

A smiling woman with dark hair, wearing a white shirt and a blue apron, stands in a textile factory. She is surrounded by large spools of thread in various colors (brown, grey, yellow, red, blue) on a machine. The background shows more industrial equipment and other workers.

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Responsible planning and purchasing guidance for companies

A framework for improving working
conditions in manufacturing supply chains

Contents

- About FLA3
- Introduction4
 - What are responsible purchasing practices? 4
 - FLA’s commitment to RPP 4
- Three-part RPP framework 6
- Part 1: Laying a foundation 7
 - 1.1 Understand the impact of RPP on workers7
 - 1.2 Develop an RPP policy9
 - 1.3 Implement cross-functional learning for staff..... 11
- Part 2: Building a partnership between buyers and suppliers 14
 - 2.1 Ensure buyer-supplier alignment14
 - 2.2 Set up systems for improvement and accountability..... 16
 - 2.3 Build out supplier incentives..... 17
- Part 3: Expecting the unexpected 19
 - 3.1 Assess risk before establishing sourcing relationships..... 19
 - 3.2 Engage workers, unions, and civil society organizations 19
 - 3.3 Collaborate with other buyers..... 20
 - 3.4 Follow guidelines for responsible exit and closure 20
- Conclusion22

About FLA

The [Fair Labor Association \(FLA\)](#) promotes human rights at work. We are an international network of companies, universities, and labor and civil society organizations collaborating to ensure that millions of people working at the world's factories and farms are paid fairly and protected from risks to their health, safety, and well-being.

Acronyms

CFRPP – Common Framework for Responsible Planning and Purchasing

CRDs – Cargo ready dates

CSO – Civil society organization

ETD – Estimated time of departure

FLA – Fair Labor Association

HRDD – Human rights due diligence

MSI – Multi-stakeholder initiative

OECD – Organisation for Economic Co-operation and Development

PP-DD – Purchasing Practices Due Diligence Framework

RPP – Responsible purchasing practices

SOP – Standard operating procedure

UNGPs – United Nations Guiding Principles on Business and Human Rights

WROs – Withhold Release Orders

Introduction

Companies with global supply chains understand how challenging it can be to operate a business and the significance of doing so responsibly. A company's purchasing decisions influence supplier activities, which in turn have a direct impact on workers' labor conditions and livelihoods.

To address this, the Fair Labor Association (FLA) created guidance offering a three-part strategic framework for purchasing companies (referred to throughout this document as "buyers") in the manufacturing industry to align their business operations with effective human rights due diligence (HRDD) and responsible purchasing practices (RPP). It emphasizes that a buyer's purchasing practices directly impact the working conditions and livelihoods of factory workers globally.

This guidance does not seek to provide an exhaustive account of all responsible purchasing and production practices. Instead, it serves as a resource for buyers at varying capacities to deepen their RPP work. It is informed by industry-leading labor rights standards and frameworks; FLA's learnings from evaluating over 50 companies' responsible purchasing and production practices over the last decade; insights gleaned from conversations with buyers; and purchasing trends and publicly available information.

What are responsible purchasing practices?

Purchasing practices encompass all of the business operations buyers engage in to bring a product to market, including sales and merchandising, product development, planning and forecasting, calendar management, agreement creation, cost negotiations, sourcing, procurement, and payment terms.

The term responsible purchasing practices refers to procuring goods and services in ways that do not negatively impact human rights or the environment through collaboration and mutual partnership between buyers and suppliers. Buyers that engage in RPP can mitigate the risk of contributing to negative impacts on workers, build a more robust and effective social responsibility program, and generate organizational efficiencies and resilience within supply chains. RPP can lay the foundation for successful buyer-supplier relationships and decent work.

In contrast, poor planning and purchasing practices, such as inaccurate forecasting, incorrect technical specifications, last minute design changes, late order placement, and missing payment deadlines, contribute to negative working conditions. Workers report experiencing excessive overtime, inaccurate compensation, lack of safety measures, and stressful working environments.

FLA's commitment to RPP

FLA provides resources for buyers to progressively improve their business practices, minimizing harm to suppliers, workers, and communities. When a company joins FLA, its leadership agrees to uphold the [Fair Labor Code](#) and the [Fair Labor Principles](#) – these define labor standards that aim to achieve decent and humane working conditions in supply chains.

FLA's Principle 2 on Responsible Purchasing and Production Practices is rooted in international labor standards and provides buyers a pathway to understanding how their purchasing practices influence

workplace conditions.¹ In 2014, FLA incorporated RPP standards into its [Fair Labor Accreditation](#) program that evaluates members' social compliance programs.²

Principle 2 cannot achieve meaningful impact in isolation. Its effectiveness depends on implementation in conjunction with broader HRDD commitments, including meaningful engagement with workers and their representatives, such as unions and civil society organizations (CSOs). This ensures that purchasing practices are informed by worker perspectives and grounded in real-world labor conditions.³

This guidance supports companies in meeting Principle 2 and offers a starting point for aligning purchasing practices with broader HRDD commitments and responsible business expectations.

1 In 2025, FLA began its Principles Revisions process to strengthen its standards for accreditation. This process will update FLA's Principle on RPP to recognized progress in standards, including the Common Framework for RPP and the Purchasing Practices Due Diligence Framework.

2 The Principle on RPP is number two in [FLA's Principles](#) of Fair Labor & Responsible Sourcing and Production Practices for manufacturing.

3 The STITCH Consortium has developed [technical guidance](#) for companies to integrate meaningful stakeholder engagement across their human rights due diligence processes, and additional resources on union and civil society engagement can be found on [FLA's e-Learning platform](#).

Three-part RPP framework

This guidance document offers a three-part framework designed to move buyers from foundational awareness of RPP to accountable partnerships with suppliers and workers.

1. Laying a foundation

- Understanding key factors of RPP, such as cost negotiation and accurate forecasting
- Developing an organizational RPP policy to standardize operations and ensure long-term commitment
- Implementing cross-functional learning to educate staff on how their decisions affect factory floor conditions and workers' lives

2. Building a partnership

- Working with suppliers on improved communication, addressing power imbalances, and implementing safeguards from retaliation
- Implementing accountability mechanisms and RPP performance metrics
- Providing incentives for suppliers to improve their working conditions

3. Expecting the unexpected

- Proactively preparing for risks and crises that could impact the sourcing relationship
- Gathering feedback from workers, unions, and CSOs
- Working collaboratively with other buyers to share RPP resources and pilot solutions
- Following a responsible exit policy when needed, including giving adequate notice, implementing a gradual phase-out, and ensuring workers are compensated

Part 1: Laying a foundation

1.1 Understand the impact of RPP on workers

To successfully implement RPP across sourcing functions, buyers should first understand the risks embedded in each business process that could impact factory-level working conditions. Buyers can do this by carrying out ongoing human rights risks assessments and meaningful engagement with workers, unions, and CSOs to identify potential and actual adverse impacts across their supply chain. Buyers should pay particular attention to the following practices.

COST NEGOTIATION

Downward pressure on prices, lack of open and fair negotiations, and an absence of explicit accounting for labor costs can mean that labor standards—in particular fair compensation and living wages for workers—suffer as a result. To improve RPP, buyers should work directly with suppliers to better understand factors impacting manufacturing costs and the market challenges they face.

A key step is conducting a true cost analysis to understand what the price of responsible production entails (living wages, materials, etc.). For example, transparent costing exercises such as open costing models, where buyers and suppliers share detailed, itemized cost information by product, can provide methods for fair costing negotiations to take place. These exercises can also provide buyers with more insight on factors impacting price trends, including minimum wage increases, the cost of improving workplace conditions or economic inflation, as well as supplier margins and cash flow concerns.

More open discussions around costing can help build trust and understanding between buyers and suppliers. However, buyers should be aware of the power dynamics within these relationships. How a buyer negotiates with a supplier, including the tone, manner, timing, and pressure, contributes to negotiating tactics and outcomes for workers.

Internally, buyer sourcing staff should work with social responsibility staff (which includes those responsible for labor rights, worker well-being, human rights, sustainability, and social compliance) to verify that funds allocated for wage increases are in fact remitted to workers.⁴ Buyers should also ensure their RPP policy is updated (see section 1.2, [Developing an RPP policy](#)) to include labor cost change considerations and a commitment to continually work towards providing suppliers the capacity to progressively decrease [living wage](#) gaps for workers.

PAYMENT TERMS

Delayed payments or unexpected changes in payment terms, including unreasonable penalties and chargebacks, can create financial instability for suppliers, making it challenging for them to maintain regular and fair wages for workers. Buyers should improve systems to deliver payments on time, while progressively shortening payment terms.

4 The Responsible Purchasing Practices Working Group. (2025, January). Purchasing Practices HRDD Framework for the Garment and Footwear Industry. https://static1.squarespace.com/static/636ba8ae2fd47349a887dd92/t/67a4cc988c08535bfbf57215/1738853533793/Purchasing+Practices+HRDD+Framework+V1_January+2025_Final.pdf

For example, one of FLA's accredited member companies has worked to automate its payment process as much as possible to avoid delays. If the supplier's invoice number matches the original purchase order number, payment will be received in accordance with the company's payment terms. If there is any discrepancy between the two numbers, the automated system notifies the accounts payable team who then works with sourcing to resolve the issue. Technical efforts to automate payment systems improve compliance with net terms and provide suppliers with more financial certainty for business continuity.

CALENDAR ADHERENCE AND AVOIDING SHORT LEAD TIMES

Short lead times, or unplanned changes leading to delays in completion of purchase orders, can mean that workers must work longer hours or extra shifts. This results in higher labor costs or premium overtime rates for the supplier, and potentially unpaid overtime wages for workers if the supplier does not or cannot cover the additional costs. When suppliers rush to complete orders, they may decrease the attention paid to maintaining safe working conditions or to upholding quality standards, which might result in even more overtime, shipment delays, expensive freight, or chargebacks.

Overall, buyers should avoid making last minute changes that lead to cascading negative calendar impacts. Buyers should also work with retailers, agents, and licensors to convey their shared desire for business resilience and continuity within the relationship, and how impacts caused by missed deadlines impede their ability to reach these shared objectives. To avoid impacts to workers, buyers should work with suppliers to develop a practical production calendar to which relevant business representatives are held accountable.

For example, merchandise managers at FLA member Sitka Gear are responsible for working with demand planning and suppliers to develop a reasonable production calendar, which is first framed as a proposal to suppliers before finalization. Sitka Gear's commitment to co-creating the production calendar with suppliers is embedded in the company's RPP policy, along with solutions for suppliers, such as splitting large orders into different shipments, should calendar deviation occur.⁵

PLANNING AND FORECASTING

Ebbs and flows in orders can make it more difficult for suppliers to ensure that workers have sufficient work all year round. While peak production periods can and do occur, accurate forecasts enable the supplier to better manage the peak seasons of all of its buyers. Critical components of accurate forecasting include establishing buyer-supplier trust and investing in long-term predictive analytics models.

Certain business models, however, require reactive production based on uncontrollable factors, which does not allow adequate room for precise forecasting. In this scenario, buyers can offer suppliers more flexibility (such as around order quotations and production timing) and should be aware of the impact on suppliers and workers when orders significantly fluctuate from forecasts.

FLA member Colosseum offers suppliers opportunities to amend original unit quotations or change the estimated time of departure (ETD) in the event that buys are far under or over forecast.⁶ Suppliers and buyers benefit from knowing what both sides can expect throughout the year in orders and delivery times.

MEASURING CAPACITY

Placing orders without considering the supplier's production capacity poses risks to fair labor practices,

5 Sitka Gear. (2024). Internal policy document. *Responsible Sourcing Policy: Sitka Gear*.

6 Colosseum. (2024). Internal policy document. *Examples of Balanced Planning and Forecasting*.

particularly in terms of working hours, safe working conditions, and fair compensation. Buyers should be able to demonstrate how factory capacity is verified through on-site visits, regular communication, or internal calculations. When orders exceed allocated capacity, buyers should provide examples of their efforts to avoid overburdening factory partners, such as placing orders with other existing suppliers, working with the supplier to identify a suitable subcontractor for vetting, providing extended timelines for order completion, or offering unit price recalculation opportunities.

1.2 Develop an RPP policy

UNDERSTAND THAT RPP HELPS PREVENT RISK

Buyers should have a dedicated RPP policy in place to determine clear processes for working responsibly with suppliers and to avoid creating risks for workers and business operations long-term. The [OECD Due Diligence Guidance for Responsible Business Conduct](#) reiterates this, emphasizing the importance of a responsible business conduct policy to align corporate activities with societal needs.

A buyer's social responsibility objectives may conflict with its business objectives, as buyers and suppliers may prioritize lower wages or decreased unit prices over progressive wage increases or higher product quality. However, buyers should be aware of the risks that not implementing RPP can pose, leading to a "race to the bottom" rather than a "race to the top." Irresponsible purchasing practices harm workers and can lead to both short and long-term business and other sustainability struggles – including sustainable product lifecycle management issues, higher numbers of product defects, and lowered rates of customer satisfaction.

In addition, buyers that view social responsibility from an incident-based, reactive perspective may face financial and operational consequences, leading to dissonance between their commitment and program implementation. Targeted campaigns, boycotts, and tangible legal repercussions following human rights abuses are examples of how spot-treating planning and purchasing problems can inflict long-term harm to a business's value and protection.

Buyers may also face regulatory enforcement when issues arise, such as [Withhold Release Orders \(WROs\) from U.S. Customs and Border Protection](#) and [the EU's Forced Labour Regulation](#); this can severely restrict operations and lead to product detentions with major financial consequences. Incidents like these can be prevented through strong cross-functioning, collaborative, and proactive planning and purchasing practices.

DETERMINE ORGANIZATIONAL VALUES AND DRAFT AN RPP POLICY

Establishing a set of shared values through an organizational policy is a first step in forging a pathway forward towards responsible planning and purchasing practices. An internal RPP policy sets standards and helps leadership and team members understand what sustainable business growth means to their organization.

An RPP policy should establish formal written procedures that align planning and purchasing decisions with workplace standards across the company's global supply chain. The policy should:

1. Address common elements of RPP, including financial terms, adequate lead times, and balanced annual planning to prevent excessive overtime, unauthorized subcontracting, poor labor retention, and inefficiencies caused by seasonal demand fluctuations.
2. Recognize the complexities of different supplier business models and set realistic expectations that account for supplier size, structure, and capacity.
3. Require collaboration and regular communication among internal departments, with suppliers, and with any contracted agents or intermediaries to reduce negative impacts on workers and working conditions, encourage supplier feedback without retaliation, and share continuous improvements.
4. Include procedures for responsible order reduction.
5. Document metrics and accountability systems to measure how both buyer and supplier staff implement responsible purchasing practices.
6. Provide clear incentives for suppliers that operate in a socially responsible and sustainable manner and maintain systems aligned with labor standards.

While an RPP policy can communicate a buyer's commitment to responsible business practices, mutual trust and understanding between buyers, their internal departments that play a role in purchasing, and suppliers must be in place to change internal processes and systems that inhibit responsible planning and purchasing practices.

SECURE LEADERSHIP BUY-IN

An effective RPP policy requires leadership commitment across the C-suite and all management functions of an organization. Buyers should review their business objectives, such as margin-related KPIs and sales growth year-over-year, to ensure that they strike a balance between financial objectives and ethical procurement. Buyers can implement RPP-specific organizational KPIs that measure factors such as:

- Buyer-supplier relationship longevity;
- Year-over-year increases in technical investments to improve forecasting;
- Overall contractual adherence; and
- Responsible divestment.

In addition, buyers should ensure that key governance and leadership structures, such as the board of directors, are aware of the important role RPP plays in business operations. Buyers should strive to appoint board members who contribute both business and human rights-centered perspectives.

INCORPORATE FEEDBACK FROM INTERNAL DEPARTMENTS

Buyers should ensure that an RPP policy and any related procedures are developed with input from staff, in order to successfully put commitment into practice. The team that drafts the RPP policy should consider operational vantage points from both the business and social responsibility sides of the organization, balancing practicality with labor rights considerations. Leadership must review and approve any policy prior to dissemination.

For example, a Fair Labor Accredited company implements its RPP policy through cross-functional staff meetings centered on key dates. Production level-loading and pull-throughs, country risk mapping, quality assurance auditor training, and post-mortem seasonal evaluations all contribute to operational-level RPP. Setting policies and procedures around these practices reinforces commitment and standardizes operations to ensure compliance.

Staff should regularly review and update policies to ensure relevance as well as alignment with the current state of the organization and any changes in strategic direction. As the company matures, so should the RPP policy. Policy updates or modifications should recognize structural changes, growth, downsizing, or other developments within the organization. Staff should thoroughly cascade updates to the policy across departments.

FLA member Sitka Gear ensures its Responsible Sourcing Policy is regularly reviewed by integrating the expectation for revisions into the written documentation of the policy itself.⁷ The policy includes considerations accounted for during the review process, including any recent changes to industry benchmarks or standards, internal cross-functional learnings, supplier feedback, and verified impacts to workers.

1.3 Implement cross-functional learning for staff

EDUCATE STAFF ON BUSINESS AND SOCIAL RESPONSIBILITY FUNCTIONS

In order for buyers to operate more responsibly, their headquarter-level staff must understand each other's roles and responsibilities, as well as the unique challenges they face as they work to meet departmental goals and targets. Cross-functional knowledge building is critical for establishing a mutual understanding of challenges, targets, and RPP commitments.

Social responsibility staff should develop a keen understanding of business processes within their organization, such as the buy-ready process, the inputs and specifications within a tech pack, and how supplier capacity is verified. They should also understand the change management required to execute RPP.

At the same time, staff from other departments, including sourcing, planning, sales, production, and senior management, should understand why the company has a social responsibility team in place, how their roles intersect, and the inherent complexities that affect responsible sourcing and production.

HOST CROSS-FUNCTIONAL LEARNING SESSIONS ON RPP

To ensure staff are dedicated to a business's RPP goals, buyers should hold cross-functional discussions among relevant departments to explore challenges and brainstorm solutions. Learning opportunities help develop mutual trust and understanding between supply chain and social responsibility teams.

Topics for discussion can include:

- The leverage a buyer holds with its suppliers;
- The number of customers a supplier produces for, and how this impacts production capabilities;
- End-to-end production calendar steps;
- Specific challenges linked to the nature of the product, such as seasonality or complexity;

7 Sitka. (2024). Internal policy document. *Responsible Sourcing Policy: Sitka Gear*.

- Challenges with raw material quality or timeliness of procurement;
- Competitive pressures;
- And market demands.

Social responsibility staff should also provide other departments with hypothetical and tangible linkages between planning and purchasing practices and downstream impacts on suppliers and workers. All buyer staff should understand the lived realities of workers in their supply chain and how decisions impact workers. Examples include how inaccurate technical specifications can cause production delays, resulting in rushed production, causing avoidable workplace injuries, and unauthorized subcontracting or excessive hours of work.

ENSURE STAFF ARE COMMITTED TO LABOR RIGHTS STANDARDS

All buyer staff should be educated on key labor rights standards set by leading organizations and frameworks, such as the [International Labour Organization's standards](#), the [UN Guiding Principles on Business and Human Rights](#), the [OECD Guidelines for Multinational Enterprises](#), the [UN Sustainable Development Goals](#), and current global supply chain due diligence laws like the [U.K.'s Modern Slavery Act](#) and [German Supply Chain Act](#). For FLA member companies, buyer staff should understand [FLA Workplace Standards](#), including Principle 2 on RPP, and [Fair Labor Accreditation](#) requirements.

This capacity building should be coupled with resources on labor rights best practices, such as incorporating learnings from the [Common Framework for Responsible Planning and Purchasing](#) (CFRPP). The CFRPP includes a set of recommended practices for buyers to follow to improve working conditions for workers within their supply chains, including developing balanced partnerships with suppliers, and ensuring payments to suppliers comply with fair and timely terms. Buyers should also refer to [FLA living wage project reports](#) and provide suppliers with preliminary estimates and historical trends when exact production forecasts cannot be given.

IMPLEMENT REGULAR ORGANIZATIONAL TRAINING

Once a buyer has created an RPP policy and related procedures, it should train staff on how to integrate these objectives into day-to-day decision-making. Staff training should focus on the consequences of planning, purchasing, and sales decisions on workers, and potential solutions to mitigate negative impacts on code compliance and workplace conditions. Training should also include relevant examples of production incidents or issues, encourage problem-solving, and emphasize remediation. Buyers should:

1. **Train staff through simulations:** Use real-world examples of RPP challenges to help participants see the impact of the upstream and downstream effects of their decisions.
2. **Regularly evaluate training materials:** Consider how to update materials with learnings from external trainings and assessments, real business challenges, and feedback from social responsibility practitioners and business partners.
3. **Evaluate staff:** Relevant staff should put training into practice and be held accountable for meeting performance objectives, such as meeting deadlines, adhering to production calendars, clearly communicating with suppliers, and making responsible sourcing decisions.

The CFRPP offers practical tools for businesses, while FLA members and non-member subscribers can access additional training via the [FLA e-Learning platform](#).

DEVELOP STRONG SYSTEMS FOR INTERNAL COMMUNICATION

Regular communication between teams is also necessary to ensure the RPP policy is successfully implemented through business activities. Buyers often operate in silos, with departments focused on their own work and decisions. Social responsibility departments may have a limited voice in decision-making. Lack of open dialogue and delayed operational effects can compound social responsibility challenges, making it difficult for buyers to identify risks and act. In addition, organizational structures can generate conflicts of interest by requiring social responsibility teams to report into critical business functions.

To address this, buyers can take several steps:

- 1. Create separate reporting structures:** Staff should have a leadership representative that emphasizes the importance of both business and social responsibility functions, to whom they can elevate concerns regarding labor rights and RPP issues.
- 2. Ensure that job descriptions include RPP:** Roles should include clear responsibilities and performance objectives that align with the organizational RPP policy and procedures.
- 3. Embed labor rights commitments into meetings:** Social responsibility staff and leadership should have regular touchpoints, ensuring top-down direction on RPP for supply chain teams and business goals.

Buyers can also share cross-departmental updates impacting RPP and relevant KPI progress through dedicated working groups. FLA members, like Patagonia and others, have established governance frameworks for these updates through their RPP Task Force and sustainability roundtable meetings. Patagonia's RPP Task Force intentionally includes heads of departments who can influence decisions, while another FLA accredited company's sustainability roundtable historically focused on minimum wage level updates, buyer-supplier survey results, and tracking improvements, among other agenda points.

Buyers should establish governance structures across teams that ensure regular and open communication is taking place. When key calendar checkpoints occur, social responsibility staff should attend cross-departmental meetings to stay attuned to new developments within business processes. Standing meetings can be challenging to maintain, so buyers should prioritize critical milestone meetings or adopt asynchronous mechanisms for communication to preserve bandwidth and limited resources.

In between standard meetings, buyers should develop standard operating procedures (SOPs) for reporting and managing high-risk workplace violations or emergent supplier challenges. SOPs can establish who is responsible, accountable, consulted and/or informed when urgent concerns arise to ensure timely action takes place.

Part 2: Building a partnership between buyers and suppliers

2.1 Ensure buyer-supplier alignment

COMMUNICATE REGULARLY WITH SUPPLIERS

Buyers should work towards developing robust partnerships with suppliers to foster transparent, proactive communication, build trust, and develop long-term relationships. Collaborative buyer-supplier communication is key – it not only promotes fair and ethical business conduct, but also creates a ripple effect, positively impacting workers throughout the supply chain.

Communication with suppliers should take place regularly, prior to, during, and following production. This ensures that time sensitive issues are handled before cascading impacts emerge, such as excessive overtime, workplace accidents, or high pressure and hostile environments.

Buyers should offer suppliers solutions during “acts of God,” such as environmental disasters or pandemics. Examples include temporarily transferring production to another location without causing financial strain, pushing out cargo ready dates (CRDs) for certain orders, or offering to cover expedited shipping options.

Buyers can provide suppliers with additional guidance and tools for reporting emergent violations to reveal the real-time impacts that a buyer’s planning and purchasing practices are having on the factory floor. For example, FLA member PUMA has developed additional guidance for suppliers on excessive overtime and a tool to report anticipated working hour violations before they occur.⁸ These mechanisms provide a pathway for improved communication and remediation.

Buyers can also consider requiring strategic suppliers to appoint dedicated HRDD staff members to serve as points-of-contact with buyers on all elements of RPP, including collaborating on cost-sharing and establishing multi-year production forecasts.

GATHER SUPPLIER FEEDBACK THROUGH SURVEYS AND REPORTING CHANNELS

FLA Principle 2, Benchmark 2.2 emphasizes the importance of creating a feedback loop between buyers and suppliers to monitor the impacts of RPP. Buyers can rely on a multitude of tools for this.

Following production, buyers can offer supplier surveys that identify problems. For example, a survey could ask suppliers to share how purchasing practices impacted working conditions (wages and hours), how accurate forecasting was, and how buyer-supplier communication can be improved.

Suppliers may be more willing to provide feedback to buyers with information on how the feedback will be utilized. Buyers should transparently communicate which team members will have access to the survey results, what policies and procedures the buyer has in place to address or remediate issues, and affirm that the sourcing relationship will not be impacted by any negative feedback.

8 PUMA. (2012). Internal organizational document. *Working Hours Reporting Form*.

Alternatively, buyers can capture supplier feedback through industry organizations. Reducing individual consultation will lessen the burden and retaliatory pressure suppliers may feel. Buyer-supplier surveys, such as the [Better Buying Purchasing Practices Index](#), provide channels for suppliers to express concerns and protect against retaliation through their anonymous reporting format.

PROTECT SUPPLIERS FROM RETALIATION

Just as grievance mechanisms aim to protect workers from retaliation for reporting workplace issues, buyers should protect suppliers from commercial retaliation. This can be done by embedding clauses within an RPP policy stating that a buyer commits to accepting supplier feedback while prohibiting negative impacts on the business relationship. Buyers should communicate this commitment throughout headquarter and regional production tracking teams.

Buyers should also make efforts to actively monitor for indicators of retaliation. Social responsibility staff should be aware if the supply chain team suddenly reduces or cancels orders after a supplier has raised concerns, excludes the supplier from future sourcing opportunities, or puts pressure on the supplier to absorb unexpected costs. They should also take note if a supplier is reluctant to speak openly during assessments or stakeholder engagement consultations due to fear or commercial consequences.

By implementing safeguards to prevent retaliation and mechanisms for confidential reporting, suppliers may be more likely to report financial barriers, operational concerns, or buyer-level purchasing practices that impede workplace improvements.

PROVIDE RESOURCES AND TRAINING TO SUPPLIERS

Buyers should provide suppliers with resources and training on RPP, including information on the links between buyer practices and cascading supplier impacts. This will give suppliers more context on broader industry efforts and expectations for buyer improvement.

Training and capacity building for suppliers can include:

- Equipping suppliers to identify and communicate purchasing-related risks by providing clear guidance on what constitutes a risk (such as excessive overtime tied to unrealistic lead times).
- Providing safe channels for suppliers and workers to raise concerns about purchasing-related risks.
- Working with suppliers to ensure they are meaningfully engaging workers, unions, and civil society organizations to better understand risks to workers.

Buyers can also share components of internal action plans with suppliers to help them understand how they intend to incrementally improve planning and purchasing practices. FLA members and non-member subscribers can access dedicated training materials for suppliers via [FLA's e-Learning platform](#), including courses on RPP and meaningful union and civil society engagement.

CONSOLIDATE A SOURCING BASE

Buyers with a less mature social responsibility program or fewer resources to dedicate to RPP monitoring may consider lowering the number of suppliers in their sourcing base to a select few with a proven dedication to labor rights. Consolidating the number of suppliers can help buyers have more influence within partnerships; better manage supplier relationships through increased engagement and leverage; identify problematic planning and purchasing practices through trusted supplier feedback; and dedicate resources towards systems improvements.

2.2 Set up systems for improvement and accountability

A key step in effectively implementing RPP is having systems in place to improve performance, including tracking organizational RPP targets, capturing identified gaps, and addressing supplier feedback.

CASCADE SUPPLIER FEEDBACK AND RPP DATA ACROSS DEPARTMENTS

Buyers should have systems in place to share direct feedback from suppliers, as well as RPP performance data (including planning, forecasting, and payments), across internal departments on a regular cadence. Increasing awareness is the first step towards change.

RPP performance data could include measurements such as:

- The average difference between factory capacity booked vs. utilized;
- The average number of modifications a buyer requests after the tech pack confirmation deadline;
- The average number of physical samples a buyer requests, and whether or not staff provide the supplier with timely feedback; and
- The percentage of orders using unplanned premium shipment.

CONDUCT A ROOT CAUSE ANALYSIS

Translating supplier feedback into potential solutions can be a major challenge for both mature and growing buyers. Once buyers have implemented consistent data collection and communications processes, they should conduct a root cause analysis of identified issues in order to move towards remediation.

A root cause analysis helps translate supplier feedback into business process modifications, including implementing new systems or changing existing systems where needed. This process can clarify whether or not a buyer's decisions contributed to labor rights harms, such as excessive overtime, wage instability, unsafe production pressure, retrenchment and exit, and restrictions on worker voice.

Common elements of a root cause analysis include identifying problems (such as wage payment delays or retrenchment); engaging stakeholders, particularly workers, to better understand potential causal links; and identifying factors that may have contributed to the issue such as lead times or forecasting inaccuracy.

For example, a buyer may identify that workers at a specific supplier have experienced excessive overtime. Buyer staff then examine whether or not this is due to last-minute order changes from the buyer. This may entail triangulating worker, supplier, and buyer data, such as production schedules, payroll records, and interviews with supplier management and worker representatives to understand what factors contributed to excessive overtime.

REMEDiate ISSUES

When supplier and labor issues are a clear result of purchasing practices, buyers must actively engage in remediation, which is a shared responsibility between buyers, suppliers, and affected workers. Remediation must address the immediate impacts on workers, the root causes, and the purchasing practices that created or intensified risks. FLA's Principle 8 commits its members to timely and preventative remediation. Buyers and suppliers should track the progress and effectiveness of remediation and take action to reduce the risk of future labor issues.

To address purchasing-related harm to workers, buyers may take actions such as paying owed wages

and overtime premiums, or reinstating workers that were retrenched during production slowdowns. Remediation should also include prioritizing prevention of purchasing-related harms to workers.

Internally, buyers can take corrective and preventative actions, such as extending future lead times with the supplier, improving forecasting, or adjusting pricing to reflect true labor costs. Buyers and suppliers can both commit to preventing and resolving human rights issues through engaging in responsible contracting with one another.⁹

One of the most common issues in apparel and footwear factories is the reliance on overtime. Reducing excessive overtime must be a collaborative effort between buyers, suppliers, and workers, especially since workers' total compensation will be impacted as overtime hours are reduced. FLA's case study on the relationship between overtime and progress towards living wages showcases how gradual improvements to production, planning, and compensation practices can improve conditions for workers, suppliers, and buyers.¹⁰

Fair compensation and responsible purchasing practices have a critical connection through purchasing prices ensuring production costs and workers' wages. In further pilots and studies on living wages in Bangladesh and Vietnam, FLA has found that buyers that commit to responsible purchasing practices can support improvements to workers' compensation packages, better conditions for social dialogue and collective bargaining, and advocacy within local government for labor and wage reforms.¹¹

Buyers should collaborate with suppliers, workers, unions, and CSOs throughout remediation design, implementation, and monitoring processes. Meaningful engagement requires that rights holders such as workers have the opportunity to share their perspectives and experiences through a safe, respectful, and genuine dialogue process that informs company decisions and business activities.

FLA's Principle 9 outlines expectations for engaging unions, non-governmental organizations, or other civil society institutions, including on remediation plans. This requirement is essential for risk identification and safeguarding workers' rights and dignity, as workers and CSOs are the local experts on issues stemming from business operations in their communities.

2.3 Build out supplier incentives

Incentives can be a powerful lever in motivating suppliers to adopt RPP. FLA's Benchmark 2.2 provides guidance to buyers about how these incentives can be developed, shared, and discussed with suppliers. Examples of incentives and recognitions for suppliers can include:

- **Long-term business commitment:** Includes planning and investment to support the supplier's growth as a valuable business partner
- **Supplier recognition and reward programs:** Includes more advanced relationship classifications (i.e. "developing" to "strategic") that award praise and publicity for suppliers producing in a socially responsible and sustainable manner
- **Collaborative communication of positive audit and remediation results:** Linking positive results to business decisions around placing larger orders or longer-term programs with a supplier

9 The [Responsible Contracting Project](#) provides resources for buyers and suppliers on developing human rights-centered contracting terms, including on RPP.

10 The Fair Labor Association. (2021). [Reaching living wage for garment workers.](#)

11 The Fair Labor Association. (2025). [Learnings from living wage studies in Vietnam and Bangladesh](#)

- **Reduction in the frequency of audits or subsidizing audit cost based on continuous improvement**
- **Support for supplier training:** Includes technical training for supplier staff and workers, or support for relevant certification programs
- **Support for supplier production capacity:** Includes funding for an expanded range of products or support for headcount expansion
- **Support for workplace improvements:** Includes initiatives that directly improve workers' well-being, and working conditions such as:
 - Training programs
 - Enhanced workplace health and safety measures
 - Strengthened grievance mechanisms
 - Regular worker surveys to elevate feedback
 - Higher wages
 - Preferred working hours
 - Management policies that better reflect workers' needs

Part 3: Expecting the unexpected

3.1 Assess risk before establishing sourcing relationships

While responsible planning and purchasing practices start with laying a solid foundation and building sustainable partnerships, buyers should also anticipate challenges along the way. Doing advance research and preparing for possible challenges with RPP helps set the groundwork for addressing and remediating issues when they do arise.

Before even establishing sourcing relationships with suppliers, buyers should assess supplier alignment with labor standards, frameworks, and the buyer's own RPP policy. Buyers should evaluate if the supplier can realistically meet production expectations without creating labor risks through evaluating the supplier's wage payments, working hours, use of temporary employment contracts, freedom of association and collective bargaining, and grievance and worker voice mechanisms.

In addition, buyers should consider the risks of entering new regions and countries. This includes understanding local labor laws and their enforcement, restrictions on organizing and civic space, the prevalence of recruitment-related issues such as recruitment fees, forced labor and child labor risks, and gender-related risks. Buyers must also assess if political instability, conflict, or corruption may impact their operations. If there is a limited ability to monitor working conditions or the prevalence of unions and civil society is diminished, buyers may miss critical human rights risks that impact their ability to source responsibly.

3.2 Engage workers, unions, and civil society organizations

Worker voice is critical to successfully implementing RPP. Mapping and engaging external stakeholders, particularly unions and CSOs or other rights holders, within strategic sourcing regions is an essential step for being able to proactively manage unexpected issues. These groups can offer essential monitoring services and help respond to labor issues caused by irresponsible purchasing practices in a collaborative and timely manner.

Collecting worker feedback on RPP requires understanding workers' experiences not through the lens of whether a buyer's practices are responsible, but through assessing issues such as excessive overtime, rushed orders, unstable working conditions, wage instability, and higher reports of injuries or illness during peak production periods. Trusted channels are necessary for workers to report issues without fear of retaliation. Systemic issues should be analyzed alongside buyer behaviors.

Unions and worker organizations are critical, as they can help build trust and detect patterns of abuse. Buyers can support an enabling environment for freedom of association and collective bargaining by ensuring suppliers are supportive of organizing and worker voice initiatives.

Buyers can also recommend partnership opportunities between unions, CSOs, and suppliers to set up systems for reporting issues, assessing risk, and conducting workplace trainings on RPP. Prior to nominating service providers, buyers should consult with workers and worker representatives to determine the right partnership to address unique workplace needs and labor issues. For suppliers that don't have a mature social compliance plan, buyers support these opportunities by offering co-funding for jointly

developed worker-supplier programming.

Proactively engaging workers, unions, and CSOs can also lead to better remedial outcomes for investigations. When issues are reported, buyers should collaborate with worker groups, other buyers, and the supplier during investigations.

3.3 Collaborate with other buyers

Buyers should consider ways they can work with other buyers within an industry, a geographic region, or even with a specific supplier to advance RPP. Often, the pressures that lead to labor rights issues are systemic and cannot be addressed by one individual buyer alone. Suppliers often work with multiple buyers which can create differing expectations and demands around pricing, lead time, and compliance requirements. When buyers align their approaches, they can reduce conflicting demands.

Collaboration amongst buyers can also increase leverage around promoting industry-wide improvements that benefit both workers and suppliers. Opportunities may be limited and/or restricted when it comes to working together directly on planning and purchasing improvements due to competition and confidentiality concerns. However, buyers can work together to address structural challenges such as excessive overtime, production pressure, and barriers to freedom of association through aligning their principles and codes of conduct, collective engagement, and dialogue with suppliers and other stakeholders.

Certain events, such as climate disasters or civil unrest, impact the industry on a widespread scale. Buyers can take several steps to react responsibly to unplanned events, such as covering suppliers' labor costs during periods of civil unrest or contributing to disaster relief schemes. Additional FLA guidance on navigating labor rights and supply chain risks during active conflict can be found [here](#).

Buyers also can collaborate through multistakeholder initiative (MSI) projects, such as FLA's [fair compensation](#) projects. Conclusions drawn from pilots related to RPP set the groundwork for companies to work together on joint action plans. The CFRPP is also a key reference point for buyers, which was developed by a Working Group on Responsible Purchasing Practices, composed by a number of leading MSIs.

3.4 Follow guidelines for responsible exit and closure

A buyer's decision to exit a facility is significant and can have potential negative consequences for workers, especially when the buyer has considerable production volume in that facility. Buyers should implement [responsible exit](#) and retrenchment policies with the goal of minimizing negative impacts on workers and ensuring ethical standards in their own decisions and actions, as well as the supplier's.

Below are key steps a buyer can take when responsibly exiting a factory. This list should not be regarded as exhaustive:

- ☑ **Conduct a risk assessment for retrenchment.** During the assessment, conduct thorough internal communication with staff and external communication with the supplier about its status and findings.
- ☑ **Communicate with the supplier.** Clearly communicate the decision to exit a supplier in writing, ensuring it is accompanied by a well-defined timeline.
- ☑ **Provide adequate notice.** Give the supplier as much notice as possible so they can inform worker representatives and workers, as well as make final settlements in line with local laws. This timeline should be proportionate to the percentage volume the buyer or sourcing division holds within the factory.

- ☑ **Conduct a gradual phase-out.** Whenever feasible, phase out operations gradually to allow the supplier to comply with national laws, international standards, and collective bargaining agreements regarding retrenchment or closure.
- ☑ **Consult with the supplier on an exit plan.** Prioritize consultation with the supplier on the exit plan on topics such as timeline, order placement for the gradual phase-out period, and any financial/cash flow vulnerabilities.
- ☑ **Meaningfully engage with stakeholders.** Where possible, the buyer should engage with trade unions and relevant CSOs to assess possible negative impacts on workers. Buyers should ensure worker representatives are included in communications to the supplier early on, and consultations with civil society groups take place throughout the process to understand how to ensure workers are fully compensated.
- ☑ **Address compliance issues.** If the business relationship continues after order withdrawal, ensure resolution of any pending compliance issues, such as retrenchment, pending compensation, and severance. If the supplier is closing, the buyer should work with unions and local CSOs where possible to support the delivery of final compensation to workers.

Conclusion

RPP is not a standalone effort. It is a critical component of effective HRDD and responsible business conduct. While buyers face many different realities, all have opportunities to examine how their purchasing decisions influence working conditions in supply chains and can take steps to reduce risks to workers. Progress requires ongoing dialogue with suppliers, workers, unions, civil society, and other stakeholders, and a commitment to addressing the root causes of labor rights violations. By embedding RPP across business functions, buyers can help create more stable business partnerships, strengthen supply chain resilience, and support better outcomes for workers.

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