ACT

ACT Global Purchasing Practices Commitments

Accountability *and* Monitoring Report 2025

How ACT signatory brands are progressing in implementing their purchasing practices commitments.

actonlivingwages.com

ACT

ACT (Action, Collaboration, Transformation) is an agreement between global brands and retailers and IndustriALL Global Union that combines purchasing practices commitments with an integrated industrial relations approach – making ACT uniquely placed to enable collaboration between manufacturers, brands and trade unions, drive transformation and build a future-proof global garment, textiles, and footwear supply chains.

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SLR

The ACT Purchasing Practices Surveys and the Commitment Reporting survey were run using an online anonymous survey platform developed by SLR. SLR acts as a third-party clean room for ACT by processing, analysing and reporting on data gathered through the online surveys, ensuring confidentiality of all participants - be it brands or suppliers.

slrconsulting.com

ACT Participants

IndustriALL global union
ASOS
BIG W
C&A
G-STAR
H&M Group
INDITEX
Kmart Australia and New Zealand
LIDL
NEW LOOK
NEXT
Pentland
PRIMARK
PVH
Sainsbury's
Tchibo
TESCO
zalando

Produced by ACT (Action, Collaboration, Transformation).
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Contents

Foreword

ACT Purchasing Practices: *beyond compliance*

This report serves as a comprehensive transparency mechanism, detailing how ACT signatory brands are fulfilling their due diligence obligations regarding purchasing practices. Its primary objective is to move beyond abstract commitments by providing a concrete evidence base.

The results presented here aim to facilitate fact-based conversations internally within brands and across global supply chains, and form a cornerstone to contributing to a system-level, transnational effort for better wages and working conditions and a resilient garment industry.

Key Findings and Context

The results of the ACT Purchasing Practices Surveys reveal a nuanced landscape: Implementation levels vary across the industry, participation levels differ, and progress is continuously shaped by both internal and external circumstances.

This industry collaboration in ACT also exemplifies joint efforts towards a level playing field. Reporting progress through ACT serves as a benchmark for the industry, encouraging collaborative efforts between brands and suppliers to mitigate risks and drive sustainable wage growth.

By joining ACT, brands formally and publicly commit to working towards a living wage. They do this by progressively implementing the ACT Global Purchasing Practices Commitments across their supply base to deliver tangible improvements in the buying and sourcing process.

Furthermore, the ACT approach to Purchasing Practices tackles a persisting misbelief: Improved purchasing practices and legislative compliance alone do not automatically translate into higher wages or better working conditions. Traditional methods, such as social auditing and unilateral brand engagement, have proven insufficient in delivering lasting impact.

Beyond Compliance: The Inevitability of Social Dialogue for Resilient Supply Chains and Better Working Conditions.

For meaningful industry transformation, purchasing practices must not be viewed in isolation or as ends in themselves. For establishing genuinely resilient supply chains, the development of social dialogue and industrial relations is inevitable.

Participants in ACT operate on the conviction - aligned with the ILO conclusions on wage policies including living wages - that the most effective, sustainable, and reliable method for improving wages and working conditions is collective bargaining, supported by responsible purchasing practices and consistent respect for freedom of association.

ACT facilitates impactful human rights due diligence (HRDD) on the key sector risks of Freedom of Association, collective bargaining and wages through tailor-made mechanisms. These mechanisms are jointly negotiated by brands, trade unions and employers based on ongoing and systematic meaningful stakeholder engagement, robust accountability and the integrated connection to brand purchasing practices in those areas that have been identified as carrying the biggest risks for companies to contribute to adverse impacts.

For a specific case study that illustrates this type of tailored implementation in practice, please refer to the ACT Cambodia Report 2025.

Embedded within this holistic approach, purchasing practices remain vital tools for fostering positive change and supporting sound industrial relations within the supply chain. This report on global purchasing practices establishes a foundational data base to initiate meaningful action.

> Reporting progress through ACT serves as a benchmark for the industry, encouraging collaborative efforts between brands and suppliers to mitigate risks and drive sustainable wage growth.

Background

About ACT

ACT is a public-benefit organisation implementing the Memorandum of Understanding between global brands and retailers in the garments, textiles, and footwear industry and IndustriALL Global Union. Its primary goal is to establish collective bargaining agreements in key sourcing countries, supported through brands' purchasing practices. ACT provides a structural solution designed to identify, ring-fence and protect the labour cost component from price negotiation.

ACT Purchasing Practices

For ACT, Purchasing practices are important for positive change to supporting sound supply chain industrial relations. Signatory brands of ACT commit to progressively implementing the ACT Global Purchasing Practices Commitments across their supply base, to deliver tangible improvements in the buying and sourcing process.

The ACT Global Purchasing Practices Commitments

Commitment 1

Brands commit that purchasing prices include wages as itemised costs

Commitment 2

Brands commit to fair terms of payments

Commitment 3

Brands commit to better planning and forecasting

Commitment 4

Brands commit to undertake training on responsible sourcing and buying

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Brands commit to practising responsible exit strategies

To track progress toward the ACT Global Purchasing Practices Commitments (adopted in 2018), ACT utilizes a comprehensive Accountability and Monitoring Framework.

This framework relies on a biennial "360-degree feedback" model, triangulating data from three distinct sources:

- **Commitment Questionnaire:** Signatory brands report directly to IndustriALL Global Union on their progress against specific performance indicators.
- **Brand Survey:** A self-assessment conducted by brand employees to evaluate the internal recognition and implementation of responsible practices.
- **Supplier Survey:** An external evaluation that captures the supplier's perspective on brand performance, intended to enhance dialogue and streamline sourcing behaviors.

Together, these tools, which are the largest of their kind in the industry, provide brands with the factual evidence needed to meet due diligence responsibilities and improve supply chain industrial relations.

The 2025 Survey Cycle: Streamlining and Comparability

The 2025 surveys were updated to increase clarity and focus. By reducing the number of sections from 16 to 9, ACT has produced a more targeted assessment tool:

Survey Type	Original Questions (2023)	New Questions (2025)
Brand Survey	71	53
Supplier Survey	61	50

To ensure a rigorous comparison, the 2023 results were adjusted (2023 ADJ) to include only those questions that remain in the 2025 version. This allows for a precise benchmark of progress over time. Note that response rates and scores are compared directly across years without adjusting for changes in ACT membership.

By highlighting areas of both strength and improvement, the results of this 2025 report empower brands to leverage their purchasing practices for measurable impacts on wages.

Key Takeaways

2025 Brand and Supplier Survey Results in a Nutshell: *A Mixed Picture*

The implementation of responsible purchasing practices is more than ticking checkboxes: it requires internal buy-in, clear processes, effective checks and balances, meaningful engagement, and continuous improvement.

Aligning goals and implementation steps across internal teams and external partners remains a work in progress, as does the development of brand-specific solutions. ACT member brands remain committed to addressing these challenges.

While brand and supplier views were more closely aligned than in previous years, notable gaps remained between survey results and brands' Commitment Reporting. The surveys indicate that brands are at different stages of their implementation journey, presenting a complex picture characterized by:

- **Predominantly positive momentum**, with practices largely improving or remaining stable, and isolated instances of regression (Commitment Reporting).
- **A perception gap**, where reported corporate commitment implementation diverges from the day-to-day realities experienced by suppliers and brand employees (Commitment Reporting vs. Supplier and Brand Survey results).
- **Operational alignment**, evidenced by consistent perceptions of practices by suppliers and brand employees (Supplier vs. Brand Survey).

Top-Ranked Purchasing Practices for Enabling Higher Wages

Suppliers were asked to rank which purchasing practice areas they considered most important for enabling them to pay higher wages. In 2025, the top five were:

1	**Price Negotiation**
2	**Forecasting & Capacity Planning**
3	**Sourcing Strategy**
4	**Buyer/Supplier Relations & Sales and Transparency**
5	**Terms of Payment**

Strongest results

- Practices related to Sourcing Strategy received the highest scores from both brands and suppliers.
- Terms of payment improved compared to 2023.
- Cambodia-based suppliers scored most purchasing practices above the survey average.

Weakest results

- Incentives and Compliance scoring showed the lowest performance and was ranked by suppliers among the least important practices for enabling them to pay higher wages.
- Practices related to Price Negotiation were rated lower by suppliers, but higher by brand employees in 2025.
- Practices related to Forecasting & Capacity Planning performed lower in 2025 compared to 2023 and were ranked important for enabling higher wages.

> "Corporate signatories will work to ensure that their respective purchasing practices support long-term partnerships with manufacturers in support of ethical trade."
>
> **ACT MoU**

Brand and Supplier Survey Results: *Comparing Views*

Across both the Brand and Supplier Surveys, when rating purchasing practices on a scale from 1 (never/not in place) to 5 (always/well established and effective) aggregate scores remained broadly positive in 2025, continuing the trend seen since 2021. Low scores were recorded only in a limited number of cases, typically for specific brands or supplier countries.

Shared areas of progress

Compared with 2023, both brands and suppliers reported progress in:

- Buyer/Supplier Relations & Sales and Transparency
- Terms of Payment
- Sourcing Strategy.

Shared areas of weaker performance

Both groups, Brands and Suppliers, rated Incentives & Compliance Scoring and Forecasting and Capacity Planning lower than in 2023.

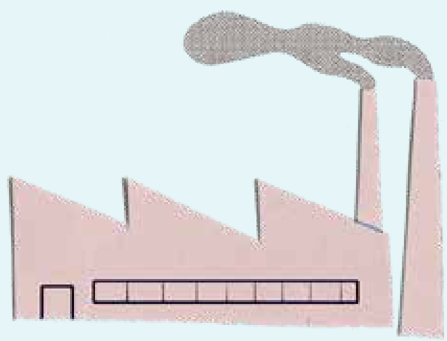
Practices with diverging perception

Brands rated themselves more positively than suppliers did in Order Placement and Changes to Orders, and in Price Negotiation.

By contrast, suppliers rated brands more positively than brands rated themselves in Training, Awareness and Corporate Culture, and in Product Development.

Comparing the Commitment reporting by brands on key performance indicators with the perceptions shared in the Supplier and Brand Survey, no strong correlations was found.

A detailed analysis of all three surveys: the Commitment Questionnaire, the Brand and the Supplier Surveys can be found in subsequent chapters of this report.



1,049

brand employees from 18 signatory brands responded to the Brand Survey in 2025.

Buying, Merchandising and Sourcing roles were the most engaged.

1,055

suppliers from more than 70 production countries contributed to the survey in 2025, giving a total of 1,606 responses.

Most responses came from factory or production units.

Key Takeaways

Progress Reporting by Brands vs. Supplier Perception

Progress is calculated using the Red/Amber/Yellow/Green variation score to compare 2025 against 2023.

Red	Amber	Yellow	Green
-1	0	+1	+2

For each additional brand the score is green +2 points, yellow +1 point, amber 0 points, and red -1 point.

Commitment 1

Brands commit that purchasing prices include wages as itemised costs

Progress +6.2 ↗

2023	→	2025
Amber		Yellow

Overall, ACT signatory brands reported progress against this Commitment compared with 2023 and 2021. However, this Commitment also had the highest share of brands reporting "No", "Unknown" or "No response" for more than half of the performance indicators, and supplier responses suggesting inconsistent implementation.

Use of the ACT labour costing protocol: On average, 39% of the volume purchased by ACT member brands was aligned with the ACT labour costing protocol, which isolates wages and other labour costs, up from 32% in 2023. However, suppliers reported a decline in this area. Two out of 18 brands said the protocol was applied to 100% of their total sourcing volume in 2025.

Accounting for wage increases in labour costing: 60% of brands reported accounting for increased wages of all workers in labour costing where wages had increased, compared with 40% in 2023. Supplier scores, however, fell from 80% in 2023 to 66% in 2025.

Collective bargaining agreements (CBAs): 78% of brands said they include expectations on compliance with CBAs in company purchasing agreements, up from 68% in 2023. This improvement is also reflected in supplier responses.

Internal monitoring: 67% of brands reported having an internal monitoring mechanism to track compliance with the ACT labour costing protocol, up from 58% in 2023.

Supplier guidance: On average, 56% of ACT brand suppliers received guidance on labour costing aligned with the ACT labour costing protocol, a substantial increase from 37% in 2023. Suppliers rated brand performance in this area even more positively, at 74%, compared with 70% in 2023.

Find out more on pages 14-15, 34, 36, 41.

Commitment 2

Brands commit to fair terms of payments

Progress +5.4 ↗

2023	→	2025
Yellow		Yellow

On aggregate level, ACT signatory brands reported continued implementation of this Commitment, and performance remained high across most indicators. However, compared with 2023, several key measures worsened, suggesting this remains an important area for improvement.

Timely payment: On average, 81% of orders were paid on time by brands, down from 94% in the 2023 reporting cycle.

Payment in line with agreed terms: On average, 88% of orders were paid in line with the agreed amount and terms of payment, compared with 96% in 2023.

Mutual agreement on retrospective changes: Across brands, 70% of retrospective changes to payment terms were made by mutual agreement, down from 76% in 2023.

Changes to the detriment of suppliers: On average, 23% of changes to payment terms were to the detriment of suppliers, up from 19% in 2023.

Brand-level outliers: Two brands reported that all retrospective changes to payment terms were both mutually agreed and to the detriment of the supplier.

Reference to financial consequences: 83% of brands clearly referenced financial consequences for non-performance, compared with 89% in 2023.

Internal monitoring: On average, 80% of brands had an internal monitoring system in place to track terms of payment, on-time payment, penalties, and their root causes, down from 84% in 2023.

Find out more on pages 16-18, 39.

Commitment 3

Brands commit to better planning and forecasting

Progress +3.6

2023	2025
Yellow	Yellow

Overall, ACT signatory brands reported progress in implementing this Commitment compared with 2023. Performance remained strong across most key performance indicators, and this was broadly reflected in both the Brand and Supplier Surveys. However, forecast accuracy worsened compared with 2023, indicating that further improvement is still needed.

Forecasting systems: All brands reported having a planning and forecasting system in place that includes capacity booking, up from 79% in 2023. This was also reflected in supplier responses.

Volume covered by forecasting: On average, 68% of ACT brand volume was covered by a planning and forecasting system, compared with 64% in 2023.

Forecast accuracy: On average, brands deviated by 24% from forecasts shared with suppliers, measured in pieces, up from 13% in 2023.

Supplier communication: On average, 94% of suppliers to brands were engaged in critical path communication, up from 87% in 2023.

Mutual agreement on capacity adjustments: 82% of brands reported having a forecasting system that enables capacity booking for suppliers, with adjustments and the release of excess capacity agreed with suppliers in a timely manner, compared with 83% in 2023.

Find out more on pages 19-20, 37-38.

Commitment 4

Brands commit to undertake training on responsible sourcing and buying

Progress -5.0

2023	2025
Yellow	Yellow

Overall, the Commitment Score declined compared with 2023, pointing to a regression in performance and highlighting this a focus area across many ACT signatory brands.

Training implementation: Several brands reported training implementation at or close to 100% across different departments, functions and a variety of seniority levels.

Reporting gaps: A number of brands did not respond to the survey for this Commitment, which is also reflected in the overall performance.

Find out more on pages 21, 41.

Commitment 5

Brands commit to practising responsible exit strategies

Progress +13.0

2023	2025
Yellow	Yellow

ACT signatory brands reported positive progress on this Commitment, indicating stronger implementation of responsible exit strategies and better adherence to them when exits take place.

Use of the responsible exit checklist: On average, the responsible exit checklist was applied in 83% of factories exited by brands in their most recent financial year (2024/2025), up from 67% in the 2023 reporting cycle.

Perceptions across surveys: Brand employees and suppliers both rated brand performance more positively in the Brand and Supplier Surveys than brands rated themselves in the Commitment questionnaire.

Find out more on pages 22, 34.

High-level Overview of Aggregate Performance *by Commitment*

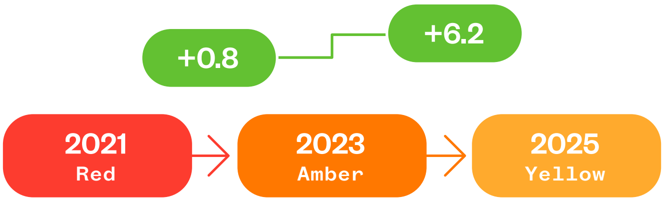
An extended traffic light system (red, amber, yellow, green) allows seeing incremental progress from amber to green. The RAG scores show the variation from one year to the other.

First it was identified how many brands scored R, A, Y, G for 2023 and 2025 for questions common across both years. Then the differences were calculated (e.g. how many more brands are scoring "green", how many less brands are scoring "yellow"). For each additional brand getting a "green" 2 points were assigned, for each new "yellow" 1 point, for each new "amber" no points, and for each new "red" -1 points. So, for example, if 1 brand moved from red to green, this gives it a total of 3 points (2 points for having a new green, and 1 (-1 x -1) because one brand, the same brand in this case, left the red category. This also enables capturing improvements, even when the RAG for this year and for last year was the same.

Commitment 1

Brands commit that purchasing prices include wages as itemised costs

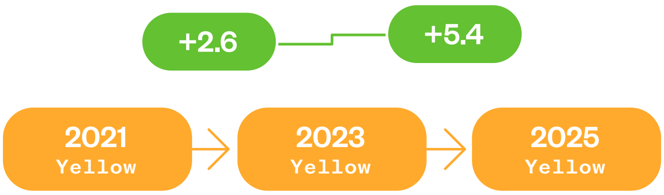
On aggregate level brands' performance improved from red to amber to yellow.



Commitment 2

Brands commit to fair terms of payments

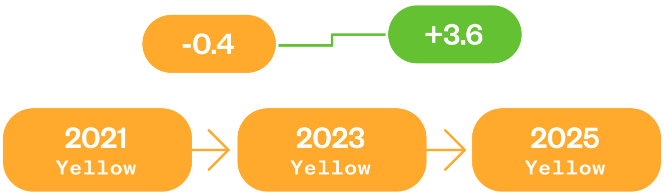
On aggregate level brands' performance stayed as yellow, but with continuous positive progress.



Commitment 3

Brands commit to better planning and forecasting

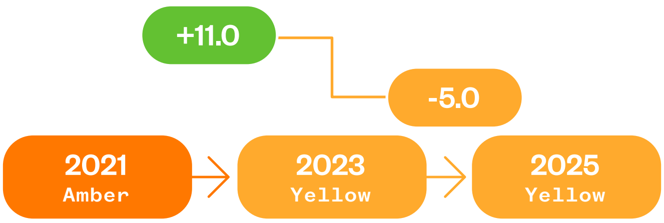
On aggregate level brands' performance stayed as yellow, but with positive progress.



Commitment 4

Brands commit to undertake training on responsible sourcing and buying

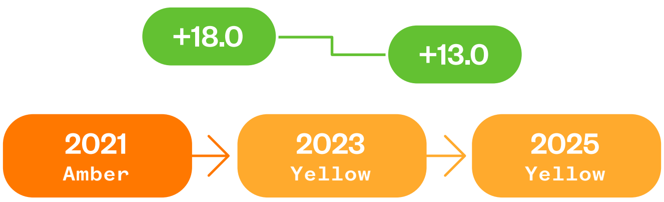
On aggregate level brands' performance improved, but show a decrease in RAG VAR Score in 2025.



Commitment 5

Brands commit to practising responsible exit strategies

On aggregate level brands' performance stayed as yellow, but with continuous positive progress.



Comprehensive Analysis: *2023-2025 Changes by Commitment, including Brand and Supplier Perception Comparisons*

2025	Commitment 1	Commitment 2	Commitment 3	Commitment 4	Commitment 5
Commitment Aggregate	Yellow	Yellow	Yellow	Yellow	Yellow
Brand Survey	78%	92%	80%	67%	90%
Supplier Survey	69%	90%	85%	82%	95%

Progress	Commitment 1	Commitment 2	Commitment 3	Commitment 4	Commitment 5
	+6.2 Improved from amber to yellow	+5.4 Stayed yellow with continuous improvement	+3.6 Stayed yellow with continuous improvement	-5.0 Improved with a decrease in RAG VAR Score in 2025	+13.0 Stayed yellow with continuous improvement

RAG Variation Score: To demonstrate progress from one year to the other the A+M RAG variation score was developed. The difference in brand scores R, A, Y, G for 2023 and 2025 was examined for questions common across both years. For each additional brand getting a "green" 2 points were assigned for each new "yellow" 1 point, for each new "amber" no points, and for each new "red" -1 points.

2023	Commitment 1	Commitment 2	Commitment 3	Commitment 4	Commitment 5
Commitment Aggregate	Amber	Yellow	Yellow	Yellow	Yellow
Brand Survey	79%	89%	87%	65%	89%
Supplier Survey	80%	90%	87%	77%	88%

Chapter 1

Performance Results by Commitment

From the General to the Specific: This section presents the aggregated brand responses to the ACT Commitment Reporting questionnaire, providing a comparative analysis of the 2025 results against the 2023 data (and 2021).

ACT Brands responded to this questionnaire, gathering information and data from different team members and departments, enabling them to demonstrate how well the brand was performing in implementing the five ACT Global Purchasing Practices Commitments.

Under each of the Commitments there are a set of indicators. The ACT Commitment Reporting questionnaire asks questions against each of those indicators.

Some of the questions ask for a specific numeric figure (e.g. % of orders, % deviation) and brands can provide context and explanations.

Commitment 1

Brands commit that purchasing prices include wages as itemised costs

a Write compliance with collective bargaining agreements into purchasing agreements between brands and suppliers (manufacturers or intermediaries) terms and conditions of purchase

b Adopt all direct and indirect labour cost components in costing calculations in line with the agreed ACT methodology

c Provide guidance to suppliers (manufacturers or intermediaries) on labour costing for suppliers

d Reflect increases in negotiated wages in the labour components of costing calculations

Progress

2023 Amber → 2025 Yellow

ACT Indicator		Reporting question(s)	Brand Survey	Supplier Survey
1a	% of brands that have purchase agreements* that include compliance with CBA.	Yes	1.3	-
1b	% of volume for which the ACT labour costing protocol is applied that isolates wages and other labour costs.	Yes	3.9	3.9
1c	% of suppliers who received guidance on labour costing in line with ACT labour costing protocol.	Yes	8.2	8.3
1d.i	% of volume for which ACT labour costing protocol is applied that isolate wages and other labour costs including wage increase?	Yes	3.2	3.3
1d.ii	Does your company have an internal monitoring mechanism in place to track the application of ACT labour costing protocol, including the reflection of higher wages and other labour costs in purchasing practices?	Yes	-	-

* Purchase Agreement: The binding conditions agreed between the supplier and brand company that specifies the terms surrounding the purchase order

39% **on average of the volume bought by the ACT members is in line with the ACT labour costing protocol, isolating wages and other labour costs.**

Indicator

1a Expectation of compliance with any CBA incorporated into company's purchase agreements.

	2023 RAG+	2025 RAG+
Commitment Survey	Yellow	Yellow
Brand Survey	90%	92%
Supplier Survey	93%	94%

- 14 brands (78%) said they do have purchase agreements that include compliance with collective bargaining agreements: 3 brands more than in 2023, i.e. moving from red to green.

1b % of volume for which the ACT labour costing protocol is applied that isolates wages and other labour costs.

	2023 RAG+	2025 RAG+
Commitment Survey	Amber	Amber
Brand Survey	74%	64%
Supplier Survey	78%	67%

- 2 brands reported that the ACT labour costing protocol was applied to 100% of total volume. On average, 39% of the volume bought by the ACT members is in line with the ACT labour costing protocol, isolating wages, and other labour costs.

1c % of suppliers who received guidance on labour costing in line with ACT labour costing protocol.

	2023 RAG+	2025 RAG+
Commitment Survey	Amber	Yellow
Brand Survey	78%	69%
Supplier Survey	70%	74%

- 5 brands responded that they provide 100% of their suppliers with guidance on labour costing.
- 5 brands responded that they have not provided guidance on labour costing to all their suppliers. Several of these brands remarked that they are in the process of either developing or rolling out a guidance process.
- On average, 56% (37% in 2023) of suppliers received guidance on labour costing in line with ACT labour costing protocol.

1d.i % of volume for which ACT labour costing protocol is applied that isolate wages and other labour costs including wage increase?

	2023 RAG+	2025 RAG+
Commitment Survey	Amber	Yellow
Brand Survey	80%	83%
Supplier Survey	80%	66%

- 15 brands had an increase in wages in one or more of the countries they source from (most commonly in Türkiye, Bangladesh, Cambodia, China, India, Pakistan).
- 3 brands answered 'No' to accounting for the wage increase in labour costing in at least one of the countries they supplied. 2 brands moved to a green status, adding up to 9/18 brands with 100% implementation of the commitment indicator.

1d.ii Internal monitoring mechanism to track the application of ACT labour costing protocol.

	2023 RAG+	2025 RAG+
Commitment Survey	Amber	Amber
Brand Survey	74%	64%
Supplier Survey	78%	67%

- 12 brands reported having an internal monitoring mechanism to track compliance to the ACT labour costing protocol.
- In 2025 2 brands moved from red to green status, adding up to 12/18 green, 6/18 red.

Commitment 2

Brands commit to fair terms of payment

Progress

2023 Yellow → **2025** Yellow

- **a** Payment to suppliers is in line with agreed timeframe
- **b** Ensure the amount paid to suppliers is in line with the payment terms agreed and retrospective changes may only be made where it is mutually agreed and is not to the detriment of the supplier
- **c** Do not impose penalties and deductions that fall outside the terms of the purchase agreement
- **d** Ensure that the purchase agreement references financial consequences clearly for non- performance
- **e** Implement an internal monitoring mechanism to track terms of payment, on-time payments as well as penalties issued and their root causes

ACT Indicator		Reporting question(s)	Brand Survey	Supplier Survey
2a	% of orders with on-time payment to suppliers.	Yes	6.1	6.2
2b.i	% of orders where the amount paid is in line with agreed payment terms.	Yes	6.2	6.3
2b.ii	% of retrospective changes of payment terms which were not mutually agreed.	Yes	6.3	6.4
2b.iii	% of retrospective changes of payment terms which were mutually agreed and to the detriment of the supplier.	Yes	6.4	6.5
2c	% of orders where penalties and/or deductions have been applied which fall outside of the terms of the purchase agreement.	Yes	6.5	6.6
2d	% of brands whose purchase agreements clearly reference financial consequences for non-performance.	Yes	6.5	6.6
2e	% of ACT brands who have in place an internal monitoring mechanism to track terms of payment, on-time payments as well as penalties issued and their root causes.	Yes	6.7	-

13 Brands reported no retrospective changes to payment terms were applied.

7 Brands paid 100% of their orders on time.

Indicator

2a % of orders with on-time payment to suppliers

	2023 RAG+	2025 RAG+
Commitment Survey	Yellow	Yellow
Brand Survey	80%	92%
Supplier Survey		91%

- 7 brands reported to have 100% of their orders paid on time, 5 of these brands' employees/suppliers scored the brands lower than how the brand scored itself in the Commitment Questionnaire.
- In 2025, 1 brand moved to a green status, 1 brand moved to yellow, adding up to 9 brands. 1 brand moved to red.

2b.i % of orders where the amount paid is in line with agreed payment terms.

	2023 RAG+	2025 RAG+
Commitment Survey	Yellow	Yellow
Brand Survey	95%	95%
Supplier Survey	98%	94%

- 10 brands paid 100% of their orders in line with the agreed payment terms.
- 13 brands scored higher (in their Commitment Reporting results) than the average (88%). This is lower than in 2023, where ACT brands paid 96% of their orders in line with the agreed payment terms. The majority of brands had similar Supplier / Brand Survey Scores, within at least 5% variation.

2b.ii % of retrospective changes of payment terms which were not mutually agreed.

	2023 RAG+	2025 RAG+
Commitment Survey	Yellow	Yellow
Brand Survey	93%	95%
Supplier Survey	90%	94%

- 13 brands reported no retrospective changes were applied, while for some their systems do not allow such changes.
- 1 brand applied 2% retrospective changes.
- 1 brand retrospectively agreed to a shorter payment term in several instances.
- In 2025, 5 brands moved to a green implementation status, adding to a total of 13.

2b.iii % of retrospective changes of payment terms which were mutually agreed and to the detriment of the supplier.

	2023 RAG+	2025 RAG+
Commitment Survey	Yellow	Yellow
Brand Survey	93%	95%
Supplier Survey	88%	88%

- 2 brands reported that 100% of retrospective changes to payment terms were mutually agreed and to the detriment of the supplier.
- Compared to 2023, there is a 5% points increase in changes in terms of payments to the detriment of the supplier.
- In 2025, 7 brands moved to a green implementation status (12/18), two reported no progress compared to 2023.

2c % of orders where penalties and/or deductions have been applied which fall outside of the terms of the purchase agreement.

	2023 RAG+	2025 RAG+
Commitment Survey	Green	Yellow
Brand Survey	93%	90%
Supplier Survey	88%	87%

- 2 brands reported a % of orders for which penalties or deductions were applied outside of the terms of the purchase agreement. These brands referenced "late delivery" and "quality issues" as reasons.
- In 2025, 15 out of 18 brands reported full implementation of this commitment indicator. 2 brands moved from green to yellow.

Indicator

2d % of brands whose purchase agreements clearly reference financial consequences for non-performance.

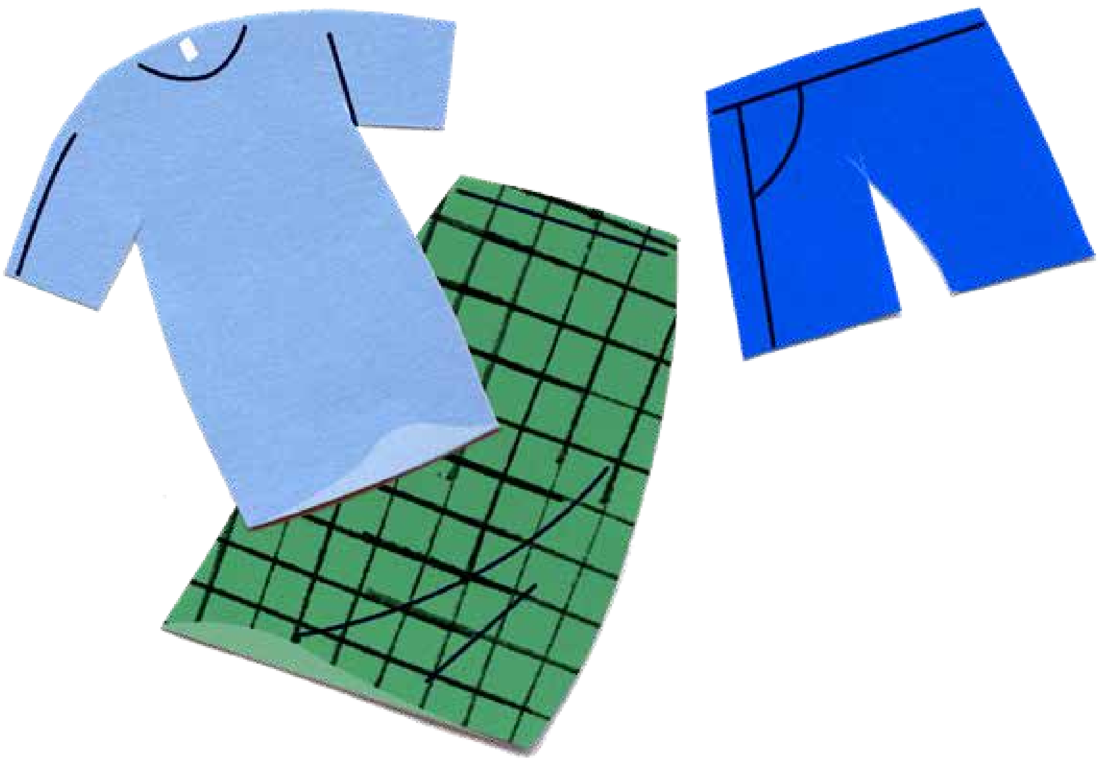
	2023 RAG+	2025 RAG+
Commitment Survey	Yellow	Yellow
Brand Survey	90%	90%
Supplier Survey	98%	87%

- 15 brands reported that their purchasing agreements clearly referenced financial penalties as consequence for non-performance.
- 1 brand moved from green to red. 2 brands showed no progress compared to 2023 on this indicator.

2e % of ACT brands who have in place an internal monitoring mechanism to track terms of payment, on-time payments as well as penalties issued and their root causes.

	2023 RAG+	2025 RAG+
Commitment Survey	Yellow	Amber
Brand Survey	83%	87%
Supplier Survey		

- 13 brands reported having an internal monitoring mechanism to track terms of payment, on-time payments and penalties issued and their root causes.
- 2 brands reported having an internal monitoring mechanism to track only terms of payment and on-time payment..



Commitment 3

Brands commit to better planning and forecasting

a Improve forecasting processes with suppliers

b Give clarity and ensure communication with suppliers regarding key critical path stages critical path: steps from planning to production

c Determine dates and frequency of adjusted forecasts

d Release excess booked capacity in a timely manner, where possible setting internal deadlines or reaching agreement with suppliers

e Improve dialogue with strategic suppliers to balance volumes through peaks and troughs

Progress

2023 Yellow → 2025 Yellow

ACT Indicator		Reporting question(s)	Brand Survey	Supplier Survey
3a.i	% of brands who have introduced a planning and forecasting system including capacity booking for at least their main suppliers.	Yes	-	4.1
3a.ii	% of volume covered by planning and forecasting systems including capacity booking.	Yes	-	4.1
3a.iii	% deviation (measured in pieces) from forecast on average on supplier level.	Yes	-	-
3a.iv	% increase of overall volume covered by forecasting.	Yes	-	-
3b.i	% of suppliers who report positively on communication regarding mutually agreed critical path deadlines.	-	-	-
3b.ii	% of suppliers that brands are engaged with in critical path communication.	Yes	-	5.1
3c & 3d.i	% of brands who have introduced a planning and forecasting system in which: • dates and frequency for adjustments are determined and are mutually agreed • excess capacity is released in a mutually agreed timely manner.	Yes	-	-
3c. & 3d.ii	% of suppliers that report that forecast updates are in line with the agreed timeline.	-	4.2	4.2
	% of suppliers surveyed that report excess capacity is released in a mutually agreed timely manner.	-	4.5	4.5
3e.i	% of suppliers who report positively on communication regarding management of peaks and troughs.	-	4.4	4.1
3e.ii	% of suppliers reporting improved balancing of volumes through peaks a and troughs.	-	-	-

Indicator

3a.i Planning and forecasting system including capacity booking for at least main suppliers

	2023 RAG+	2025 RAG+
Commitment Survey	Yellow	Green
Brand Survey	85%	
Supplier Survey	85%	82%

- All 18 brands reported that they introduced a planning and forecasting system.
- All brands received a high Supplier Score for having a planning and forecasting system, including capacity booking. This supports the Commitment Reporting average for this indicator.
- The ACT brands have made significant improvements compared to 2023, when only 79% of brands had a planning and forecasting system.

3a.ii 3a.iv % of volume covered by planning and forecasting system % increase of overall volume covered by forecasting

	2023 RAG+	2025 RAG+
Commitment Survey	Yellow	Yellow
Brand Survey	95%	95%
Supplier Survey	98%	94%

- 11 brands have scored higher in the Brand Survey than in the Commitment Reporting average (68%). This is slightly higher than last year (64% of volume on average).
- All brands had over 20% of volume covered by planning and forecasting systems.
- 5 brands reported having 100% of the company's volume covered by planning and forecasting systems that included capacity booking in the last financial year.
- One brand reached a Supplier Survey Score of 100%.

3a.iii % average deviation from forecast at supplier level

	2023 RAG+	2025 RAG+
Commitment Survey	Yellow	Yellow
Brand Survey	93%	95%
Supplier Survey	90%	94%

- 9 ACT brands indicated their average deviation from the forecast, which was 24% on average.
- A few brands indicated that by policy they have no deviation at all, or that they were not able to confirm this figure.

3b % of suppliers engaged with in critical path communication

	2023 RAG+	2025 RAG+
Commitment Survey	Yellow	Yellow
Brand Survey	93%	95%
Supplier Survey	88%	88%

- The Supplier Survey results are strong across all ACT members, reporting that all ACT members engage with over 90% of their suppliers in critical path communication.
- ACT brands reported in the Commitment Questionnaire that they engage on average 94% of their 90% suppliers in critical path communication. This is an increase from 87% in 2023.
- 14 ACT members reported they engage with 100% of their suppliers on the critical path management..

3cd Planning and forecasting system includes capacity booking, dates & frequency for adjustment are determined and mutually agreed, excess capacity is released in a mutually agreed way and excess capacity is released in a timely manner

	2023 RAG+	2025 RAG+
Commitment Survey	Green	Yellow
Brand Survey	93%	90%
Supplier Survey	88%	87%

- All brands confirmed they have a forecasting and planning system in place.
- Not all systems have the same coverage and capabilities.

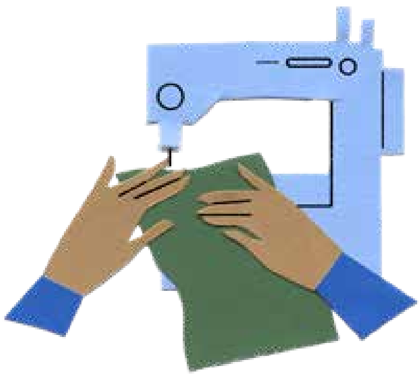
Commitment 4

Brands commit to undertake training on responsible sourcing and buying

Progress

2023	2025
Yellow	Yellow

a Design and implement a training programme with common guidelines (accessible training material to be developed) on ACT commitments to purchasing practices



ACT Indicator		Reporting question(s)	Brand Survey	Supplier Survey
4a.i	% of brands that have delivered training on ACT commitments on purchasing practices, for all relevant employees.	Yes	8.1, 8.2, 8.3, 8.4, 8.5, 8.6, 8.7	-
4a.ii	% of suppliers informed on ACT commitments.	-	-	8.1
4a.iii	% of ACT brands who have updated their training programs for relevant employees to include better forecasting and develop robust processes (including critical path stages).	-	-	-

4a.i % of relevant employees trained on ACT commitments

	2023 RAG+	2025 RAG+
Commitment Survey	Yellow	Yellow
Brand Survey	65%	67%
Supplier Survey		

- On average, 54% of relevant employees have been trained across ACT brands. This is a decrease from 64% in 2023. This is a simple average, so the real number of employees trained may have increased.
- 4 brands report having trained 100% and 2 95-99% of relevant employees on ACT Commitments.
- 8 brands reportedly have not trained any of their relevant employees on the ACT Commitments, or do not hold records of it.

4a.iii Brand updated training programmes for relevant employees to include better forecasting

	2023 RAG+	2025 RAG+
Commitment Survey		Yellow
Brand Survey		
Supplier Survey		

- 13 brands reported they have updated their training programmes to include better forecasting and develop robust processes (including critical path stages).

Commitment 5

Brands commit to practising responsible exit strategies

Progress

2023		2025
Yellow	→	Yellow

a Consider reasons for and consequences of exiting

b Conduct an impact/due diligence assessment (level of business)

c Allow appropriate phase-out time

d Seek to avoid negative impact on workers

e Take reasonable measures to assure that all wages and legally entitled severance payments are made

ACT Indicator		Reporting question(s)	Brand Survey	Supplier Survey
5a., 5b. & 5c.	% of factory exits which comply with ACT responsible exit checklist (see notes)	Yes	1.1, 1.4	1.1
5a., 5b. & 5c.	#No of complaints related to factory exits	-	-	-
5d. & 5e.	Complaints/reports received on negative impacts related to factory exits	-	-	-

5abc % of factory exits which comply with ACT responsible exit checklist

	2023 RAG+	2025 RAG+
Commitment Survey	Yellow	Yellow
Brand Survey		
Supplier Survey	88%	95%

- 2 brands reported 0 factory exits in the last financial year.
- 14 brands reported applying the ACT responsible exit checklist to the factories they exited in the last financial year.
- Several ACT members reported not having the ACT responsible exit checklist in place but having plans to implement it by the end of 2025.

83% of factory exits comply with ACT responsible exit checklist (increase from 67% in 2023).

Breakdown of Key Performance Indicators *by Commitment*

Commitment 1

Indicator	1a	1b	1c	1d.i	1d.ii
2025 Aggregate	Yellow	Amber	Yellow	Yellow	Yellow
2023 Aggregate	Yellow	Amber	Amber		Yellow
2021 Aggregate	Yellow	Amber	Amber	Amber	Amber

Commitment 2

	81%	88%				83%	
Indicator	**2a**	**2b.i**	**2b.ii**	**2b.iii**	**2c**	**2d**	**2e**
2025 Aggregate	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow
2023 Aggregate	Yellow	Yellow	Yellow	Yellow	Green	Yellow	Yellow
2021 Aggregate	Yellow	Yellow	Yellow	Amber	Yellow	Yellow	Yellow

Commitment 3

	100%			94%	82%
Indicator	**3a.i**	**3a.ii**	**3a.iii**	**3b.ii**	**3c & 3d**
2025 Aggregate	Green	Yellow	Yellow	Yellow	Yellow
2023 Aggregate	Yellow	Yellow	Yellow	Yellow	Yellow
2021 Aggregate	Yellow	Yellow	Amber	Yellow	Yellow

Commitment 4

Indicator	4a.i	4a.ii	4a.iii
2025 Aggregate	Yellow	Yellow	Yellow
2023 Aggregate	Yellow		
2021 Aggregate	Amber	Amber	Red

Commitment 5

	83%		
Indicator	**5a,b,c i**	**5c ii**	**5d,e**
2025 Aggregate	Yellow		
2023 Aggregate	Yellow		
2021 Aggregate	Amber		

Throughout the analysis only a full implementation of 100 % is green. To provide more granularity aggregate performance level above 81% are highlighted.

	Commitment 1	Commitment 2	Commitment 3	Commitment 4	Commitment 5
	Wages as itemised costs	Fair terms of payments	Planning and forecasting	Undertaking training	Responsible exits
2025	Yellow	Yellow	Yellow	Yellow	Yellow
2023	Amber	Yellow	Yellow	Yellow	Yellow
2021	Red	Yellow	Yellow	Amber	Amber

ACT Brands responded to the Commitment Questionnaire, gathering information and data from different team members and departments, enabling them to demonstrate how well the brand was performing in implementing the five ACT Global Purchasing Practices Commitments.

Chapter 2

Deep-dive Brand and Supplier Surveys

Survey Participation *Statistics*

Note!

In this section and sections ahead, blue colour highlights responses from the Brand Survey (brand employees), and yellow colour highlights Supplier Survey responses (suppliers). Very few exceptions are evident from the legend.

Brand Participation

- A total of 18 brands rolled out the survey in 2025.
- When comparing response rates to previous years rates were not adjusted for changes in membership but declines in rates also reflect changes in membership.
- 1,049 brand responses were received for the Brand Survey (2023 n=1,634 / 2021 n=1,831).
- The number of responses for brands fell across half of the brands. Four outliers saw big increases in responses from their employees.

1,049

brand responses were received - a 35% decrease from 2023 (42% from 2021)

Supplier Participation

- Across all 18 brands that rolled out the Supplier Survey there were 1,606 supplier responses (2023 n=2,172 / 2021 n=1,338).
- If a supplier response covers for example two brands, then the responses were counted as two survey submissions.
- When comparing response rates to previous years rates were not adjusted for changes in membership but declines in rates also reflect changes in membership.
- If a supplier operates over, say, two countries, then each site would count separately in the responses.

As in 2023 and 2021, by far the biggest number of responses came from China.

Top five sources of supplier responses are the same as in 2023 and 2021.

1,606

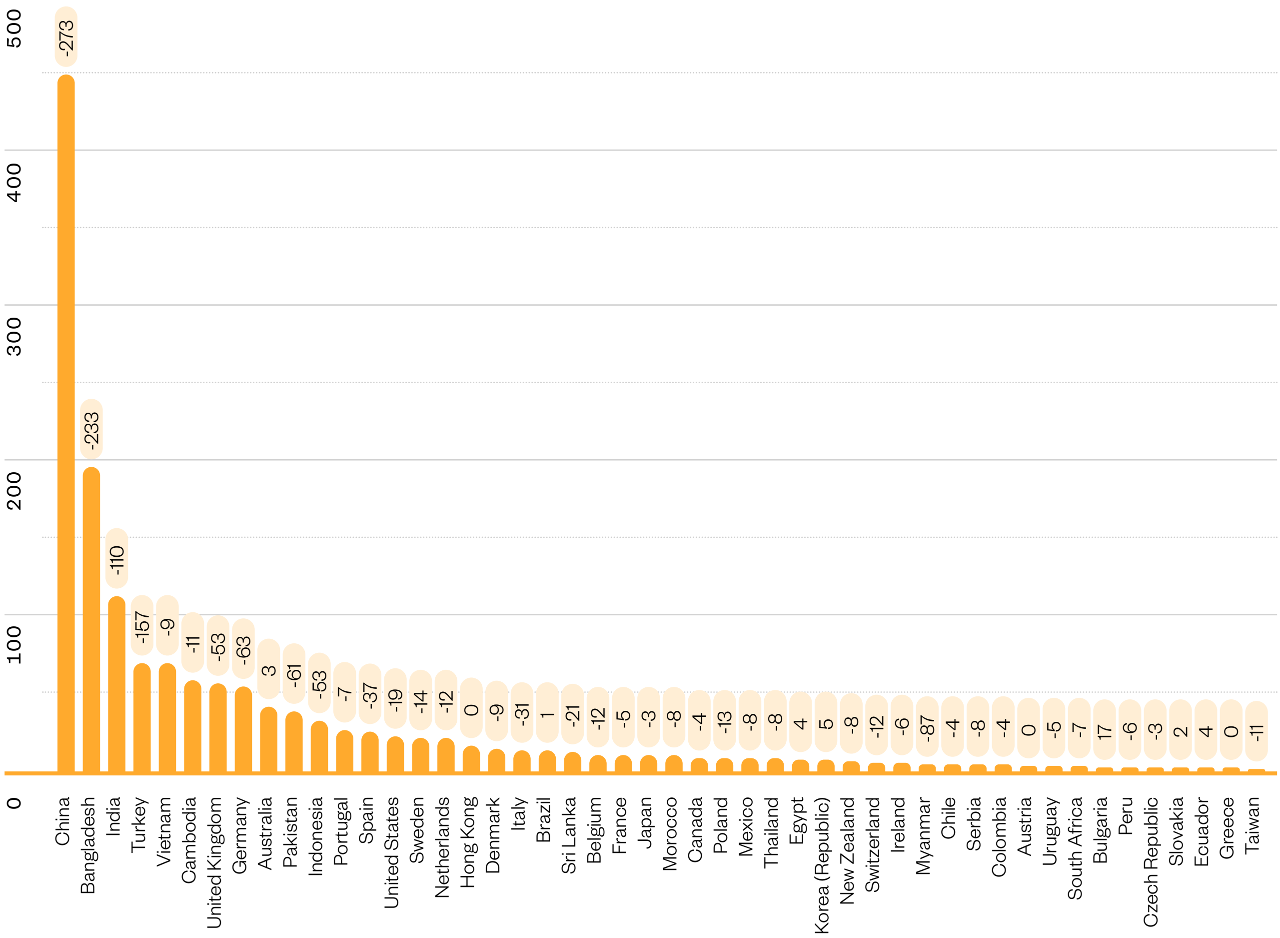
supplier responses were received - a 26% decrease from 2023 (20% increase from 2021)

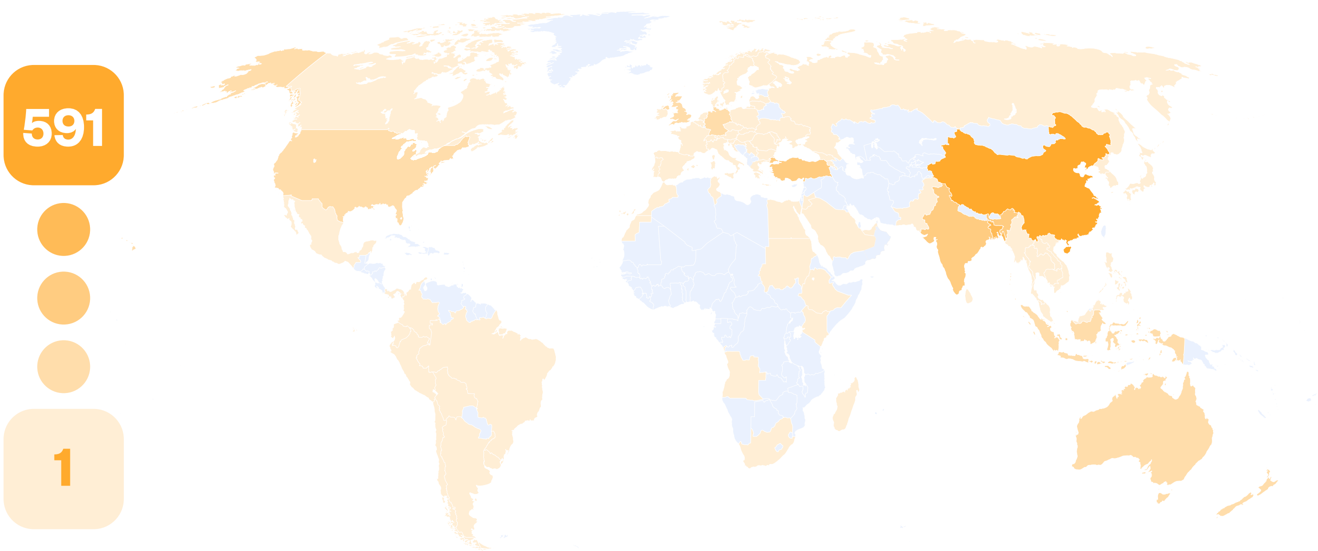
Supplier presence (sites) by country, n=1,606

China (27%), Bangladesh (12%), and India (7%) accounted for the largest proportion of respondent locations. The bar chart shows the distribution of where suppliers said they were operating. Numbers on top reflect a positive/negative change from 2023.

Note that the graphs below represent supplier numbers by country (rather than the number of responses).

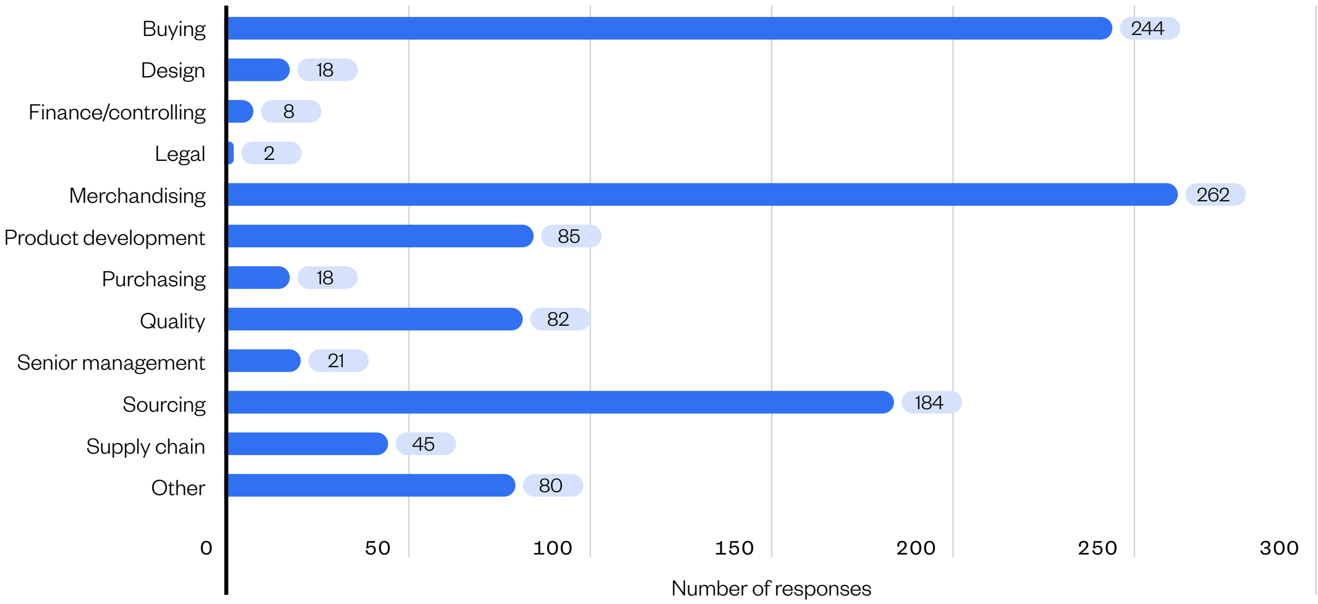
Cambodia has risen up in the rankings, with the sixth highest number of suppliers in 2025 (7th in 2023, 11th in 2021).The geographic heatmap converts the number of responses per country where darker colours indicate a higher relative density of supplier geographies.





Respondents by role, n= 1,049

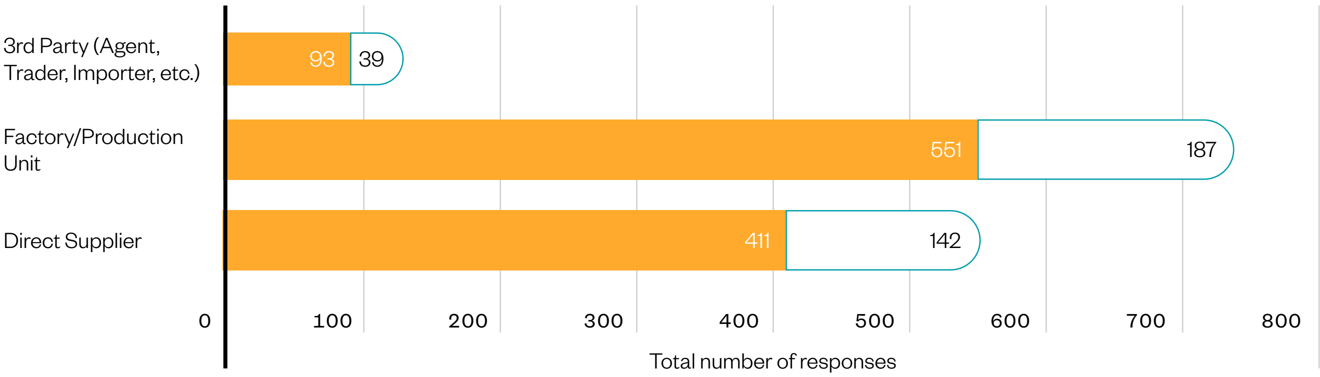
The bar chart indicates the total number of brand responses received from each role.



- Buying and Merchandising roles have the highest total responses (as in 2023) although their distribution is more concentrated in specific brands.
- Sourcing, Quality, and Other roles have a broader distribution: they are more consistently represented across brands.
- Design, Legal, and Finance/Controlling have low totals, low distribution, and low variance (as in 2023): they are both niche and narrowly represented.

Respondents by commercial relationship, n=1,055

The bar chart indicates the total number of brand responses received from each type of commercial relationship. The bordered box indicates how many more responses were received in 2023.



- The majority of Supplier Survey respondents came from Factory/Production units followed by Direct suppliers.
- As in 2023, response rates reflect the more closely relationship with the specific sites who will have the highest and most direct control over workers' wages and protections.
- There was an evenly spread decline in suppliers responding across all supplier types.

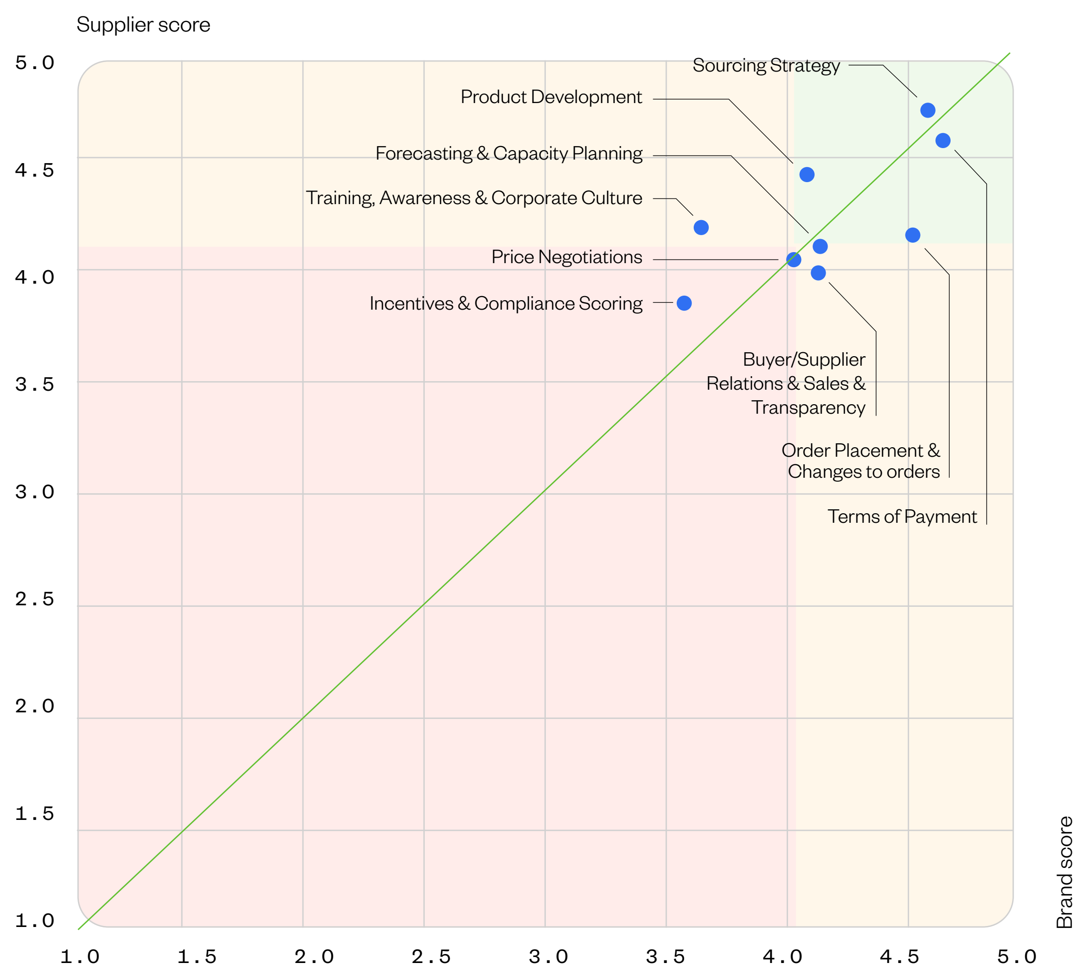
Progress and Perception viewed *by suppliers and brands*

Perception Matrix: Deviation Between Suppliers and Brands, 2025

The matrix plots supplier (vertical) against brand (horizontal) scores. The green line indicates "perception parity" – where brands and suppliers have the same score. The distance from the green line indicates the gap in perception between brands and suppliers. Sections above the green line were scored more favourably by suppliers, whereas sections under the green line were scored more favourably by brands.

- Brands and suppliers tend to perceive highest performance on "Sourcing Strategy" and lowest performance on "Incentives & Compliance Scoring". In 2023 the latter has received higher scores.
- This chart in combination with the chart on the importance of sections for suppliers (next page) show a clearer pattern of lower performing topics being viewed as less important than those achieving higher scores.
- As with 2023 and 2021, the overall results were positive with aggregated scores consistently above 3.6. Only in a few cases and for specific brands, or supplier countries, low scores were reached.
- A score of 3 means 'As often as not' or 'In place but needs improvement'. Any score of 3 or below is considered poor.
- By placing the Brand/Supplier Survey results on different axis, it can be seen whether there is any significant deviation in scores given by each party. As the graph below shows, in most cases the scores were fairly aligned:

Deviation of suppliers' and brands' perception, 2025
(the further away from the green line, the larger the gap)



Aggregate Progress in Brand and Supplier Surveys and perception divergence, 2025 and 2023 ADJ Survey

The below graphs shows the percentage point change from 2023 to 2025.

Practices with progress in both, Brand and Supplier Survey:

- Buyer/Supplier Relations & Sales and Transparency
- Terms of Payment
- Sourcing Strategy

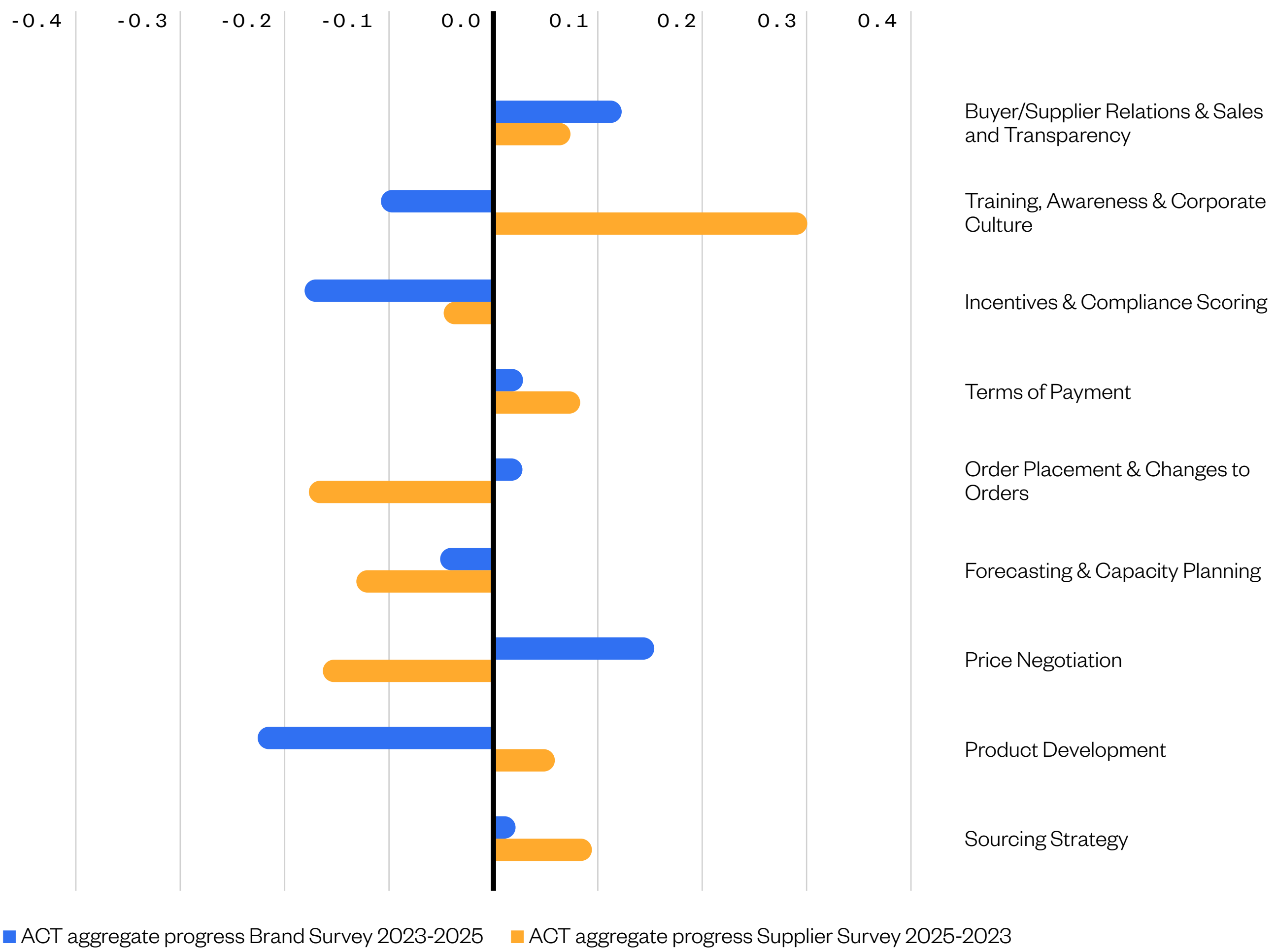
Practices with diverging perception by Brands and Suppliers:

On aggregate level the biggest changes in the scores by brands and suppliers were in 'Training, Awareness & Corporate Culture', 'Product Development', where suppliers rated the brands' practices better than the brands themselves, and 'Order Placement & Changes to Orders' and 'Price Negotiation', where brands rated themselves better than their suppliers did.

Practices with lower performance rated by Brands and Suppliers:

'Incentives & Compliance Scoring' as well as 'Forecasting & Capacity Planning' was scored lower than in 2023 in both Surveys, Brand and Supplier.

Section-by-section progress compared to ACT aggregate, 2023 ADJ to 2025

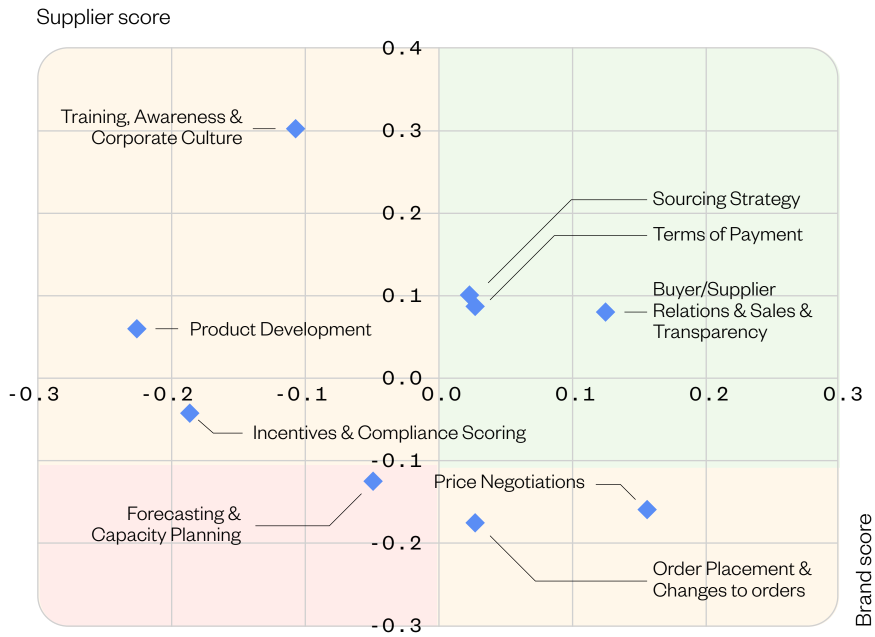


Score Variation, 2025 vs. 2023 ADJ

The graph below shows the differences in scores between 2023 ADJ and 2025 for each of the nine purchasing practices sections, and for both the Brand and Supplier Surveys. On the X-Axis, the change in score from 2023 ADJ. to 2025 for each section in the Brand Survey (Brand Score), with the equivalent for the Supplier Survey (Supplier Score) on the Y-Axis. For example, Buyer/Supplier Relations & Sales and Transparency (top-right) has seen an increase of more than 0.1 points in the Brand Survey, and almost 0.1 points in the Supplier Survey.

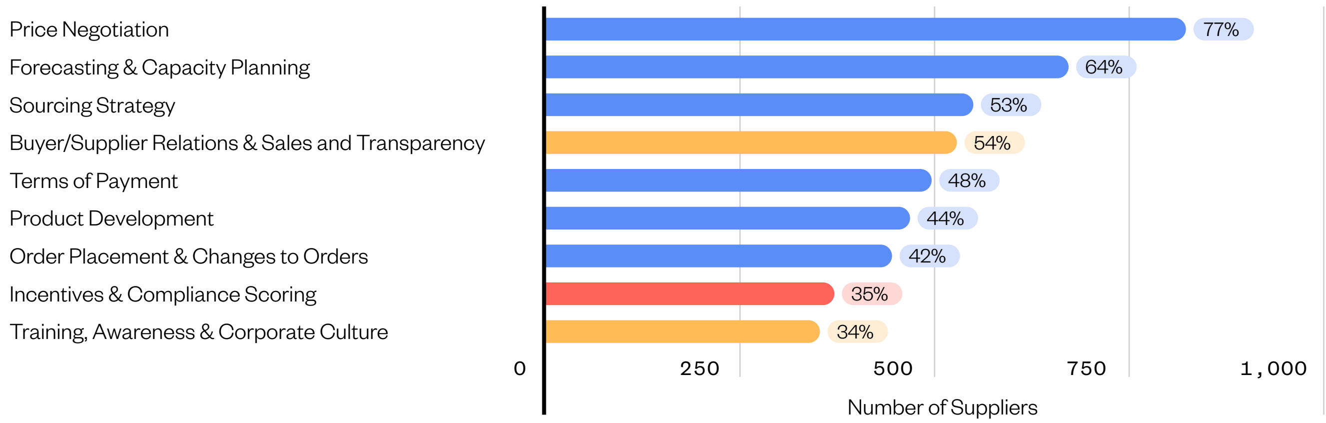
- Sourcing Strategy, Terms of Payments and Buyer/Supplier Relations & Sales and Transparency performed better in 2025 compared to 2023 ADJ.
- Training, Awareness & Corporate Culture and Product Development were rated lower by brand's employees, but higher by suppliers in 2025.
- Price Negotiation, Order Placement & Changes to Orders were rated lower by suppliers, but higher by brand employees in 2025.
- Incentives & Compliance Scoring and Forecasting & Capacity Planning scored lower compared to 2023 ADJ in both, the Brand and the Supplier Survey.

Score Variation



Practices suppliers view as important in enabling them to pay higher wages, 2025

Bar colours correspond to the perception matrix quadrants above. Price Negotiation (77% of suppliers) and Forecasting & Capacity Planning (64% of suppliers) were the most often mentioned amongst suppliers as important practices to enable the payment of living wages.



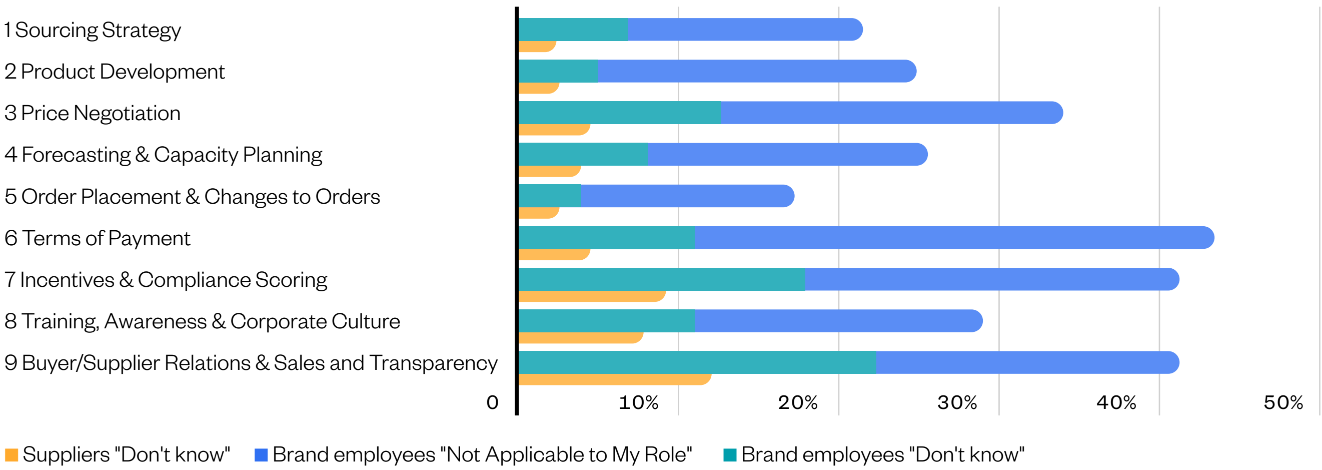
Average % of "Don't know" or "Not Applicable to My Role" responses per section

The bar chart compares total "Don't Know" or "Not Applicable to my Role" responses from brand employees to "Don't Know" responses from suppliers.

In almost all cases, the proportion of "Not Applicable to My Role" is higher than brand employees and suppliers who don't know.

Suppliers tend to not respond with "Don't Know" as much as brand employees. The % of "Don't Know" for the Brand Survey is consistently higher than the same for the Supplier Survey, which is in line with the results of 2023.

Brand v Suppliers: Don't Know and Not Applicable to My Role Responses

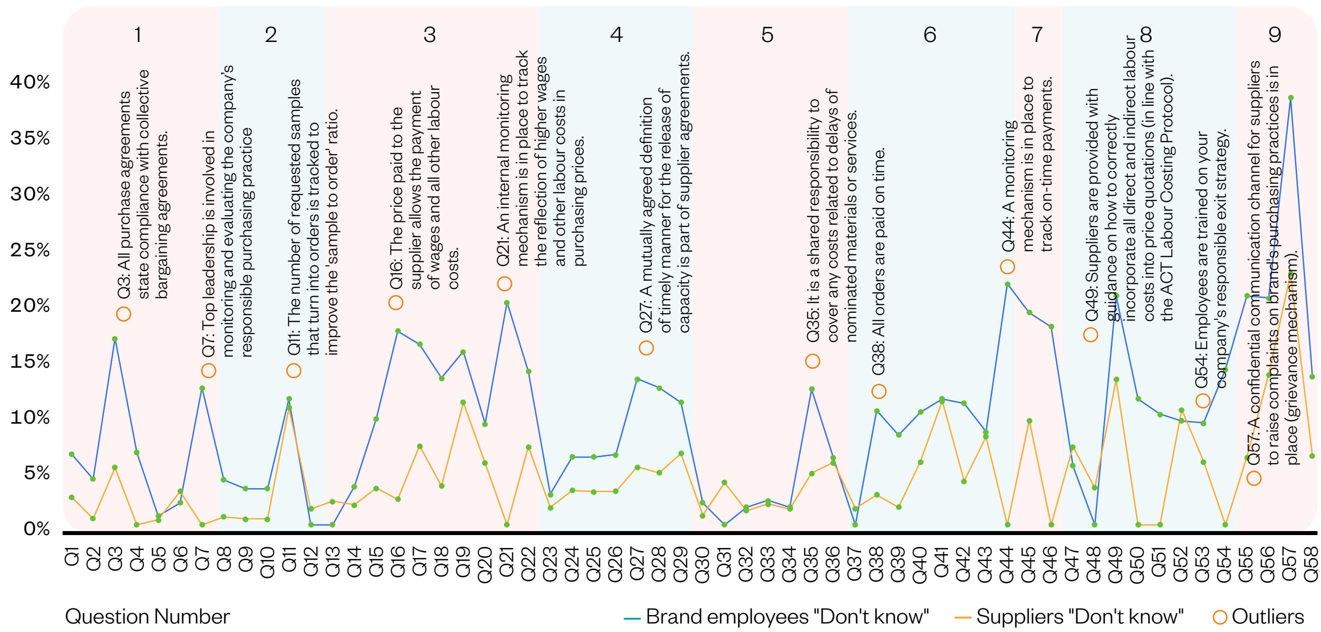


"Don't Know" Responses by Question

The line plot indicates how many "Don't Know" responses were received from both suppliers and brands from each question. The questions are further segmented into their respective categories, with outliers highlighted and annotated.

Supplier and Brand responses were not necessarily correlated, indicating potential knowledge gaps across survey questions.

"Don't know" responses by question



Section-specific Results of the Supplier Survey and Brand Survey

In this section details by theme are provided:

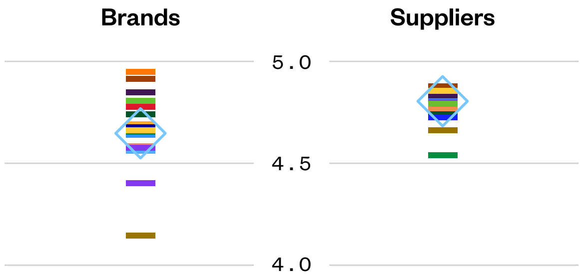
- The distribution of scores, showing whether any brands are outliers.
- The average score and how this compares to the previous year.
- The % of “Don’t Know” and “Not Applicable to My Role“, which fall outside of the scoring.

1. Sourcing Strategy
2. Product Development
3. Price Negotiation
4. Forecasting & Capacity Planning
5. Order Placement & Changes to Orders
6. Terms of Payment
7. Incentives & Compliance Scoring
8. Training, Awareness & Corporate Culture
9. Buyer/Supplier Relations and Sales & Transparency

1. Sourcing Strategy

4.6
Average score
Brand Survey
+/- 0 from 2023

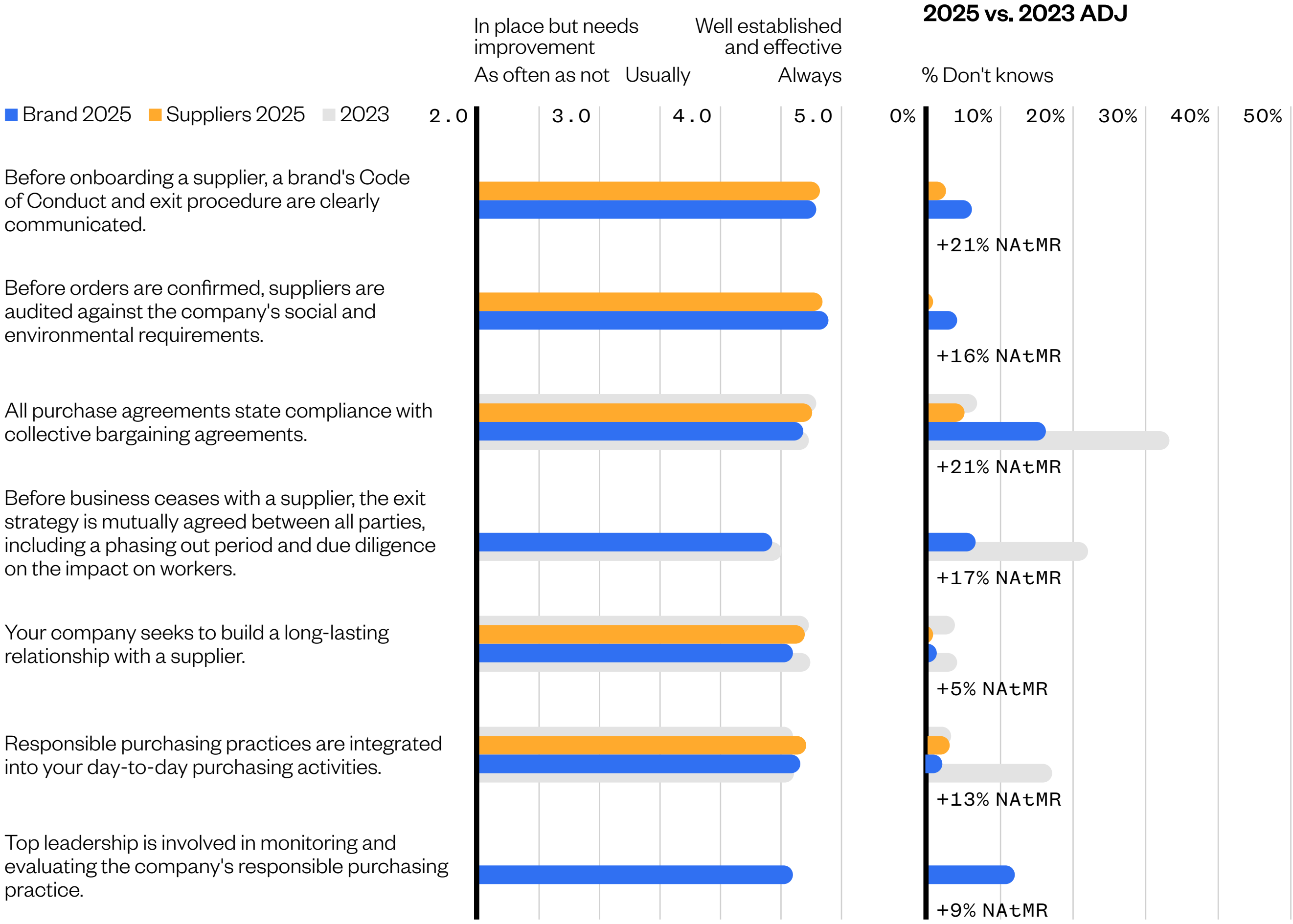
4.8
Average score
Supplier Survey
+0.1 from 2023



- Practices related to Sourcing Strategy were perceived with highest performance by Suppliers and Brands.
- “Don’t Know” responses by Brands declined significantly compared to 2023, while “Not Applicable to My Role (NAtMR) was chosen more often, however still way below 2023 “Don’t Know” levels.

Scores by Question, 2025 vs. 2023 ADJ

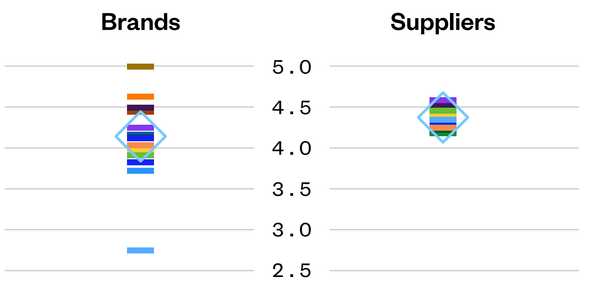
”Don’t Know” & “Not Applicable to my Role” Responses by Question, 2025 vs. 2023 ADJ



2. Product Development

4.1
Average score
Brand Survey
-0.2 from 2023

4.4
Average score
Supplier Survey
-0.1 from 2023

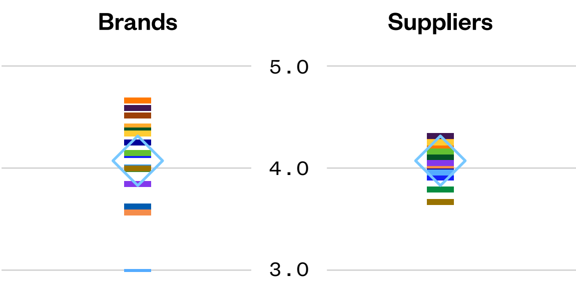


- The "order to sample ratio" improved significantly compared to 2023, rated by Suppliers.
- ACT aggregate average scores were slightly lower or aligned on all other questions related to Product Development.
- "Don't Know" responses by Brands declined significantly compared to 2023, while "Not Applicable to My Role" (NAtMR) was chosen more often, however still way below 2023 "Don't Know" levels.

3. Price Negotiation

4.1 Average score Brand Survey — +0.2 from 2023

4.1 Average score Supplier Survey — +0.2 from 2023

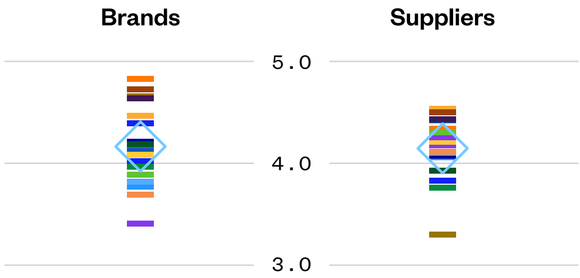


- Price Negotiation (77% of suppliers) was the most often mentioned amongst suppliers as important practice to enable the payment of living wages.
- Where questions were comparable to 2023, scores were aligned or lower in 2025.
- There were instances with bigger disparity in the perception of practices by Brands and Suppliers, e.g. reflecting wage increases in the final negotiated price was rated lower compared to the Brands perception, while Suppliers on average gave a higher score to the question whether brands have processes in place to check whether final negotiated prices allow the payment of wages and other labour costs.
- "Don't Know" responses by Brands declined or were almost the same compared to 2023, while "Not Applicable to My Role" (NAtMR) was chosen more often.

4. Forecasting & Capacity Planning

4.2
Average score Brand Survey
+/- 0 from 2023

4.1
Average score Supplier Survey
-0.2 from 2023

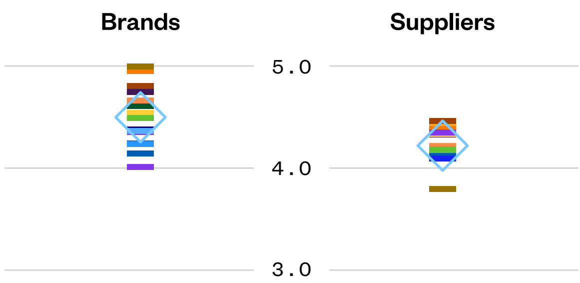


- Forecasting & Capacity Planning (64% of suppliers) were second most often mentioned amongst suppliers as important to enable the payment of living wages.
- There was strong alignment between the perception of related practices among Suppliers and Brands, however average aggregate levels mostly below 2023 levels.
- "Don't Know" responses by Suppliers increased compared to 2023 regarding mutual agreement of capacity before orders are placed and whether they receive forecasts including mutually agreed timelines. On all other practices related to Forecasting & Capacity Planning "Don't Know" responses declined compared to 2023. "Not Applicable to My Role" (NAtMR) was chosen more often by Brands.

5. Order Placement & Changes to Orders

4.5
Average score Brand Survey
+/- 0 from 2023

4.2
Average score Supplier Survey
-0.2 from 2023

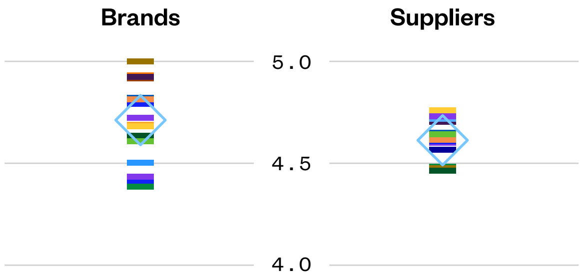


- Critical path deadlines and their mutual agreement prior to order placement scored higher by both, Suppliers and Brands in 2025 compared to 2023.
- Sharing responsibility to cover any costs related to delays of nominated materials services was scored higher by Brands compared to 2023, but even lower by Suppliers. All other practices scored lower compared to 2023.
- “Don’t Know” responses by Suppliers stayed mostly the same, with small decreases compared to 2023. “Don’t Know” responses by Brands declined significantly compared to 2023.

6. Terms of Payment

4.7
Average score Brand Survey
+/- 0 from 2023

4.6
Average score Supplier Survey
+0.1 from 2023

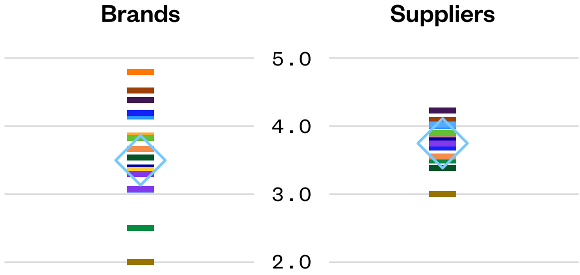


- Practices related to Terms of Payments were perceived quite mixed. While e.g. Brands increasingly responded that all orders are paid on time, Suppliers scored this practice lower compared to 2023. Retrospective changes of payments terms were scored increasingly higher by both, Suppliers and Brands compared to 2023. Cancellations, fine, penalties, cost price reductions or airfreight at a supplier's expenses were increasingly monitored and reviewed for fairness compared to 2023 by Suppliers, but Brands scored this practices lower.
- The level of "Don't Know" responses by Suppliers whether retrospective changes of payment terms are treated as strict exceptions and agreed with a supplier as well as fairness review of e.g. cancellations was substantially higher compared to 2023. The amount of "NAtMR" responses seems to be highest in this section.

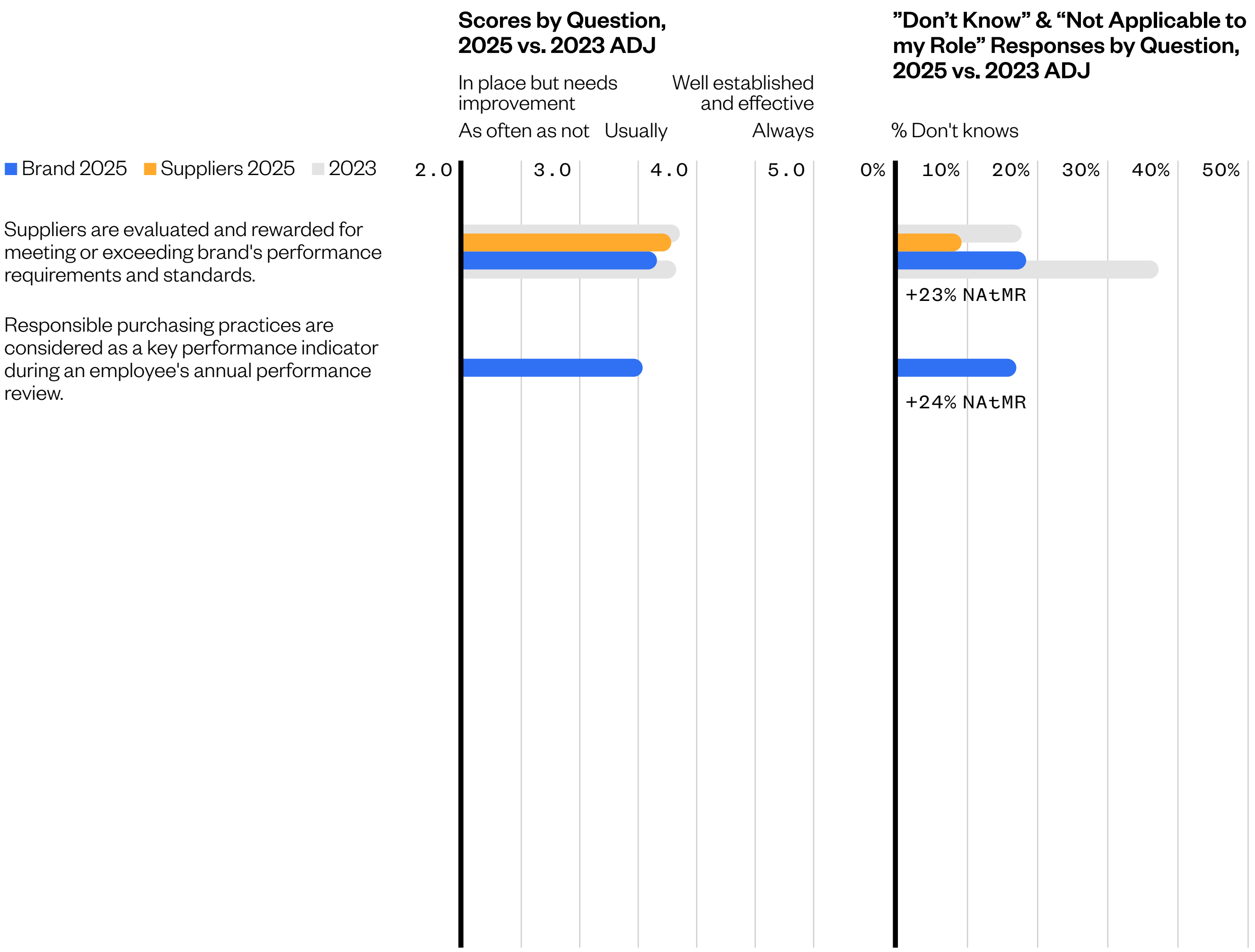
7. Incentives & Compliance Scoring

3.6
Average score Brand Survey
-0.2 from 2023

3.8
Average score Supplier Survey
+/- 0 from 2023



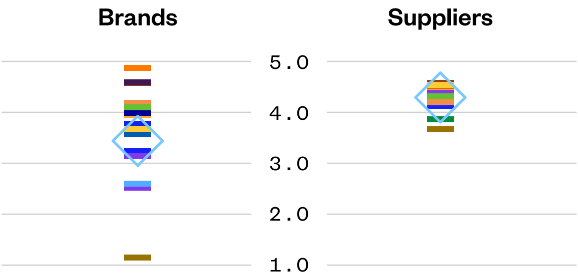
- Practices related to Incentives and Compliance Scoring were perceived with lowest performance by both, Suppliers and Brands.
- The high variance among brand employees and supplier responses indicates that brands have quite different approaches to incentives and compliance scoring.
- "Don't Know" responses declined compared to 2023, but with a high amount of "NAtMR" responses (almost 24%).



8. Training, Awareness & Corporate Culture

3.7
Average score Brand Survey
-0.1 from 2023

4.3
Average score Supplier Survey
+0.3 from 2023

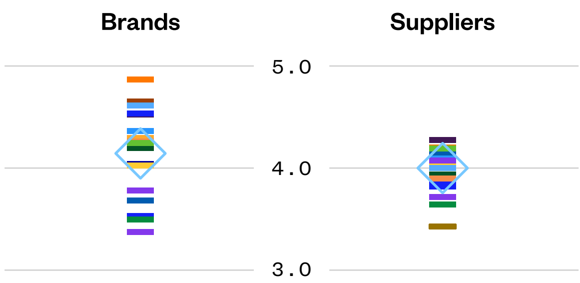


- Where questions were comparable the Supplier responses scored higher compared to 2023. Brand responses mostly fell behind the 2023 results.
- "Don't Know" responses declined substantially by both, Suppliers and Brands, however with high "NAtMR".

9. Buyer/Supplier Relations and Sales & Transparency

4.1
Average score
Brand Survey
+0.1 from 2023

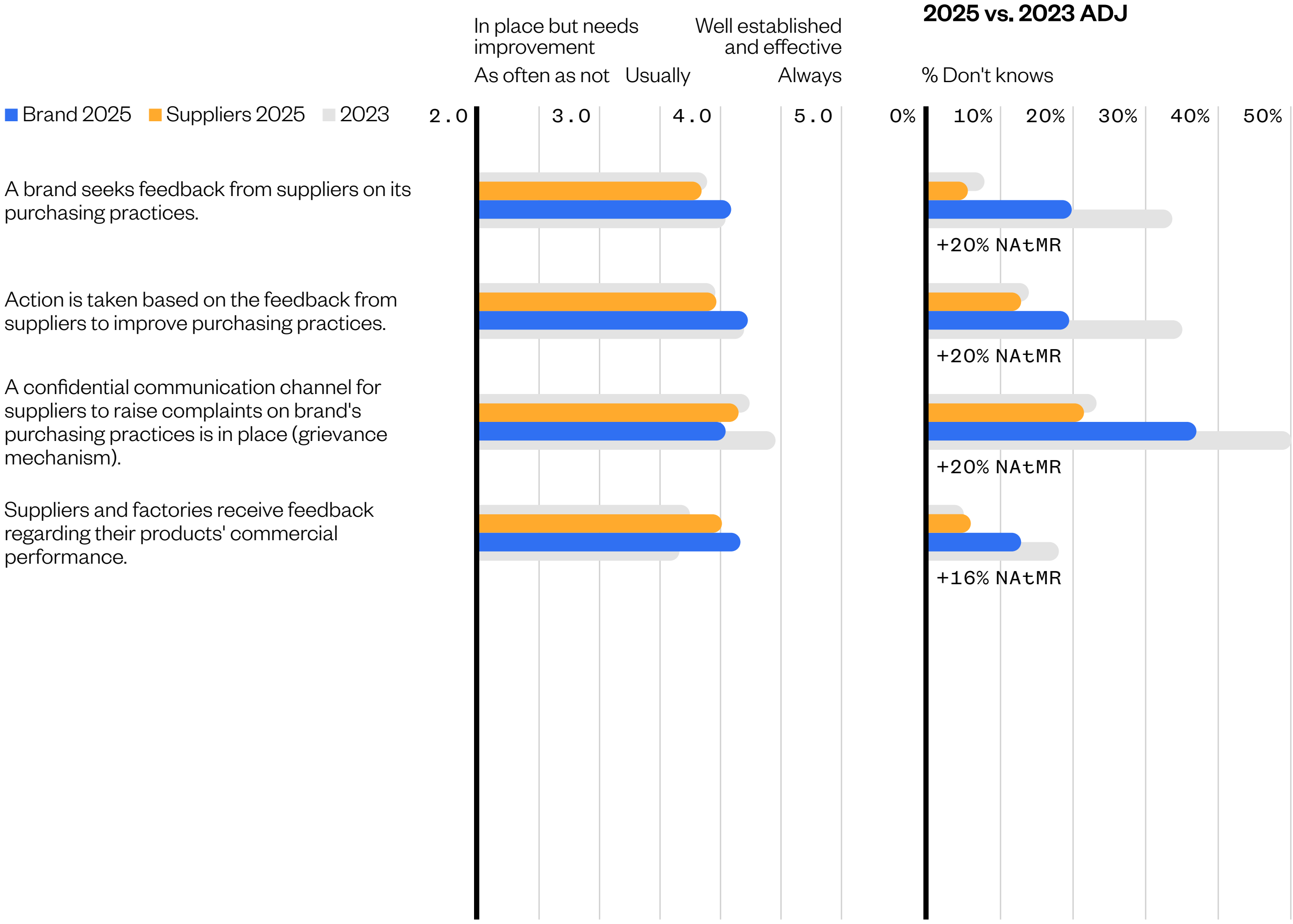
4.0
Average score
Supplier Survey
+0.1 from 2023



- Suppliers seemed to be decreasingly asked to provide feedback on a brands purchasing practices. On the contrary, Suppliers seemed to have increasingly received feedback regarding their products' commercial performance.
- "Don't Know" responses declined substantially by both, Suppliers and Brands, however with high "NAtMR".

Scores by Question, 2025 vs. 2023 ADJ

"Don't Know" & "Not Applicable to my Role" Responses by Question, 2025 vs. 2023 ADJ



Chapter 3

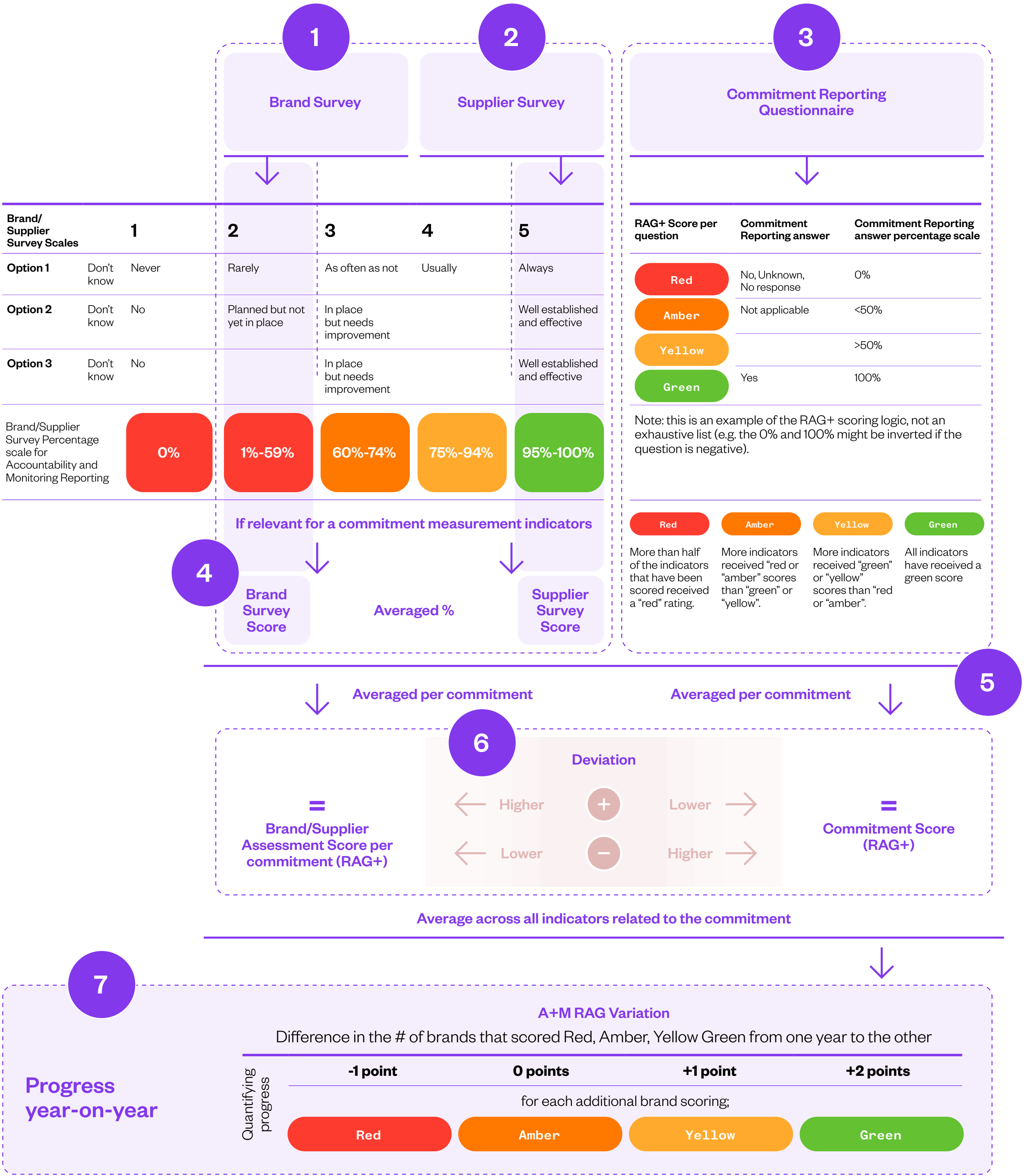
Methodology

Note!

The Methodology is mostly a replication of the 2023 report

This analysis looks at three different data sources and five scores that were derived from the data sources. In this section the data sources will be explained first, followed by the calculation of the scores.

A+M reporting based on *ACT Accountability and Monitoring Framework*



Data Sources

1

The Brand Survey (Purchasing Practices Self-Assessment by Brands)

This is the brand purchasing practices survey which has a total of 53 questions covering 9 overarching sections in the purchasing process to get a better understanding of brand's purchasing practices.

The Purchasing Practices Self-Assessment was developed by a Purchasing Practices Working Group of ACT participants in 2016/2017 and has been continuously improved since then.

The brand survey (as well as the supplier survey, see next section) are monitoring tools of the ACT Accountability and Monitoring Framework to measure progress in achieving the ACT Global Purchasing Practices Commitments and to start a fact-based dialogue for a brand internally and within the respective supply chains.

In order to be able to measure performance a set of targets and indicators were developed (see Annex 2). Responses to most of the questions asked in the Brand Survey inform the performance measurement. ACT has mapped specific brand survey questions to the ACT Commitment Reporting questionnaire, at an indicator level. Details on the assessment by brand employees, as well as by suppliers, can be found in this report as well.

2

The Supplier Survey (Purchasing Practices Assessment by Suppliers)

This is the supplier purchasing practices survey which has a total of 50 questions. The brand survey was mirrored to ask suppliers to ACT brands on how they experience and assess the brands' purchasing practices. It was developed in 2018 with the aim to strengthen the dialogue about purchasing practices with suppliers to continuously improve purchasing practices in support of the payment of living wages.

ACT has mapped specific supplier survey questions to the ACT Commitment Reporting questionnaire, at an indicator level.

3

The ACT Commitment Reporting questionnaire

The ACT Commitment Reporting questionnaire is a self-assessment questionnaire that brands fill in to measure how well their companies are meeting each of the five ACT Global Purchasing Practices Commitments, and the specific indicators that sit underneath. This includes a set of targets and indicators per commitment for which additional information is required that is not covered in the Brand Survey.

The ACT Commitment Reporting questionnaire is conducted through the ACT online purchasing practices platform, run by an independent third party to ensure full confidentiality of responses and results. It is the same platform used to run the Supplier Survey and Brand Survey. Via this platform, brands can see how both their own employees and their suppliers are scoring them against the same indicators.

Not all of the indicators have a corresponding Brand Survey or Supplier Survey question.
In these cases, either only the aggregate results from the Commitment Report questionnaire are shown and/or the respective results from the brand/supplier survey are shown.

RAG+ Scoring, Measuring the Deviation and *the Progress year-on-year*

4

For the analysis of the status quo towards complying with the ACT Global Purchasing Practices Commitments two scores are compared: the Brand/Supplier Assessment Score and the Commitment Score. To illustrate how they match, the deviation is shown.

The Brand/Supplier Assessment Score

The Brand/Supplier Assessment Score shows the average result obtained by each brand on the Supplier survey and Brand survey questions that are relevant to each commitment.

For each ACT Global Purchasing Practices Commitment there are several measurement indicators. Each indicator is informed by questions and results coming out of the Supplier survey, the Brand survey, and the Commitment Questionnaire. However, not all indicators have a corresponding Brand/ Supplier question but can only be measured via results in the Commitment Reporting Questionnaire. The Commitment Questionnaire is filled in by brands.

The Brand and the Supplier Survey tool includes two types of items: questions about occurrences of actual conduct (option 1 in Table 1) and questions about "policy character" (options 2 and 3).

Higher scores are indications of better purchasing practices. The results in the Purchasing Practices Surveys were converted into percentages (see Table 1). With the scale going from 1 to 5, a brand scoring 1 ("No/Never" responses) equals a result of 0% and a score of 5 ("Always/Well established and effective" responses) equals a result of 100%. The Supplier and Brand Survey results were converted into a RAG+ score, using the following logic:

Red	Amber	Yellow	Green
Scores given for the relevant indicators are < 60%	Scores given for the relevant indicators are = / > 60%	Scores given for the relevant indicators are = / > 75%	Scores given for the relevant indicators are = / > 95%

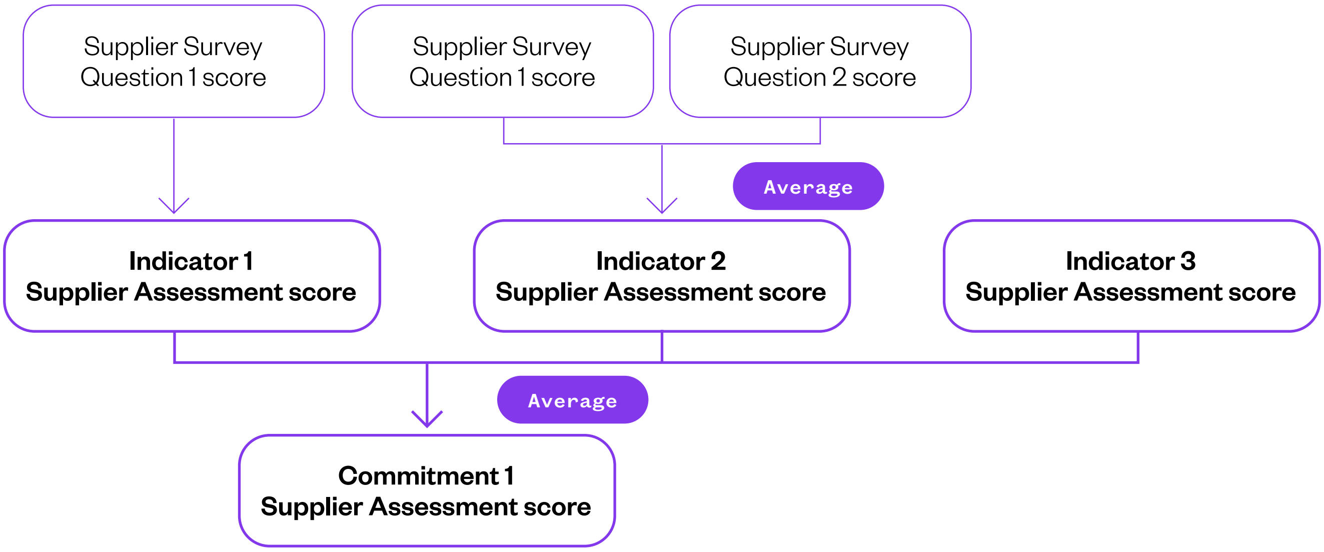
Table 1

How scales from Brand/Supplier Surveys were converted into percentages

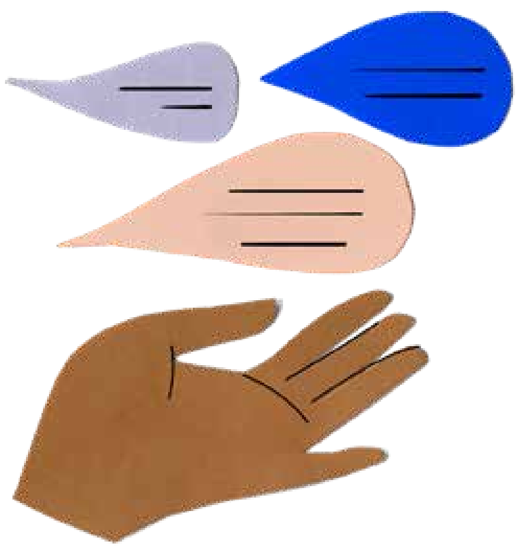
Brand/Supplier Survey Scales		**1**	**2**	**3**	**4**	**5**
Option 1	Don't know	Never	Rarely	As often as not	Usually	Always
Option 2	Don't know	No	Planned but not yet in place	In place but needs improvement		Well established and effective
Option 3	Don't know	No		In place but needs improvement		Well established and effective
Brand/Supplier Survey Percentage scale for Accountability and Monitoring Reporting		0%	1%-59%	60%-74%	75%-94%	95%-100%

Each commitment has several attached indicators. The scores for all supplier and brand questions related to a specific indicator have been averaged to obtain an indicator score, and then the scores for all the indicators under a commitment have been averaged to obtain a brand/supplier score per commitment. For each commitment, each brand was attributed a combined brand/supplier score, shown as Red / Amber / Yellow / Green.

The graph below shows, for example, how the supplier assessment score for Commitment 1 is calculated from the average of the supplier assessment scores for its composing indicators (Indicator 1, Indicator 2 and Indicator 3 below). In turn, each Indicator score is the average of the supplier assessment score in all the questions associated with that indicator.



The brand/supplier survey results are then compared against the Commitment Reporting questionnaire RAG+ score for each of the five Commitments. This is not done at an indicator level as not every indicator in the questionnaire has a corresponding and relevant survey question. There are indicators that have no brand/supplier survey questions associated, so those have been excluded from the Commitment scoring.



5

The Commitment Score

This score focuses on the responses provided by brands to the specific Commitment Reporting questions (as opposed to the other score, which focuses on supplier and brand perception of purchasing practices).

This methodology uses an expanded RAG (red, amber, green) score by adding "yellow" which shows an intermediate state between amber and green.

First, for each indicator a score resulting from the Commitment Reporting questionnaire was given, for each brand and for the aggregate of ACT brands using the RAG+ system.

Table 2 shows an example of how Commitment Reporting questionnaire responses are converted into a RAG+ score.

Table 2

How Commitment Reporting questionnaire responses are converted into a RAG+ score:

RAG+ Score per question	Commitment Reporting answer	Commitment Reporting answer percentage scale
Red	No, Unknown, No response	0%
Amber	Not applicable	<50%
Yellow		>50%
Green	Yes	100%

Note: this is an example of the RAG+ scoring logic, not an exhaustive list (e.g. the 0% and 100% might be inverted if the question is negative).

RAG+ scores are assigned to each individual question/indicator. Those scores are then aggregated at a Commitment level following the logic:

Red	Amber	Yellow	Green
More than half of the indicators that have been scored received a "red" rating.	More indicators received "red or "amber" scores than "green" or "yellow".	More indicators received "green" or "yellow" scores than "red or "amber".	All indicators have received a green score.

6

The Deviation

It is shown how the Commitment score deviates from the Brand/Supplier Assessment Score. This is expressed with a − or +, and a blank representing no deviation.

The aim of this exercise is to understand whether the Brand/Supplier Assessment RAG+ scores match or deviate from the responses given by the brands in the Commitment Reporting questionnaire. What the deviation score adds to the mix is that it represents the assessment of brands who are reporting towards IndustriALL Global Union implementing the ACT Accountability and Monitoring Framework.

The − or + on the right of the RAG+ score indicates deviation against Brand Surveys and Suppliers Surveys scoring (taking the minimum of both).

A + indicates that brand employees/suppliers have scored brands better than how the brand scores its practices in the Commitment Reporting questionnaire.

A − indicates that brand employees/suppliers have scored brands worse than how the brand scores its practices in the Commitment Reporting questionnaire.

In order to not overweight one survey, the worst performing RAG+ score was taken, thus giving the worst case scenario. Table 2 shows examples for deviations.

Table 3

How Commitment Reporting questionnaire responses are converted into a RAG+ score:

Commitment 1

	Commitment Reporting	Supplier Survey	Brand Survey	Deviation
Brand A	Yellow	Yellow	Green	+
Brand B	Amber	Amber	Amber	−
Brand C	Green	Yellow	Red	
Brand X	Amber	Amber	Yellow	+
ACT aggregate	Amber	Amber	Amber	+

Details for each Commitment including the specific scores for the indicators sitting under each Commitment are shown and compared to the relevant brand/supplier survey assessment scores where available and relevant.

7

Progress: A+M RAG Variation Score

To demonstrate progress from one year to the other the A+M RAG variation score was developed. It shows progress over time in implementing the Purchasing Practices Commitments.

While it is difficult to quantify changes in colour, it is a measure/score of how brands have improved – or not – as an average across all indicators related to the commitment.

The calculation works as follows:

First it was examined how many brands scored R, A, Y, G for 2023 and 2025 for questions common across both years. Then the differences were calculated (e.g. how many more brands are scoring "green", how many less brands are scoring "yellow").

For each additional brand getting a "green" 2 points were assigned for each new "yellow" 1 point, for each new "amber" no points, and for each new "red" -1 points.

So, for example, if 1 brand moved from red to green, this gives it a total of 3 points (2 points for having a new green, and 1 (-1 x -1) because one brand, the same brand in this case, left the red category. This also enables capturing improvements, even when the RAG for this year and for last year was the same.

Methodology Brand Survey and *Supplier Survey*

Key Updates to the ACT Purchasing Practices Surveys (2025 vs. 2023)

The 2025 Brand and Supplier Surveys were significantly revised for clarity and focus.

- **Structure**: Sections were reduced from 16 to 9.
- **Length**: The total number of questions was reduced (e.g., Brand: 71 to 53; Supplier: 61 to 50).
- **Content**: Questions were simplified and amended to align more directly with the ACT Purchasing Practices Commitments (e.g. in particular Commitment 1: Ring-fencing labour costs).

Ensuring Comparability

To benchmark progress, the 2023 survey results were adjusted ("2023 ADJ") to only include questions common to both the 2023 and 2025 surveys. This allows for a comparison of consistent data points, despite the revisions.

While the 2023 ADJ results do not necessarily lend 1:1 comparability to 2025, many sections are close to or fully complete with questions from both periods.

Survey Development

2016/2017 (Brand Survey)
The initial Purchasing Practices Self-Assessment tool (Brand Survey) was developed by ACT's Working Group. A pilot was conducted in March 2017 among 7 ACT participants to test usability and gather feedback. ASBCI, ETI, OECD and Oxfam, volunteered to give feedback on the survey development.

2017
The Brand Survey was applied by 14 brands and received 833 responses.

2018 (Supplier Survey)
The Supplier Survey was introduced as an adjusted version of the Brand Survey for suppliers to ACT brands. It was piloted with 28 suppliers in Türkiye.

2019
The Brand Survey roll-out saw 18 brands participating with 1,506 employee responses in total.

2019 Review
Both surveys were reviewed, matched, and aligned with the Global ACT Purchasing Practices Commitments to serve as accountability measures.

2020
ACT conducted a complete overhaul, rolling out both Brand and Supplier surveys to participants and their suppliers in ACT priority countries.

Since 2021
Survey results have been used to track progress toward compliance with the Commitments.

2023
Brand / Supplier Survey and Commitment Questionnaire roll-out, comparison against 2021 baseline data showing implementation progress for the first time.

2024
The 2025 Brand and Supplier Surveys were modified following a revision against the previous surveys to improve and simplify.

2025
Brand / Supplier Survey and Commitment Questionnaire roll-out.

Technical introduction to the surveys

The surveys were launched on a dedicated ACT survey platform, developed, and run by a third-party clean room, SLR Consulting, to ensure absolute anonymity for all respondents.

Running from February to June 2025, responses were collected for both surveys. The Brand Survey asked employees from each ACT member brand to assess the purchasing practices of their organization. Those invited to take part were from across the key product supply chain functions: from designers to merchandisers to buyers.

In parallel, suppliers were asked to complete the Supplier Survey, commenting on the purchasing practices of the individual brands they supply product to.

There are 9 sections covered in both surveys.
They can be summarised as follows:

1. **Sourcing Strategy:** assessment (ethical audit) and agreements (capacity) required before orders are committed to. Responsible exit strategy jointly agreed before business ceases.
2. **Product Development:** sampling approval process is clear, timely and transparent; samples and monitoring of sample hit rate.
3. **Price Negotiation:** transparent and fair with an equal understanding by all parties, brand uses cost modelling that itemises direct and indirect labour costs.
4. **Forecasting & Capacity Planning:** timely forecasts, which are reviewed against capacity.
5. **Order Placement & Changes to Orders:** critical path agreed, buyers evaluate supplier's ethical trade history before placing orders; order changes or cancellations are the exception; any changes lead to a change in delivery time and costs where needed; cancellations are remediated; lead-time agreed before orders are placed, and changes treated fairly; production sites for re-orders agreed in advance.
6. **Terms of Payment:** fair and timely payment, wider terms such as penalty clauses, are all agreed and captured in the terms of payment.
7. **Incentives & Compliance Scoring:** suppliers incentivised for good standards.
8. **Training, Awareness & Corporate Culture:** brand staff are trained on the importance of ethical trade, and on responsible purchasing practices; brands provide training to suppliers on these topics.
9. **Buyer-Supplier Relations & Sales and Transparency:** brands seek feedback on purchasing practices and take action; clear supplier communications; confidential communication channels; brands seek transparency beyond tier 1; long-term partnerships with the supplier; and alignment of purchasing practices with ACT commitments; Feedback is given to suppliers on sales.

In total 53 questions were asked across the 9 sections for the brand survey and 50 questions across the 9 sections for the supplier survey:

Each question was multiple choice, with one of three different sets of answer options (as shown in table 4).

For analysis, answers were attributed a numeric value (as shown in Table 4).

The 'Don't Know' and 'Not Applicate to My Role' option was given a numeric value of zero and excluded from the score calculation.

For score aggregation, an average of the individual scores was taken. There were no weighted averages applied.

Anonymity of respondents: Trust is a Key Pillar of ACTs Way of Working

To ensure anonymity, survey respondents were not required to log into the platform or provide any personal details (such as name, email, or company name in the case of suppliers). Brand employees and suppliers were sent a generic survey web link, which they then clicked to access the survey. Each ACT member brand was given a unique survey link to share, which allowed the online platform to capture responses by brand without requesting any login details. For brand respondents, roles were captured (via a drop-down list), along with the country or office that individuals worked in.

For suppliers, the survey captured the country of operation and supplier type (again via a drop-down list).

Brands were able to see the aggregated responses to both surveys on a results dashboard.

Both brand and supplier respondents were able to leave additional comments at the end of each section. These comments were not made visible to brands to prevent accidental breaches of anonymity. Comments were summarised by the clean room party, with any key themes shared with the respective brand.

Table 4

Scoring of the different sets of options

	-	Value: 1	Value: 2	Value: 3	Value: 4	Value: 5
Option 1	Don't know	Never	Rarely	As often as not	Usually	Always
Option 2	Don't know	No	Planned but not yet in place	In place but needs improvement		Well established and effective
Option 3	Don't know	No		In place but needs improvement		Well established and effective

The survey tool includes two types of items: questions about "policy character" and questions about occurrences of actual conduct. Higher scores are indications of better purchasing practices. The report introduces an "average brand", which is calculated based on the means of all brands. Also, the minimum and maximum values of all responses are presented.

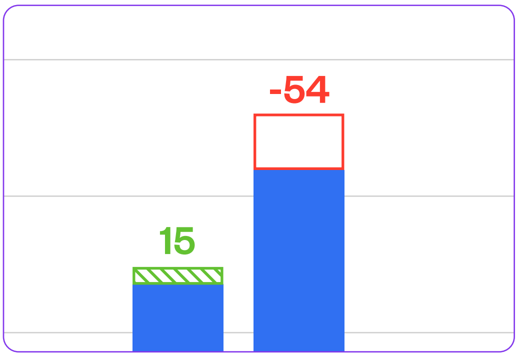
The results are presented section-by-section, by showcasing the percentages of the responses and by comparing minimums and maximums of brands to the average brand. Responses between the brand and the supplier survey are compared where appropriate (note that not all questions in the brand survey were asked in the supplier survey.)

Introducing "Not Applicable to My Role"

In past iterations participants could respond "Don't know" to questions on both the brand and supplier surveys. These responses were excluded to the score, as 'not knowing' could be interpreted as the question not being relevant to the person responding, as well as a lack of understanding of a topic they should be aware of.

To address this gap, the response "Not Applicable to My Role" was included a s an option for the brand survey in 2025. Similarly, "NAtMR" responses are excluded from the aggregation of a score and not assigned a value. Results and their interpretation against the "Don't know" responses can be found ahead.

How to read the graphs presented

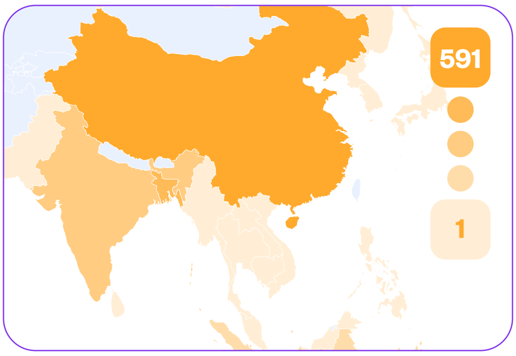


Bar Charts

Bar charts show this year's total count (blue section + green hatching). Green Hatching: Represents an increase from last year's total. Red, Unfilled Section: Depicts a reduction from last year's total.

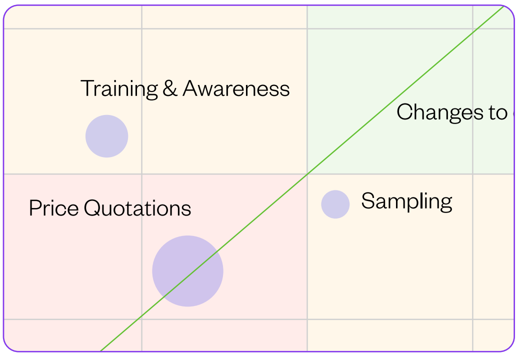
The accompanying numbers show the change from last year (Green = Increase; Red = Decrease).

Example: The left bar increased by 15 (green), while the right decreased by 54 (red). The example also shows that the right-hand total was higher last year, but the left is higher this year.



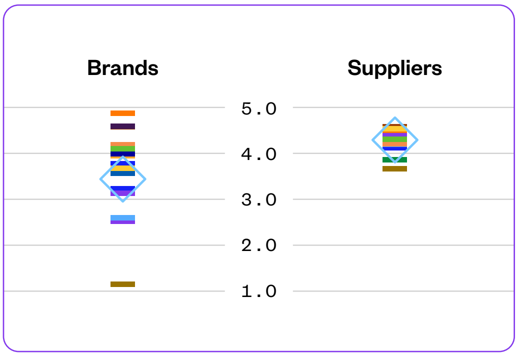
Maps

The scale runs from very light yellow to dark yellow, with increasing darkness representing a higher concentration of suppliers.
Any countries in grey have no supplier sites that responded to the Supplier Survey.



Bubble Graphs

The colour coding of the quadrants represents performance.
The scale of the bubbles is changing based on the perceived importance reported by suppliers. The larger the bubble, the greater the perceived importance.



Distribution graphs

The diamonds represent the average scores, and each coloured bar is an individual brand. From this graph we can see that whilst the averages are consistent across Supplier Survey and Brand Surveys, the Brand Surveys shows a significantly higher variation in scores.

Annex 1

Glossary

A

ACT Commitment Reporting: Accountability and Monitoring reporting

ACT Labour Costing Protocol: outlines the shared principles and approaches ACT member brands have agreed to comply with during price quotations and price negotiations with suppliers.

Brand: refers to one of the 18 ACT member brands.

Brand Coordinator: ACT member brand staff coordinating and managing the roll-out of the surveys brand internally and reporting additional information through the ACT Commitment Reporting

Brand Survey: ACT's survey for ACT member brands, containing the same 9 sections as the Supplier Survey. This survey is anonymously filled by brand employees in the relevant roles.

Capacities: refers to the volume of products that can be produced by a factory in a given period of time, using a defined number of workers.

Capacity booking: factory capacities: the volume of products that can be produced by a factory in a given period of time using a defined number of workers and are set according to forecasts.

Critical path: all stages from planning to production.

Cost breakdown: breakdown of Cut Make and Trim costs (CMT) into labour assembly costs, factory overheads, materials and a supplier's profit margin.

Costing Model: a mechanism that allows transparency in price negotiations, helping buyers to understand the costs of a product. Labour costs should be specified as a separate item within CMT costs to ensure labour costs are not negotiable.

Direct labour costs: The wages paid to the direct operators for undertaking the operation. Refers to the employment costs of those workers directly involved in the assembly of the garment.

Exit Strategy: the way in which the process of ceasing a relationship with a supplier or factory is managed.

Feedback on postponed or rejected samples: involves clearly communicating the reasons why the submitted product samples are either delayed for further evaluation (postponed) or deemed unsuitable (rejected) for production or delivery. The feedback should be specific, constructive, and aimed at helping the supplier understand the issues and improve future submissions.

Forecasts: predicted volumes and timeframes required, given by a brand to a supplier.

Full traceability: the ability to locate the successive stages in the production of goods, including different processes, and the origin of raw materials.

Grievance mechanism: a confidential communication channel that can be used by suppliers to raise complaints and / or concerns.

Historical Costing Information: evolution of the cost of variables involved in production, such as raw materials or labour costs.

Indirect labour costs: all the costs associated with workers in the factory not directly involved in the manufacturing process (e.g. cleaners, warehouse operators). Management wages and expenses are not included in the calculations of indirect labour and direct labour costs.

Long-lasting relationship with a supplier: refers to a stable and mutually beneficial partnership between a company and its supplier over an extended period. This type of relationship is built on trust, effective communication, and shared goals. A long-lasting relationship with a supplier can lead to cost savings, improved product quality, and increased innovation, making it highly valuable for business operations'.

NAtMR: Not Applicable to My Role is an answer option in the Brand Survey.

RAG+: Red/Amber/Green scoring is extended by a 'Yellow' score. This addition allows seeing incremental progress from Amber to Green.

Supplier: refers to each supplier invited by ACT members and may include factories as well as third party agents.

Supplier Survey: ACT's survey for suppliers, containing 9 sections on various aspects of purchasing practices. The survey is filled anonymously by suppliers about one or more of the ACT brands.

Transparent payment terms: payment terms are clearly explained and cover every situation without hidden conditions (e.g., financial consequences in case of delayed delivery).

Z

Annex 2

Accountability and Monitoring Framework

Commitment 1. Brands commit that purchasing prices include wages as itemised costs.

a. Write compliance with collective bargaining agreements into purchasing agreements between brands' and suppliers' (manufacturers or intermediaries) terms and conditions of purchase

b. Adopt all direct and indirect labour cost components in costing calculations in line with the agreed ACT methodology (components to be fully defined and agreed/labour costing protocol)

c. Provide guidance to suppliers (manufacturers or intermediaries) on labour costing for suppliers

d. Reflect increases in negotiated wages in the labour components of costing calculations

	ACT TARGET	ACT INDICATOR	COMMITMENT REPORTING QUESTION	Brand Survey Question	Supplier Survey Question
1a	All brands report that purchase agreements include compliance with CBA.	% of brands that have purchase agreements that include compliance with CBA.	Is the expectation of compliance with any CBA incorporated into your company's purchase agreements?	1.3 All purchase agreements state compliance with collective bargaining agreements.	
1b	All brands report that the ACT labour costing protocol is used for 100% of volume.	% of volume for which the ACT labour costing protocol is applied that isolates wages and other labour costs.	For what % of total volume did your company apply the labour costing protocol in the last financial year?	3.9 The direct and indirect labour costs are separately listed in a costing model used during price negotiations.	3.9 The direct and indirect labour costs are separately listed in a costing model used during price negotiations.
	All suppliers surveyed report that ACT labour costing protocol is used for 100% of volume supplied to ACT brands.			8.2 Suppliers are provided with guidance on how to correctly incorporate all direct and indirect labour costs into price quotations (in line with the ACT Labour Costing Protocol).	8.3 Suppliers are provided with guidance on how to correctly incorporate all direct and indirect labour costs into price quotations (in line with the ACT Labour Costing Protocol).

Commitment 1. Brands commit that purchasing prices include wages as itemised costs.

	ACT TARGET	ACT INDICATOR	COMMITMENT REPORTING QUESTION	Brand Survey Question	Supplier Survey Question
1c	All ACT brands report that they have provided required guidance on labour costing to 100% of their suppliers.	% of suppliers who received guidance on labour costing in line with ACT labour costing protocol	What % of your suppliers did you provide guidance on labour costing (e.g. training) in the last financial year?	8.2 Suppliers are provided with guidance on how to correctly incorporate all direct and indirect labour costs into price quotations (in line with the ACT Labour Costing Protocol).	8.3 Suppliers are provided with guidance on how to correctly incorporate all direct and indirect labour costs into price quotations (in line with the ACT Labour Costing Protocol).
	All suppliers surveyed report that they have received guidance on labour costing in line with ACT labour costing protocol.		N/A	N/A	N/A
1d.i	All suppliers surveyed report that increases in wages and other labour costs are reflected in purchasing prices of 100% of volume supplied to ACT brands.	% of volume for which ACT labour costing protocol is applied that isolate wages and other labour costs including wage increase?	Was there a wage increase in any of your sourcing countries financial year?	N/A	N/A
			If yes, did you account for the wage increase in your labour costing in that country?	3.2 When there is a wage increase, this is reflected in the final negotiated price.	3.3 When there is a wage increase, this is reflected in the final negotiated price.
1d.ii	All brands report that an internal monitoring mechanism to track the application of ACT labour costing protocol including the reflection of higher wages and other labour costs in purchasing prices is in place.	Does your company have an internal monitoring mechanism in place to track the application of ACT labour costing protocol, including the reflection of higher wages and other labour costs in purchasing practices?	Does your company have an internal monitoring mechanism to track compliance with the ACT labour costing protocol (including the reflection of higher wages and other labour costs)?	N/A	N/A
			If yes, please describe your internal monitoring mechanism.		

Commitment 2. Brands commit to fair terms of payment.

a. Payment to suppliers is in line with agreed timeframe

b. Ensure the amount paid to suppliers is in line with the payment terms agreed and retrospective changes may only be made where it is mutually agreed and is not to the detriment of the supplier

c. Do not impose penalties and deductions that fall outside the terms of the purchase agreement**

d. Ensure that the purchase agreement references financial consequences clearly for non-performance

e. Implement an internal monitoring mechanism to track terms of payment, on-time payments as well as penalties issued and their root causes

	ACT TARGET	ACT INDICATOR	COMMITMENT REPORTING QUESTION	Brand Survey Question	Supplier Survey Question
2a.	All brands secure on time payment to suppliers on 100% of their orders.	% of orders with on-time payment to suppliers.	What % of the company's orders were paid on-time last financial year?	6.1 All orders are paid on time.	6.2 The brand pays on time for all orders.
2b.i	All amounts paid to suppliers are in line with agreed payment terms.	% of orders where the amount paid is in line with agreed payment terms.	What % of the company's orders were paid in line with the agreed payment terms last financial year?	6.2 The amount paid to suppliers is in line with the agreed payment terms.	6.3 The amount paid by the brand is in line with the agreed payment terms.
2b.ii	Decreases (from one monitoring cycle to the next) in % of suppliers reporting that retrospective changes were not mutually agreed.	% of retrospective changes of payment terms which were not mutually agreed.	What % of retrospective changes to payment terms were mutually agreed last financial year?	6.3 Payment terms are only changed retrospectively with the mutual agreement of the supplier.	6.4 Payment terms are only changed retrospectively with the mutual agreement of the supplier.
2b.iii	Decreases (from one monitoring cycle to the next) in % of suppliers reporting that retrospective changes were to their detriment. All brands have implemented a process whereby retrospective changes (after order placement) are treated as strict exceptions and are mutually agreed, based on a review of related impacts.	% of retrospective changes of payment terms which were mutually agreed and to the detriment of the supplier.	What % of retrospective changes to payment terms were mutually agreed and also to the detriment of the supplier last financial year?	6.4 Retrospective changes of payment terms are treated as strict exceptions and are agreed with a supplier.	6.5 Retrospective changes of payment terms are treated as strict exceptions and are agreed with a supplier.

Commitment 2. Brands commit to fair terms of payment.

↘	ACT TARGET	ACT INDICATOR	COMMITMENT REPORTING QUESTION	Brand Survey Question	Supplier Survey Question
2c.	All suppliers surveyed report that no penalties and/or deductions have been applied which fall outside of the terms of the purchase agreement.	# of orders where penalties and/or deductions have been applied which fall outside the terms of the purchase agreement from last financial year.	For how many orders were penalties or deductions applied which fall outside of the terms of the purchase agreement?	6.4 Fines, penalties, cancellations, cost price reductions or airfreight at a supplier's expense are contractually agreed before the start of a formal business relationship.	6.5 Fines, penalties, cost price reductions or airfreight at a supplier's expense are contractually agreed with a supplier before the start of a formal business relationship
2d.	All brands have updated their purchase agreements to clearly reference financial consequences for non performance. All suppliers surveyed report that they are aware of financial consequences for non-performance.	% of brands whose purchase agreements clearly reference financial consequences for non-performance.	Do your purchase agreements reference clearly all financial consequences that your company may apply as a result of non performance?	6.5 Fines, penalties, cancellations, cost price reductions or airfreight at a supplier's expense are contractually agreed before the start of a formal business relationship.	6.6 Fines, penalties, cost price reductions or airfreight at a supplier's expense are contractually agreed with a supplier before the start of a formal business relationship.
2e.	All brands report that an internal monitoring mechanism to track terms of payment, on-time payments as well as penalties issued and their root causes is in place. All brands report that they have a process in place to understand root causes and that mitigation strategies are undertaken if necessary.	% of ACT brands who have in place an internal monitoring mechanism to track terms of payment, on-time payments as well as penalties issued and their root causes.	Which of the following does your company have an internal monitoring mechanism to track, that apply: • Terms of payment • On-time payments • Penalties issued and their root causes.	6.7 A monitoring mechanism is in place to track on-time payments.	N/A

Commitment 3. Brands commit to better planning and forecasting.

a. Improve forecasting processes with suppliers

b. Give clarity and ensure communication with suppliers regarding key critical path stages

c. Determine dates and frequency of adjusted forecasts

d. Release excess booked capacity in a timely manner, where possible setting internal deadlines or reaching agreement with suppliers

e. Improve dialogue with strategic suppliers to balance volumes through peaks and troughs

	ACT TARGET	ACT INDICATOR	COMMITMENT REPORTING QUESTION	Brand Survey Question	Supplier Survey Question
3a.i	All brands introduce a planning and forecasting systems for at least their main suppliers. Year-on-year improvement in the percentage of volume covered by planning and forecasting systems. All brands surveyed demonstrate the % deviation (measured in pieces) from forecast on average on supplier level and in the % increase of overall volume covered by forecasting.	% of brands who have introduced a planning and forecasting system including capacity booking for at least their main suppliers.	Has your company introduced a planning and forecasting system?	N/A	4.1 Suppliers receive forecasts and before orders are confirmed, required capacities are mutually agreed.
3a.ii		% of volume covered by planning and forecasting systems including capacity booking.	What % of your volume was covered by planning and forecasting systems including capacity booking in the last financial year?	N/A	4.1 Suppliers receive forecasts and before orders are confirmed, required capacities are mutually agreed.
3a.iii		% deviation (measured in pieces) from forecast on average on supplier level.	What is the % deviation (measured in pieces) from forecast on average for the last financial year on supplier level?	N/A	N/A
3a.iv		% increase of overall volume covered by forecasting.	What is the % increase of overall volume covered by forecasting over the last financial year?	N/A	N/A

Commitment 3. Brands commit to better planning and forecasting.

↘	ACT TARGET	ACT INDICATOR	COMMITMENT REPORTING QUESTION	Brand Survey Question	Supplier Survey Question
3b.i	YoY improvement in Supplier Survey responses of suppliers reporting positively on communication regarding critical path deadlines.	% of suppliers who report positively on communication regarding mutually agreed critical path deadlines.	N/A	N/A	5.1 Before orders are placed, the lead time and the critical path deadlines are mutually agreed with suppliers.
3b.ii	YoY improvement in the percentage of suppliers that brands engage with on critical path communication.	% of suppliers that brands are engaged with in critical path communication.	What % of suppliers do you engage with in critical path communication?	N/A	5.1 Before orders are placed, the lead time and the critical path deadlines are mutually agreed with suppliers.
3c.& 3d.i	All brands have introduced a planning and forecasting system in which; • dates and frequency for adjustments are determined and are mutually agreed; • excess capacity is released in a mutually agreed timely manner.	% of brands who have introduced a planning and forecasting system in which: • dates and frequency for excess capacity is released in a mutually agreed timely manner. Adjustments are determined and are mutually agreed.	Does your planning and forecasting system enable the following. Check all that apply. Includes capacity booking for at least your main suppliers. Dates and frequency for adjustment are determined and mutually agreed. Excess capacity is released in a mutually agreed way. Excess capacity is released in a timely manner.	N/A	N/A
3c.& 3d.ii	YoY improvement in the % of suppliers who report that excess capacity is released in a mutually agreed timely manner.	% of suppliers surveyed that report excess capacity is released in a mutually agreed timely manner.	N/A	4.2 A mutually agreed timeline on frequency of adjusted forecasts is in place.	4.2 A mutually agreed timeline on frequency of adjusted forecasts is in place.
3c.& 3d.iii	YoY improvement in the % of suppliers that report that forecast updates are in line with the agreed timeline.	% of suppliers that report that forecast updates are in line with the agreed timeline.	N/A	4.5 A mutually agreed definition of timely manner for the release of capacity is part of supplier agreements. 4.6 Excess capacity is released on a mutually agreed timeline with a supplier.	4.5 A mutually agreed definition of timely manner for the release of capacity is part of supplier agreements. 4.6 Excess capacity is released on a mutually agreed timeline with a supplier.

Commitment 3. Brands commit to better planning and forecasting.

	ACT TARGET	ACT INDICATOR	COMMITMENT REPORTING QUESTION	Brand Survey Question	Supplier Survey Question
3e.i	Balanced volumes through peaks and troughs.	% of suppliers who report positively on communication regarding management of peaks and troughs.	N/A	4.4 Forecast updates are reviewed against available factory capacity.	4.1 Suppliers receive forecasts and before orders are confirmed, required capacities are mutually agreed. 4.4 Forecast updates are reviewed against available factory capacity.
3e.ii		% of suppliers reporting improved balancing of volumes through peaks and troughs.	N/A	N/A	N/A

Commitment 4. Brands commit to undertake training on responsible sourcing and buying.

a. Design and implement a training programme with common guidelines on ACT commitments to purchasing practices (accessible training material to be developed)

	ACT TARGET	ACT INDICATOR	COMMITMENT REPORTING QUESTION	Brand Survey Question	Supplier Survey Question
4a.i	All brands report that relevant employees were briefed / trained on ACT commitments on purchasing practices. All suppliers surveyed report that they have received training on ACT commitments. All brands have updated their training programs for relevant employees to include better forecasting and develop robust processes (including critical path stages).	% of brands that have delivered training on ACT commitments on purchasing practices, for all relevant employees.	How does your company determine which employees should be included in training?	N/A	N/A

Commitment 4. Brands commit to undertake training on responsible sourcing and buying.

ACT TARGET	ACT INDICATOR	COMMITMENT REPORTING QUESTION	Brand Survey Question	Supplier Survey Question
4a.i		What % of 'relevant' employees have been trained last financial year?	8.1 Employees are provided with training on the importance and benefits of responsible purchasing practices. 8.2 Suppliers are provided with guidance on how to correctly incorporate all direct and indirect labour costs into price quotations (in line with the ACT Labour Costing Protocol). 8.3 Employees are trained on fair terms of payment. 8.4 Employees are trained on capacity planning and forecasting. 8.5 Employees are trained on cost breakdowns and how to correctly incorporate all direct and indirect labour costs into prices. 8.6 Employees involved in order placement are trained on the manufacturing processes and production lead- times. 8.7 Employees are trained on your company's responsible exit strategy.	N/A

Commitment 4. Brands commit to undertake training on responsible sourcing and buying.

ACT TARGET	ACT INDICATOR	COMMITMENT REPORTING QUESTION	Brand Survey Question	Supplier Survey Question
4a.ii	% of suppliers informed on ACT commitments.	Note that this indicator relates to the % of suppliers surveyed and, therefore, can only be taken from the Supplier Survey.	N/A	8.1 Suppliers are trained on the brand's commitments on responsible purchasing practices. 8.2 Suppliers are trained on the importance and benefits of complying with the brands' social and environmental policies. 8.3 Suppliers are provided with guidance on how to correctly incorporate all direct and indirect labour costs into price quotations (in line with the ACT Labour Costing Protocol). 8.4 The brand's staff involved in price negotiations with a supplier understand cost breakdowns and how to correctly incorporate all direct and indirect labour costs into prices. 8.5 The brand's employees involved in order placement with a supplier are knowledgeable of the manufacturing process and related production lead- times.
4a.iii	% of ACT brands who have updated their training programs for relevant employees to include better forecasting and develop robust processes (including critical path stages).	N/A	Has your brand updated training programmes for relevant employees to include better forecasting and develop robust processes (including critical path stages)?	N/A

Commitment 5. Brands commit to practice responsible exit strategies.

a. Consider reasons for and consequences of exiting

b. Conduct an impact/due diligence assessment (level of business)

c. Allow appropriate phase-out time

d. Seek to avoid negative impact on workers

e. Take reasonable measures to assure that all wages and legally entitled severance payments are made

	ACT TARGET	ACT INDICATOR	COMMITMENT REPORTING QUESTION	Brand Survey Question	Supplier Survey Question
5a., 5b. & 5c. i	100% of factory exits comply with ACT responsible exit checklist meeting the due diligence requirements.	% of factory exits which comply with ACT responsible exit checklist (see notes)	How many factories did your company exit the last financial year?	1.1 Before onboarding a supplier, a brand's Code of Conduct and exit procedure are clearly communicated. 1.4 Before business ceases with a supplier, the exit strategy is mutually agreed between all parties, including a phasing out period and due diligence on the impact on workers.	1.1 Before onboarding a supplier, the brand's Code of Conduct and exit procedure are clearly communicated.
			For how many of those exits did your company apply the responsible exit checklist?	N/A	N/A
5a., 5b. 5c. ii		# of complaints related to factory exits	N/A	N/A	N/A
5d. & 5e.	100% of all workers whose employment will be terminated receive wages and legally entitled severance payments.	Complaints/reports received on negative impacts related to factory exits.	N/A	N/A	N/A

ACTION

COLLABORATION

TRANSFORMATION

ACT