

Responsible Purchasing Practices

A Handbook for Buyers of Spices

Who is this guide for?

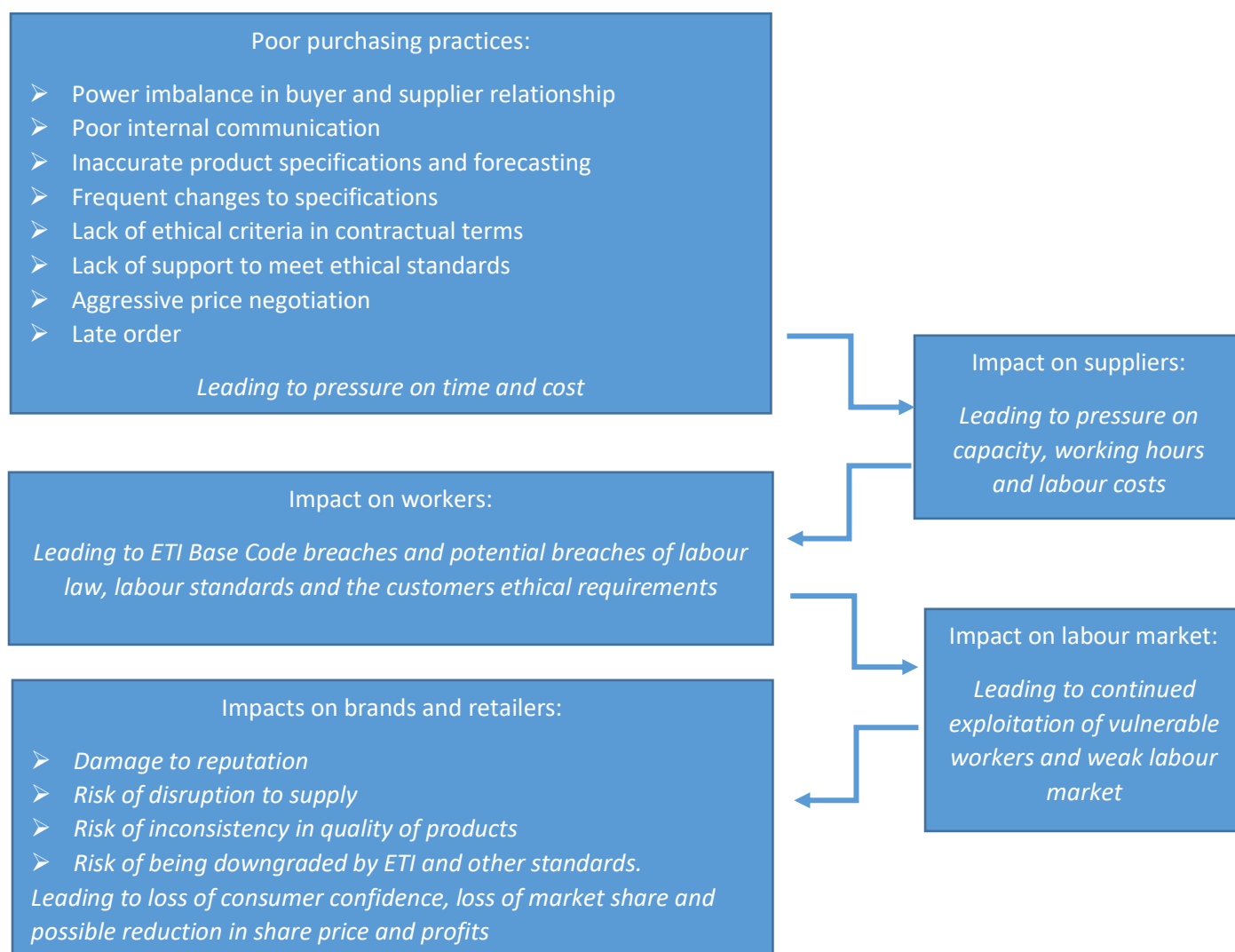
This handbook is for commercial teams, buyers and procurement teams to provide practical steps for responsible purchasing. The handbook focuses on spice supply chains but can be applied by procurement professions to any sector.

What is Ethical Trade?

Ethical trade is defined by the [Ethical Trading Initiative](#) in the UK as “*The assumption of responsibility of a company for the labour and human rights practices in its supply chain*”. Labour rights include freedom from slavery, adequate pay, reasonable working hours and safe and hygienic workplaces.

How can poor purchasing practices impact on labour rights?

Research shows that businesses can have a profound impact on labour and human rights through their purchasing practices. Conventional purchasing practices, including aggressive price negotiation, inaccurate forecasting, late orders, short lead times and last-minute changes, put suppliers under intense pressure and lead to poor working conditions and low pay for workers.



Responsible Purchasing Practices

A Handbook for Buyers of Spices

The case studies below comes from supplier members of the [Food Network for Ethical Trade](#). They explain the impact on suppliers and workers when ethical and purchasing practices are not aligned.

Case Study 1

Supplier A supplies 4 UK retailers who have clear Ethical Trade policies and requirements that suppliers implement good human rights due diligence in their own operations and their supply chains. The supplier invests time and resources into labour rights and human rights and works hard to meet the requirements of customers. They have worked closely with a processing facility in Asia which as a large number of vulnerable migrant workers to improve employment terms, training, healthcare and health and safety. The supplier has invested in worker communication technology, set up a worker hotline and established an active worker committee. Ongoing issues have been identified with recruitment fees paid by migrant workers and payment of a living wage.

The produce purchased by UK consumers is only one of the products produced by the processing facility and makes a loss for the business. In this context, it is extremely challenging for the UK-based supplier to engage the processing facility on increasing requirements from UK retailers. Short-term contracts and lack of trust exacerbate the challenges of engaging Thai suppliers on labour and human rights.

Case Study 2

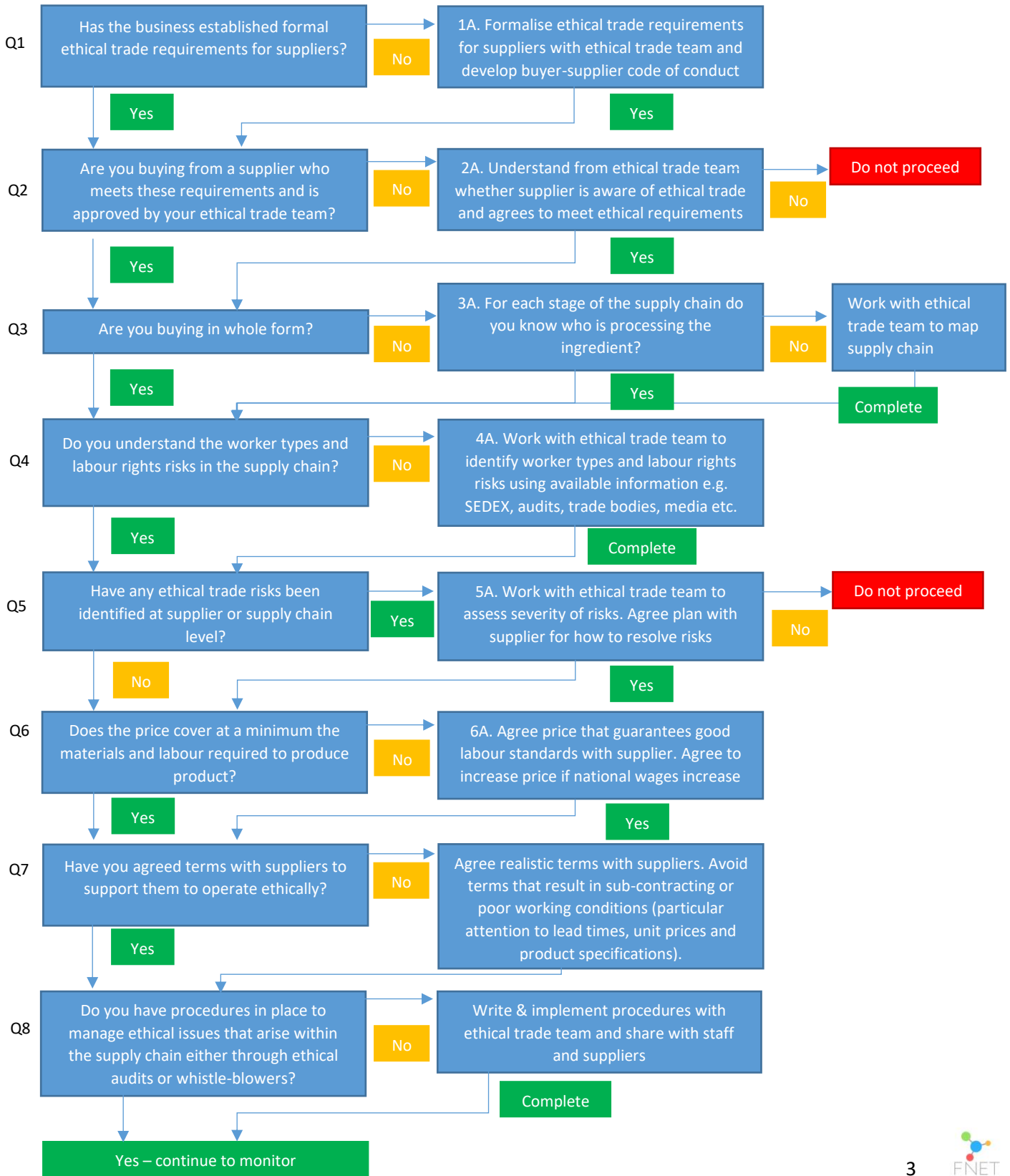
Supplier B supplies 5 UK retailers who have clear Ethical Trade policies and requirements that suppliers meet the requirements of the ETI Base Code. The supplier sources produce from global facilities and at peak times orders from customers can increase by 100-200% in volume. At these peak times, labour availability, planning and profitability are extremely difficult and made worse by non-fixed orders from retailers. Working hours have to increase to meet peak orders, days off are cancelled and it is hard to manage workers mental health responsibly.

Retailers apply penalties for late delivery which further exacerbate the supply chains ability to do business responsibly. Fluctuations or delists without notice have an immediate impact on workers through layoffs and pressure on wages. The supplier wants to work with retailers' procurement teams to understand how retailer and supplier can help each other to avoid labour rights issues.

Responsible Purchasing Practices A Handbook for Buyers of Spices

Decision Tree for Ethical Consideration

This decision tree has been developed to guide you through a responsible purchasing process of spices considering ethical trading factors. For best practice and further advice please work together with your responsible ethical trade representative.



Responsible Purchasing Practices

A Handbook for Buyers of Spices

Further Information

For further resources please refer to these useful guides and trainings below:

- FNET, the Food Network for Ethical Trade, has developed a Buyer Training course which introduces you and your team to ethical trade, the business case for it, and how purchasing practices can support ethical trade goals. Training is accessible for FNET members [here](#)
- The Ethical Trading Initiative has developed a [Guide to Buying Responsibly](#) with a primary focus on manufacturing supply chains. It draws on the findings of a major supplier survey conducted by the Ethical Trading Initiatives of Denmark, Norway and the UK and the International Labour Organization (ILO) in 2016, delivers robust insights and analysis, and provides comprehensive, practical recommendations for senior managers and buyers. In evaluating almost 1,500 suppliers' responses, it uncovers distinct trends relating to how customers' purchasing practices affect suppliers' ability to plan production effectively, maintain efficiency and support workers' rights.
- Stronger Together has developed a toolkit for tackling modern slavery through purchasing practices, which can be downloaded [here](#).