Welcome

Dear reader,

In 2020, the world faced unprecedented challenges and disruption. The Covid crisis set back years of development work, making our mission even more pressing. Sustainability challenges like deforestation, rural poverty and progress on human rights require ambitious, collective responses, and sustainability systems – such as standards and similar tools – have a powerful role to play.

Our new membership structure, launched in 2020, brings together a variety of systems to collaborate, explore and test new innovations. We also reviewed our Credibility Principles – the core values on which effective sustainability systems are built – to make them future-focused and relevant for a diverse range of approaches.

Increasingly, sustainability systems and their partners are going beyond the individual production unit to create scalable solutions to global sustainability challenges. ISEAL kept up its support of system-wide change through the Living Income Community of Practice and Global Living Wage Coalition.

We continued to develop solutions to sustainability challenges through our research and collaborations – from insights into how standards can go further to uphold the free, prior and informed consent (FPIC) of indigenous communities, to work on measuring a living income for farmers.

Many of our members are now involved in landscape/jurisdictional approaches. The ISEAL Innovations Fund is supporting new ways to increase sustainable practices within a region or jurisdiction. We also released a good practice guide on credible jurisdictional claims.

As the environmental crisis and social inequality mount, the need to show results and report impact has never been more important. Through monitoring and verification, sustainability systems collect a wealth of unique data. As auditing systems quickly evolved in the face of the pandemic, we saw how new technology and data tools can improve assurance and add value.

To help keep responsible supply chains operational under crisis conditions, ISEAL has been capturing this emerging innovation in remote auditing. A good practice guide is now underway, drawing on the experiences of assurance professionals and lessons learnt from ISEAL funded pilot projects.

Like many, we will learn from our responses to the Covid crisis and use this to accelerate innovation and improvements. Through our 2021-24 strategy, we’re aiming to increase our impact in tackling the biggest sustainability challenges of our time.

I am grateful for the generosity and support of our donors, members and their partners in delivering real, lasting, positive change.

KARIN KREIDER
EXECUTIVE DIRECTOR

ISEAL is the global membership organisation for ambitious, collaborative and transparent sustainability systems
2020 ISEAL highlights

ISEAL SUPPORTS THE DEVELOPMENT OF COLLABORATIVE SOLUTIONS TO GLOBAL CHALLENGES

800+ RESOURCES ON www.evidensia.eco makes sustainability impacts research easily accessible

ISEAL’s REPORT ‘Voluntary standards & FPIC’ supports sustainability standards in protecting the rights of indigenous peoples and local communities

THE Global Living Wage Coalition launched the new Anker Reference Value methodology to measure and improve living wages and living incomes around the world

THE Living Income Community of Practice provides guidance on measuring and calculating smallholder household incomes, which can be used to assess the income gap: the GAP between living income and actual income

ISEAL SUPPORTS IMPROVEMENT IN THE ACCURACY AND RELIABILITY OF SUSTAINABILITY SYSTEMS

ISEAL fostered a common understanding of good practice for integrating remote auditing techniques into assurance systems across the membership and with the broader standards community

ISEAL’s REPORT ‘Performance metrics for key sustainability issues’ helps sustainability systems to select performance metrics that can be used to understand, respond and make claims around sustainability performance and impact

6 new projects supported by the ISEAL Innovations Fund to boost sustainability at a landscape level

ISEAL DEFINES CREDIBLE PRACTICE FOR SUSTAINABILITY SYSTEMS

27 members are supported through a dynamic learning community

ISEAL is helping to shape and strengthen landscape and jurisdictional initiatives, including through partnerships in Brazil, Indonesia & Malaysia

189 respondents across 33 countries provided feedback that guided the update of our Credibility Principles for a wider range of sustainability approaches

‘Making credible jurisdictional claims’ good practice guide helps landscape initiatives and the companies they work with to make credible sustainability claims

ISEAL’s REPORT ‘Making credible jurisdictional claims’
ISEAL Credibility Principles

Since they were developed in 2013, ISEAL’s Credibility Principles have defined the foundation of credible practice for sustainability standards.

In 2020, we held international stakeholder consultations to update the principles so that they remain current and apply equally to sustainability standards and the wider range of systems that we see operating in the marketplace.

“ISEAL’s Credibility Principles provide a set of common values that all sustainability systems and tools should share so we can achieve similar ambitions and contribute to social and environmental impacts.”

JOANA BARATA CORREIA
IWAY DEVELOPMENT MANAGER, INTER IKEA GROUP

Funding partners
In addition to our members’ financial and in-kind contributions, ISEAL also received generous support in 2020 from the following institutions:

• Business for Social Responsibility
• Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH
• Global Environment Facility
• IDH The Sustainable Trade Initiative
• Laudes Foundation
• State Secretariat for Economic Affairs, Switzerland (SECO)
• The David and Lucile Packard Foundation
• The Walmart Foundation
• Walton Family Foundation
• World Wildlife Fund Inc. (WWF)
As of 31 December 2020 – audited with comparative totals for financial year 2019

<table>
<thead>
<tr>
<th>Income (in GBP)</th>
<th>2019</th>
<th>2020</th>
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<tbody>
<tr>
<td>Membership and other fees</td>
<td>866,000</td>
<td>828,000</td>
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<tr>
<td>Government</td>
<td>2,250,000</td>
<td>2,592,000</td>
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<tr>
<td>Foundation</td>
<td>731,000</td>
<td>549,000</td>
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<tr>
<td>NGOs</td>
<td>112,000</td>
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<tr>
<td><strong>Total Income</strong></td>
<td><strong>3,847,000</strong></td>
<td><strong>4,081,000</strong></td>
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<table>
<thead>
<tr>
<th>Expenses</th>
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<th>2020</th>
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<tbody>
<tr>
<td>Innovations</td>
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<tr>
<td>Research and Evidence</td>
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<tr>
<td>Sustainability Solutions</td>
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<td>324,000</td>
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<tr>
<td>Communications and Outreach</td>
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<td>440,000</td>
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<tr>
<td>Innovations Fund</td>
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<td>1,505,000</td>
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<tr>
<td>Membership, Services and Credibility</td>
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<tr>
<td>Taxation</td>
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<tr>
<td><strong>Total expenses</strong></td>
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<td><strong>4,051,000</strong></td>
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<thead>
<tr>
<th>Surplus (deficit)</th>
<th>2019</th>
<th>2020</th>
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<tr>
<td>-65,000</td>
<td>30,000</td>
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| Reserves at start of year | 660,000 | 595,000 |
| Reserves contribution to Credibility Principles | 5,000 |
| **Reserves at end of year** | **595,000** | **630,000** |

Income
- Membership and other fees
- Government
- NGOs
- Foundation

Expenses
- Innovations
- Sustainability Solutions
- Communications and Outreach
- Innovations Fund
- Membership, Services and Credibility
Governance

ISEAL Board of Directors as of 31 December 2020

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.

“With our new structure, we’re excited to welcome a broader range of initiatives to our membership community, such as data-driven and landscape approaches. ISEAL has a wealth of experience in voluntary standards to share and we look forward to exchanging with new systems and approaches.”

CHRIS NINNES
BOARD CHAIR

© GEO

NICOLAS GUICHOUX
MARINE STEWARDSHIP COUNCIL

FRANK HARNISCHFEGER
FOREST STEWARDSHIP COUNCIL

ANDREAS KRATZ
FAIRTRADE INTERNATIONAL

ALEX MORGAN
RAINFOREST ALLIANCE

DANIELLE MORLEY
BONSUCRO

CHRIS NINNES
BOARD CHAIR/AQUACULTURE STEWARDSHIP COUNCIL

JONATHAN SMITH
GEO FOUNDATION

LENA STAAGARD
BETTER COTTON INITIATIVE

IRIS VAN DER VEKEN
RESPONSIBLE JEWELLERY COUNCIL
 COVER PHOTO Manufacturing a Gyapa clean cookstove in Ghana. Photo by ClimateCare, a Gold Standard partner. Gold Standard is an ISEAL Code Compliant member that aims to maximise the impact of climate and development activities. It was developed to ensure projects that reduce carbon emissions feature the highest levels of environmental integrity and contribute to sustainable development.