



Ethical
Trading
Initiative



ETI's Theory of Change

A world of work that
protects human rights

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

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Introduction

Driving change to achieve our vision

A theory of change describes the links between what an organisation or programme does, its activities and interventions, and the outcomes and impact that it seeks to achieve, taking into account the context and key externalities.

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

Our **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.

ETI has developed a Theory of Change (ToC) to illustrate how we drive change in line with our mission and vision.

Our ToC reflects the ETI approach to achieving these aspirations. The ToC 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.

12.3m

Some 12.3 million people globally are forced to work for their employers.

Practical solutions to real world problems

There are some fundamental characteristics that define and guide ETI and informs how we work.

These include:

Our membership comprises companies, trade unions and NGOs. By effectively combining the strengths and influence of these three groups we can have most impact.

The ETI Member Charter establishes the commitments and expectations of ETI and our membership, and how we work and collaborate for impact. It is through these commitments that ETI holds its members to account.

The ETI Base Code is founded on the conventions of the International Labour Organisation (ILO). It is an internationally recognised code of labour practice which all ETI members are expected to implement.

The UN Guiding Principles on Business and Human Rights (UNGPs) are used as a framework for ETI's work and guidance to business. We use the UNGPs to influence the wider external environment and sectors our members operate in.

Our practical expertise has been garnered over 24 years convening for change, influencing business and promoting human rights at work, to inform our expert advice, guidance and advocacy. This reflects our experience in applied solutions to real world problems that benefit workers and business.

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Three main pathways to affect change

ETI works to influence change in business practices¹ with the understanding that these have direct impact on workers and sit within an overarching business model.²

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

¹**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.

²**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.



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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.

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 stakeholders 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 and laws that benefit workers are respected).

3bn

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



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To create better practice, we work to reinforce and drive collective solutions to workers' rights issues.

What we do

Driving continuous improvement

Outputs

While ETI undertakes several different activities, including implementing projects that aim to directly change the conditions of workers, most of our efforts focus on our ability to bring about positive change amongst businesses, our members and business practices more widely.

The direct outputs of our work focus on ensuring that businesses adopt strategies and policies which are relevant and informed by human rights due diligence (HRDD), the ETI Base Code and international norms. We drive business to ensure both mitigation and remediation actions are identified, implemented and lessons are shared. This is encouraged and supported by increased transparency through public reporting.

To create better practice, we work to reinforce and drive collective solutions to workers' rights issues. We work with members and employ their leverage as advocates to engage with key decision makers and facilitate a more enabling business environment for meaningful policy and regulatory change.

Outcomes

Acknowledging that there are other factors that also influence systemic change, we are clear about what we aim to influence through our efforts.

Action: We want to see businesses independently take action to mitigate risk to workers' rights in their supply chains and ensure appropriate remediation through alignment with a meaningful HRDD approach.

Mitigation: ETI works with members to identify risks and put in place mitigation actions to prevent harm to workers in different situations. Recognising the impact that climate change and technological innovation will have, we also want to see businesses take action to understand and mitigate the impacts of these transitions in their supply chains.

As our member companies develop, we want to see this translate into improved policies and practices, both at a company level and across different tiers of their supply chains.

What we do

Enablement: We work with businesses to ensure they are working to foster an enabling environment for workers. This includes enabling worker representatives can effectively engage with businesses on their rights and address any barriers they face. If our advocacy efforts are successful, we want to see governments improve and enhance respect for human rights at work in their policies.

12.3m

Some 12.3 million people globally are forced to work for their employers.

6,000

Every day 6,000 people around the world die from work-related accidents or diseases. Most of these tragedies could be prevented.



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The way we see the world

The following assumptions are crucial for our theory of change to function as we have designed it. We believe these assumptions hold true – in the event that they don't, we will reassess our TOC.

One-on-one consultation with corporate members results in improved business practice and policy, which produces actual positive outcomes for workers.

- We account for this through our Member Charter, which mandates continuous improvement, and through the development of increasingly robust accountability mechanisms, which are monitored on an ongoing basis.

Better business practice and policy has the potential to improve outcomes for workers.

- Academic research out of Cornell University looking at large sets of auditing data on labour rights confirms that improving purchasing practices of businesses was one of the best ways to consistently improve worker outcomes. We account for this assumption by leading, contributing to and influencing our members to participate in initiatives that measure progress and drive change.¹

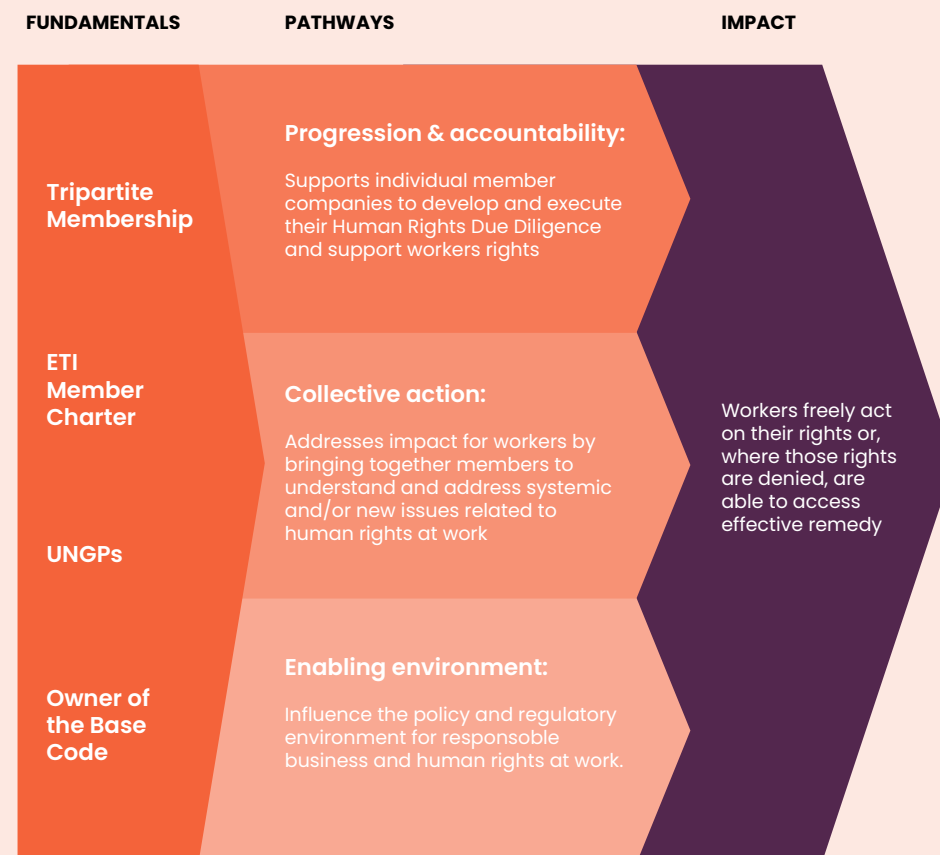
Companies identify the benefits of collective action.

- We mitigate this assumption by capturing and sharing case studies on progress made because of collective activities and leveraging an existing membership base that testifies to the merit of ETI membership and collective action.

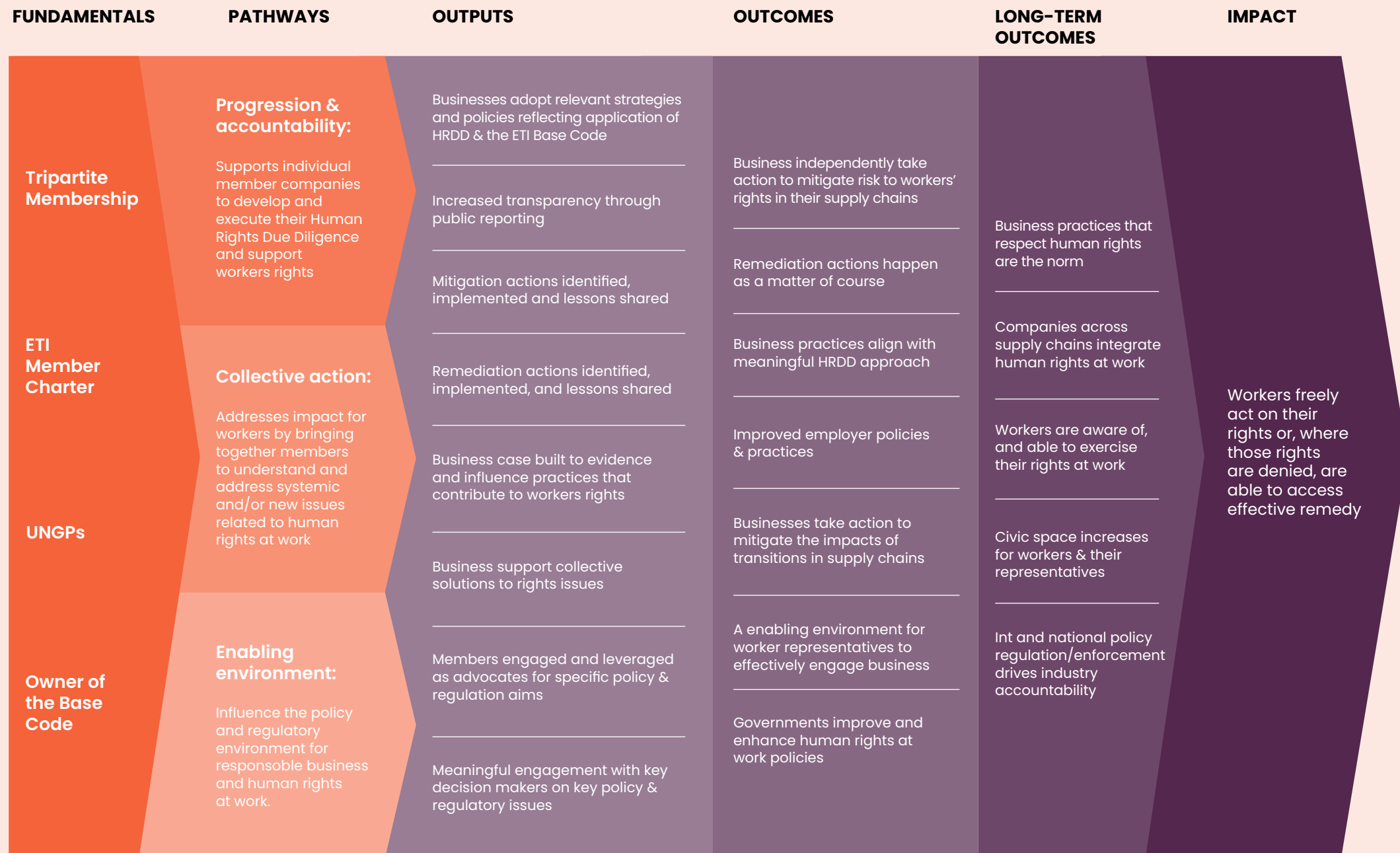
Businesses will continue to identify the value of engaging with ETI and other MSIs with the aim of ongoing continuous improvement.

- Progression only works if companies choose to participate in their membership. Historically they have done so for a variety of reasons but in all they do so because there is an enabling environment which encourages their motivations for continuous improvement. This might come from a moral imperative on their part, moral pressure from consumers and civil society and or the legal regimes in place. We account for this by facilitating an enabling environment, in building global partnerships for advocacy and through our efforts towards collective action.

ETI theory of change summary



¹Kuruvilla, Sarosh. Private Regulation of Labor Standards in Global Supply Chains: Problems, Progress, and Prospects. Cornell University Press, 2021. P238 & Chapter 8. Vaughan-Whitehead, Daniel, and Luis Pinero Caro. "Purchasing practices and working conditions in global supply chains: Global Survey results." INWORK Issue Brief No 10 (2017). https://www.ilo.org/wcmsp5/groups/public/---ed_protect/---protrav/---travail/documents/publication/wcms_556336.pdf



Achieving our vision

Longer-term outcomes

ETI aims to bring about the following long-term outcomes in this strategic period:

Business practices that respect human rights are the norm.

Companies across supply chains integrate respect for human rights at work.

Workers are effectively represented through systems of mature industrial relations.

Workers are aware of, and able to exercise their rights at work.

Open and increased civic space facilitates free action by workers and their representatives.

Industry accountability is upheld and driven by international and national policy regulation and enforcement.

¹Key environmental factors that affect our work are things like the state of the global economy and trade rules, shocks such as financial crisis, pandemics, and conflict. Specific at country level national law and policy implementation will have a significant impact. While all these factors do occur at times, over the longer term it is whether they create significant and lasting factors resisting progress.

Impact

If we can influence change in the ways outlined above, and our assumptions about the external environment hold true¹, then with and through our members ETI aims to see an eventual impact where workers freely act on their rights or, where those rights are denied, are able to access effective remedy.

We aim to see an eventual impact where workers freely access their rights, and where those rights are denied, are able to access effective remedy.

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.

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