

# ACT

# Action Collaboration Transformation

## ACT COUNTRY SUPPORT COMMITMENTS

### 1. Preferred destination of sourcing

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

### 2. Support of and compliance with collective bargaining agreement

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

### 3. Improve purchasing practises

ACT brands will undertake self-assessments and share these findings with suppliers to identify and change purchasing practices that are an obstacle for suppliers to move towards a living wage. They are committed to improve their purchasing practices including terms of payment, forecasting and planning.

### 4. Strengthen long-term partnerships

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

### 5. Incorporate higher wages into purchasing price calculations

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

### 6. Engage with governments

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

## REQUIREMENTS

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

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