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COMMITMENT NO.1

**Preferred destination of sourcing**

ACT brands will make countries with a collective bargaining agreement at industry level a preferred destination for sourcing and investment for a defined period of time. Based on a consultation process, ACT will agree specific sourcing commitments for each country that have high priority for suppliers and can be implemented by buyers.

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COMMITMENT NO.2

**Support of and compliance with collective bargaining agreement**

ACT brands will ask their suppliers to actively support the collective bargaining process. Compliance with the standards of the collective bargaining agreement at industry level will be requested from suppliers.

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COMMITMENT NO.3

**Improve purchasing practises**

ACT brands will undertake self-assessments and share these findings with suppliers to identify and change purchasing practices that are an obstacle for suppliers to move towards a living wage.

They are committed to improve their purchasing practices including terms of payment, forecasting and planning.

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COMMITMENT NO.4

**Strengthen long-term partnerships**

ACT brands will ensure that their purchasing practices support long term partnerships with manufacturers which enable and reward progress to paying a living wage.

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COMMITMENT NO.5

**Incorporate higher wages into purchasing price calculations**

ACT brands will incorporate the higher wages as a cost item in their purchasing price calculations.

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COMMITMENT NO.6

**Engage with governments**

ACT members (brands and trade unions) will work with governments to promote the idea that the full respect for freedom of association and the implementation of a living wage is supported through different government policies.

Specifications to these commitments for Cambodia are currently being developed between ACT members (member brands and IndustriALL Global Union).

ACT

## REQUIREMENTS

These country support commitments will become effective upon signature of a collective bargaining agreement at industry level negotiated between independent employers' organisations and trade unions at country level that meets the following basic requirements:

- a. Wage growth covering inflation plus productivity growth and a negotiated collective bargaining component;
- b. Full respect of freedom of association;
- c. A robust monitoring and enforcement mechanism.