

Script for speaking engagement at smaller conferences for STTI members

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Objective of conference participation

- Increased visibility of STTI among relevant audiences
- Mainstream inclusion of manufacturer voice as key to driving change – by leveraging high-profile events with potential media exposure
- Promote manufacturer-led, collaborative model as ‘best practice’ approach
- Inspire change-makers in the garment sector to better understand, and prioritize responsible purchasing practices
- To communicate and to explain the term ‘commercial compliance’ and the underlying key recommendations

Background – What is the Sustainable Terms of Trade Initiative?

Origin

Topline message: STTI was born out of the urgency of Covid-19, the most devastating crisis to hit apparel manufactures in living memory. STTI was set up to ensure there is ‘no return’ to business as usual, and to seize a once-in-a-generation opportunity to press the reset button, and ensure manufacturers’ voices are listened to, and prioritized, as we rebuilt a fairer and more equitable global apparel industry

STTI started out as an idea developed by Matthijs Crietee from the International Apparel Federation and Miran Ali of BGMEA during a manufacturer roundtable held during the OECD Forum on Due Diligence in the Garment and Footwear Sector in 2020.

The Initiative gathered momentum in the months that followed: Miran Ali and Matthijs Crietee secured funding to set up STTI from GIZ FABRIC. Associations gathered in the STAR Network, in the IAF and the Better Buying Institute joined forces to form STTI – and to tell the story of purchasing practices from the manufacturer’s point of view.

In September 2021, STTI published a white paper on purchasing practices and came up with the concept of commercial compliance. STTI defines commercial compliance as “purchasing practices that do not cause obvious and avoidable harm to manufacturers”. The key recommendations of what STTI’s manufacturer group came up with are listed in the white paper.

What’s our vision?

Topline message: The primary objective of the Initiative is to deliver a major contribution towards purchasing practices that allow textile and garment manufacturers to run a socially, economically, and environmentally sustainable operation.

We envision brands and retailers and manufacturers to structurally work together to consistently improve the global level of commercial compliance. Based on a common understanding of what constitutes responsible purchasing practices they will build and operate instruments that measure and assess purchasing practices, making bad practices transparent, that install accountability and that foster joint learning on effective methods to make necessary improvements.

STTI members

Topline message: STTI covers almost 75% of the global apparel export industry

STTI now consists of 14 associations from 11 countries. STTI spans the globe from China through to Vietnam, Cambodia, Myanmar, Indonesia, Bangladesh, India, Pakistan, up to Egypt, Morocco and Turkey – covering almost 75% of the global apparel export industry.

STTI is all about collaboration

Topline message: Collaboration is the only way to rebuild the apparel industry in a way that is sustainable in terms of people, planet and profit for manufacturers. STTI works via its manufacturer associations, who come together under the STTI umbrella to represent their members – creating greater leverage and influence, but also ensuring that no individual company has to risk its business relationships by being the torchbearer for manufacturers.

In a system where the economic power lies mostly with the buyer, it is not surprising that individual manufacturers do not dare to speak up and risk losing their business – sometimes that is even the case for countries. This calls for collaboration among manufacturers.

The challenges our industry faces today can only be met through collaborative efforts stretching across the whole supply chain, so manufacturers need to be equal partners with brands and retailers when it comes to co-creating solutions to shared challenges. To create a more balanced commercial relation between a buyer and its suppliers, it is necessary that manufacturers contribute an equal part to the discussion of what constitutes better purchasing practices and how these can be achieved.

A call-out to the brands to step up, and work with us

Topline message: STTI calls on global brands and retailers to commit to working with us to co-create global, industry-wide solutions, establishing responsible purchasing, as the norm.

STTI has brought manufacturers together from the key apparel sourcing countries, to speak with a united voice, and purpose. We have a clear definition, in our White Paper, of what commercial compliance looks like. We now call on global brands and retailers to commit to this shared understanding of what responsible purchasing looks like, and to work with us, as a group, to co-create global and industry-wide solutions.

Share personal experiences

Topline message: Please feel free to talk about how poor purchasing practices have impacted you in the past, and continue to do so as well as describe how the instruments we are developing can be beneficial to manufacturers on the short, medium and longer term.

Feel free to give personal examples, if there is an opportunity, to bring what we are doing to life for the audience, in relation to e.g.: setting of terms and conditions; payment terms; order forecasting and planning; pricing order changes; one-sided contracts; ‘force majeure’; timelines; penalties.

What next?

Topline message: Phase 2 runs until March 2023, and we are in the ‘action’ phase of the Initiative, which is focused on ensuring the recommendations from the White Paper are communicated and disseminated throughout the industry.

This involves working both with individual brands and retailers and with key MSIs to ensure commercial compliance is embedded within their tools and resources and accountability is ensured; prioritizing key areas such as developing model supplier contract clauses (and training on how to use them); piloting a complaint mechanism for manufacturers; and creating a global survey mechanism for tracking and monitoring improvements in commercial compliance among brands and retailers.

For more information and contact

You are welcome to refer to these sources if asked for more detailed information:

- STTI website: www.sustainabletermsoftradeinitiative.com
- [Download STTI publications](#): White Paper and executive summary, commercial compliance key recommendations, press releases
- Follow STTI on LinkedIn: <https://www.linkedin.com/company/stti-sustainable-terms-of-trade-initiative/>

Thank you!