



Responsible Purchasing Practices Ideas

Partnership

July, 2023

This document captures ideas to enhance partnership between buyers and suppliers in order to improve purchasing practices. It is an invitation to discuss mutually beneficial changes with your suppliers. These conversations could happen directly or supported/facilitated by the [Sustainable Terms of Trade Initiative \(STTI\)](#).

1. Background

Responsible Purchasing Practices (RPP) means that practices involved in buying products or services from suppliers, do not negatively impact the human rights of workers in supply chains. Ultimately responsible purchasing practices lead to more stable and resilient manufacturing businesses, which lead to more stable and reliable supply. 'Purchasing Practices' encompass design and product development, planning and forecasting, critical path management, contracts, technical specifications, order placement and lead times, cost and price negotiations, and payment terms. They also include the underlying behaviours, values and principles of purchasers, which impact suppliers and ultimately workers' lives.

Facilitated by the multi-stakeholder initiative (MSI) Working Group on Purchasing Practices, the '[Learning and Implementation Community](#)' (LIC) is a group of garment brands and retailers committed to improving purchasing practices. Their work is structured around the [Common Framework for Responsible Purchasing Practices \(CFRPP\)](#).

The CFRPP (the framework) is a reference point to support companies to implement practical improvements in purchasing, together with supply chain partners, to increase the scope for improved working conditions in supply chains. It groups aspects of RPP into **five Principles**: Integration and reporting, Equal partnership, Collaborative production planning, Fair payment terms and Sustainable costing.

The LIC is working closely with the Sustainable Terms of Trade Initiative (STTI), a manufacturer-driven initiative focused on creating fairer purchasing practices in the textile and garment industry. Stakeholders recognise that balanced commercial relationships between buyers and suppliers are needed to achieve long-term supply chain sustainability. Manufacturers must play an equal part in that discussion. As such, a set of recommendations of better purchasing practices was developed by STTI, in consultation with manufacturers. Almost all of these recommendations are now included in the CFRPP.

In May 2023, a group of suppliers/manufacturers and garment brands attended a meeting of the LIC, to discuss the topic of 'partnership'. The main recommendations for actions are given in the 'Principle 2: Partnership' section of the CFRPP. The section includes practices such as developing stable, long-term relationships of trust and respect and establishing on-going two-way communication and feedback. Below is a summary of supporting ideas for positive action that came out of the LIC meeting discussions. These are ideas to improve interaction between buyers and suppliers and what the suppliers and brands consider feasible and practical in their daily operations.



2. The list of ideas to enhance partnership between buyers and suppliers

Internal process

- Getting the whole company on-board with the importance of responsible purchasing practices (especially leadership teams, commercial/buying and design teams).
- Solidifying the company's responsible buying approach in a policy.
- Providing training to employees on Responsible Purchasing Practices. This should include buyers and designers to increase awareness of the consequences of daily decisions on production, suppliers and workers and to discuss ways that practices may need to improve.

Partnership

- Being open to flexibility so that win-win solutions can be found when there are problems, rather than the supplier needing to hold all the risk and responsibility for resolving problems.
- Brands/retailers can create the space where suppliers feel safe enough to raise honestly the situations they are facing and dealing with, without fear that it will be dismissed as 'excuses' or that it might lead to negative business implications.
- Developing a realistic and practical '2-way code of conduct', with commitments from the brands' side in terms of their responsible purchasing behaviour, to provide a good foundation for an equal partnership.
- Developing a 'responsible exit strategy' to mitigate negative impact on suppliers.
- Increasing involvement of intermediaries in conversations regarding responsible purchasing practices.
- Reviewing and developing fairer contract clauses to reflect equal partnership.

Communication

- Increasing the frequency of communication with suppliers and including more video calls, rather than just using emails. This allows for more personal connection and gives space for asking what issues might be faced by the manufacturers, and opportunity to work together towards shared solutions.
- A variety of different communication methods are important for different purposes. Emails are also needed, to record discussions and decisions.
- Prioritising in-person visits to the factory to build trust and relationship, where possible.
- Sharing information on sales/market and regularly updated projections, to help manufacturers to plan production, since they often need to purchase material (at financial risk to themselves) before purchase orders are confirmed.
- It's important that brands take the time to understand the specific situation of the factory, particularly related to their capacity.
- Brands who have representatives that speak both languages and understand both cultures (and travel between the brand and manufacturer) have found this key to effective communications and a good relationship.
- Gathering feedback from suppliers is important, to hear about the impact of purchasing practices. Review results with all departments. Respond to results, take action and give feedback to suppliers.
- Developing a confidential internal complaint system for suppliers to report unfair practices.

3. Process for moving forward

We hope that you and your supplier discuss these ideas, and are able to make positive changes, even if these are only small-scale trials at first.

You can do this by directly contacting the supplier who sent you this document, or by contacting STTI to facilitate these discussions. If you would like STTI to support this process, you can contact Lisa Ramershoven at lisa.ramershoven@giz.de.