

Responsible purchasing practices during crises

Guidance for brands and buyers
in global garment supply chains



Introduction

Global garment supply chains are acutely vulnerable to external shocks, from abrupt trade policy changes, and economic downturns to climate disasters, conflict and public health emergencies. These disruptions sit beyond the control of brands, yet the way companies respond decides who absorbs the impact. Evidence from recent disruptions, including the Covid-19 pandemic and trade shocks driven by tariff changes, shows that time and again, financial pressure is passed down onto suppliers, and ultimately to workers, who already face heightened precarity in times of crisis.

Emerging legal requirements make this dynamic impossible to ignore. Under Article 7 of the [Corporate Sustainability Due Diligence Directive \(CSDDD\)](#), companies must integrate due diligence into all relevant policies and risk management systems and update these policies whenever significant changes occur including major trade shocks. Article 10 further obliges companies to implement prevention action plans with clear timelines, measurable indicators and meaningful stakeholder engagement. The CSDDD is being implemented on a staggered basis between 2027 and 2029 following the Omnibus I revisions adopted in December 2025, and its scope applies to large companies operating in or sourcing from the EU. However, the principles in this Guidance apply to all brands regardless of whether they fall within CSDDD scope: the [UN Guiding Principles on Business and Human Rights](#) and the [OECD Guidelines for Multinational Enterprises](#) establish equivalent responsibilities that apply universally, independent of company size, jurisdiction or whether the state where production takes place enforces its own labour laws.

In consultation with labour rights groups, civil society and unions, BHRC posits the following key principles to guide brand purchasing practices during times of crisis.

Core principles for responsible purchasing during crises:

- 1 Commercial risk should not be transferred to suppliers and workers.** When crises disrupt global supply chains, companies should avoid shifting costs onto suppliers, who operate on narrow margins, and pushing financial pressure onto workers in the form of wage reductions, layoffs and excessive overtime. (See [sections 1](#) and [2](#))
- 2 Existing financial commitments must be honoured.** Goods which have already been produced, or are in production, represent real investments of labour and materials. Cancelling or suspending such orders can leave suppliers and workers carrying unrecoverable costs. (See [section 1](#))
- 3 Workers' wages, benefits and severance must be protected.** Purchasing decisions should not result in unpaid wages, or severance obligations. (See [section 4](#))
- 4 Workers and their representatives must be engaged.** Trade unions and worker organisations play a critical role in identifying labour risks and ensuring workers' rights are protected during periods of disruption. As required under Article 10 of the CSDDD, meaningful stakeholder engagement – including with workers and their representatives – must inform prevention action plans. (See [sections 3](#) and [4](#))
- 5 Transparency and accountability must be enhanced.** Brands should ensure sourcing changes and purchasing decisions affecting workers are communicated clearly and documented. (See [sections 1-5](#))

1. Prices, contracts and payments

Once production has begun, cancelling or suspending orders transfers unrecoverable costs onto suppliers and workers. Agreed prices must not be renegotiated under crisis pressure and must always cover the full cost of production including wages at a living wage level, severance and legally required labour protections.

Brands and buyers should therefore:

- Accept delivery of and pay in full for all goods already ordered, produced or in production, including where shipment is delayed. Do not invoke force majeure or equivalent contractual provisions to cancel, suspend or renegotiate such orders: economic inconvenience and market uncertainty do not constitute force majeure.
- Where orders are cancelled or suspended, pay suppliers in full for all raw materials purchased and all work in progress that was already underway at the time of cancellation.
- Maintain agreed payment timelines; do not extend payment terms in response to market uncertainty. Payment terms must be no longer than 60 days from the invoice date, or the maximum period allowed by local law, whichever is shorter. Cover storage costs where shipment delays are requested by buyers.
- Do not impose financial penalties or chargebacks on suppliers for delivery delays caused by crisis conditions outside the supplier's control.
- Do not require suppliers to absorb external cost increases. Do not renegotiate agreed prices or request crisis related price reductions or "crisis discounts" during periods of disruption.
- Ensure prices cover wages at living wage level, not merely legal minimum wage together with benefits, severance liabilities and social security contributions. Direct and indirect labour costs must be included as a separate non-negotiable costing block in purchasing agreements so that labour cost coverage can be independently verified against an applicable benchmark, e.g. Asia Floor Wage, Global Living Wage Coalition (Anker).
- Do not engage in price negotiations or sourcing practices that undercut sustainable production, or push labour costs below living wage or collectively agreed standards. Prices must allow for reasonable and sustained supplier profit margins.
- Provide written notice of at least 90 days, or longer as required by local law, before any order reduction exceeding 20% of contracted volume, any sourcing exit or any production transfer between countries.
- Communicate all pricing decisions, payment terms, order changes and cancellations to suppliers in writing. Do not conduct or finalise decisions of this kind through informal verbal communication.

2. Planning, lead times and sourcing decisions

Unpredictable orders, compressed timelines and abrupt sourcing shifts can destabilise suppliers, force excessive overtime and trigger factory closures. Brands must provide stability and sufficient advance notice across all aspects of production planning.

Brands and buyers should therefore:

- Maintain predictable order volumes; do not make last-minute order changes that create production pressure or result in stranded inventory.
- Provide lead times that allow production without excessive overtime. Do not compress production timelines in ways that lead to unsafe working hours.
- Share production and demand forecasts with suppliers at the start of each season and update these forecasts within 14 days of any material change during periods of disruption, so that suppliers can plan labour needs responsibly.
- Inform suppliers in writing as soon as a decision has been made that sourcing strategies or order volumes may change, and in any event no later than the 90-day notice period set out above.
- Do not withdraw suddenly from supplier relationships. Where sourcing locations must change, produce and share a written transition plan with the supplier and any independent union at the factory before changes take effect. The plan should outline prevention and mitigation efforts regarding potential and actual adverse human rights impacts during and post-exit.
- Disclose publicly how decisions on lead times, order volumes and sourcing shifts were assessed for their labour impact, including any assessments conducted during a crisis period.



3. Supplier relationships and contracts

Long term sourcing relationships, demonstrated through written contracts and sustained order commitments, strengthen supply chain resilience and enable suppliers to protect employment during crises.

Brands and buyers should therefore:

- Maintain stable supplier relationships. Do not switch suppliers based solely on short-term cost considerations, particularly during or immediately following a crisis.
- Formalise sourcing commitments through written contracts specifying duration of at least two years, minimum order volumes per season and renewal terms.
- Ensure contracts give suppliers at least 12 months forward visibility of order volume. Short term or rolling contracts that expire during or within six months of a declared crisis must be extended for a minimum of one year rather than allowed to lapse.
- Do not use contract expiry as a mechanism to exit a supplier relationship during a crisis. Any exit during a crisis period requires the 90-day written notice and written transition plan set out above. This notice obligation applies to order volumes regardless of whether the contract is formally extended.
- Embed these purchasing practice obligations within supplier contracts and require, through codes of conduct and contractual terms, that tier one suppliers extend the same purchasing practice obligations set out in this framework to their own subcontractors and sub-suppliers.
- Where a sourcing relationship is exited during a crisis, record whether the exit is intended as permanent or temporary. Where temporary, commit in writing to re-engage with the supplier on the terms of return once the crisis has passed, provided the supplier can meet labour standards obligations.
- Disclose the full list of supplier factories to recognised global union federations and publicly and update this list within 30 days of any change.



4. Human rights due diligence and worker protections

Brand purchasing decisions can have profound adverse human rights impacts on supply chain workers including wage loss, unpaid severance, or suppression of workers' rights and must therefore be fully embedded in broader human rights due diligence (HRDD) efforts. Obligations extend to all workers in the supply chain including informal, home-based, migrant and women workers who face heightened risks during crises. Workers and their representatives must be engaged in decisions that affect them, and their rights must be protected throughout any production change, restructuring or exit.

Brands and buyers should therefore:

- Recognise that the garment workforce is predominantly women and that crisis purchasing decisions including order cancellations, wage cuts and factory closures have disproportionate impacts on women workers. Conduct a gendered impact assessment of purchasing decisions as part of HRDD. Design remedy processes specifically to reach women workers, including those in informal or home-based work.
- Assess how sourcing shifts, pricing negotiations, lead times and payment practices affect workers' rights. Identify and mitigate associated labour risks as a core element of HRDD, in line with the CSDDD, the UNGuiding Principles on Business and Human Rights, and the OECD Due Diligence Guidance for Responsible Supply Chains in the Garment and Footwear Sector.
- Integrate HRDD into procurement processes so that responsible purchasing is assessed before commercial decisions are made, not audited afterwards. Purchasing and commercial teams must be trained on HRDD obligations as a condition of their role.
- Assess and reform internal buyer incentive structures. Purchasing teams must not be evaluated or remunerated solely on price reduction, speed or volume. Responsible purchasing, including compliance with this framework, must be a named, weighted criterion in buyer performance assessments.
- Consult independent trade unions and worker representatives freely chosen by workers and free from employer interference or control, in line with ILO Conventions [87](#) and [98](#) – in writing before implementing factory closures, large scale layoffs or production transfers. Consultation must be genuine: unions must receive sufficient information and adequate time to respond before decisions are finalised.
- Do not use layoffs, restructuring or production transfers to target union members or worker representatives. Respect all existing collective bargaining agreements throughout any production change or exit process.
- Ensure purchasing practices enable suppliers to comply with applicable labour laws and the [ILO core conventions](#). Where a brand's pricing or purchasing practices make this impossible in practice, the brand bears responsibility for the resulting harm. Where a brand's order cancellation or sourcing shift has caused or contributed to a supplier's inability to meet wage or severance obligations, the brand must contribute financially to cover those obligations.
- Record how risks were assessed and what steps were taken, in line with CSDDD Article 10 requirements on prevention action plans. Publish an annual purchasing practices report covering standard payment terms, crisis purchasing protocols, and – in any year in which a crisis affected sourcing – the specific decisions taken and their assessed labour impacts.

5. Remedy and accountability

Where purchasing decisions cause or contribute to labour rights harms, brands must cooperate actively in remedy. Workers, unions and civil society organisations must have accessible, effective routes to raise concerns and obtain redress.

Brands and buyers should therefore:

- Establish a formal, publicly available complaints channel for recognised trade unions and civil society organisations to raise concerns about purchasing practices directly with senior management, or designated points of internal responsibility, with expected timeframes for engagement and approval procedures. Initial response time should be within 30 days. Escalate to board level where labour rights harms are alleged.
- Establish and maintain operational level grievance mechanisms as required under UN Guiding Principle 29. These mechanisms must meet all eight effectiveness criteria set out in UN Guiding Principle 31: legitimate, accessible, predictable, equitable, transparent, rights compatible, a source of continuous learning, and based on engagement and dialogue. Mechanisms must be accessible to informal workers, home-based workers, and migrant workers, and must protect against retaliation.
- Where purchasing decisions have contributed to labour rights harms, cooperate actively in remedy. This means engaging actively with rightsholders and their legitimate representatives in appropriate remedy outcomes, paying all unpaid wages and legally owed severance in full; making financial contributions to remedy funds where the brand's purchasing decisions contributed to the supplier's inability to pay; and negotiating additional compensation with unions and worker representatives. Remedy must be delivered within 90 days of the harm being identified, and in line with [ILO standards on employment protection and termination](#).

