

Common Framework for Responsible Purchasing Practices in Manufacturing Industries (CFRPP MI)

Resilience in manufacturing
supply chains

VERSION 1 – MARCH 2025

This framework, developed by the [Ethical Trading Initiative \(ETI\)](#), gives a brief overview of what is meant by 'responsible purchasing practices' for manufacturing industries.

The manufacturing industry spans diverse product types, sectors, and processes, for which 'responsible purchasing practices' may vary (e.g., renewables, stone, steel, home accessories, construction, beauty, etc.). This framework acts as a core reference document to provide a common language and structure for discussion and action, after which guidelines for different elements of these industries may be developed.

This document was written with support of the [Initiative for Global Solidarity \(IGS\)](#), implemented by [Deutsche Gesellschaft für Internationale Zusammenarbeit \(GIZ\) GmbH](#) on behalf of the [German Federal Ministry for Economic Cooperation and Development](#).

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Introduction

‘Purchasing practices’ are the actions taken by a buying company in order to purchase a product or service (in whole or in part) from a supplying business. They encompass product development, technical specifications, forecasting, production planning, contracts, order placement and lead times, cost and price negotiations, and payment terms. ‘Responsible purchasing practices’ (RPP) are purchasing practices which do not negatively impact the human rights of workers in supply chains.

Responsible Purchasing Practices

The everyday practices within the purchasing processes of companies buying manufactured goods have a significant influence on the conditions for workers in the supply chain. Inaccurate forecasting, short-term planning, last-minute changes in orders, pricing below production cost, late payments, and insufficient sampling can all negatively affect the management of orders and financial stability of suppliers. This can lead to issues such as excessive overtime, low wages, poor health and safety conditions, and excessive use of temporary labour.

Manufacturing industries encompass a broad spectrum of sectors, each dealing with diverse and complex supply chains. Some of these industries are relatively new compared to others, resulting in varying operational contexts and challenges. As such, there is no one-size fits all solution to responsible purchasing. Supply chain structure, business model, operational

context, and the size and leverage of a purchasing company relative to its supplier all influence the potential for the purchasing company’s practices to impact the supplier and their workers.

Engaging with stakeholders meaningfully¹, including suppliers and workers and/or their legitimate representatives, is essential to understanding the potential impacts of purchasing practices and to find practical solutions. By fostering dialogue and seeking input, companies can make more informed decisions that support both purchasing practices and workers’ livelihoods, ensuring positive outcomes for all.

Investing time and resources into reviewing and improving purchasing practices and building a partnership approach with suppliers can have significant benefits to businesses, including a more stable and reliable supply chain and efficiency gains through better communication, planning, and purchasing processes.

A responsible stance on purchasing contributes to suppliers’ ability to plan production effectively, manage working hours, pay workers fairly, and invest in improving health, safety, and labour conditions. This, in turn, helps to boost productivity, stabilise suppliers’ workforces, and build resilience. Improved practices can contribute to preventing harm and facilitating both social and environmental improvements in the supply chain. In addition, reviewing and improving purchasing practices to ensure they are not contributing to harm in the supply chain is an essential part of compliance with recent human rights due diligence legislation.

A fundamental principle of this framework is that purchasing companies need to take shared responsibility for achieving decent labour standards across the supply chain and prevent their own operations from limiting or undermining suppliers’ ability to achieve these standards across the board.

Use of this framework

The CFRPP in manufacturing industries provides a shared language on responsible purchasing practices through five core 'principles' of responsible purchasing. Under each principle are 'practices' for companies to implement and build upon, to establish RPPs in their own business.

This framework aims to support companies in aligning their purchasing practices with international human rights due diligence (HRDD) standards, including the [UN Guiding Principles on Business and Human Rights](#), [OECD guidelines](#), and emerging [HRDD legislation](#).

It outlines responsible purchasing practices to help companies engage with stakeholders, take practical action, and foster an enabling environment for good labour standards throughout their supply chains. Emerging HRDD legislations reflect this understanding – particularly the European Union's Corporate Sustainability Due Diligence Directive (CSDDD), which explicitly requires purchasing companies to assess and adapt their practices during risk assessments to prevent harm.

To further illustrate this connection, ETI has developed a document explaining how the CSDDD and CFRPP MI are linked.

This document aims to give an overarching description of RPPs for manufacturing industries, to provide a consistent framework that supports the development of more nuanced guidance, tailored to specific supply chains. The framework is not a compliance mechanism and does not seek to encompass or substitute existing regulatory frameworks.

How each company implements this will differ. Practices will be more or less applicable depending on starting point, supply chain, business model, size, operational context, ownership and structure. Not all sub-principles will be applicable to every supply chain, but it is crucial to avoid making assumptions without first consulting the relevant stakeholders.

If a practice is not applicable, the purchasing company is encouraged to focus on practices they believe will be effective, based on the severity and likelihood of the adverse risks for workers. This involves assessing risks by evaluating their causes and contributing factors, their direct and indirect impacts, and the company's leverage and influence over them and prioritising action accordingly².

When addressing purchasing practices, such as lead times, forecasting, or pricing, companies should take a holistic approach and consider the broader impact on workers.

For example, avoiding overtime may need to be weighed against the need for workers to earn a decent income in the absence of living wages.

This framework is ultimately about improving conditions for workers, and thoughtful adjustments to purchasing practices can support this goal. The document does not include all the detail needed to implement the practices.

Further guidelines may be developed to supplement this document in time, for different types of manufacturing supply chains, to support practical implementation.

Purchasing practices can also contribute to environmental impacts in the supply chain, but the primary focus of this framework is the impact on labour standards and working conditions.

In addition to responsible RPPs, freedom of association and collective bargaining, effective grievance mechanisms, providing access to and contributing to remediation, are paramount in human rights due diligence and in improving supply chain conditions. These are covered in other guidelines.



Summary of the framework



PRINCIPLE 1: INTERNAL INTEGRATION

The purchasing company has top leadership buy-in and commitment to RPPs, and a thorough understanding of existing suppliers and purchasing systems, and their potential impact on human rights. This information is used to develop an action plan. RPPs are integrated into all commercial functions and other relevant departments.

This includes:

- internal engagement and responsibilities.
- risk/impact assessment.
- action plan.
- internal training.
- cross-functional communication.
- integrated strategy and decision making.
- internal accountability and performance evaluation.
- tracking progress.
- reporting and transparency.




PRINCIPLE 2: EQUAL PARTNERSHIP

The purchasing company and their suppliers respect each other as equal business partners, engage in respectful sourcing dialogue; and pursue win-win situations, with a shared responsibility to improve working conditions.

This includes:

- communicating commitment to RPPs.
- agreement on mutual responsibilities.
- stable, long term sourcing relationships.
- partnership approach to communication and problem solving.
- effective feedback mechanisms.
- supporting continuous improvement.
- evaluating and incentivising suppliers.
- awareness of leverage and dependency.
- Responsible reduction of business and exit.
- promoting responsible practices in B2B partnerships.



PRINCIPLE 3: COLLABORATIVE PRODUCTION PLANNING

Critical path and production planning are done collaboratively between the purchasing company and suppliers, with a fair distribution of risk and accountability, and due consideration for workers' rights and labour conditions.

This includes:

- mutually agreed, reasonable lead times.
- critical path adherence.
- accurate specifications
- improving forecasting accuracy and communication.
- mitigating impacts of fluctuating orders.
- balancing orders.
- component supply.
- samples efficiency.



PRINCIPLE 4: FAIR PAYMENT AND CONTRACT TERMS

The purchasing company and suppliers agree on fair and transparent payment & terms that do not place a disproportionate burden on one party. Contractual obligations are mutually agreed upon, honoured, and payments are made in full and on time.

This includes:

- responsible contract negotiation.
- mutual agreed contractual assurances.
- ensuring payments are made on-time.
- aiming to improve payment timelines.
- no retrospective changes to mutually agreed prices.
- mutually agreeing reasonable penalties, taking into account the cause of any delay in delivery
- aiming to reduce penalties.
- promoting fair payment terms through the supply chain.



PRINCIPLE 5: SUSTAINABLE COSTING

The costing levels and procedures of the purchasing company support wage increases and sustainable production. Prices cover all costs of production in line with responsible business conduct and allow for a reasonable and maintained supplier profit margin.

This includes:

- developing mechanisms to ensure costing allows for all labour costs.
- incorporating wage and cost increases (through national minimum wages and/or collective bargaining).

Living wages:

- understanding the living wage gap.
- costing strategy for living wages.
- workers/workers representation.

PRINCIPLE 1: INTERNAL INTEGRATION



The purchasing company has top leadership buy-in and commitment to RPPs, and a thorough understanding of existing suppliers and purchasing systems, and their potential impact on human rights. This information is used to develop an action plan. RPPs are integrated into all commercial functions and other relevant departments.



1.1 INTERNAL ENGAGEMENT AND RESPONSIBILITIES

- Internal engagement/ buy-in is gained to review and improve purchasing practices, including securing top leadership commitment, allocating sufficient resources, raising awareness and identifying champions to drive action and implementation across key departments/functions.
- Responsibilities are defined and allocated to senior staff with the necessary competence, knowledge and experience to oversee the implementation of RPPs.

1.2 RISK/IMPACT ASSESSMENT

- The purchasing company carries out a risk assessment on their purchasing practices, seeking to identify how these relate to the human rights risks in their supply chains. This includes:
 - a review of purchasing protocols, whether protocols are being effectively followed, and incentive mechanisms for suppliers, and commercial functions.
 - meaningful stakeholder engagement on the impact of these purchasing practices (supplier feedback and input from worker representatives).
 - understanding the nature of their supply chains and sub tiers to direct suppliers.
 - consideration for the challenges and risks present in different supply chain structures and geographies.
- The process is cyclical, responsive and regularly revised.

1.3 ACTION PLAN

- Based on the risk/impact assessment (1.2), the purchasing company develops and implements a plan to achieve more responsible purchasing practices, including responsibilities, targets and measures.
- Actions will be based on the severity and likelihood of the adverse risks/impact.
- Relevant staff agree on priorities and resources/budget are assigned.

1.4 INTERNAL TRAINING

- The purchasing company provides training and development on responsible sourcing for all staff whose decisions and practices affect purchasing practices and/or suppliers.
- This training is:
 - applied and focused on implementing changes in day-to-day practices.
 - scheduled as a matter of internal compliance, for key commercial functions.
 - provided for relevant staff on arrival to the company and repeated regularly.

1.5 CROSS-FUNCTIONAL COMMUNICATION

- Responsible sourcing teams, buying teams, technical teams, relevant supply chain functions (and other employees whose actions impact suppliers/workers) are in regular exchange, to ensure aligned communication and action towards suppliers.

1.6 INTEGRATED STRATEGY AND DECISION MAKING

- Buying functions have ownership of RPPs, with the support of responsible sourcing teams.
- RPPs are integrated into daily business decisions.
- Responsible Sourcing teams and considerations have a veto in decision making, alongside sourcing/commercial considerations.
- Relevant functions are consulted before making significant changes to supply agreements, sourcing locations, or onboarding/de-listing suppliers.

1.7 INTERNAL ACCOUNTABILITY AND PERFORMANCE EVALUATION

- RPPs are included in job role competencies and performance reviews of relevant commercial functions, including top leadership.
- KPIs, targets, and incentives are set for leadership and commercial functions to encourage procurement decisions and activities in line with RPPs.

1.8 TRACKING PROGRESS

- The purchasing company's progress on implementing responsible purchasing practices and their impact is evaluated regularly, and the company adjusts its practices accordingly.

1.9 REPORTING & TRANSPARENCY

- The purchasing company's progress on implementing RPP is shared publicly, promoting transparency (e.g. by including it in their sustainability report or mapping suppliers).



The purchasing company and their suppliers respect each other as equal business partners, engage in respectful sourcing dialogue; and pursue win-win situations, with a shared responsibility to improve working conditions.

2.1 COMMITMENT

- The purchasing company actively informs suppliers about their commitment to RPPs and labour rights. This includes stating that the company's aim is to develop and maintain stable, long-term business relationships and that all negotiations and agreements will be conducted in a fair manner that represents equal partnership.

2.2 AGREEMENT ON MUTUAL RESPONSIBILITIES

- The purchasing company and its partners reach a mutual understanding of responsible practices (e.g., a shared code of conduct), outlining shared responsibilities. This is included in the contractual obligations of both parties (4.2)³. This specifies minimum labour standards, business conditions, and the purchasing company's commitments to its partners regarding purchasing behaviour.

2.3 STABLE, LONG-TERM SOURCING RELATIONSHIPS

- The purchasing company and suppliers work together to develop and maintain stable, long-term business relationships.
- The purchasing company grows the proportion of long-term suppliers over time.

2.4 PARTNERSHIP APPROACH TO COMMUNICATION & PROBLEM SOLVING

- The purchasing company establishes processes for regular, effective and on-going two-way communication with suppliers.
- Suppliers are asked and encouraged to share the challenges they face in production, without fear of negative business consequences.
- The purchasing company works in partnership with the supplier to find joint solutions, with shared responsibility for good working conditions.

2.5 EFFECTIVE FEEDBACK MECHANISMS

- The purchasing company has a regular, effective and systematic approach to consulting suppliers on the impact of purchasing practices, including gathering feedback from workers or their legitimate representatives where relevant.
- This feedback is an integral part of the action plan (1.3), reviewed on an ongoing basis. Suppliers are told what changes are being made because of their feedback and given further opportunity to input.
- Efforts are made to minimise the burden of surveys and interviews on suppliers (e.g. by minimising requests for impartial information that could be provided by the purchasing company). Supplier input is met with effective action by the purchasing company, so that the benefit for suppliers is proportionate to the demand on their resource.

2.6 SUPPORTING CONTINUOUS IMPROVEMENT

- The purchasing company supports and enables suppliers to achieve the social and environmental standards required.
- The purchasing company undertakes human rights due diligence⁴ and works in partnership with suppliers to support continuous improvement in labour standards.
- This includes promoting RPPs through the full length of the supply chain, by the purchasing company:
 - demonstrating RPPs themselves.
 - supporting suppliers with RPPs training and implementation.

2.7 EVALUATING AND INCENTIVISING SUPPLIERS

- The purchasing company evaluates suppliers' responsible business conduct and considers this in sourcing decisions alongside other factors such as quality, cost, delays etc.
- Evaluations occur when starting a business relationship as well as on a regular basis.
- Suppliers who invest in, promote, and demonstrate good labour standards are rewarded, in a way that is meaningful in business terms.
- Evaluations & incentives are developed, shared & discussed with suppliers.

2.8 LEVERAGE AND DEPENDENCY

- The purchasing company uses/builds leverage to ensure the practices of this framework are effectively implemented and to meaningfully incentivise suppliers to improve labour standards.
- The purchasing company is aware of dynamics and relationships with key strategic suppliers and ensures that partnership enables improved labour standards whilst being mindful to the risks of over-dependency and vulnerability to purchasers' buying decisions.

2.9 RESPONSIBLE REDUCTION AND EXIT STRATEGY

- The purchasing company assesses the human rights impact of significantly reducing a supplier's orders (either against forecast or previous years) or of exiting the business relationship. This assessment is part of the decision-making process and is conducted before any proposed business decision or activity⁵.
- If the purchasing company proceeds with order reduction or termination of the business relationship, they follow a responsible exit strategy that considers and mitigates negative impacts on the supplier and its workers. This complies with national laws, international benchmarks, and collective bargaining agreements, including a commitment to ensure severance payments are made to workers in the case of dismissals directly resulting from the loss of business.

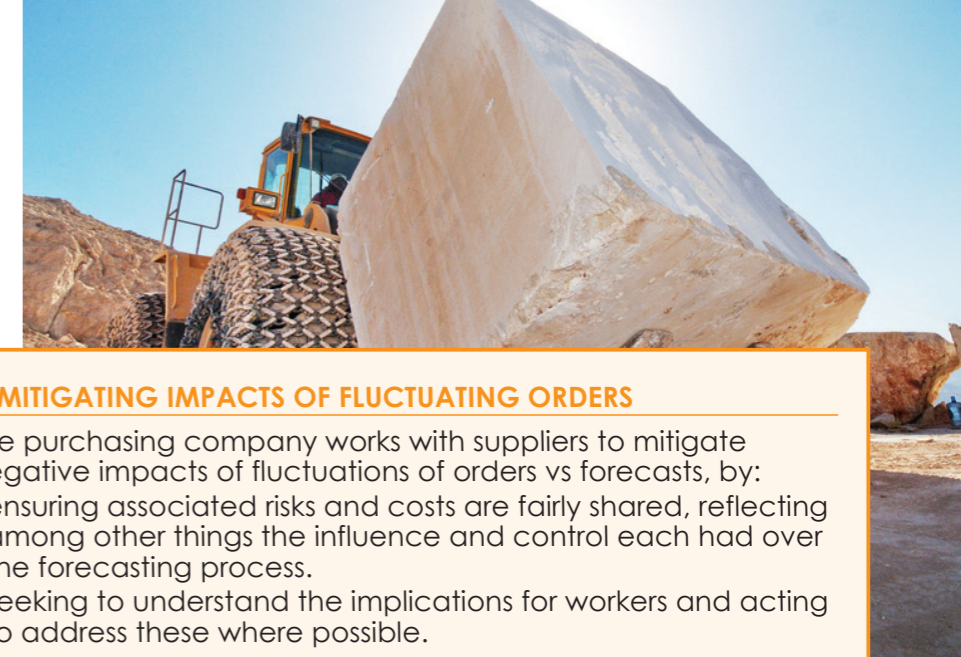
2.10 PROMOTING RESPONSIBLE PRACTICES IN B2B PARTNERSHIPS

- The purchasing company engages with its partners (e.g. contractors, state agencies, or brands/retailers) to raise awareness of potential impacts of problematic practices (e.g. pricing, timelines) or decisions and promotes responsible solutions.

PRINCIPLE 3: COLLABORATIVE PRODUCTION PLANNING



Critical path and production planning are done collaboratively between the purchasing company and suppliers, with a fair distribution of risk and accountability, ensuring that workers' rights and labour conditions are prioritised throughout the process.



3.1 LEAD TIMES

- Timelines for production and lead times:
 - are developed with the supplier.
 - allow for good working conditions and labour standards (e.g. limiting excessive overtime, while considering its impact on workers' wages).
 - allow for fair distribution of risk and accountability (e.g. points at which it is necessary for the supplier to make investment align with commitment from the purchasing company).
- If a delay is caused by unforeseen circumstances (e.g. political conflict, natural disaster) the purchasing company works with the supplier, with good communication and flexibility to:
 - adapt delivery times as needed.
 - ensure workers are paid due wages and are supported in any changes to working patterns.
 - share financial burden, taking into account the size and resilience of each party.

3.2 CRITICAL PATH ADHERENCE

- The purchasing company has a system in place to:
 - track internal adherence and delays against the agreed timelines.
 - ensure timely order placement and minimise delays and change requests.
- If order modifications are made (e.g. lead times, volume):
 - these are mutually agreed and based on clear and fair procedures.
 - the purchasing company seeks to understand the impact on suppliers and workers and acts to prevent and mitigate any negative impacts.
 - the purchasing company takes responsibility when it causes delays in the agreed timeline (e.g. adjusting delivery dates or bearing related costs).

3.3 ACCURATE SPECIFICATIONS

- The purchasing company gives suppliers accurate, clear specifications and provides timely feedback during the product development phase. This includes supporting suppliers in conducting necessary testing to meet quality assurance requirements and obtaining relevant certifications.

3.4 FORECASTING

- The purchasing company supports suppliers to mitigate uncertainty in supply and demand by:
 - sharing and discussing intel on market demand.
 - preparing and sharing forecasts in advance (in good faith and with due care and following consultation with the supplier).
 - updating these forecasts as new information about the end-market is obtained.
 - clearly communicating the basis on which any forecast has been prepared.
 - working towards increased accuracy of forecasting and planning over time.

3.5 MITIGATING IMPACTS OF FLUCTUATING ORDERS

- The purchasing company works with suppliers to mitigate negative impacts of fluctuations of orders vs forecasts, by:
 - ensuring associated risks and costs are fairly shared, reflecting among other things the influence and control each had over the forecasting process.
 - seeking to understand the implications for workers and acting to address these where possible.

3.6 ORDER BALANCING

- The purchasing company takes action to balance its orders/ required capacity, to reduce sharp peaks and troughs and to help the sourcing base to handle fluctuations.
- Where there are foreseeable/recurring peaks, suppliers are supported and extra attention given to working conditions, especially when multiple suppliers are taken on for short periods to cover a peak order period.

3.7 COMPONENT SUPPLY

- When the purchasing company nominates specific component suppliers for the supplier to use, it takes responsibility for the nominated component suppliers meeting calendar deadlines and quality requirements, and ensures that if they are not met, it does not have a detrimental impact on suppliers.

3.8 SAMPLES

- The purchasing company actively reduces the number of samples needed before finalising specifications and aims to convert as many as possible into orders. The conversion rate is monitored, and steps are taken to improve the ratio. Suppliers are fairly compensated for the samples provided, recognising the associated costs involved.



PRINCIPLE 4: FAIR PAYMENT AND CONTRACT TERMS



The purchasing company and suppliers agree on fair and transparent payment & terms that do not place a disproportionate burden on one party. Contractual obligations are mutually agreed upon, honoured, and payments are made in full and on time.



4.1 RESPONSIBLE NEGOTIATION OF CONTRACTUAL ASSURANCES⁶

- The purchasing company negotiates supply contracts to meet production requirements while prioritising fair labour conditions.
- The purchasing company avoids take-it-or-leave-it contracts and provides suppliers an opportunity to negotiate terms, ensuring both parties contribute to human rights objectives.
- The purchasing company formalises arrangements with suppliers through a mutually agreed, fair, and reasonable written contract

4.2 AGREEMENT ON MUTUAL CONTRACTUAL RESPONSIBILITIES⁷

- The purchasing company and the supplier enter into a mutual, written agreement, including contractually binding responsibilities (2.2), such as a two-way Code of Conduct (CoC) outlining both parties' HREDD obligations, minimum labour standards, business conditions, and payment terms. This is included in the contractual obligations of both parties.
- These assurances are designed to ensure shared responsibility for upholding human rights standards, with appropriate measures for verifying compliance.
- The [Model Contract Clauses of the Responsible Contracting Project](#) offer a template for establishing shared responsibility between buyers and suppliers in commercial agreements.

4.3 ON-TIME PAYMENTS

- The purchasing company has systems in place to ensure and monitor on-time payment, in line with what involved parties have agreed upon.

4.4 FINANCIAL COMMITMENT

- Payment terms are mutually agreed, before orders are placed and before the supplier takes on any order-related costs or risk.
- The purchasing company minimises the length of their payment term, to support the supplier's financial sustainability and stability, and ability to pay workers' wages on time.
- The purchasing company matches their demands of the supplier with financial commitment, ensuring the financial burden and risk of production is shared fairly, taking into account the size and financial resilience of each party. (e.g. shorter payment terms for small businesses or helping finance production by paying a deposit, before goods or services are delivered.)

4.5 NO RETROSPECTIVE CHANGES

- The purchasing company recognises the suppliers' need for certainty as regards the risks and costs of trading and makes:
 - No reductions to mutually agreed prices.
 - No retrospective changes to supply agreements or terms of supply⁵.

4.6 MUTUALLY AGREED REASONABLE PENALTIES

- If the purchasing company has penalties for suppliers, they are:
 - only applied on terms mutually agreed in advance.
 - reasonable, proportionate and clearly stated.
 - monitored by the purchasing company for fairness and legality.
 - penalties for the supplier also apply to the purchasing company, such as for late payments or irresponsible practices, as part of the contractual obligations.
- The purchasing company is able to give supporting evidence for claims of supplier fault (e.g. quality penalties are only applied when commercial value is affected, late delivery penalties are proportionate to damage caused by the delay).

4.7 AIMING TO REDUCE PENALTIES

- The purchasing company aims to minimise fines and penalties by:
 - tracking penalties issued and their root causes.
 - acting to mitigate these root causes.
- If the purchasing company misses mutually agreed deadlines that affect shipping timelines, the purchasing company does not charge the supplier a late delivery penalty.

4.8 SUPPLY CHAIN TIERS/INTERMEDIARIES

- The purchasing company seeks to promote fair payment terms through the full length of the supply chain, by:
 - checking and approving that agents or intermediaries' payment terms are fair, as defined by the practices in this principle.
 - requiring that their intermediaries apply effective systems to ensure payments are made on time and by the purchasing company making regular checks to ensure this is consistently happening.

PRINCIPLE 5: SUSTAINABLE COSTING



The costing levels and procedures of the purchasing company support wage increases and sustainable production. Prices cover all costs of production in line with responsible business conduct and allow for a reasonable and maintained supplier profit margin.



5.1 PRICES THAT COVER RESPONSIBLE BUSINESS CONDUCT

- The purchasing company considers how prices are built up, to cover:
 - wages.
 - production costs.
 - responsible business conduct, including labour and environmental requirements.
 - reasonable and maintained supplier profit margins.
- Purchasing models are reviewed to ensure buyers do not negotiate prices below these levels (e.g., no use of aggressive pricing tactic).
- Management systems are in place, so that if/when prices are below these levels, there is a process to investigate the reasons why (root causes), and to monitor and prevent this. This would include reviewing the company's own purchasing models (including purchasing prices).

5.2 INCORPORATING WAGE AND COST INCREASES

- The purchasing company gives due consideration to price increases from suppliers that occur due to:
 - negotiated wages and/or national minimum wage increases.
 - increase in input costs, outside of the supplier's control (e.g., rising costs of materials/components, energy, or transportation).
 - reduced profitability, outside of the supplier's control (e.g., production disruptions due political conflict, natural disasters, or regulatory changes).
- The purchasing company reviews prices to ensure they allow for responsible business conduct (5.1)

LIVING WAGES⁸

Achieving living wages in global supply chains continues to be a systemic challenge that requires industry wide collaboration. The living wage gap will vary between industries. Purchasing practices that address the living wage gap are an important part of responsible business conduct.

5.3 UNDERSTANDING THE LIVING WAGE GAP

- The purchasing company seeks to understand the gap between current wage levels and living wages.
- The purchasing company calculates what prices would allow for payment of living wages. Internationally recognised benchmarks⁷ can support these efforts but should not replace or supersede meaningful dialogue and negotiations with workers collectively and/or their representatives.

5.4 COSTING STRATEGY FOR LIVING WAGES

- The purchasing company works with suppliers to ensure prices paid allow for wage levels to be raised, to reach internationally recognised living wage levels/ benchmarks⁹ or living wage levels which are agreed by relevant local stakeholders (e.g. trade unions), based on internationally recognised methodologies.
- An action plan to close the gap is developed, effectively implemented and monitored.
- The purchasing company seeks to ensure purchase price increases are reflected in workers' wages and seeks to show progress that wages are being raised to living wage levels.

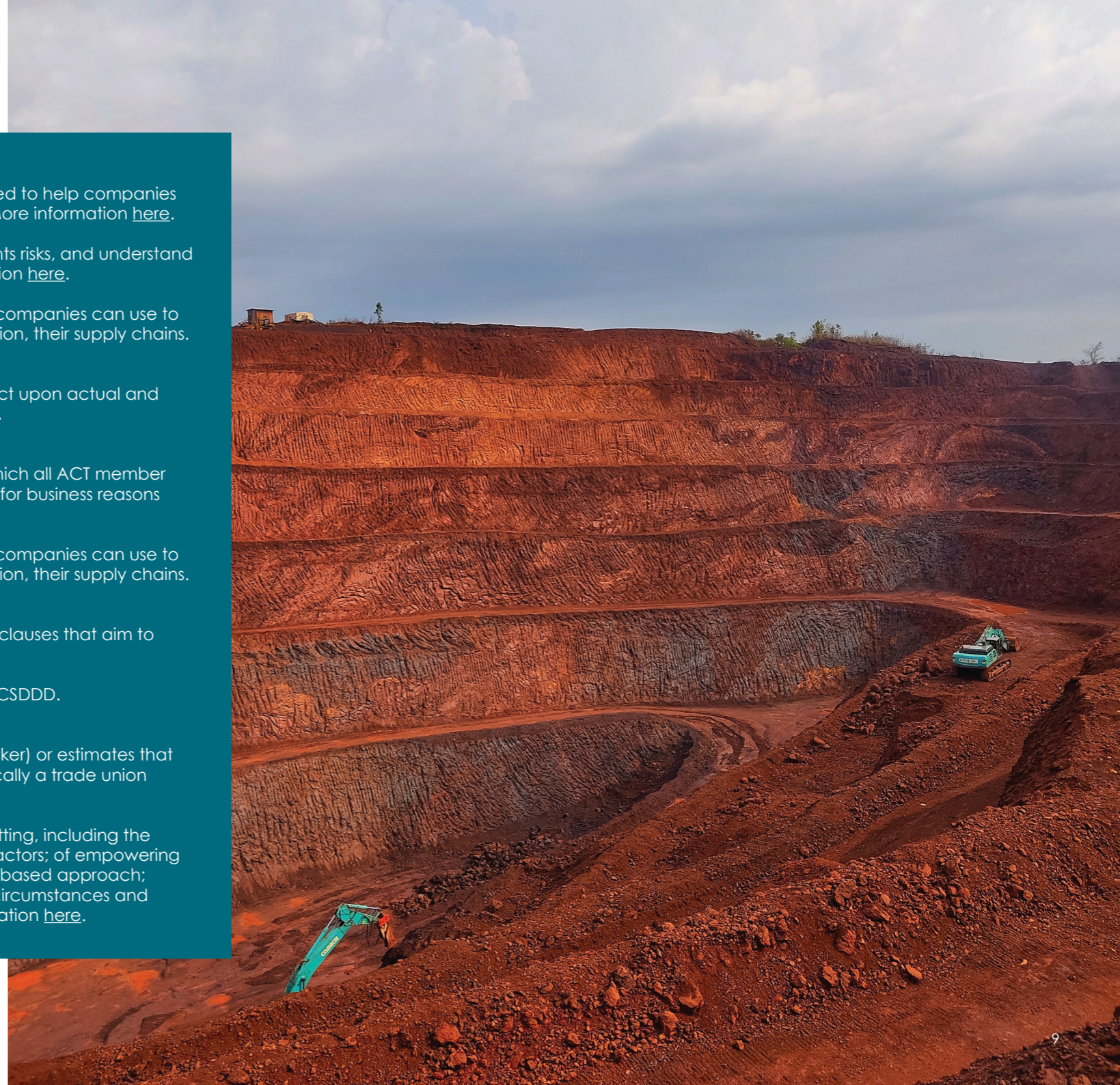
5.5 WORKERS/WORKERS REPRESENTATION

- The purchasing company ensures the involvement of workers collectively and/or their legitimate representatives in both the development and effective implementation of the action plan to close the living wage gap¹⁰.



End notes

- 1 The Framework on Meaningful Stakeholder Engagement (MSE Framework) is a guide designed to help companies embed meaningful stakeholder engagement into their human rights due diligence efforts. More information [here](#).
- 2 ETI HRDD Framework is a guide for companies to help them prevent and manage labour rights risks, and understand why engagement, negotiation and collaboration is the only way to succeed. More information [here](#).
- 3 The Responsible Contracting Project (RCP) Toolkit contains practical and versatile tools that companies can use to improve the human rights and environmental performance of their contracts and, by extension, their supply chains. More information [here](#).
- 4 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. More information [here](#).
- 5 ACT has agreed on a policy and checklist outlining a process for responsible factory exits, which all ACT member brands are expected to follow. This policy and checklist is applicable when exiting a factory for business reasons (including ramping down with a view to exit). More information [here](#).
- 6 The Responsible Contracting Project (RCP) Toolkit contains practical and versatile tools that companies can use to improve the human rights and environmental performance of their contracts and, by extension, their supply chains. More information [here](#).
- 7 The Supplier Model Contract Clauses 1.0 (2023), also known as the SMCs, are a set of model clauses that aim to improve human rights. More information [here](#).
- 8 The Obligations to Responsible Purchasing and Responsible Procurement Established by the CSDDD. More information [here](#).
- 9 Recognised benchmarks with robust methodology such as Global Living Wage Coalition (Anker) or estimates that are calculated and/or endorsed by a legitimate and representative local organisation, typically a trade union federation and/or confederation. More information [here](#).
- 10 Wage policies, including living wages. ILO has emphasised some key principles for wage setting, including the importance of taking into account the needs of workers and their families and economic factors; of empowering national institutions and social dialogue; of using robust data and statistics for an evidence-based approach; of promoting gender equality and nondiscrimination; and of taking into account national circumstances and addressing root causes of low wages, such as low productivity and informality. More information [here](#).



The structure/sections and 'principles' of this document are taken from '[The Common Framework for Responsible Purchasing Practices](#)' (CFRPP). The CFRPP was developed by the [Ethical Trading Initiative \(ETI\)](#), [Ethical Trade Norway](#), [Fair Wear](#), the [German Partnership for Sustainable Textiles \(PST\)](#), and the [Dutch Agreement for Sustainable Garments \(AGT\)](#).

It was based on an extensive benchmarking of literature on responsible purchasing practices, collating the themes and content to produce the '5 Principles', and involved wide stakeholder consultation. Following consultation with their members, ETI believes that these 'Principles' or themes, are relevant across different sectors. In this framework, the 'practices' under each principle have been amended to be appropriate to manufacturing industries in general.

The 'practices' in this document have been amended to be appropriate to this industry. The 'practices' are provided for guidance and are not formally approved as equivalent to the CFRPP by the organisations listed above. ETI has also developed a CFRPP for the food industry, which can be accessed [here](#).

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