



Ethical  
Trading  
Initiative

Respect  
for workers  
worldwide

# HUMAN RIGHTS DUE DILIGENCE FRAMEWORK

Executive Summary

Businesses operate in an increasingly complex environment. The issue of human rights is a relatively new feature for corporate due diligence, needing new policies and practices in the operations and supply chains of companies. This is driven by the UN Guiding Principles on Business and Human Rights and new legislation on modern slavery and human rights reporting.

## WHAT IS HUMAN RIGHTS DUE DILIGENCE?

Human rights due diligence involves the actions taken by a company to both identify and act upon actual and potential human rights risks for workers in its operations, supply chains and the services it uses.

Most of the due diligence systems we see today are aimed at identifying and understanding risks, but do not include action and prevention.

ETI recommends that companies' approach to human rights due diligence is based on multi-stakeholder engagement and collaborative action throughout the processes of:

- Assessing actual and potential risk
- Identifying leverage, responsibility and actions
- Mitigating risk and remediating workers
- Monitoring, reviewing, reporting and improving

## A FRESH APPROACH

The Ethical Trading Initiative's recommended approach to due diligence is **holistic, inclusive, cost-effective** and drives not only better outcomes for workers but also better business because:

- It calls for an active process based on **discovery, understanding and action**, rather than relying on more passive systems based on compliance;
- It builds **internal knowledge and skill**, rather than outsourcing intelligence and risk management;
- It delivers **better analysis of risks and impacts** because it draws on wide range of stakeholders to provide information on where problems exist;
- It enables **better decision-making** because those that are most directly affected will help to identify the most effective solutions to tackle the problems
- **Lasting and meaningful change** happens when all the critical actors have a say in what should be done and take responsibility for ensuring it happens.
- Companies that reflect their efforts to tackle root causes and collaborative solutions in their human rights and modern slavery reporting will be better able to **stand up to scrutiny by the media, NGOs, trade unions, consumers and investors.**

# ETI HUMAN RIGHTS DUE DILIGENCE FRAMEWORK

*Key steps that companies should take to prevent, manage and mitigate human rights abuses in their own operations and supply chains.*

- Review country risks
- Map supply chains and services and prioritise
- Identify risks to workers by sector, nature of work, type of worker, employment relationships and labour market dynamics
- Identify direct and indirect causes and impacts
- Review HR systems, contracting and recruitment
- Assess workers' ability to access rights to freedom of association and collective bargaining
- Rank risks by severity and degree of responsibility
- Analyse the data, identify next actions and process



## 01. Assess actual and potential human rights risks

## 02. Identify leverage, responsibility and actions

- Assess scale and scope of corporate responsibility, including direct and indirect labour rights impacts
- Assess leverage with suppliers, agents and contractors
- Review sourcing strategies and purchasing practices
- Establish benchmarks and rules for monitoring improvements or termination with suppliers
- Review supplier capacity to manage labour risks
- Review policies and procedures to enable workers to access their right to organise and bargain collectively
- Identify opportunities for collaborative action
- Review corporate decision-making and accountability, policies and systems to manage risks



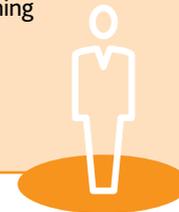
- Track mitigation and remediation actions
- Review decision-making, responsibility and accountability - (especially at senior levels)
- Review information sources and systems – ensure evidence is credible, verifiable and relevant
- Analyse evidence, learn lessons, prioritise next actions and long-term prevention
- Communicate internally and with business partners on human rights due diligence
- Report publicly on steps taken to respect human rights and prevent modern slavery
- Build partnerships and collaborative action



## 04. Monitor, review, report and improve

## 03. Mitigate risk and remediate workers

- Take immediate steps to mitigate human rights abuses
- Provide remediation for workers (avoiding further harm)
- Identify and act on changes to working practices
- Enable workers to access their right to freedom of association and collective bargaining
- Provide training and capacity building on worker-management communication and negotiation
- Engage / collaborate with others (eg other companies, trades unions, government agencies, NGOs, experts, multi-stakeholder initiatives)
- Establish / revise grievance and remediation systems





## EFFECTIVE DUE DILIGENCE IS GOOD FOR BUSINESS

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It enables better visibility of and intelligence on supply chains; aids security of supply with reduced risk of disruption due to labour unrest; systems that improve supplier performance; increased productivity, reduced staff turnover, improved hiring and training; enhanced reputation and credibility.

## CREATING A SAFE SPACE

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ETI's proven ability to make a trusted space creates opportunities for companies, trade unions and NGOs to work together to ensure the most important risks for workers' rights are identified and addressed effectively at each level of the supply chain. It is directly aligned with the ETI Base Code and Principles of Implementation (which are based on ILO Conventions), the UN Guiding Principles on Business & Human Rights, the OECD Due Diligence guidance tools, the SHIFT RAFI framework and the Corporate Human Rights Benchmark. It will enable companies to report and demonstrate action to tackle human rights including modern slavery, forced labour and human trafficking.

ETI provides training and advisory services on due diligence, modern slavery and labour rights.

For further information, please see our website [ethicaltrade.org](http://ethicaltrade.org) or contact [eti@eti.org.uk](mailto:eti@eti.org.uk)

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**Ethical Trading Initiative**  
8 Coldbath Square  
London EC1R 5HL  
UK

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