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Beijing/Zeist/Arlington, tx - September 16, 2021

Global textile and garment manufacturers initiative publishes white paper on commercial compliance

The white paper contains the core principles that manufacturers as part of the Sustainable Terms of Trade Initiative (STTI) do not want to see breached by the companies that buy from them. And it suggests how manufacturers will collaborate to apply commercial compliance in the apparel sourcing business

The initiative, led by the STAR Network, the International Apparel Federation (IAF) and the Better Buying Institute and supported by GIZ FABRIC consists of 13 industry associations from nine countries facing similar challenges regarding purchasing practices in the textile and garment industry. Through a process of consultation, these associations have now jointly agreed on the text of the white paper that is published today. This marks the first joint manufacturers' position on the improvement of purchasing practices.

The white paper establishes commercial compliance as a leading principle for the manufacturer's perspective on the improvement of purchasing practices. STTI defines it as 'purchasing practices that do not cause obvious and avoidable harm to manufacturers'. The white paper lists 'key recommendations', defining what purchasing practices manufacturers consider to be breaches of their definition of commercial compliance. The associations participating in the initiative recognise that the breaches of these key recommendations seriously impair their ability to run a commercially viable business, let alone to contribute to stronger and more sustainable supply chains.

Going beyond the key recommendations, the work by the associations has also yielded a set of further recommended improvements to current common purchasing practices. Importantly, the white paper also contains a comprehensive research agenda aimed at finding out how purchasing practices can adhere to commercial compliance and be further improved while maintaining the flexibility and commercial independence that is to the advantage of both buyers and suppliers, as well as their customers and workers.

A phase 2 to the initiative is foreseen to start within weeks. In phase 2, two major and interconnected approaches will emerge. The initiative will seek structural dialogue with buying brands and retailers and some of the MSIs in which they participate on the inclusion of the concept commercial compliance in purchasing practices codes. Secondly, the initiative will aid the creation of a system of improved transparency regarding commercial compliance.

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