Welcome

Dear reader,

The strapline of the Sustainable Development Goals (SDGs) is ‘Leaving no one behind’, which current events have demonstrated to be more urgent than ever. With only 10 years left to deliver the SDGs, this is a critical time to move forward together. Collaboration is pivotal to ISEAL’s work, as we see our members work together and with partners across a range of projects to address inequality and other global challenges, such as those on living wage, living income, and gender.

These partnerships drive improvements in key areas from workers’ wages in the farms, factories and supply chains to developing tailored, evidence-based strategies and tools to help organisations tackle systemic gender inequalities.

The number of studies into the impact of sustainability systems increases year on year, showing that standards can and do have positive impacts – including preventing the worst practices and improving profitability for smallholders. However, there is much more to learn about the conditions under which they do and don’t create impacts.

In 2019, we launched Evidensia.org with the World Wide Fund for Nature (WWF) and Rainforest Alliance: a website hosting evidence on the effectiveness and impacts of sustainability and supply chain tools and approaches. Evidensia allows us to focus on key sustainability issues, providing a basis to understand where standards work best and where other tools are needed.

Benchmarks are often used to assess and qualify sustainability standards, corporate policies or other initiatives. To help ensure the quality, transparency and alignment of benchmarking processes, we also launched the ‘Sustainability benchmarking good practice guide’, produced through global consultation.

The Innovation Fund remained the cornerstone of our innovations work. It accelerated our members’ work at a systemic level, including the integration of data technology to create positive change in the sectors in which they work.

Over the last few years, the sustainability environment has changed significantly – and our members have evolved in response. We developed our new membership structure to reflect the diversification of sustainability approaches, which we look forward to launching.

What happens next in delivering the SDGs is fundamental – and we need to do it together. I would like to thank our members, Board and funding partners for their critical support.

KARIN KREIDER
EXECUTIVE DIRECTOR

ISEAL is the global membership organisation for ambitious, collaborative and transparent sustainability systems
ISEAL delivers credibility expertise

"Sustainability benchmarking good practice guide" helps ensure quality, transparency and robustness when benchmarking standards, policies and tools.

ISEAL convened stakeholders for a conversation on what credibility means at the India Sustainability Standards Conference.

ISEAL brought together members across China to deepen their understanding of the policy environment.

ISEAL provides accessible evidence on the impacts of sustainability systems

- Reports
- Multi-media resources
- Visual summaries
- Mapping evidence, issues and outcomes

The growing body of research shows that standards systems can and do have positive impacts including:

- Preventing the worst practices
- Improving profitability for smallholders
- Conserving biodiversity and tree cover
- A deeper understanding of how standards contribute to sustainable livelihoods and poverty alleviation, informing improvement strategies

ISEAL members consistently improve their systems

29 Projects supported by ISEAL Innovations Fund helping standards:

- Deliver cost reductions, increase benefits and/or efficiency gains as better data managers
- Contribute to sector transformation by ensuring that benefits accrue to smallholders and SMEs
- Deliver measurable impact at a landscape level

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Projects supported by ISEAL Innovations Fund helping standards: $4.7m Swiss Francs granted over the last 3 years

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ISEAL’s Demonstrating and Improving Poverty Impacts project provides:

The Living Income Community of Practice helps to increase understanding of living income measurement and strategies to close the income gap, through outreach, workshops, webinars and discussions.

www.living-income.com

The Global Living Wage Coalition deepens knowledge of workers’ wages in farms, factories and supply chains.

www.globallivingwage.org

The Gender Working Group focuses on driving systemic change for women in supply chains by bringing together sustainability standards and other multi-stakeholder initiatives to learn how they can maintain gender concerns and equity in their systems and work.

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ISEAL Credibility Principles

ISEAL’s Credibility Principles have provided an international reference for defining the foundations of credible practices for sustainability standards since they were developed through a global multi-stakeholder consultation in 2013.

In 2019, we reviewed how the principles have been used and adopted. In 2020, we are conducting consultations to update the principles to reflect current and future trends affecting standards and similar systems.

"ISEAL is at a critical point in its evolution. The sustainability landscape has evolved significantly since the Credibility Principles were first introduced, including alternative credible pathways to defining and promoting sustainable practices and their associated outcomes. It is important that the revised principles position ISEAL and the sustainability movement for the future."

CHISARA EHIEMERE
ASSURANCE DIRECTOR, FIELD TO MARKET
Financials

Funding partners
In addition to our members’ financial and in-kind contributions, ISEAL also received generous support in 2019 from the following institutions:

- Business for Social Responsibility
- Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH
- eco.business Fund Development Facility
- Ford Foundation
- Global Environment Facility
- Ministry of Foreign Affairs, The Netherlands
- State Secretariat for Economic Affairs, Switzerland (SECO)
- The David and Lucile Packard Foundation
- Walton Family Foundation
- World Wildlife Fund Inc. (WWF)

As of 31 December 2019 – audited with comparative totals for financial year 2018

<table>
<thead>
<tr>
<th>Income (in GBP ‘000)</th>
<th>2018</th>
<th>2019</th>
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<tbody>
<tr>
<td>Membership and Community</td>
<td>779</td>
<td>866</td>
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<tr>
<td>Government</td>
<td>1,843</td>
<td>2,251</td>
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<tr>
<td>Foundation</td>
<td>668</td>
<td>731</td>
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<tr>
<td>Total income</td>
<td>3,290</td>
<td>3,848</td>
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<table>
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<tr>
<th>Expenses</th>
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<tbody>
<tr>
<td>Research and Evidence</td>
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<tr>
<td>Policy and Projects</td>
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<tr>
<td>Innovations Fund</td>
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<tr>
<td>Global Living Wage Coalition</td>
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<tr>
<td>Membership, Services and Compliance</td>
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<tr>
<td>Organisation</td>
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<tr>
<td>Communications and Development</td>
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<tr>
<td>Finance, Operations and Governance</td>
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<tr>
<td>Total expenses</td>
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<tr>
<td>Overhead</td>
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<tr>
<td>Total expenses</td>
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Surplus
- Taxation provision -50
- Reserves at start of year 634 660
- Reserves contribution to Credibility Principles -45
- Reserves at end of year 660 595

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Our committees
The ISEAL Board has three sub-committees. These committees bring together representatives from ISEAL member organisations and external stakeholders who have a strong overall understanding of the standards world and the larger sustainability agenda.

ISEAL Board sub-committees:
ISEAL Membership Committee
ISEAL Finance Committee
ISEAL Technical Committee

ISEAL Stakeholder Council
The Stakeholder Council is made up of sustainability leaders and experts from the private and finance sectors, NGOs, governmental bodies and academic institutions, who meet annually to discuss how ISEAL members can effectively respond to opportunities and challenges in the rapidly evolving sustainability landscape.

“A special thanks to the ISEAL Board members whose service ended during 2019
Anne-Marie Fleury, Responsible Jewellery Council
Darrel Webber, Roundtable on Sustainable Palm Oil
Britta Wyss Bisang, Rainforest Alliance

“Through collaboration and learning, ISEAL members find opportunities to align their work, leverage information and build a picture of performance and risks at various levels. This allows ISEAL and its members to identify the most effective enabling conditions and strategies to drive improvement and deliver impact at scale.”

CHRIS NINNES
BOARD CHAIR