

# Sustainable Terms of Trade Initiative (STTI) 7<sup>th</sup> Global Working Group Meeting

16th August 2022, Siem Reap, Cambodia

*All participants in this initiative declare that the work carried out in this initiative is not in any way aimed at a curbing of competition or a setting of prices. All associations and member companies involved undertake to comply with antitrust rules within the framework of this initiative without exception and no competition-relevant information is exchanged. This project is aimed purely at improving purchasing practices with the aim of ultimately improving sustainability and working conditions for factory workers.*





**Good morning,  
Welcome to join STTI today!**

# Agenda

(Based on Cambodia time)

9:00	<b>Opening Remarks</b> Welcome by GIZ		12:00	<b>Group Photo and Lunch Break</b>	 
9:15	<b>Recap and Review Current Status</b> Lisa Ramershoven		13:45	<b>Dispute Resolutions</b> Rambod Behboodi	
9:30	<b>Supplier Solutions</b> Lisa Ramershoven		14:30	<b>Cooperation and How to Work with Brands and MSIs</b> Matthijs Crietee, STTI members	
9:45	<b>Introduction to Model Contract Clauses (MCC) and Feedback Discussion</b> Sarah Dadush and David Snyder		16:00	<b>Coffee Break</b>	
11:00	<b>Coffee Break</b>		16:30	<b>Transparency: The Value of Data and The Importance of Supplier Engagement</b> Lindsay Wright	
11:15	<b>Supplier Solutions Discussion</b> Lisa Ramershoven		17:15	<b>Q&amp;A and Closing Remarks</b> Matthijs Crietee	
11:40	<b>Communication</b> Lisa Ramershoven		17:30	<b>End</b>	

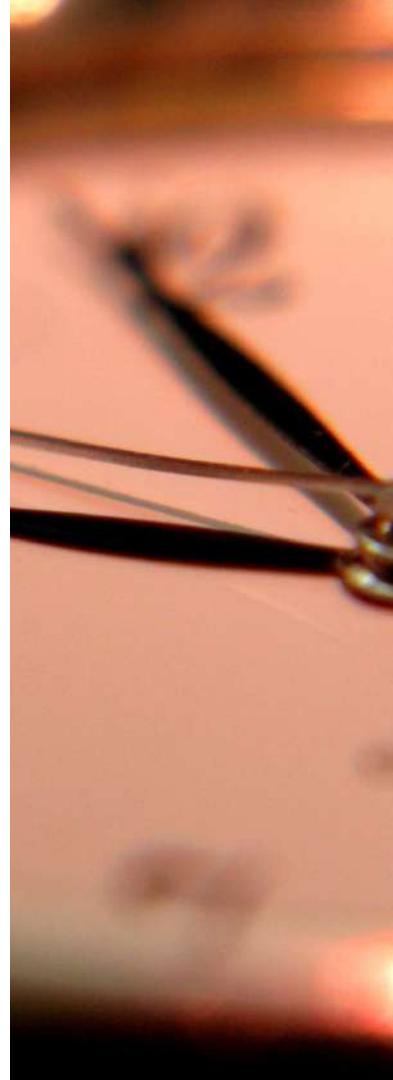
# Hybrid Format





# Time Management

---



# Recap and Review Current Status

## Supplier Solutions

- Model contract clauses for manufacturers
- Dispute resolution study
- Pilot for complaint mechanism
- National outreach events

## MSIs / Brands Outreach

- Collaboration with SAC (MoU preparation, integrate STTI recom. into BRM)
- Collaboration with CFfRPP (integrate STTI recom. into CFfRPP principles, MoU preparation, L&I community)
- Collaboration with brands (Agreement preparation)

## Transparency

- Baseline survey
- Collaboration with SAC
- Micro survey for Learning & Implementation (L&I) community
- TWG on 26<sup>th</sup> Oct
- Final survey

## Research / Further activities

- Identify research partner (Laudes foundation)
- Review the existing collaboration model and contribute to future developing direction

L&I community: Initiated by CFfRPP, the aims of L&I community is to practically encourage and support companies to implement positive changes in responsible purchasing practices, to ensure the elements of the framework are workable in practice and to collate and sharing best practices in implementation of RPP.

## Supplier Solutions

- Model contract clauses for manufacturers
- Dispute resolution study
- Pilot for complaint mechanism
- National outreach events

# Project Management and Support



**Matthijs  
Criete**



**Marsha  
Dickson**



**Lindsay  
Wright**



**David  
Snyder**



**Sarah  
Dadush**



**Olivia  
Stewart**



**Marc  
Beckmann**



**Lisa  
Ramershoven**



**Weini  
Zhang**



**Rambod  
Behboodi**





















# Introduction to MCC and Feedback Discussion



## SUPPLIER PROVISIONS FOR BETTER CONTRACTS

Responsible Contracting Project (RCP)

**Sarah Dadush and David Snyder**

# INTRODUCTIONS

## Presenters

**Sarah Dadush**, Professor of Law and Founding Director, Business & Human Rights Law Program, Rutgers Law School, New Jersey, USA

**David Snyder**, Chair, ABA Business Law Section Working Group to Draft Model Contract Clauses (MCCs); Professor of Law and Director, Business Law Program, American University, Washington DC

## Contributors

This workshop was developed through a collaboration between the Responsible Contracting Project. - comprising Sarah Dadush, Susan Maslow, Patrick Miller, David Snyder and Olivia Windham Stewart - and the Contract Easification Team, comprising Helena Haapio, Erik Fontenele Nybo, Robert de Rooy, Victor Scarpa, and Rob Waller.



# AGENDA

**Introduction and Background (5 mins)**

**Points of Clarification (5 mins)**

## **Better Contracts**

**Why Do We Need Them? How Do We Improve Them?**

**(15 mins)**

## **Supplier MCCs**

**An Introduction, Key Provisions and The User Guide (15 mins)**

**Discussion and Next Steps (30 mins)**



## INITIAL POINTS OF CLARIFICATION

- **The Supplier Provisions and the STTI project must be vetted by competition counsel.**
- We - RCP and CST - express no opinion on STTI's previous conversations, communications, documents, or the like.
- The RCP is focused on protecting human rights and creating a better environment for upholding human rights. The Supplier Provisions proposed seek to improve the buyer-supplier relationship in order to improve human rights.
- They do not directly address the content of commercial terms (like payment or standard delivery terms).
- Instead, they offer a template for improving the buyer-supplier relationship through contractual commitments to cooperate and support one another's performance of contractual obligations.
- We believe this cooperative approach can help achieve more resilience in supply chains, as well as better human rights outcomes for workers and their communities.

WHY DO WE NEED BETTER CONTRACTS?



Discuss!

## HOW DO WE MAKE CONTRACTS BETTER?

**Do** share contractual responsibility for upholding human rights with your buyer(s).

**Don't** accept—without a fight—contract clauses that make suppliers solely responsible for complying with buyer's human rights standards and codes of conduct.

**Do** include responsible purchasing practices in the contract.

**Don't** accept clauses that allow irresponsible purchasing practices e.g., unilateral (by buyer), unnegotiated, or take-it-or-leave-it pricing, the right to impose change orders without negotiating with supplier, aggressive payment and delivery terms with punishing penalties for delays, and “cut and run” termination rights.

What do you think? What else might make contracts better? Would you like to see some examples?

## SUPPLIER CLAUSES - AN INTRODUCTION

The clauses are written in a traditional legal style, to fit into typical commercial contracts

It's important that everyone in the supply chain understands them

We have simplified the clauses to a degree and started to develop a user guide that we would like your input on



# SUPPLIER CLAUSES: KEY PROVISIONS

## Human Rights Due Diligence (HRDD):

Buyer and supplier will monitor the human rights impacts of their own activities and cooperate to prevent harm

## Commitment to Responsible Purchasing Practices:

Buyer takes its share of responsibility for upholding human rights through responsible purchasing practices

## Reasonable Assistance:

Buyer will support supplier's efforts to uphold human rights by providing reasonable financial and non-financial assistance

## Price, Payment, and Delivery Terms:

Buyer and supplier will collaborate to agree to price, payment, and delivery terms that support responsible production

## Modifications:

Buyer and supplier will collaborate to ensure that change-orders do not create adverse human rights impacts for workers, e.g., unreasonable hours or loss of income

## Responsible Exit:

If buyer wants to terminate the agreement, it must collaborate with supplier to identify, prevent, and mitigate adverse human rights impacts



# The user guide

Translating legal theory into commercial practice

The model contract clause

Detailed explanations of what it means in practice



## Modifications

Change orders must not lead to unreasonable working hours or loss of earnings that would compromise human rights

1.3d For any material modification (including, but not limited to, change orders, quantity increases or decreases or changes to design specifications) requested by Buyer or Supplier, Buyer and Supplier shall consider the potential human rights impacts of such modification and take action to avoid or mitigate any adverse impacts, including by amending the modification consistent with Schedule Q. If Buyer and Supplier fail to agree upon modifications and/or amendments that would avoid a Schedule P breach, then either party may initiate dispute resolution in accordance with Article [X].

### BUYER'S COMMITMENTS

We will discuss changes that we want to make to our orders with our Supplier to understand the human rights impact of the change. If needed, we will adjust our change orders to ensure that human rights risks are appropriately mitigated.

We understand that changing our order (e.g. target delivery times, quantity, design or pricing) can impact Supplier's ability to implement Schedule P.

We will communicate any changes we wish to make promptly, clearly, and respectfully and speak with them about how to avoid negative human rights impacts. We understand that both parties (us and Supplier) can initiate a dispute resolution proceeding if we are unable to reach an agreement.

We further understand that Schedule Q 44 prohibits penalizing Supplier for reporting adverse impacts or being unable to complete the modified order.

### SUPPLIER'S COMMITMENTS

We will inform Buyer if their modifications to an order would have a negative human rights impact on our workers or their communities and negotiate for adjustments that would safeguard human rights.

We will consider possible investigations and discuss these with Buyer. For example:

- We cannot meet the new deadline, but we can promise a new delivery time of [date].
- We can increase the quantity, but it will result in a new deadline of [date] and/or a higher per-unit price to cover overtime pay for our workers.
- We can increase the quantity, but we will need to work with a subcontractor to meet the delivery date. Here is the information for the sub we have in mind, please give us the green light to move forward with them or amend your change order.
- We can reduce the quantity, but we need to charge [\$ amount] for materials already purchased.

At-a-glance title and description

'Swimlanes' to show what it means for Buyer and Supplier

Flowcharts to clarify what the clause says about process.

Buyer or Supplier requires:

- 1. change of order,
- 2. quantity increases or reductions,
- 3. changes to design specifications, or
- 4. other material modifications.



Other contract



Considers impact on Human rights



Actions to Mitigate or avoid adverse impacts

All parties Agree?



Such party may initiate dispute resolution.

## DISCUSSION

What do you think of the proposed approach/User Guide?

what do you think we need to add or change to make them as useful as possible?

What kind of training would you / your teams would need to use this approach with your customers?

A collection of white coffee cups on saucers, arranged on a light-colored surface. Most cups contain black coffee, while one cup in the center foreground contains a latte topped with a dusting of brown powder. The cups are arranged in a somewhat circular pattern, with some in the foreground and others receding into the background.

# Coffee Break

Please come back at 11:15

# Supplier Solutions Discussion

Topic	stakeholder	method
-------	-------------	--------

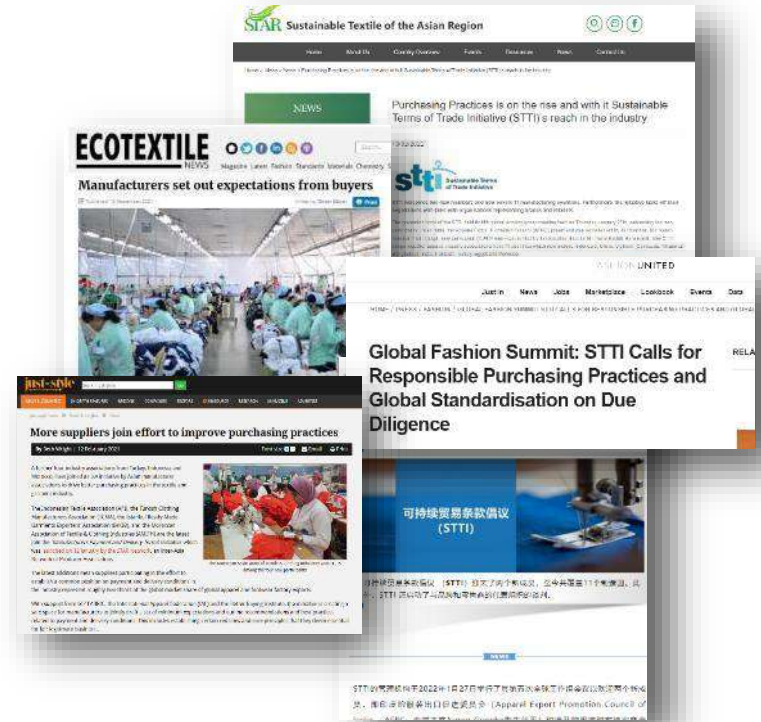
Questions:  
Apart from the introduced solutions,  
what other topics you have in mind  
regarding to purchasing practices  
that should be addressed in the next  
phase of STTI?

# Communication Overview



From January 2021 to August 2022, STTI published 7 press releases and more than 120 articles were reported

Communication Channel		Audience
Internal	STTI website <a href="https://sustainabletermsoftradeinitiative.com/">https://sustainabletermsoftradeinitiative.com/</a>	Industrial stakeholders
	STTI LinkedIn <a href="https://www.linkedin.com/company/stti-sustainable-terms-of-trade-initiative">https://www.linkedin.com/company/stti-sustainable-terms-of-trade-initiative</a>	Industrial stakeholders
	IAF website; BBI website; STAR Network Website; Asia Garment Hub;	Industrial stakeholders
	STTI members website or other internal channel (e.g. TMA internal channel; CNTAC Wechat account)	Associations and manufactures
External	Just-style; ECOTEXTILE; Sourcing Journal; Vogue Business; Business of Fashion, etc.	Industrial stakeholders



# Communication Format

Communication Format	Frequency	Audience
Newsletter	Quarterly	Industrial stakeholders
Progress Report	Semi- yearly?	STTI members
Press Release	After important events	Industrial stakeholders
Whitepaper	Update commercial compliance once needed	Industrial stakeholders

What are your opinions on the communication of STTI?

- Goal: Raise awareness of purchasing practices
- Content: STTI updates, international and national PP news, call to action for events, surveys etc.
- Distribution via external platform or email
- Translations to different languages provided by GIZ

# Lunch Break

Please come back at 13:30



# Resolution of Disputes in the Textiles Sector

Rambod BEHBOODI BA JD LLM



## Rambod BEHBOODI

---



- International trade law and policy specialist with thirty years of experience in diplomacy, negotiations, institution-building, and international arbitration
- Former Deputy Commissioner of the Canadian Competition Bureau; former General Counsel at Canada's Finance Ministry
- Represented and advised developing countries before international trade tribunals and on regulatory reform
- Actively engaged in trade and climate change, business and human rights, trade and competition, and dispute resolution reform

What I will be  
talking about  
today

Methodology

Context

Existing  
Frameworks

Recommendations

What I will be  
talking about  
today

Methodology

Context

Existing  
Frameworks

Recommendations

# Methodology

- Historical review
- Broad social, economic, and trade policy context
- Lateral institutional analysis
- Interviews with experts within and outside the sector
- Verification (this exercise going forward)

What I will be  
talking about  
today

Methodology

Context

Existing  
Frameworks

Recommendations

# Economic Context

- \$800 bn is annual global trade
- Significant imbalance in both macro trade policy and micro market power between purchasers, producers, and workers
- Historically fickle retail market and abundance of producer choice since ~2000 maintains and enhances imbalance
- Imbalance in market power gives rise to one-sided contracts

Problems in the  
sector are structural  
and not institutional

Transfer of  
risks and costs  
upstream to  
producers and  
workers

# Institutional Context

- Sector was among the early adopters of international commercial arbitration: need for speed and expertise in resolving contractual disputes
- Now, it does not figure among the top users of arbitration centres
- Domestic courts are familiar but costly and uncertain, with standing and jurisdiction as major impediments
- Modern arbitration is speedier but complex and expensive, out of reach of most actors *even assuming balanced contracts*



Existing institutions are suboptimal addressing both core problems *and* routine resolution of commercial disputes

Even successful resolution of contractual disputes does not always help workers

# Global Regulatory Context

- A number of attempts to rebalance , especially as between workers and global brands
- Two emerging regulatory objectives are likely to have an impact on future risk and cost allocation:
  - Carbon pricing
  - **Business and Human Rights**

A new mechanism should balance the regulatory costs against the responsibilities of all the actors in the sector

Transfer of risks and costs upstream to producers and workers

What I will be  
talking about  
today

Methodology

Context

Existing  
Frameworks

Recommendations

# Adjudication

- Courts
  - Domestic to the producer
  - Home jurisdiction of purchasers
- Arbitration
  - International centres
  - Local centres
  - *Ad hoc*

Litigation is costly and ruptures relations, but needed as last resort.

Does not fix underlying problems.

# Conciliation and mediation

- Many variations but generally concentrating on:
  - Soft engagement
  - Maintaining relationships
- Key differences are in focus on expertise versus facilitation
  - Bilateral process, aided by disinterested third party facilitator
  - Engagement by third party sectoral experts, with potential solutions and reports

Sectoral expertise is particularly helpful in imbalanced relationships

Objective mediation tends to reinforce existing power relationships



# Institutional framework

- Commercial arbitration centres dot the globe
  - More and more, they are getting into mediation
  - No sectoral expertise or focus as a general rule
  - One specialised centre – WIPO – on IP matters
- A number of textile sector frameworks
  - The context is not helpful for generalization
- Specialised national sectoral frameworks
  - Generally useful as models, but interaction and engagement of all players required

Incomplete information on the use of existing mechanisms by sector players, but bird's eye view suggests not active

Seventh largest traded sector; does not register in use of arbitration centres

What I will be  
talking about  
today

Methodology

Context

Existing  
Frameworks

Recommendations

# Working assumptions

## **Economic imbalance will continue**

- We have to work within existing economic and market structures
- We will not be able to fully rebalance relations or contracts
- The fact of the imbalance should drive institution-building

## **Getting all governments and purchasers to agree is not easy**

- Full reform of the sector requires regulatory and trade policy measures by governments of both producers and purchasers, and purchaser, producer, and worker buy-in
- Incremental approach to institution-building

## **Primary object of dispute resolution should be maintaining relations**

- Litigation of any sort is costly, indeterminate, and lengthy, and should be resorted to only as last resort
- Litigation disrupts relationships
- Modes of resolution that keep workers working, producers producing, and purchasers honoring contracts are preferable

# Proposed approach

## Specialised venue

- Hybrid venue dedicated to the textile sector, with specialised staff and leader credible to all parties
- Will require ongoing funding data collection and analysis, trilateral convening function

## Expert conciliation

- Emphasis on expert-driven resolution with tripartite (labour, producer, purchaser) balancing mandate
- Arbitration with mix of lawyers and sectoral experts as last resort, with potential substantive balancing mandate

## Complaints mechanism

- Informal and confidential complaints mechanism, leading potential to either resolution or “fact-finding”, oriented principally to workers but not exclusively so
- Ideally funded through an arm’s-length funding mechanism supported by purchasers

# Discussion

Where do  
we go from  
here?

# Methodology

- Historical review
- Broad social, economic, and trade policy context
- Lateral institutional analysis
- Interviews with experts within and outside the sector
- **Validation (this exercise going forward)**

# An analytical outline for validation

- What are we trying to do?
  - Can the proposed approach get us there?
- What are we missing?
  - Objectives, players, instruments, and institutions
- What will it take to realise the project?
  - Who will oppose this and how do we respond?
- What will it take to make project *successful*?
  - Medium to long-term challenges



# International Trade Law and Policy

Strategic advice, consulting, mediation and  
dispute resolution, institution-building,  
negotiations

Thank you

---



Rambod Behboodi



[rbehboodi@genevtradelaw.com](mailto:rbehboodi@genevtradelaw.com)



[www.GenevaTradeLaw.com](http://www.GenevaTradeLaw.com)

# Cooperation with Brands and MSIs

Matthijs Crietee

# Cooperation with Brands and MSIs



## SAC(Sustainable Apparel Coalition)

- Integrate STTI recommendations into the SAC Brand & Retail Module (BRM)
- More than 500 brands/retailers have committed to using the BRM
- BRM users have committed to achieving at least an 80% score within a few years.
- Working on an MoU covering collaboration with SAC beyond this 2022 BRM revision

## How to work with MSIs?



## Common Framework for Responsible Purchasing Practices (CFRPP)

- Working on MoU to cover long term collaboration
- L&I community, start 20<sup>th</sup> Sep

L&I community: Initiated by CFRPP, the aims of L&I community is to practically encourage and support companies to implement positive changes in responsible purchasing practices, to ensure the elements of the framework are workable in practice and to collate and sharing best practices in implementation of RPP.

# Cooperation with Brands and MSIs

## How to work with brands?

- Direct agreement with large brands and retailers
- Several brands/retailers are interested, but they want involvement of ACT which STTI does not want
- Draft pre-arrangement ready
- IAF working on broad level agreement with ACT outside of STTI to create more room for STTI.



# How to Work Together: STTI and Brands

Learning and implementation survey shows top 3 important PP topics that should be discussed between buyers and suppliers

	1=not at all important	2	3	4	5=very important	Responses
Improving communication between buyers and suppliers Count Row %	2 1.4%	5 3.5%	11 7.8%	35 24.8%	88 62.4%	141
Strengthening two-way supplier/buyer company dialogue and feedback Count Row %	1 0.7%	4 2.8%	10 7.1%	46 32.6%	80 56.7%	141
Improving the timeliness and accuracy of forecasting and capacity reservations Count Row %	2 1.4%	3 2.1%	12 8.5%	59 41.8%	65 46.1%	141

- Do you ever raise the topic of purchasing practices with your clients.
- Do you notice a difference in the purchasing practices of small brands and large brands and retailers?
- Do you notice a difference in the purchasing practices between US, European and Asian buyers?
- Would you like to share good practices on communication with buyers, forecasting accuracy or capacity reservation?

# How to Work Together: STTI and Brands

- With rising input costs have you been able to raise your prices towards your clients? If yes, is this across the board or only for one type of clients.
- What arguments do clients use to refuse paying higher prices.
- Do your clients raise the topic of living wages with you and what is your response.



A collection of white coffee cups on saucers, arranged on a light-colored surface. Most cups contain black coffee, while one cup in the center foreground is filled with a latte topped with a dusting of brown powder. The text "Coffee Break" is overlaid in blue, sans-serif font across the middle of the image.

# Coffee Break

Please come back at ...



---

## Transparency: The Value of Data, and the Importance of Supplier Engagement

**Lindsay Wright**



# Transparency: The Value of data

## SANMAR VIDEO

<https://www.youtube.com/watch?v=AmSS04PtH-Q>

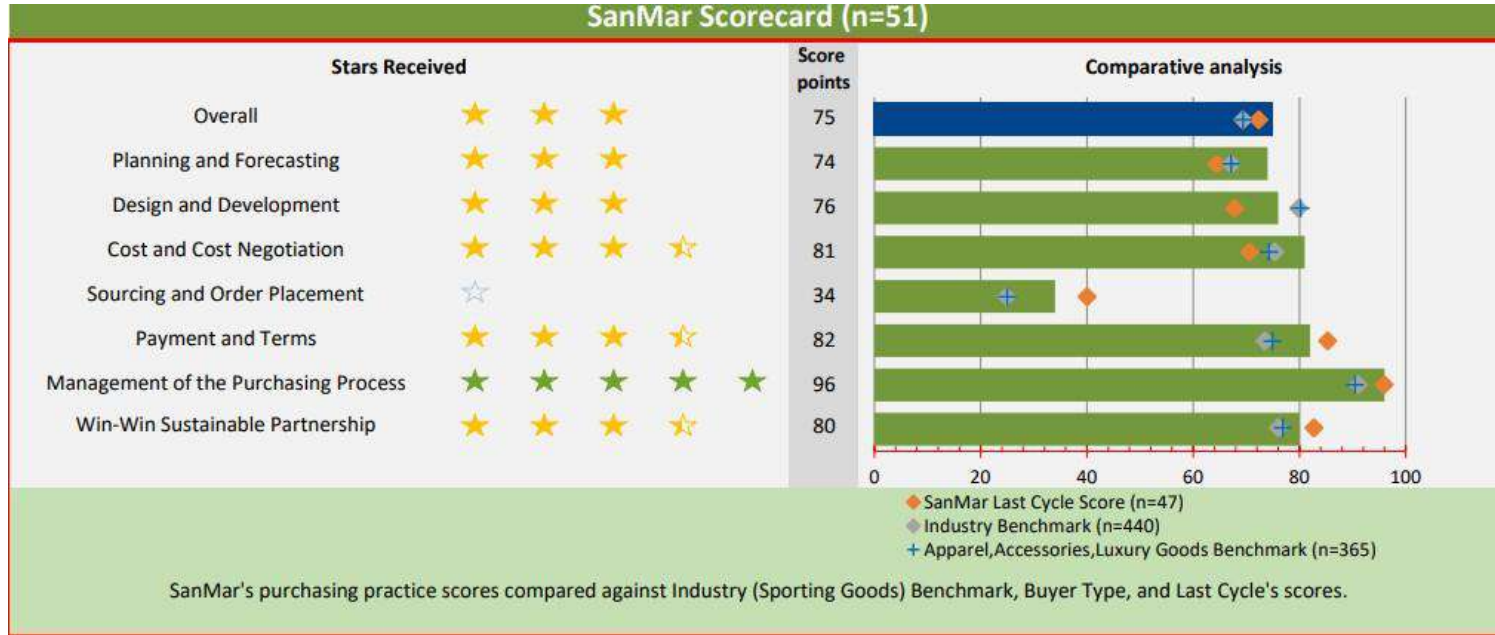
[LINK TO SCORECARD](#)

[LINK TO FULL REPORT](#)



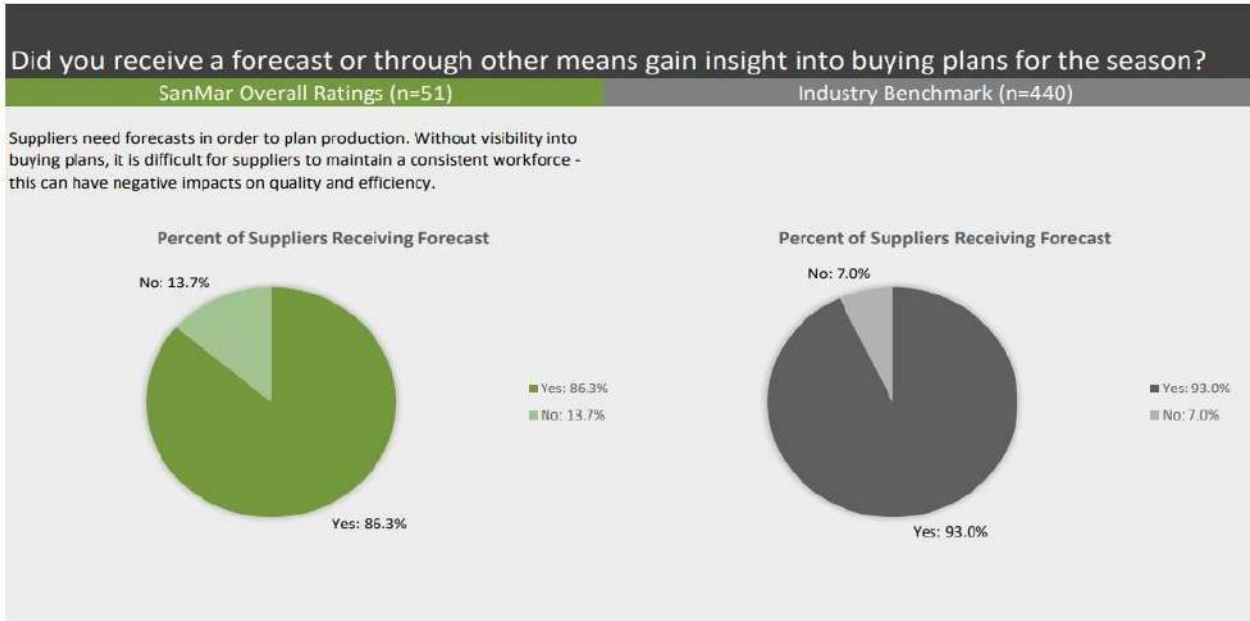
# Transparency: The Value of data

## San Mar Scorecard



# Transparency: The Value of data

## What kinds of questions do we ask?



- What percentage of bulk orders are paid on time?
- For what percentage of orders are you paid the full price as agreed in the purchase price?
- What percentage of sample invoices are paid on time?
- Is the buyer flexible and accountable in ensuring adequate production time?
- Does the time and action calendar provide enough times for all processes?
- Do you receive a forecast or through other means gain insight into buyer plans for the season?
- Do the terms of the order provide enough time for all processes?

## Sourcing and Order Placement



Star Score



Score Points  
34



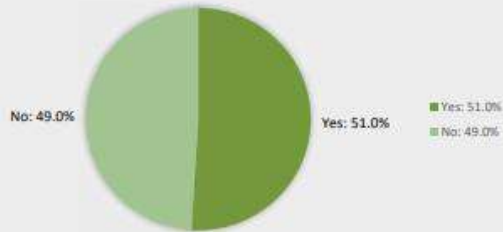
Does the buyer use an integrated scorecard that includes both commercial and sustainability criteria when making sourcing decisions?

SanMar Overall Ratings (n=51)

Industry Benchmark (n=440)

Without asserting that sustainability criteria are considered along with commercial concerns, your company could be sending mixed messages to suppliers. Work with all suppliers to identify KPIs for your shared sustainability goals that can be taken into consideration along with price, delivery, and quality criteria.

Use of Integrated Scorecard



Use of Integrated Scorecard



# Transparency: The Importance of Supplier Engagement



## Why does supplier data matter? And how is it driving brands to improve purchasing practices?

- Supplier data is motivating brands to improve
- BBI subscribers are using their Scorecards and Company Reports to focus on priority areas: in this case, Planning and Forecasting
- Without supplier data as evidence, brands can deny non-compliance is happening
- **It's supplier data that is driving change**
- For industry-wide change on purchasing practices and commercial compliance, **WE NEED YOUR MEMBERS' PARTICIPATION**

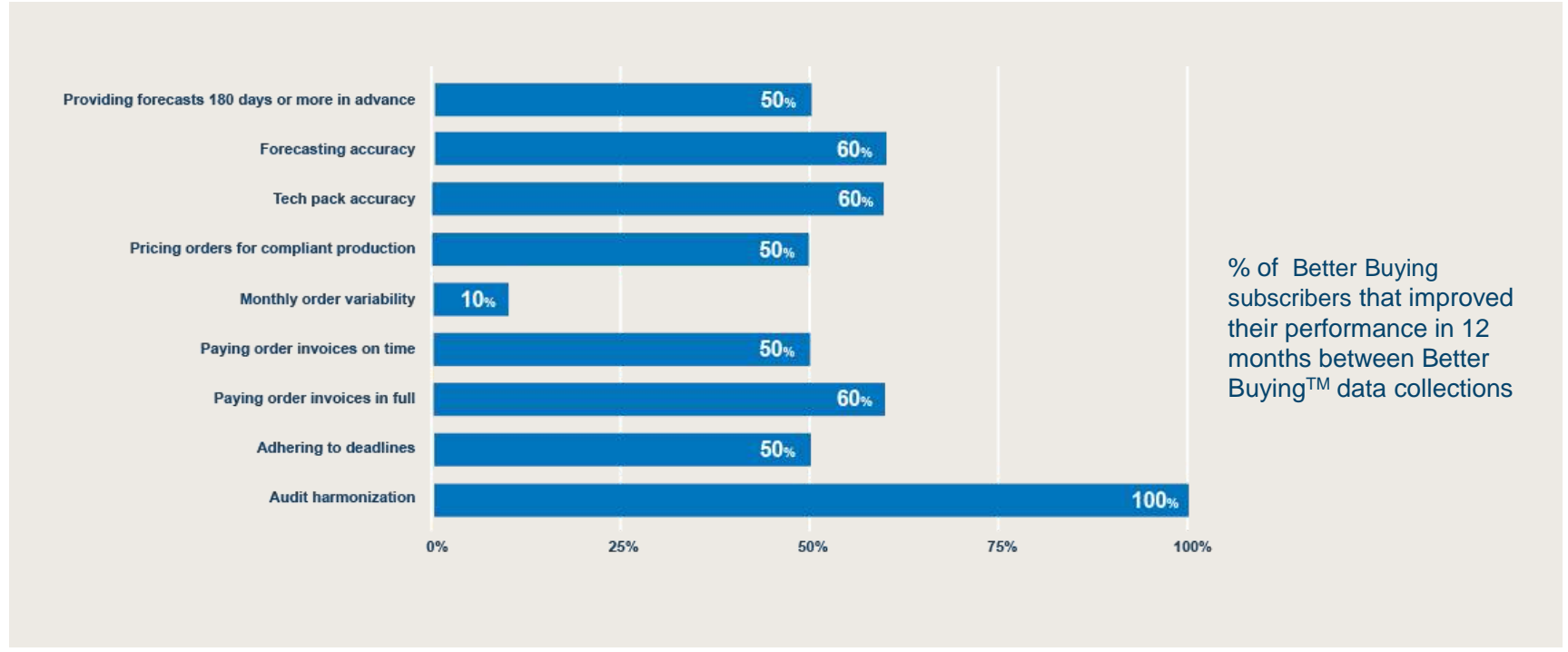
# Transparency: The Importance of Supplier Engagement



Brands ARE improving  
... but limited to those  
brands whose suppliers  
are submitting data

# Transparency: The Importance of Supplier Engagement

## Proven Impacts of Supplier Data on Brand Performance



# Transparency: The Importance of Supplier Engagement



## Why Complete the Survey of Commercial Compliance?

- Coming Q4 of 2022 - to see if change has happened, and demonstrate supplier commitment to making sure commercial compliance is upheld
- Key in telling the world that suppliers are committed to fighting this battle, and highlighting the issues that matter to them
- This is YOUR survey – STTI is 100% supplier-led
- Drive supplier engagement to better understand the issues in the individual countries your members are based in
- Supporting brands to start improving - our 6 years of experience demonstrate that when brands have data, they use it to improve



# Transparency: The Importance of Supplier Engagement

## Brand PP in Bangladesh: 2019



### RETAILER/BRAND SOURCING AND ORDER PLACEMENT PRACTICES IN BANGLADESH

> Suppliers reporting incentives are received for compliant production and significant differences from other locations:

BANGLADESH	HONG KONG (CHINA)	TAIWAN (CHINA)	TURKEY	UNITED STATES	UNITED KINGDOM	SOUTHEAST ASIA	WESTERN EUROPE
62.8%	37.2%	34.8%	35.0%	18.5%	35.0%	40.5%	39.4%

- Larger volume and consistent minimum volume of production per month most frequently reported incentives: 30.2% each

> Monthly Order Variation (Order Risk-to-Reward) and significant differences from other locations (lower percentage is best):

- Suppliers reporting monthly order (ORR) variation negatively impacted workplace conditions and significant differences from other locations:

BANGLADESH	TURKEY	WESTERN EUROPE	KOREA
65.8%	88.9%	89.5%	41.5%

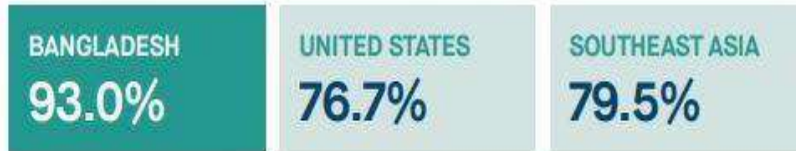
BANGLADESH	WESTERN EUROPE
44.2%	18.9%

# Transparency: The Importance of Supplier Engagement

## Brand PP in Bangladesh: 2019

### RETAILER/BRAND PRACTICES IN MANAGEMENT OF THE PURCHASING PROCESS IN BANGLADESH

› Suppliers receiving TNA/terms that allow enough time for all processes and significant differences from other locations:

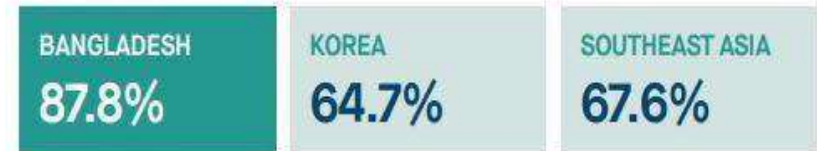


› 48.8% of retailers and brands missed deadlines

- Number of missed deadlines reported: Mean=1.9 (SD=1.7)
- No specific deadlines were reported as missed by 25% or more suppliers

› 95.3% of retailers and brands nominated raw materials suppliers

- Retailers and brands managing those relationships with nominated suppliers and significant differences from other locations:



# Transparency: The Importance of Supplier Engagement

## Need to Improve Participation Rate



- **Total 94 responses to baseline commercial compliance**
  - But only 15 submitted on the associations' survey link, the rest came from Better Buying's existing supplier network
- **Need to accelerate member participation for ongoing tracking of brand commercial compliance**
  - Participation from 25 different HQ countries/regions
  - But responses from just 6 – HK(China), Mainland China, Indonesia, Taiwan(China), South Korea and the US - comprised 61.7% of the entire data
  - Associations must drive participation among member base

# Transparency: The Importance of Supplier Engagement

## Our Ideas for Better Supporting You



- Now - Simplify how we measure the key recommendations by separating practices from procedures followed when the practice is non-compliant
- Going forward - seamless integration into existing BBPPI for subscribers and their suppliers
- Can extract a score on commercial compliance
- Simple standalone module for suppliers whose customers are not Better Buying subscribers
- Working with SAC on BRM self assessment revision to use data we collect to prevent survey duplication and increase the number of companies using data to improve



### BBI 5 principles of responsible purchasing

Visibility

Stability

Time

Financials

Shared responsibility

### BBI 7 key rating categories

Planning and Forecasting

Design and Development

Cost and cost negotiation

Sourcing and order placement

Payment and terms

Management of the purchasing process

Win-win sustainable partnership

**STTI commercial compliance**  
Key recommendations+  
Further recommendations



**Common Framework for Responsible Purchasing Practices (CFrPP)**  
5 principles

**Sustainable Apparel Coalition**  
Brand & Retail Module (BRM)

### Better Buying Purchasing Practices Index (BBPPI)

# Transparency: Our Ask of You

- ✔ Talk to your members about the value of supplier participation - educate your members and lay the groundwork for the survey
- ✔ Sign up for the October Round Table – and help us create a streamlined questionnaire that will be easier for everyone (invite pending)
- ✔ Promote the survey of commercial compliance to your members later this year – and encourage them to participate
- ✔ Achieve a reasonable number of ratings from each association’s membership to create changes
- ✔ Think about what higher levels of participation could mean in terms of driving progress on PPs in your countries, and across the industry?

## Q&A



Any Question?

# Next steps

TWG on integrating commercial compliance in  
Brand & Retail Module, **6<sup>th</sup> Sep**

TWG on Complaint Mechanism, **11<sup>th</sup> Oct**

TWG on Transparency, **26<sup>th</sup> Oct**

TWG on Model Contract Clauses, **3<sup>rd</sup> Nov**

8<sup>th</sup> GWG on in Bangladesh, **15<sup>th</sup> Nov**







**Thank you &  
Stay healthy!**