

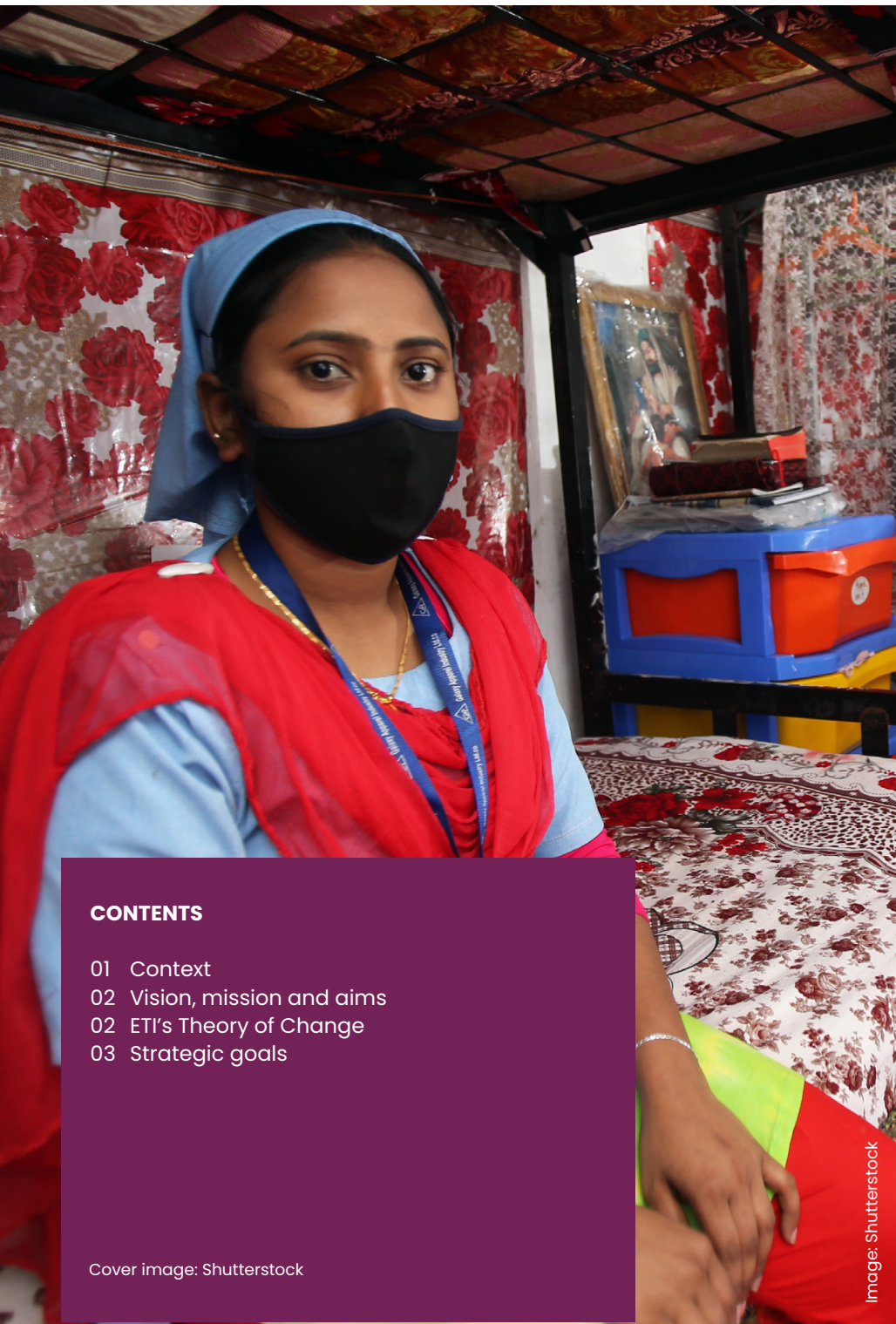


Ethical
Trading
Initiative



ETI Strategy 2026

For human rights,
for better business



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Context

Today there are still far too many workers who are treated with indignity and lack the basic rights at work we are all entitled to. Particularly for women, migrants and many other vulnerable groups, work often fails to offer much-needed security or a route out of poverty.

In too many places, long hours for low wages remains the norm. Too many workers are subjected to threats and violence or are discriminated against, and when they try to take collective action face verbal, physical and legal attacks. Such conditions are simply unacceptable.

The final cost of a garment to wear, or food to eat, or even a service provided in a consumer society, can and should ensure that all workers' rights are respected along the value chain. The laws that govern commerce and the commercial relationships that turn ideas and raw

materials into products and services, must ensure that people, wherever they work, have their basic human rights respected.

The past two years have thrown into sharp relief how, for a long time, we have been addressing the symptoms of a flawed system rather than the system itself. Covid-19 and the rising tide of climate change present us with an opportunity to do things differently and drive progress in addressing the issues that workers face in supply chains. We also know that gender continues to affect the way workers are treated and this needs to inform our thinking.

ETI's post-2021 strategy is not only relevant as we emerge from the current crises but builds on historical experience so that we can help better understand and shape the "new normal". We have spent the last year embedding and delivering on this strategy, supporting members and facilitating a united, multi-stakeholder approach to drive resilience and sustainability. This document sets out our intentions as we forge ahead with our members over the next five years.

Vision, Mission and Aims

Vision

ETI's vision is a world of work where everyone's human rights are protected and respected.

Mission

ETI's mission is to advance human rights in global supply chains through collaboration between businesses, trade unions, and NGOs. We work to address systemic barriers, strengthen respect for human rights, and drive lasting change.

Five year aims

1. Leverage the influence of our members to reach more than 15 million workers in their supply chains.
2. Harness the power of a growing and diverse membership, to demonstrate impact in key issues that matter for workers.
3. Ensure ETI and our members are recognised leaders in promoting human rights at work.



ETI's Theory of Change

ETI's Theory of Change connects what we do day to day, our ability to convene and influence members and the outputs of this work.

It also reflects the change company members affect in their supply chains, impacting approximately 15 million workers and collectively influencing responsible business practices at large.

We work to influence change in business practices* with the understanding that these have direct impact on workers and sit within an overarching business model**. Focusing our efforts at this level within business enables ETI to improve outcomes for workers across different types of business models/ global supply chains irrespective of business model.

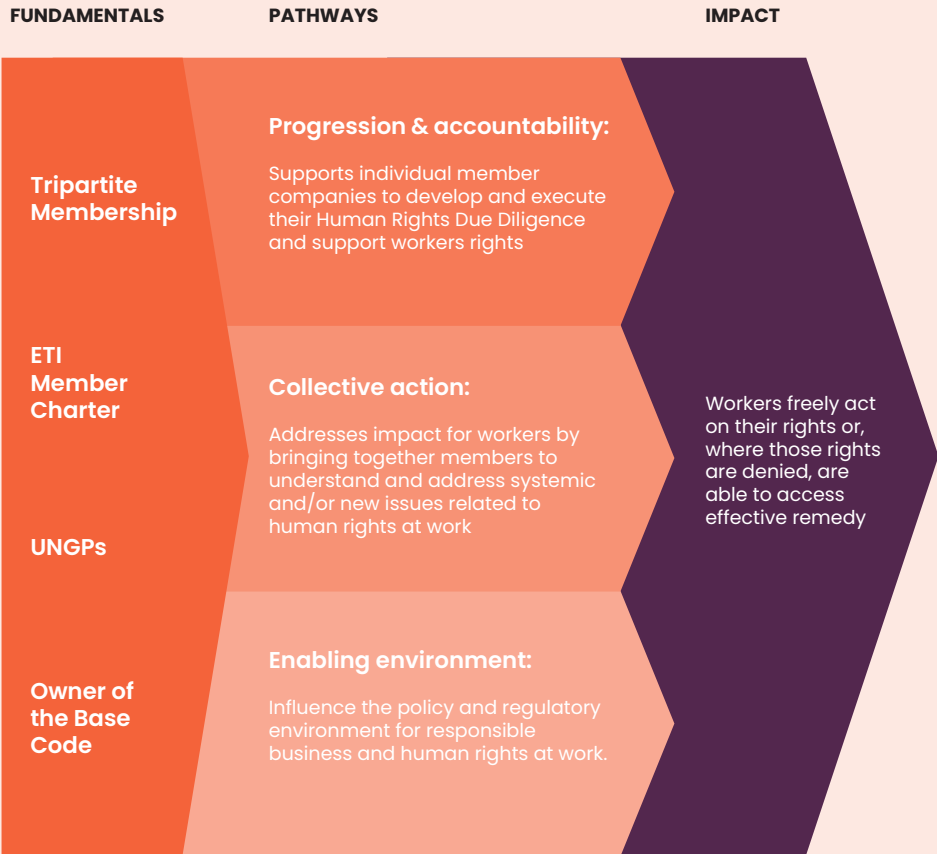
ETI influences business practices through three essential pathways:

1. Progression & accountability
We support individual member companies to develop their approach to human rights due diligence (HRDD) and actions across their supply chains. Using the ETI Progression Framework, which takes account of governance and policy

as well as the practical tools for working with suppliers, we support member companies to apply the UNGPs. This framework enables ETI to help businesses implement the ETI Base Code and meet the growing need to demonstrate and report on HRDD, directly benefiting workers in their supply chains. In support of individual action, we share good practice, host a community for shared learning and collaboration, and when needed, hold members to account to meet the expectations set out in our Charter.

When a company, trade union or NGO joins ETI, they commit to the ETI Charter. For companies, this includes a commitment to implement the ETI Base Code, report against the requirements within the Corporate Transparency Framework and follow our Progression Framework. Members are held to account to engage effectively within ETI, to take action to identify and address salient risks and to work with other members to address wider change. We acknowledge that from time-to-time business members will be confronted with challenges in their supply chain. How they approach these and engage in driving positive change, is our measure of a company's commitment to creating a positive outcome for workers.

ETI theory of change summary



***Business Practices** Any tactic or activity a business conducts to reach its objectives. This can relate to, but is not limited to, the choice of purchasing practices, recruitment, sourcing locations, partnerships, policies or incentives that will guide and direct the business. These can and should evolve over time to adapt to a changing market environment.

****Business Models** High-level model for profitably delivering products and services within a specific customer marketplace. In its simplest form a business model sets out clear business objectives and identifies the products and services it can deliver that align with these, and how the various inputs, processes, services and resources are combined to achieve success.

Purchasing Practices A type of business practice, purchasing practices are the actions taken by a buying company to purchase a product or service (in whole or in part) from a supplying business. They encompass design and product development, planning and forecasting, critical path management, contracts, technical specifications, order placement and lead times, cost and price negotiations, payment terms and the underlying behaviours, values and principles of purchasers which impact supplying companies and ultimately workers' lives.

2. Collective action

Recognising that some issues and problems are systemic or involve more than one company, we leverage our membership to convene on workers' rights issues and act collectively to resolve them.

Drawing on the knowledge, networks, and skills of our different members we can develop the collective understanding and practical approaches needed to tackle the more complex problems that impact workers worldwide.

Whether this is a short-term response to a case of abuse, a reported grievance with wider impact or tackling global issues, such as the impact of climate change, ETI collaborates to create practical solutions that can be applied by business and create positive impacts for workers. Beyond our members, ETI engages with other stakeholders as needed to inform our approach and share lessons learned.

3. Enabling environment

Businesses and supply chains do not exist in isolation of any other influence on how workers are able to access their rights. Government has a key role as both business and workers are affected by the prevailing regulatory and policy environment, which can in turn be influenced by international conventions, laws, and trade agreements.

ETI works with members to influence the policy and regulatory environment that enables responsible business and effective action by all along the supply chain to ensure respect for human rights at work.

This can be at a multi-lateral level (for example with the ILO, on support for Convention 190), at regional level (such as with the EU, on mandatory human rights due diligence), at a national level (such as the implementation of a new apprenticeship policy in India), or more often at local level (for example, to ensure existing policies).

3bn

3 billion of the world's poor live on less than two dollars a day.



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Strategic Goals

	GOALS	SUCCESS OUTCOMES
MISSION GOALS	Goal 1 ETI members adopt business practices that deliver better impact for workers and meet the UNGP requirements for business.	1. Member companies adopt agreed responsible business practices. 2. Suppliers report improved conditions that supports an enabling environment for workers' rights. 3. Evidence of the value of good business practice for business and workers documented and shared.
	Goal 2 ETI demonstrates leadership on human rights at work, informing company best practice in adopting the UNGPs and demonstrating positive impact for workers.	1. ETI's sector strategies are successfully implemented and driving practical action by business. 2. ETI has visibility of and is supporting members to address the key salient issues in their supply chains. 3. All members are meeting the minimum Corporate Transparency Framework requirements. 4. ETI's collaborative initiatives have strong and relevant member participation and documented positive outcomes for workers. 5. ETI's Strategic partnerships and global growth plans enable ETI members and a wider network of stakeholder to demonstrate best practice application of the UNGPs, and upholding of human rights at work.
	Goal 3 ETI member companies, NGOs and worker organisations are better prepared to manage human rights at work to mitigate the impact of shocks and transitions, such as climate change.	1. ETI members understand the case for managing and mitigating the impact of transitions on workers. 2. Member companies, trade unions & NGOs demonstrate application of HRDD to transition pathways, participate in toolkit development and test models of Social Dialogue. 3. New transition models are adopted by external stakeholders.
BUSINESS GOALS	Goal 4 Enhanced membership, experience fosters greater collaboration and action to ensure member satisfaction and progression on positive impact for workers.	1. Member retention and growth remain consistent. 2. Member satisfaction and participation is high. 3. The tri-partite membership community is active and engaged.
	Goal 5 Attract, retain and develop a strong team who are motivated and equipped to deliver the organisational strategy and ensure ETI is recognised as a celebrated employer.	1. High quality and motivated team empowered to deliver on strategy. 2. Staff are supported to develop skills and abilities year on year. 3. ETI consistently attracts and retains high quality staff.
	Goal 6 Ensure a sustainable and financially viable organisation with resources that match our ambition to drive change.	1. Increased and diversified membership drives progress and core financial sustainability. 2. Funding for key strategic objectives is secured and sustained. 3. Funding streams are diversified to reduce risk.

For human rights, for better business

ETI is a leading alliance of trade unions, NGOs and businesses, working together with key stakeholders to promote practical solutions to end the abuse of human rights at work.

Our vision is a world of work that protects human rights, ensures dignity for all, provides opportunity and is free of exploitation and abuse.

Ethical Trading Initiative
KP LHB04, Lincoln House,
1-3 Brixton Road
London SW9 6DE
United Kingdom

+44 (0)20 7841 4350
eti@eti.org.uk
[@ethicaltrade](https://www.ethicaltrade.org)
[ethicaltrade.org](https://www.ethicaltrade.org)