



# Purchasing practices in context:

## Manufacturer insights and implications for accountability

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# Executive summary

## Context

This report is written against a backdrop of evolving legislation on human rights and environmental due diligence, growing awareness of how brand purchasing practices shape working conditions, and ongoing efforts to build stronger systems for accountability.

There is increasing recognition that the way brands buy from suppliers can directly impact working conditions. While many brands set high standards for labour rights, their own purchasing decisions—such as aggressive pricing or unrealistic lead times—can undermine those goals. In 2024, ETI held [workshops to capture manufacturers' experiences and documented a range of problematic practices](#)—from unsustainable pricing models to lead times that undermine sustainable workforce planning. These insights have informed efforts to [help brands implement Responsible Purchasing Practices \(RPP\)](#) and to [define clear expectations of what responsible purchasing practices entail](#).

There is still a critical need to strengthen pathways for suppliers to raise grievances about harmful practices and to improve mechanisms for holding brands accountable. Doing so would incentivise fair treatment of manufacturers, promote shared responsibility for positive outcomes for workers, and create a level playing field across brands.

However, for these mechanisms to work, they must be grounded in honest reflection of the realities shaping buyer–supplier relationships and the power dynamics within them. While forthcoming legislation promotes a Human Rights Due Diligence (HRDD) approach—framing working conditions as a shared responsibility and explicitly including brand purchasing behaviours within its scope—in practice, accountability remains uneven. Poor conditions are still too often attributed solely to manufacturers, while the purchasing practices that contribute to them escape scrutiny. As a result, suppliers describe a climate where raising concerns feels risky, with fears of commercial repercussions outweighing the promise of collaboration. This reluctance underscores the gap between the principles of HRDD and the lived experience of suppliers.

Effective grievance and accountability systems must acknowledge these realities if they are to achieve the ultimate goal of improving purchasing behaviours and outcomes for workers—without adding further strain to an already challenged manufacturing industry.

# Consultation workshops

This report presents the findings and recommendations from consultation workshops and interviews with suppliers in Bangladesh and across Southern India's textile and apparel clusters—Tiruppur (knitwear and garmenting) and Coimbatore (spinning mills)—conducted in September and October 2025.

Supplier perspectives were gathered through participatory methods designed to capture experiences of buyer purchasing practices, their impacts on workers, and views on how grievance and accountability mechanisms should be designed. More than 141 participants from Bangladesh and India took part, representing factories of different sizes, industry associations, and roles ranging from human resources and compliance staff to senior managers and owners. Workshops combined group work, plenary discussions, scenario prompts, ranking exercises, and reflective dialogue, with facilitators ensuring anonymity and accurate documentation.

To explore sensitive issues less easily raised in group settings—such as pricing, payment delays, overtime, and fear of retaliation—semi structured one to one interviews were also conducted. Together, these approaches provide a detailed picture of supplier perspectives and priorities for building fairer and more accountable buyer–supplier relationships.

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## Key insights

### Patterns in buyer behaviour

Suppliers reported a persistent power imbalance in their relationships with buyers, who are often perceived as dictating terms rather than engaging in partnership. Common practices include last-minute changes to order quantities and delivery deadlines, delayed payments now extending up to 180 days post-COVID, strict penalties for delays whether caused by suppliers or buyers, and inconsistent communication between local buyer offices and headquarters.

This imbalance is compounded by buyers' growing compliance demands alongside shrinking pricing flexibility. Suppliers noted that labour, environmental, and audit requirements have expanded significantly over the past five years, yet the costs of meeting them—together with rising raw material, labour, electricity, chemical, and logistics expenses—are absorbed almost entirely by factories. As one participant observed, *"buyers ask for lower prices every year"* without factoring these increases into negotiations. The result is increased pressure at every stage of the sourcing cycle, from forecasting and approvals to payments and shipment decisions.

While some buyers demonstrate positive collaboration through liaison offices or technical assistance, these cases are limited. Suppliers expressed mistrust in formal complaint mechanisms, fearing retaliation or loss of orders. They also face excessive audit burdens, redundant compliance checks, and restrictive raw-material vendor lists, which limit flexibility and increase costs. Many suppliers noted that such restrictive vendor lists run counter to ethical, transparent, and competitive purchasing practices.

## Common gaps and issues affecting workers

Buyer driven pressures are perceived to directly affect workers' wellbeing and working conditions. Unrealistic delivery timelines, sudden order changes, and compressed production schedules often lead to excessive overtime and operational stress. A garment supplier in Tiruppur explained, *"When approval comes late, we have only one option—to push workers for night shifts. Otherwise, the shipment will not happen."* Spinning mills reported similar experiences, driven by rapid changes in yarn quality specifications, fluctuating cotton prices, and urgent demands from buying agents. Suppliers repeatedly stressed that these pressures not only disrupt production planning but also create occupational health and safety concerns and contribute to absenteeism.

Although suppliers maintain extensive compliance documentation, gaps remain in translating these records into real benefits for workers. Smaller factories struggle with limited resources to implement monitoring systems or absorb compliance costs.

Operational and financial pressures are compounded by declining FOB prices and problematic payment terms. MSME factories noted that while small and medium buyers often pay promptly, sometimes even in advance—many global buyers frequently extend payment cycles without negotiations, sometimes beyond 120 days. Several suppliers said they struggle to sustain worker welfare schemes such as hostel support, bonuses, or festival incentives when cash flow is disrupted.

Suppliers also stressed that unfair pricing from brands hinders their ability to pay even minimum wages, let alone progress toward living wages. The focus on living wages for a decent and dignified life remains absent because minimum-wage challenges persist.

## Key recommendations from suppliers, for accountability and improvement

Suppliers emphasised the need for transparent, standardised, and collaborative frameworks to improve responsible purchasing practices:

### 1 Independent and anonymous platforms

Create secure mechanisms for suppliers to share grievances, track buyer behaviour (payment timelines, order changes, negotiation transparency), and maintain anonymity to avoid retaliation. In Bangladesh, digital anonymous grievance systems modelled on Accord/RSC and global dashboards were suggested.

### 2 Pricing transparency and fair-trade benchmarks

Establish national pricing benchmarks, a 'sticky price' system facilitated by a business association like BGMEA (in Bangladesh) or a neutral body, and use Standard Minute Value (SMV) to ensure fair pricing. Suppliers proposed tracking initial costing assumptions—such as expected order quantity, price, and timeline—and comparing them with final confirmed orders to identify deviations.

### **3 Government and multi-stakeholder engagement**

Strengthen collaboration between government, business associations like BGMEA/BKMEA (in Bangladesh), and multi-stakeholder initiatives (MSIs) to enforce buyer accountability, including structured payment guarantees and compliance with OECD/EU guidelines. Banks could play a role by enforcing current policies and supporting reforms to guarantee payments. In India, government–industry collaboration is well established but primarily focused on export promotion and policy incentives, and industry associations have limited involvement in commercial dispute resolution. Effective enforcement of buyer accountability would therefore require trusted, confidential mechanisms that allow suppliers to raise concerns without fear of reputational or commercial repercussions.

### **4 Harmonisation and standardisation**

Reduce duplication and resource burdens through harmonised audits, compliance documentation, and reporting formats. Suppliers suggested centralised information boards or shared portals to track buyer and factory data, including capacity, turnover, and certifications.

### **5 Shared responsibility and collaboration**

Buyers should share responsibility for operational pressures, such as early deliveries, delayed pick-ups, or storage costs. Brands should also support suppliers during transitions to new laws, audits, and environmental and social compliance standards. This support should be embedded in long-term partnerships that provide business predictability and enable suppliers to increase investment in improving workers' wellbeing. Joint planning aligned with local laws was recommended to improve accountability and shared responsibility.

### **6 Capacity building and dialogue**

Training, workshops, and regular supplier–buyer dialogue facilitated by trade associations or MSIs were recommended to strengthen negotiation capacity and collaborative problem-solving.

### **7 Worker and supplier protection**

Integrate buyer accountability into RPP performance metrics and establish grievance systems that are safe, confidential, and monitored by neutral third parties.



## Conclusion

The workshops revealed systemic problems in buyer–supplier relationships: entrenched power imbalances, lack of transparency and long-term partnership, and financial and operational pressures that undermine both suppliers and workers. These findings offer valuable insights that should be carefully considered in the design of grievance and accountability mechanisms to address unfair purchasing practices.

It is clear that tracking worker outcomes—such as wages or hours—is not a viable way for brands to evidence responsible purchasing. Suppliers voiced concern that such data is more likely to be used against them than to challenge buyer behaviour. This dynamic risks discouraging the reporting of adverse human rights outcomes and creates commercial disincentives for brands to engage with suppliers who do.

Responsibility for monitoring purchasing practices—timely payments, fair pricing, and evidence of improvements in response to risks—must rest with brands. Suppliers hold valuable insights that can help validate whether practices are responsible, but the cost and burden of establishing systems to systematically track and report this data should not be imposed on them.

Suppliers also reported no awareness of existing grievance mechanisms that genuinely support their needs. Distrust and fear of retaliation remain high, and any mechanism would require strong protections for anonymity and clear evidence that reporting would lead to meaningful change. Such systems would also need to be underpinned by a shared understanding of responsible commercial behaviour, with clear benchmarks against which practices can be assessed.

Despite these challenges, suppliers expressed significant appetite for accountability mechanisms. They stressed that power imbalances and purchasing behaviour are worsening, creating mounting pressures across every stage of production, and that credible systems to hold brands accountable for purchasing practices are urgently needed.

# Methodology and approach

Across September and October 2025, workshops and interviews were held in Bangladesh and India. Supplier perspectives were gathered using participatory and qualitative methods to capture experiences of buyer purchasing practices, their impacts on workers, and to identify what suppliers need from grievance and accountability mechanisms—exploring how such systems should be designed.

## Bangladesh:

Five workshops were held with representatives from 60 factories, alongside one consultation with nine business associations. In total, 100 participants attended (83 male, 17 female), representing diverse roles including HR managers, health and safety officers, merchandising staff, welfare officers, deputy general managers (DGMs), executives, and senior association secretaries. The workshops used group work, plenary discussions, reflective exercises, and structured worksheets. Each group was supported by facilitators—one guiding dialogue and another recording detailed notes—with anonymity maintained throughout. Group presenters summarised key points in plenary sessions.

## India:

Two regional workshops were conducted in Tirupur and Coimbatore, involving 41 suppliers across knitwear, garment, and spinning-mill clusters. Participants ranged from small and medium units to large vertically integrated facilities and included members of key industry associations. Discussions combined small-group work and plenary sessions, using scenario prompts, ranking exercises, and open reflection. To deepen insights, 10 one-to-one interviews were held with owners, directors, compliance leads, and production managers. These semi-structured interviews explored sensitive issues such as pricing, payment delays, overtime, and fear of retaliation, which participants were less willing to raise in group settings.

## Limitations and considerations:

Across both countries, responsible purchasing practices (RPP) and human rights and environmental due diligence (HREDD) remain relatively new concepts. Limited awareness constrained the depth of insights, with participants suggesting grievance channels but lacking clarity on implementation. Suppliers highlighted fragmented data on buyer behaviour and expressed hesitation to speak openly, particularly on pricing and penalties; anonymous interviews helped mitigate this.

Overall, the combined methodology balanced breadth and depth: large-scale participatory workshops captured collective experiences, while targeted interviews provided candid, context-specific insights. Together, they offer a robust evidence base for understanding supplier perspectives and identifying pathways to embed RPP within HRDD frameworks.

# Insights from suppliers

## What suppliers track about buyer behaviour

To design effective accountability and grievance mechanisms, there must be reliable ways to track buyer purchasing practices and demonstrate whether they are responsible or not. In this section, we explored what suppliers already monitor about buyer behaviour and whether existing data could serve this purpose. The aim was to identify practical pathways without adding to the already heavy reporting burdens suppliers face.

Across both Bangladesh and India, suppliers demonstrated that while they collect significant amounts of buyer-related information, tracking remains fragmented and inconsistent. The data is primarily maintained for operational purposes, not with the intention of linking buyer practices to working conditions or of communicating concerns about purchasing behaviour.

### Participants shared similar challenges across both countries:

- ▶ **Tracking is fragmented** across informal systems (emails, spreadsheets, registers) and not standardised.
  - ▷ Most factories record transactional data (orders, payments, cancellations) and labour-related information (overtime, wages, medical support), but systems remain fragmented and inconsistently applied.
  - ▷ Suppliers widely confirmed that buyer-related records exist, but in unstructured forms. *“We keep everything on email and Excel. If someone asks, we search and show. There is no proper system for this.”*
  - ▷ Enterprise resource planning (ERP) systems and management information systems (MIS) do not typically include tools to monitor buyer behaviour and suppliers lack the technical tools and unified systems to operationalise this.
  - ▷ Adoption of MIS and ERP systems is costly and slow, making these inaccessible to smaller suppliers.
  - ▷ MSMEs rely heavily on memory-based or paper tracking, with little capacity to systematise data.
  - ▷ Inspection and lead time tracking systems (e.g. time and action plans) were introduced by some brands, but suppliers said these increase monitoring without offering flexibility when delays stem from buyers.

- ▶ Whilst suppliers acknowledge the potential benefits of tracking brand purchasing practices—e.g. to justify deadline extensions, price revisions, or risk mitigation—they **remain reluctant** to do so.
  - ▷ Fear of retaliation discourages documentation of buyer-driven delays, penalties, or disruptions. This is compounded by weak trust with buyers and limited industry-level support.
  - ▷ Suppliers are reluctant to document sensitive issues—such as forced overtime triggers—because they fear such records will be used against them during audits or future commercial negotiations.
  - ▷ A participant shared *“If we collect data on overtime or delay, audit people will question us only. Better not to put everything in writing. It may create more problems.”*
- ▶ There is a **lack of agreement on what constitutes “fair” buyer behaviour**.
  - ▷ Suppliers rely heavily on contract documents, which rarely include responsible purchasing clauses, and negotiation opportunities remain limited.
  - ▷ Regarding contracts, most suppliers said, *“We mostly sign what’s given.”*
- ▶ **Tracking of purchasing practices is not connected to HRDD.**
  - ▷ A participant shared *“Workers’ absenteeism, turnover, overtime issues which we face, no buyer asks for the reasons behind it. They want documents uploaded on portals, but don’t see how their own delays affect workers.”*

### Key takeaways:

The absence of clear indicators and standardised tools for measuring buyer behaviour leaves suppliers without a practical way to challenge harmful practices. While transactional evidence exists, the lack of capacity and the fear of commercial retaliation prevent systematic use of this data. This gap not only undermines accountability but also perpetuates power imbalances in the supply chain. Despite these barriers, suppliers expressed strong interest in developing mechanisms that make buyer accountability feasible and safe. Addressing this demand will require a shared framework, investment in harmonised systems, and protections that encourage transparent reporting without fear of reprisal.

# Impact of purchasing practices on HRDD

This section explored how buyer purchasing practices affect workers directly. The aim was to capture supplier perspectives on the ways purchasing decisions translate into workplace realities, highlighting where current practices undermine or support responsible business conduct.

Suppliers described social compliance as heavily buyer-driven, with factories maintaining extensive certifications, audits, and documentation on worker welfare (e.g. turnover, benefits, grievances). They stressed that although these expectations are met on paper, this is mainly to satisfy audit requirements; in practice buyer purchasing practices typically make it harder for factories to translate such efforts into tangible improvements for workers. Suppliers across knitwear, garment, and spinning sectors reported that buyer purchasing practices have direct and significant impacts on working hours, earnings, safety, and overall wellbeing of workers.

## Key challenges included:

- ▶ **Operational pressures:** Buyers continue to demand higher standards while lowering prices, delaying payments, and imposing penalties—even when delays stem from their own decisions.
  - ▷ Payment delays have worsened since COVID, extending from 60 days to as long as 180. Buyers often justify these postponements with demands for “*extra documentation*,” leaving factories financially strained. As one supplier noted, “*Brands know our workers’ wages but still negotiate for less.*”
- ▶ **Rising operational costs** (wages, compliance standards, audits, electricity, raw materials) are met with **low prices** from buyers, reducing worker welfare capacity.
  - ▷ In India, a supplier shared “*Electricity, wages, raw material costs increase every year, but buyers ask for lower prices every year. We give food subsidy, hostel support, bonuses, but with this pricing pressure, how long can we continue?*”
  - ▷ In Bangladesh, a supplier shared the example of a buyer asking to increase organic content from 30% to 50% and add new durability tests while simultaneously lowering the price.
  - ▷ Letters of credit opened only 15–20 days before shipment leave factories scrambling without advance financing.
- ▶ **Production uncertainty:** Frequent changes in order quantities, designs, or deadlines, and delayed approvals, disrupt planning and increase costs. These were repeatedly linked to excessive overtime, night shifts, worker fatigue and reduced time for rest and family life.
  - ▷ A factory shared “*99 out of 100 orders change quantity or deadline.*” These changes disrupt cost-per-minute (CM) calculations, increase worker stress, and undermine stable production flows.
  - ▷ In India, a supplier shared, “*If orders get cancelled, we can’t give regular employment. After the US tariff issue, a large number of factories had to lay off workers as the volume of business has come down because of cancellations of current as well as future orders.*”
  - ▷ Spinning mills described production strain, “*Yarn quality specifications keep on changing, which puts pressure on the entire production planning and ultimately on the workloads of workers.*”

- ▶ Subcontracting was raised as a survival tactic. *“We are forced to subcontract quietly just to survive,”* said one factory, noting that such actions risk bans but are often unavoidable under tight lead times.
- ▶ While a few buyers offered support with tight delivery schedules by sharing air/ sea shipment costs—to ease worker pressure—others penalised overtime.
- ▶ **One-sided accountability:** Suppliers face financial penalties and losses for delays and scrutiny of working conditions, while buyers encounter no consequences when their own decisions or late actions disrupt production.
  - ▶ A notable incident involved a brand’s quality controller (QC) taking another brand’s unreleased product from a factory. Rather than addressing the misconduct, the brand simply transferred the QC, and the replacement retaliated by harassing the factory.
  - ▶ One supplier shared an experience of unsafe environment for workers at a buying house, but when they complained, buyers replied, *“we are the buyers, you cannot monitor us.”*
  - ▶ A shared sentiment was *“When the buyer delays approvals or nominated suppliers delay fabric and accessories supply, we get stuck. But we don’t record it separately as a buyer’s issue ... the liability falls on us.”*
- ▶ **Misuse of penalties:** Suppliers consistently referred to unfair penalties.
  - ▶ Several mentioned unfair penalties during crises. For instance, one factory discontinued a buyer who imposed rigid penalties during the July–August uprising in Bangladesh.
  - ▶ Factories said some buyers deliberately use penalties or price cuts to boost margins, causing operational stress and worker uncertainty. One buyer added new penalty clauses during contract renewal, interpreted as profit-making behaviour.
- ▶ **Monitoring gaps:** Systems are inconsistent, especially in smaller factories with limited capacity. For example, differences in buyer overtime rules create conflicting obligations—both between buyers and in relation to local law and workers’ expectations for income, affecting worker satisfaction and retention.
- ▶ **Grievance imbalance:** Workers have grievance channels, but no system exists for suppliers to report buyer misconduct such as late payments or unfair terms.
- ▶ **Audit duplication:** Multiple overlapping audits and certifications<sup>1</sup> waste resources without improving outcomes.
  - ▶ A supplier in Bangladesh shared *“The same record satisfies one buyer but violates another’s rules. We follow every audit, but the real improvements never reach the floor because everything is just paperwork.”*
  - ▶ Another in India said, *“Sometimes the same auditor will audit multiple brands on consecutive days.”*

<sup>1</sup> Suppliers maintain extensive compliance documentation including ACS, OCS, RCS, SEDEX, OES, WRAP, ISO, HIGG Index, FEM, EPP/ECC, ETP, GRS, and government licenses, most of which are brand-driven rather than self-initiated.

- ▶ **Pricing and sourcing pressures:** Unfair FOB pricing, mandated use of foreign vendors, and aggressive buyer negotiations erode margins and undermine domestic capacity.
  - ▷ In Bangladesh, suppliers criticised buyer-driven requirements for imported machinery from foreign vendors, saying, *“local equipment can meet compliance too, then why do we have to procure from outside?”*
  - ▷ They added that high-end brands have their own enlisted vendors and sub-contractors that suppliers are forced to source from, adversely affecting price negotiations for raw materials.
- ▶ **Logistics disadvantages:** Country-specific concerns were shared:
  - ▷ In Bangladesh, suppliers shared: *“Countries like India have lower air freight costs and better logistical advantages while Bangladeshi factories do not receive similar opportunities. This hampers timely shipment and increases pressure.”*
  - ▷ Indian suppliers mentioned the US tariff issue leading to cancellations and layoffs.

Suppliers in Bangladesh acknowledged the positive role of structured and joint initiatives like the RMG Sustainability Council (RSC), which has improved safety and dialogue. Whilst suppliers remain committed to ethical practices, they stressed that sustainable HRDD is impossible without fair pricing, stable forecasting, harmonised standards, and genuine buyer accountability.

## Key takeaways:

Purchasing practices were consistently described as shaping the daily realities of workers. Suppliers highlighted how unstable orders, delayed approvals, and shifting specifications translate into excessive overtime, night shifts, and fatigue. Pricing pressures and extended payment terms erode the capacity to sustain welfare schemes, while penalties and one-sided accountability deepen stress across the workforce. Differences in buyer requirements, audit duplication, and restrictive sourcing rules further compound uncertainty, undermining both worker satisfaction and retention.

Despite these challenges, suppliers emphasised that when buyers provide predictability—through early approvals, structured forecasting, fair payment terms, and open communication—factories are better able to maintain decent working conditions. Such examples remain limited, but they demonstrate that responsible purchasing practices directly support worker wellbeing and production stability.

# Raising concerns and accountability pathways

This section explored potential grievance-raising mechanisms on buyer purchasing practices that suppliers could use without jeopardising their existing business relationships. The aim was to identify approaches that could allow concerns to be voiced safely, constructively, and in ways that foster accountability while preserving commercial trust.

Most supplier representatives in both workshops and interviews, consistently highlighted the absence of formal, safe, and effective mechanisms for raising concerns about buyers' purchasing practices. While factories frequently face delayed approvals, unrealistic timelines, unfair penalties, shifting payment terms, and miscommunication from buying offices, suppliers rarely escalate these concerns openly for fear of retaliation or losing business. *"If we complain, business will stop. So, we keep quiet. The buyer decides everything and we cannot question them. If we question, they will move to another supplier. We message them and their standard reply is 'noted', but nothing happens."*

Suppliers reported that most concerns are raised informally (WhatsApp, email, phone calls), which rarely leads to tangible outcomes. In Bangladesh, business associations such as BGMEA and BKMEA remain the only formal forums, but are widely seen as weak and ineffective in resolving payment or pricing disputes. In India, industry associations such as TEA, SIMA, and TEAMA were recognised as trusted bodies, but suppliers acknowledged that these associations lack structured processes to handle buyer-related grievances.

Suppliers emphasised the power imbalance between buyers and suppliers: buyers dictate terms, delay payments, impose penalties, and avoid accountability, while suppliers bear compliance costs and production risks.

Although suppliers proposed ideas such as dashboards, pricing regulation, and third party mediation, these remain conceptual and lack operational design. Critical technical gaps persist in understanding how data systems, formal complaint procedures, and FOB justification models would function in practice. Suppliers identified problems clearly but struggled to outline workable grievance mechanisms, showing heavy reliance on external actors (government, banks, associations) without clear implementation plans from their end.

- ▶ **Suppliers often raise issues informally** through WhatsApp or phone calls, as formal emails on sensitive topics like payment delays, pricing, or overtime limits are discouraged or ignored by buyers and brands. *“We message, but all we get back is a short ‘Ok noted!’”*
- ▶ **No grievance pathways:** *“When we raise issues, buyers just reply with ‘OK noted,’ and nothing changes. Payments are delayed, prices keep dropping, and there is no formal channel to hold them accountable. If we make a mistake, we face penalties—but when buyers cause harm, there are no consequences for them.”*
- ▶ **Local buyer offices were criticised for miscommunication and blocking genuine supplier issues from reaching head offices.** *“They bring no value; they only forward buyer demands, not our problems.”* Examples of confidential information leaks have further eroded trust.
- ▶ **Brand led surveys on responsible purchasing were described as superficial.** *“They just check if wages are paid, not how prices or deadlines affect us.”*
- ▶ **Competition among suppliers weakens collective grievance pathways.** Some admitted to undercutting each other, which buyers exploit. *“Buyers take advantage of that.”* One supplier described an experience where a buyer paid only \$4.50 for the same product others paid \$6 for, despite identical fabric and standards.
- ▶ **MSMEs reported even greater vulnerability,** saying they feel completely dependent on buyers and therefore avoid confrontation altogether.

## Key takeaways:

Suppliers expressed strong interest in grievance-raising mechanisms but struggled to move beyond conceptual ideas. While neutral platforms such as multi-stakeholder initiatives were suggested, no clear designs for anonymity, governance, or escalation were articulated. Proposals for dashboards or pricing transparency lacked detail on data sources, templates, or ownership, leaving questions of privacy, standardisation, and sustainability unresolved.

Overall, the power imbalance continues to block suppliers from raising issues that directly affect workers, underscoring the need for neutral, trusted structures that can translate supplier insights into accountability without exposing them to risk.

*“We need a safe, anonymous way to raise concerns because pricing is now completely controlled by buyers. They cut prices, change quantities, delay payments, and add new requirements, and we cannot speak up without risking business. A neutral international body is the only way suppliers like us can be protected.”*

# Channels and platforms for change

This section examined suppliers' awareness of emerging legislation and regulatory frameworks or initiatives that could be leveraged to strengthen accountability for buyer purchasing practices. The aim was to explore whether these developments are influencing their experience of purchasing practices, compliance requirements, or reporting obligations.

Suppliers demonstrated limited awareness of global or national mechanisms that could support accountability on purchasing practices. Most suppliers have never engaged with formal grievance systems and remain largely unaware of global initiatives such as STTI, OECD frameworks, or the EU's Human Rights and Environmental Due Diligence (HREDD) laws. Instead, they rely on national labour law, contract law, and brand-specific codes of conduct, which they described as one sided and weakly enforced.

Suppliers stressed that buyers increasingly demand compliance with environmental and social reporting tools (e.g. Higg FEM, Net Zero, carbon credits) without providing guidance, training, or financial support. These requirements are seen as unilateral expectations rather than shared responsibilities. While suppliers acknowledged that joint collaborations could help, they noted such initiatives are rare and usually framed around compliance workshops rather than fair pricing or shared accountability.

## Key themes discussed include:

- ▶ **Limited awareness of global frameworks:** In Bangladesh, suppliers said they mainly rely on Bangladesh labour law 2006, contract law, and brand terms of reference. In India, a supplier shared *"We don't know much about these laws. Buyers only tell us what documents and formats we need to fill or upload. Before ETI's workshops, no one had explained what HRDD or CSDDD mean to us and our businesses."*
- ▶ **Unilateral codes of conduct:** Buyers set codes of conduct without negotiation. *"We only follow what they fix; we have no say."* Weak enforcement allows buyers to ignore agreements in practice.
- ▶ **Minimal knowledge of accountability platforms:** Awareness of STTI, Better Buying, or OECD grievance systems was almost absent. Even when suppliers had heard of them, they avoided reporting due to fear of retaliation. *"If we report, buyers will know and stop orders."*

- ▶ **Escalating compliance demands:** Suppliers reported increasing requirements on Higg FEM, Net Zero, and carbon credits, with costs falling entirely on factories. *“Every year new sustainability requirements come up but there is no guidance. No buyer talks about costs for these or building the cost into the prices.”* Only a few brands provided supportive tools or updated codes.
- ▶ **Financial scrutiny misused:** Buyers increasingly assess factory liquidity before issuing orders. Rather than focusing on financial support, suppliers said this data is used to restrict or reduce orders, making smaller factories appear *“risky.”* Factories feel pressured to share financial data to appear stable. Suppliers also mentioned that they cannot examine buyers’ financial or company capacity, which also poses a risk to supplier investment and further highlights uneven relationships between buyers and suppliers.
- ▶ **Collaboration is rare:** Joint approaches were described as limited to compliance or data sharing workshops. A few brands, especially those with liaison offices, were praised for technical support and consistent engagement, but these were exceptions. *“We can only speak freely when buyers are not in the room.”*

## Key takeaways:

Suppliers remain largely disconnected from global accountability frameworks, relying instead on national laws and unilateral buyer codes of conduct. Fear of retaliation discourages them from using grievance platforms, while escalating compliance demands place disproportionate costs on factories without shared responsibility from buyers. Financial scrutiny is often misused, restricting smaller factories rather than supporting them. Collaboration between buyers and suppliers is rare and typically limited to compliance workshops, leaving little space for dialogue on fair pricing or shared accountability.

These findings point to an urgent need to align global HREDD initiatives with the realities faced by suppliers in production countries. Awareness raising must go hand in hand with reforms to purchasing practices, ensuring that accountability efforts are not designed in isolation but are informed by the pressures suppliers experience on the ground.

Future mechanisms should embed shared responsibility for compliance costs, recognising that sustainability and reporting requirements cannot be met if the financial burden falls solely on factories. Equally important is the creation of safe and trusted grievance channels that give suppliers confidence to participate without fear of reprisal.

# Recommendations for improvement

Supplier feedback highlights a clear understanding of the structural drivers behind unfair purchasing practices, including power imbalances, pricing pressures, and the lack of accountability among buyers and brands. They emphasised the need for policy reform to ensure brand responsibility, fair pricing, and shared accountability, alongside building transparent, trust based relationships. Suppliers also pointed to the way they are treated as vendors rather than partners, which fosters unethical practices such as last minute documentation demands, unrealistic deadlines, and inadequate support—conditions that directly affect workers. To address these challenges, they called for stronger grievance mechanisms, harmonised audits, third party oversight, and national enforcement of responsible purchasing practices across the supply chain.

## Recommendations from suppliers included:

- ▶ **Independent grievance platforms:** Establish secure, anonymous systems for suppliers to share experiences without risking retaliation. Suggested options include buyer rating dashboards, digital grievance mechanisms (like Accord/RSC), and oversight by credible MSIs.
- ▶ **Fair pricing benchmarks:** Introduce national or third party regulated “sticky price” systems to prevent arbitrary price drops. Use Standard Minute Value (SMV) and year on year comparative data to ensure transparency and balance competition. Support suppliers to understand costing models, SMV data, inflation indexing, and evidence-based price justification.
- ▶ **Government and multi stakeholder involvement:** Form tripartite structures (brands, suppliers, government) to enforce accountability under OECD/EU guidelines. In Bangladesh, coordinate with Bangladesh bank and trade associations to guarantee payments, including mechanisms where banks hold buyer funds. In India, this would require engagement with the Ministry of Commerce and the Ministry of Textiles, potentially using chambers of commerce such as CII and FICCI as convening platforms, to establish similar forums.
- ▶ **Standardisation and transparency:** Harmonise audits, documentation, and terms and conditions across brands. Create centralised information boards and shared portals to track buyer behaviour, factory capacity, and compliance data, linking purchasing practices (e.g. late payments, overtime risks) to accountability metrics.
- ▶ **Real time monitoring and dialogue:** Develop systems to track changes in orders and their impacts on costs, overtime, and worker wellbeing. In Bangladesh, this should be facilitated by business associations like BGMEA/BKMEA to review pricing, payment terms, and production planning beyond compliance.
- ▶ **Shared responsibility by brands:** Ensure buyers adjust prices to reflect rising costs, provide storage facilities to ease factory burdens, and take responsibility for delays or early delivery requests. Align sustainability requirements with national laws and advocate for stronger local standards rather than shifting burdens onto suppliers.