



Responsible Purchasing Practices (RPP)

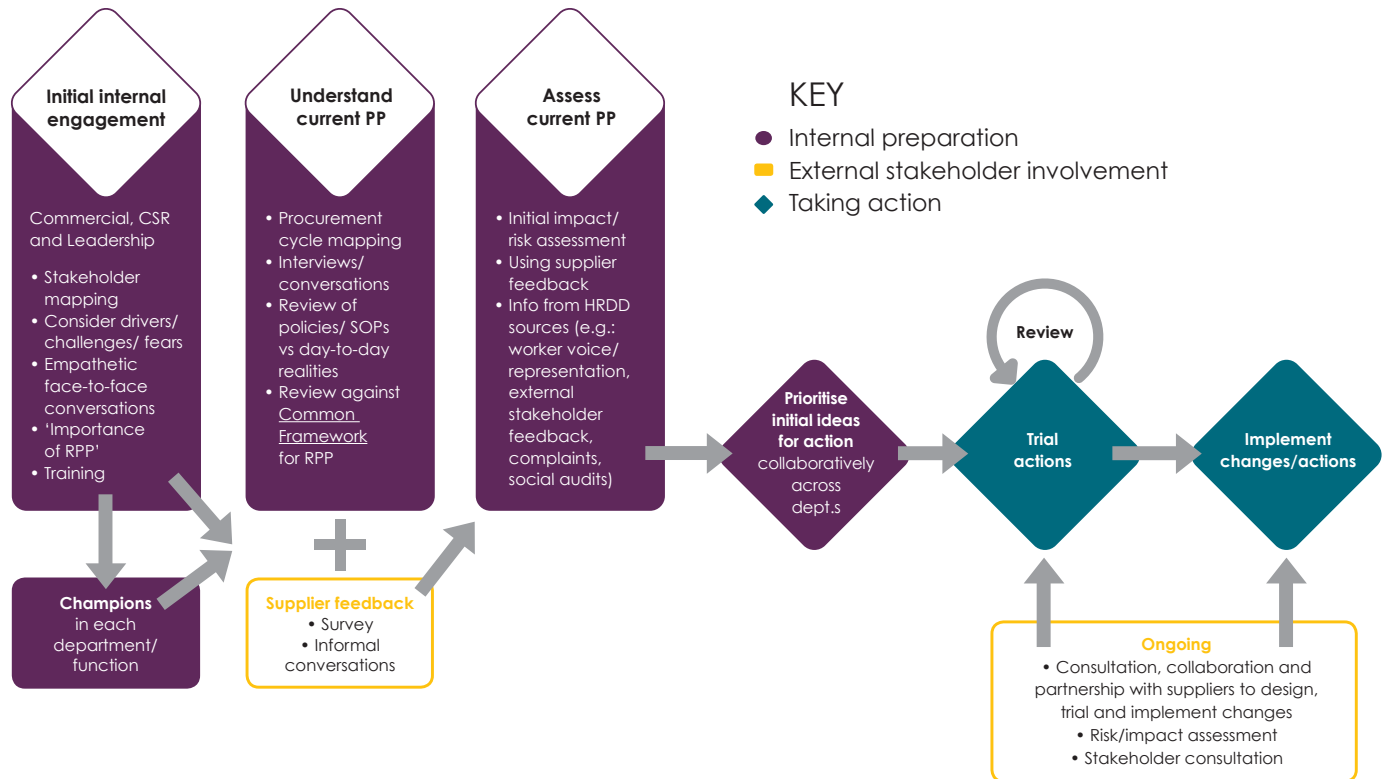
Supplier engagement briefing

Supplier engagement is needed for you to understand what is really going on, where improvements are needed, how trial changes can be most effective and impactful and to avoid any unintended negative consequences. The learnings will also help you in gaining internal

buy-in and in prioritising action. As demonstrated in the diagram below, assessing potential negative impacts of purchasing practices (PP) and adapting those practices needs to be done in genuine partnership with suppliers, for it to be successful. >>



Engaging your suppliers is an essential element of improving purchasing practices and this briefing explains how you can approach this.



1 Engagement to understand the impact of your purchasing practices

There are many ways to collect feedback on your purchasing practices from suppliers and the examples provided are not an exhaustive list.

Direct supplier-buyer feedback:

annual evaluations, supplier surveys, regular two-way dialogue, audit reports that include purchasing practices, company-wide supplier meetings and integrated processes (e.g. integrated planning and joint decision-making)

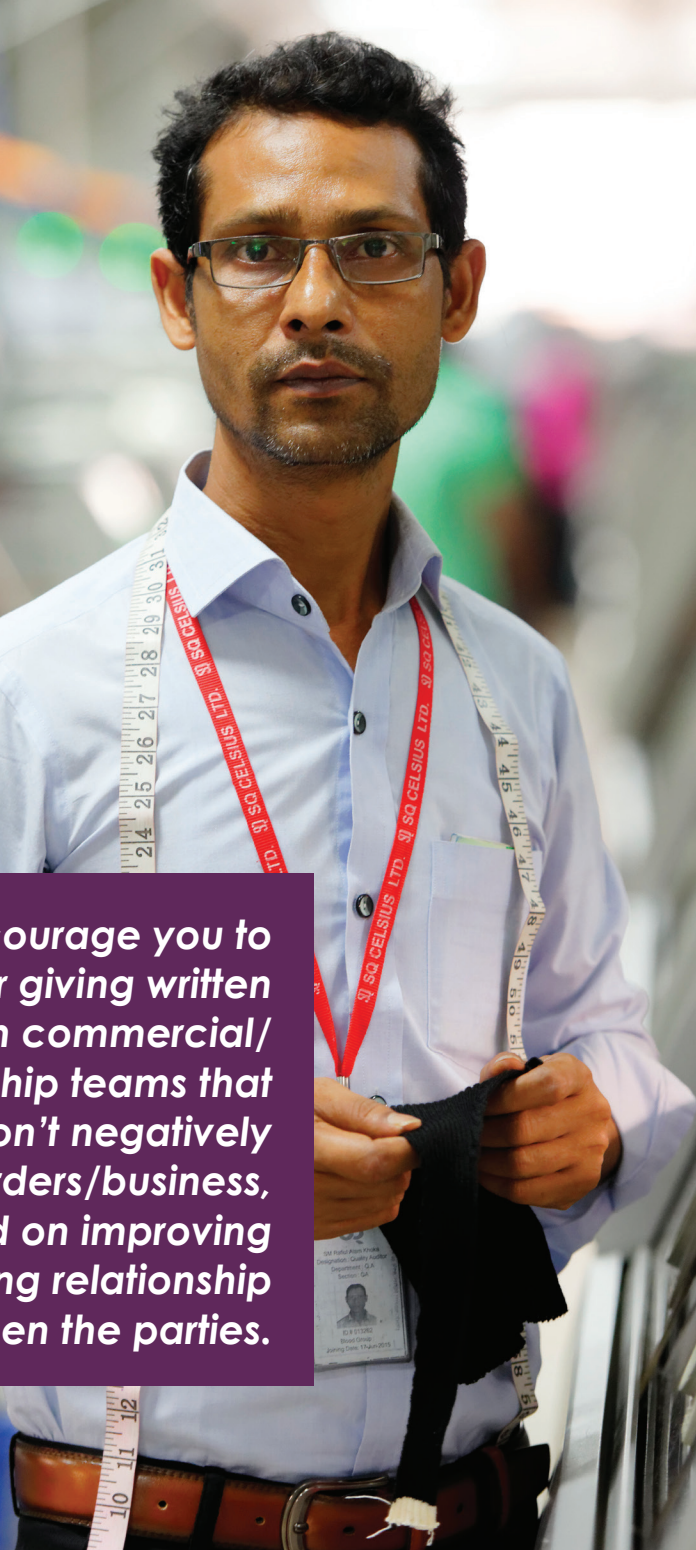
Through third parties: independently collated anonymised supplier surveys, interviews with a third party, MSI grievance mechanisms, external stakeholders (e.g. worker representatives, trade unions and NGO reports)

General suggestions regarding collecting feedback:

- A *systematic* approach to obtaining *regular* feedback supports the company in continuously improving its purchasing practices. We recommend using a combination of methods to receive feedback through various sources.

- Suppliers should have a voice in designing the systematic approach and methods for providing feedback to ensure brands are getting the feedback they need, that suppliers feel safe to give honest feedback and that the process does not overburden suppliers.
- Clearly outline why you want to gain feedback, the process you are undertaking to change PP, and if possible give examples of the changes/actions you are working on.
- It is essential to ensure that feedback is integrated into processes and there is follow-up as to whether feedback has been taken on board.

The next two sections focus on two methods. >>



We encourage you to consider giving written assurance from commercial/ leadership teams that feedback won't negatively impact orders/business, but is focused on improving the working relationship between the parties.

2 Supplier surveys

- **Better Buying™** provides a service to collate feedback anonymously and provide companies with a report summarising the findings. There is a longer survey (The Better Buying Purchasing Practices Index™), which will give in depth information to help you to understand the issues and prioritise action, and a shorter survey (The Better Buying Partnership Index™) which 'The Industry We Want' (TIWW) is using as their metric to measure industry progress.
- If you are not able to do the Better Buying™ survey, but would like to do a survey, we would recommend making use of another independent third party.
- If you would like to pursue constructing your own survey, do make sure you follow the advice below, and if you are a member of an MSI (eg ETI, FairWear, PST), we recommend that you first discuss this with your MSI rep.

Advice on using surveys:

- When surveying suppliers, it is important to recognise and consider the very real supplier-buyer power dynamic. Suppliers often fear that highlighting unfavourable purchasing practices will put relationships at risk.
 - Explaining how information is processed and who has access to it can help to build trust with the supplier.



Ensuring that responses are completely anonymous and that suppliers trust the anonymity promised, is likely to lead to far more insightful results.




- Ensuring that responses are completely anonymous and that suppliers trust the anonymity promised, is likely to lead to far more insightful results. (This can be done even if you do your own survey, by using *Survey Monkey* for example and not asking for name/ company/ contact details etc.)
- It is helpful for commercial/leadership teams to be involved in the request for survey responses, so it is understood to be a high priority, so more responses will be gained.
- Suppliers have many requests for information and there has been feedback about 'survey fatigue', so it is important to consider this carefully when you ask for information.
- Ensure collated results are communicated to suppliers afterwards (closing the feedback loop) and that this is followed up with discussions on how the brand could best improve its practices.
- If you aren't receiving much negative feedback, you may want to review your methods as it's likely you aren't receiving truly honest responses. >>

3 Engaging in a two-way dialogue

- This has to be done sensitively, aware of the power dynamic and suppliers' hesitation to give honest feedback. Building trust, whilst acknowledging the existing power dynamic can take time.
- Discuss with the supplier which individuals to involve and how cultural differences can best be tackled.
 - Think strategically about who is giving feedback and who is receiving the feedback. A manager at a supplier may be less inclined to provide feedback to a buyer they directly work with. At the same time, however, it's possible that if CSR staff request the discussion/feedback, suppliers may feel that their input is not taken as seriously and won't be addressed by the individuals whose daily decisions impact purchasing practices.
 - Take cultural differences into account. Rules on how to provide feedback can differ between cultures. In some cultures, direct negative feedback can be considered offensive or result in a loss of face.
- It may be helpful to start with a summary of some of the honest/more negative feedback that has been received by

your company, or generally from the Better Buying reports for example, to show you know that these situations happen.

- Ensure that providing feedback becomes a regular process in your relationship, building up towards more open and honest feedback.
- The ideal is to have discussion and input from suppliers at an earlier stage of internal processes for design, production planning and pricing, so that there is genuine involvement and collaboration in planning and production. >>



Involvement of suppliers in each stage of your journey to improve PP, will ensure that the changes that companies trial and implement are genuinely impactful and workable for manufacturers.

4 Collaboration to design, trial and implement changes

It is important that possible changes to purchasing practices are designed, trialed and implemented with the collaboration, partnership and ongoing feedback of supply chain partners. This is crucial to ensuring that the changes you make are genuinely those which will make a difference to suppliers and workers, and that there aren't any unintended negative consequences.

This resource has been developed as part of the 'Learning and Implementation Community' (LIC), supported by the MSI Working Group on Purchasing Practices, which developed the Common Framework on Responsible Purchasing Practices (CFRPP).

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