication of Engagement, ISEAL has achieved a number of outcomes. For more information about ISEAL's activities, outcomes, and impacts, please contact Norma Tregurtha, Director of Policy and Outreach (norma@isealalliance.org).

Raising awareness on supply chain sustainability, standards, and the SDGs: Together with WWF and other partners, ISEAL has been advocating for greater corporate action on the SDGs, in particular through collective supply chain solutions. The report 'SDGs mean business: How credible standards can help companies deliver the 2030 Agenda' has been downloaded over a 1000 times since its launch in early 2017.

Translation of the ISEAL Resources: To support the uptake of credible sustainability standards globally, ISEAL has translated a range of resources into Chinese and Spanish. Both the ISEAL Standard-Setting Code and the Impacts Code were translated into Chinese, while the ISEAL Credibility Principles and a range of video resources were translated into Spanish.

Standardsimpacts.org: In 2016, ISEAL launched its public facing web portal 'Standards Impacts', which houses impacts and business case information on sustainability standards. To date, the website lists over 190 reports, and as of July 2018, has had 88,124 views on its pages. Reports that have driven the most traffic to the website are reports that are business relevant – most notably our Business Benefits Report, and the ISEAL-WWF report titled 'SDGs mean business'.

ISEAL Public Webinars: Between 2015 – 2018, ISEAL hosted a range of webinars as a cost-effective way to reach business and other stakeholders. To complement our webinars aimed at researchers and members, we produced public webinars focused on broader sustainability topics relevant to business stakeholders. The top viewed webinar was titled 'The changing nature of trust and the role of credible standards', and the second most viewed was titled 'Top Trends in Sustainability Standards'. Through these public webinars, ISEAL has had over 1,000 attendees, of which 278 were from the private sector.

Discussing credible standards in Indonesia: In 2017, more than 230 business leaders, sustainability experts and government representatives explored how incorporating sustainability standards and responsible practices into value chains can provide widespread economic, social and environmental benefits to businesses in Southeast Asia in sectors such as fisheries, palm oil, cocoa and forestry. With speeches from United Nations Industrial Development Organization (UNIDO), the Swiss Ambassador for Indonesia and the Indonesian Chamber of Commerce, the event recognised the challenges and need for companies, farmers and fishermen to adapt to sustainable practices.