DEVELOPING AN ETHICAL PROCUREMENT POLICY

It can be hard to uncover the conditions in which clothes or merchandise are made. The garment industry is notorious for complex supply chains and a lack of transparency. Attempts to ‘greenwash’ mean that some brands, retailers and other suppliers benefit from an ethical or sustainable reputation, whilst in reality, the workers who make their clothes are subjected to unacceptable conditions.

We know that navigating these systems can be difficult, which is why we have developed a range of resources to support community groups through this process:

The template procurement policy can be used and adapted by community groups to guide their procurement. Our guidance notes will help you develop the policy, and further information can be found on page 8 about points in the policy marked with this symbol: 🔄

We have also developed a template letter for community groups to send to their current or prospective suppliers, outlining the expectations in the policy.

What do we mean by procurement?

In these resources, we are referring to garments or merchandise that community groups buy to support their work. This can include t-shirts for volunteers or clothes that are sold to raise money or to promote awareness about your cause.

Why should community groups have a procurement policy?

Our impact goes beyond our immediate work. How we purchase has a bearing on the human rights of workers across the world. A procurement policy helps community groups to take the first steps to ensure that the money they spend does not support human rights violations such as modern-slavery, exploitation or child labour.

By taking active steps to improve our procurement practices, we can push for positive change within global supply chains, for all workers. This includes living wages, safe working environments and the right for workers to organise and join a trade union. We can also amplify workers’ demands for non-discrimination policies which will benefit workers from marginalised groups.
As charities, non-profits and community groups, we have power to amplify our impact if we ensure that our values of equality, inclusion and justice extend throughout our supply chains. As more community groups demand better conditions for workers, it will be harder for suppliers to ignore.

We can’t change the industry overnight; low wages and lack of transparency is deeply embedded. It is likely that a community groups’ suppliers will not meet all the criteria set out in the policy, however this framework enables us to identify suppliers with a commitment, and actionable plans to improve conditions within their supply chains. The policy will enable community groups to work with brands/suppliers who are making progress on workers’ rights.

By engaging in these conversations with prospective suppliers, it sends a clear message: to get business with community groups, suppliers and retailers must work towards better conditions within their supply chain!

Our template procurement policy is a foundation for community groups to build a policy that works for them.

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**5 steps to make the policy your own.**

1. Identify what the policy needs to cover, and what items the group buys, or may buy in the future. These factors may be based on the particular needs of your group or organisation, or it could be based on funder requirements.

2. Adapt your policy to the local context. It is important that the policy is tailored to your specific organisation and needs.

3. Consult with staff or volunteers. It is important that everyone who uses the policy understands it. Ask for input as to whether there are any particular aspects they would like clearly outlined in the policy.

4. Agree the policy and sign it off with trustees or the management committee. You should also agree a process of implementing the policy and decide if any procedures need to be developed in order to adhere to the policy.

5. Share your policy with other community groups, charities and non-profits. There is strength in numbers. Inviting other groups to make better purchasing decisions will drive change throughout supply chains.
ETHICAL PROCUREMENT POLICY

[Insert a short intro about the values and mission of your community group]

Working conditions in the global garment industry are notorious for low wages, exploitation, and a lack of transparency. This policy provides a framework for [community group name] to work with brands/suppliers who are making progress on workers’ rights in their supply chains.

Human Rights in Supply Chains

1. At a minimum, we require all suppliers that we work with to ensure that the following standards for workers’ rights are being upheld along the supply chain of the products they sell:

   - Employment is freely chosen.
   - Freedom of association and the right to collective bargaining are respected.
   - Working conditions are safe and hygienic.
   - Child labour shall not be used.
   - Living wages are paid.
   - Working hours are not excessive.
   - No discrimination is practiced.
   - Regular employment is provided.
   - No harsh or inhumane treatment is allowed.

Where [community group name] sources garments, merchandise or services, suppliers and brands should have a code of conduct that, at a minimum, includes workers’ rights as outlined above. The code of conduct should apply to suppliers and subcontractors and engage the responsibility of the company, and not only that of its suppliers. Effective resolution, remediation, and grievance mechanisms should be in place for workers in case of violations to the code of conduct.

Drafting Notes

Please customise any writing that appears in blue and is bracketed.

ℹ️ Where you see this icon you can find more information in the guidance notes document (page 8).
2. Knowing where products are made, and who made them is an essential step to ensuring human rights in supply chains.
   - [Community group name] requires all suppliers/brands to commit to transparency and to publish their full supply chain and make it available on the Open Apparel Registry.
   - [Community group name] requires all suppliers/brands to align with the Transparency Pledge by publishing on their website a list naming all sites that manufacture its products on a regular basis (such as twice a year).

3. Due to overwhelming evidence of forced labour and human rights violations in the Xinjiang Uyghur Autonomous Region, [community group name] will not enter into contracts with suppliers or sub-suppliers with production facilities located in the Uyghur region making cotton-based goods.

4. [Community group name] will encourage multinational companies to enter into Global Framework Agreements with global trade union federations.

5. [Community group name] will encourage all suppliers that we work with to implement anti-discrimination policies to protect workers both in the UK and abroad.

6. [Community group name] expects all suppliers/brands to be working towards paying all workers in their supply chain a living wage. This requires brands/suppliers to negotiate fair prices with their own suppliers and sub-contractors based on robust living wage benchmarks.

7. [Community group name] will write to all suppliers/prospective suppliers outlining the expectations stated in this policy and requesting information about what action they take to ensure that workers’ rights are respected along their supply chains.

8. Where violations are found in a supply chain, brands and suppliers should commit to working to improve the situation, rather than terminating contracts, which may be detrimental to workers.

9. If existing suppliers fail to develop an action plan to remedy human rights violations, [community group name] will take steps to implement a responsible exit strategy, and instead source from suppliers/brands who are taking steps towards ethical sourcing.

10. If prospective suppliers do not meet the above expectations, or have a commitment to work towards them, [community group name] will not source from them, citing their failure to protect workers in their supply chain.

11. [Community group name] will join forces with other community groups who use the same supplier/brand and use our collective power to strengthen calls for improvements.
Climate Crisis and Human Rights

12. The current rates of consumption have an adverse effect on global human rights and the climate crisis. Therefore, we commit to only purchasing products or merchandise when deemed necessary to fulfil campaign aims.

13. All quotes for products will be compared based on their environmental and social impact, as well as price. Environmental and social impact will be given highest priority in sourcing.

14. Organic, fair trade and recycled products shall be sourced where available and not prohibitively expensive.

Policy Reviewed by [Staff name], [Date].
Agreed by the trustees/management committee [Date].
Dear [Supplier name],

[Insert a short introduction to your community group here]. We recognise our responsibility to ensure that human rights are upheld across all the work that we do, both in the UK and abroad. We believe that consumer actions have an impact on the improvement of workers’ rights.

We therefore have a policy of contacting our own suppliers to ask about the policies they have in place to ensure workers' rights are respected within their internal operations and own supply chains.

As you are one of our [prospective] suppliers, we are contacting your company to ask what action you take to ensure that workers’ rights are upheld in your supply chains. In particular, we would like to know:

- Do you, and any suppliers you work with, have a code of conduct that, at a minimum, includes the following international workers' standards:
  - Employment is freely chosen.
  - Freedom of association and the right to collective bargaining are respected.
  - Working conditions are safe and hygienic.
  - Child labour shall not be used.
  - Living wages are paid.
  - Working hours are not excessive.
  - No discrimination is practiced.
  - Regular employment is provided.
  - No harsh or inhumane treatment is allowed.

- What action do you take to monitor workers’ rights and compliance of codes of conduct in your supply chain?

- Where violations of the code of conduct are found, is there access to effective resolution, remediation, and grievance mechanisms for workers?
Knowing where products are made, and who made them is an essential step to upholding human rights in supply chains.

- Have you published your full supply chain and made it available on the Open Apparel Registry?
- Have you aligned with Transparency Pledge standards by publishing on your website, an up-to-date list naming all sites that manufacture your products?
- There is overwhelming evidence of forced labour and human rights violations in the Uyghur Autonomous Region in China. Do you, or any sub-suppliers have production facilities in the Uyghur Region?

What action are you taking to ensure that all workers in your own operations and your contracting supply chain are paid a living wage, based on recognised living wage benchmarks?

Do you, and any suppliers you work with, have anti-discrimination policies in place to protect workers?

[For multinational companies] Have you entered into a Global Framework Agreement with a global trade union federation(s), ensuring that you adhere to the same standards in every country in which you operate?

- Are all your policies clearly communicated to all workers’ in your supply chain, including where relevant, in languages that reflect the nationalities of the migrant workers making or delivering your goods and services?

If you haven’t begun to work on this issue, please see this letter as an encouragement to do so.

We urge you, at a minimum, to inform your suppliers that the implementation of international workers standards is an important part of fulfilling their contract, ask your suppliers how they meet these standards and for them to ask the same questions of their suppliers.

Violations of the expectations outlined in this letter will unfortunately be found within most supply chains, and such violations are best resolved through positive action done in cooperation with your supplier.

Where violations are found you should work with your suppliers to develop a plan to improve the situation. We explicitly do not want you to stop sourcing where conditions are poor as this would be detrimental to the workers producing the goods.

We look forward to hearing from you.

Yours sincerely,
The Open Apparel Registry is an open-source map of garment facilities around the world. By encouraging suppliers to declare which factories they are associated with, it increases transparency in the industry and allows human rights campaigners to respond to exploitative conditions in supply chains.

The Transparency Pledge sets the minimum standard for supply chain disclosure in the garment and footwear industry. Many, but not all, UK major brands have committed to the pledge. The Transparency Pledge requires all companies to publish on their website on a regular basis (such as twice a year) a list naming all sites that manufacture its products. The list should be published in a spreadsheet or other searchable format provide the following information in English:

- The full name of all authorized production units and processing facilities
- The site addresses.
- The parent company of the business at the site.
- Type of products made.
- Worker numbers at each site.

Ending Uyghur forced labour: Point 3 in the Ethical Procurement Policy

There is overwhelming evidence of forced labour and human rights violations in the Xinjiang Uyghur Autonomous Region. The Call to Action asks brands to stop sourcing from the Uyghur Region and from suppliers using Uyghur forced labour. The Uyghur community and other community groups have made it clear the brands and retailers should leave the region. This is the best course of action to stop production using Uyghur forced labour and protecting the Uyghur population from harm.

International Framework Agreements: Point 4 in the Ethical Procurement Policy

An International Framework Agreement (IFA) or Global Framework Agreement (GFA) establishes an ongoing relationship between a multinational enterprise (MNC) and a Global Union Federation (GUF) to ensure that the company adheres to the same standards in every country in which it operates.
Living Wage Benchmarks: Point 6 in the Ethical Procurement Policy

- Asia Floor Wage Alliance, Global Living Wage Coalition, and Wage Indicator Foundation benchmarks are examples of benchmarks that meet the criteria for a living wage. Fair Wear Foundation’s Wage Ladders, which compare several benchmarks with local statutory minimum wages, are another useful tool.
- The Fashion Checker tool shines a light on transparency and living wages in the fashion industry and allows you to see whether brands are paying their workers a living wage, and how transparent their supply chains are.

Further reading

Current Campaigns

- The #PayYourWorkers Campaign is a global campaign to negotiate an enforceable agreement to support stronger social protections for workers, through the establishment of a Severance Guarantee fund.
- Corporate Justice Coalition’s ‘Failure to Prevent’ campaign calls for legal reforms to hold multinationals to account for human rights violations and environmental damage.

Media reports: Current issues in the garment industry

- Garment Workers going hungry, as fallout from cancelled orders takes toll, report (Guardian) Workers are being forced into debt and facing food shortages as suppliers to western fashion brands cut wages and close factories.
- Government 'must stop garment worker exploitation' (BBC) 50 MPs and peers call on the home secretary urging her to do more to protect UK garment factory workers from exploitation.
- Fashions dirty secret: How sexual assault took hold in jeans factories (Guardian) Covid-19 is threatening to unravel hard-won gains against gender-based violence in the garment industry.
Labour Behind the Label campaigns for garment workers’ rights worldwide. We support garment workers’ efforts to improve their working conditions and change the fashion industry for the better. We raise awareness, provide information and promote international solidarity between workers and consumers.

We represent the Clean Clothes Campaign in the UK.