

Stages of responsible disengagement

What is responsible disengagement?

Responsible disengagement means withdrawing partially or fully from a business relationship or operating context in a way that identifies, prevents and mitigates impacts on the rights of people in the supply chain, in line with international standards, collective bargaining agreements and national laws. Regardless of the reasons for disengagement, companies are expected to consider its consequences for potentially affected people.

The stages of responsible disengagement

Responsible disengagement is more than deciding whether to exit an operating context or business relationship. It is a proactive strategy that aims to identify, prevent and address negative impacts that may arise as a result of the disengagement. The process involves four stages:



1
**Early
preparation**



2
**Decision
making**



3
Execution



4
**Post-disengagement
action**



This document provides a summary of the key steps for responsible disengagement, drawn from ETI's full Technical Guidance. For broader context, case studies, and detailed considerations, refer to the complete guidance.



1 Early preparation

Policies & governance for responsible disengagement



Continuous HRDD & responsible purchasing



2 Decision making

Trigger for disengagement

Assess human rights risk



Would sourcing shift increase human rights risk?

Could the relationship adapt?

Would disengagement be consistent with human rights obligations?

Evaluate leverage

Is collective action appropriate?

informed decision

Stay / adapt

Disengage

Human rights corrective action plan



3 Execution

Develop disengagement plan that prevents & mitigates human rights risk.

Execute plan

Ensure effective grievance mechanisms and engagement



4 Post-disengagement action

Continue to monitor impacts and remediate harm

Continuous HRDD informed by meaningful stakeholder engagement

1 Early preparation

Embed responsible disengagement into business practices early by establishing clear policies, integrating HRDD from the start, and adopting responsible purchasing practices to build resilience and leverage.



Policies & governance for responsible disengagement

- ▶ Define company responsibility for disengagement aligned with human rights obligations.
- ▶ Set clear steps for preparation, decision-making, and execution – including stakeholder engagement.
- ▶ Assign governance roles across functions.
- ▶ Include leverage mechanisms (eg, contractual clauses, escalation pathways, collaboration with peers, civil society, and trade unions).

Continuous HRDD & responsible purchasing

- ▶ Start HRDD from the beginning of the relationship; review regularly and when contexts change.
- ▶ Map stakeholders and assess potential impacts of disengagement.
- ▶ Strengthen systems and supplier relationships to support protection of workers in the event of change.
- ▶ Embed responsible purchasing practices across functions, to help build supplier resilience and preparedness for change.

2 Decision making

Regardless of drivers, decisions on disengagement should be guided by the company's responsibility to respect human rights and by careful consideration of potential impacts.



Assess human rights risks

- ▶ Identify potential adverse impacts from disengagement.
- ▶ Consider supplier financial stability and dependency on your orders.
- ▶ Assess cumulative impacts if multiple buyers disengage.
- ▶ Review contextual risks for workers (poverty, lack of safety nets).
- ▶ Factor in any exacerbating conditions increasing severity or likelihood of risk.

Would disengagement be consistent with human rights obligations?

Consider the wider implications of disengagement and, depending on drivers and context, whether an alternative approach would lead to better human rights outcomes.

▶ **Would the sourcing shift increase human rights risk?**

- When companies shift to cheaper production in countries with weaker labour protections, it discourages suppliers and governments from investing in better standards (eg, living wages, benefits, collective bargaining).

▶ **Could the relationship adapt?**

- Consider, for example, options for climate-resilient production or alternative crops/products.
- Support skills development and social dialogue for just transitions.

▶ **Evaluate leverage**

- Assess existing leverage to influence improved human rights outcomes.
- Determine if leverage can be built or strengthened.
- Prioritise engagement over withdrawal when leverage exists.
- Disengage only if leverage is insufficient and risks cannot be mitigated.

▶ **Is collective action appropriate?**

- Connect with peers if multiple disengagements are likely.
- Collaborate to reduce cumulative impacts on workers.
- Coordinate with trade unions, civil society and local actors for solutions.

Make an informed decision to stay and adapt, establish a human rights corrective action plan, or disengage from the business relationship.

3 Execution



Once the decision to disengage is made, the process must be managed responsibly to minimise harm. This involves creating and implementing a disengagement plan and taking steps to prevent and mitigate adverse impacts on workers and other stakeholders.

Develop a disengagement plan that prevents and mitigates human rights risks

- ▶ Draft collaboratively with internal teams (eg human rights and buying), suppliers and worker representatives.
- ▶ Draw on company policies, contracts, HRDD requirements and international standards.
- ▶ Agree on mitigation measures and allocate resources.
- ▶ Engage stakeholders early; include grievance and remediation pathways.
- ▶ Explore collective action with peers, civil society, and unions.
- ▶ Set a clear, phased timeline aligned with risk severity and supplier dependency.
- ▶ Provide support (eg, training, technical help or early severance if needed).

Execute the plan

- ▶ Maintain clear, timely, and written communication with the supplier, including reasons, efforts made, and agreed timelines.
- ▶ Allow ongoing dialogue for questions and additional mitigation proposals.
- ▶ Implement agreed mitigation measures: notice to workers, technical support, financial assistance, and reskilling where needed.
- ▶ Ensure fair and transparent workforce reductions if unavoidable, respecting rights and agreements.
- ▶ Monitor compliance with severance laws and collective agreements; involve worker representatives.
- ▶ Document all actions and lessons learned for accountability and HRDD improvement.

Ensure effective grievance mechanisms

- ▶ Keep channels open during and after disengagement.
- ▶ Make mechanisms accessible and clearly communicated to workers and stakeholders.

4 Post-disengagement action



Embed responsible disengagement into business practices early by establishing clear policies, integrating HRDD from the start, and adopting responsible purchasing practices to build resilience and leverage.

Continue to monitor impacts and remediate harm

- ▶ Responsibility to assess impacts and remediate harm continues after disengagement.
- ▶ Keep grievance mechanisms open for affected stakeholders.
- ▶ Implement agreed remedies.
- ▶ Monitor effectiveness of mitigation and remediation measures.*
- ▶ Document and report actions for accountability.
- ▶ Review potential for re-engagement and conditions for return.

* Responsibility to monitor impacts typically continues for around six months after disengagement, but the duration should be proportionate to the circumstances – such as the severity of impacts, the operating context and whether the company caused or contributed to harms.

Proportional action based on context

- ▶ Depth of assessment and action should match risk level (likelihood and severity of harm).
- ▶ Low risk: light-touch assessment with internal teams and supplier.
- ▶ High risk: thorough, collaborative assessment with suppliers, workers, and stakeholders.
- ▶ Always be prepared to remediate harm, even if initial risk assessment was low.

Continuous human rights due diligence, informed by meaningful stakeholder engagement, should begin at the start of the business relationship and continue throughout, including for several months after disengagement.