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ANCHORING DUE DILIGENCE

A SEA Alliance webinar series to accelerate action on
Human Rights Due Diligence

Session 6: Purchasing practices and incentivizing positive change

Thursday, 20 April 2023 | 3 PM GMT/ 10 AM EST

View the recording that includes a presentation from panelists and Q&A [here](#).

Why is it important to address purchasing practices?

Purchasing is where companies have leverage. Even if due diligence practices improve, if they remain separate from purchasing, meeting a company's commitment to upholding human and labor rights will remain a challenge.

Human Rights Watch found, "Often, bad purchasing practices directly undermine efforts brands are making to try to ensure rights-respecting conditions in the factories that produce their wares. They squeeze suppliers so hard financially that the suppliers face powerful incentives to cut costs in ways that exacerbate workplace abuses and heighten brands' exposure to human rights risks. Many brands demand their suppliers maintain rights-respecting workplaces, but then incentivize them to do the opposite." ("Paying for a Bus Ticket and Expecting to Fly", Human Rights Watch, April 2019)

What should companies do to improve purchasing and responsible sourcing?

1. Work with leadership to get responsible sourcing embedded in procurement processes
 - Get human rights in the procurements' scope
 - Create a clear commitment that is backed up by processes
 - Establish workflows to incorporate responsible sourcing into existing procurement processes
 - Embed human rights into the supplier selection process- ensure it is a key element of supplier scorecards
 - Back up procurement teams in their decisions that are made to align and meet the company's commitments

2. Assess purchasing practices

See Better Buying Institutes [Five Principles of Responsible Purchasing](#).™



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3. Provide training and upskilling for directors and procurement teams

- Providing training opportunities so teams are ready, confident, and consistent in responses.
- Assess internal processes- how could they be improved to take into account HRDD? (eg. new employee onboarding)
- Work to explain and simplify the complexities of seafood while communicating areas of risks and steps teams need to take. [Use [FishWise](#) as resources]

4. Keep procurement in the loop!

- Create strong relationships and open communication pathways with the procurement team
- Communicate the due diligence process, how it may impact sourcing, and the risks that are being identified
- Work collectively with procurement to navigate impactful sourcing changes
- Bring leadership in for the hard calls

Indicators to Measure Progress

Think about how companies' sourcing can impact suppliers and improve those processes. Review the Better Buying Purchasing Practices Index™ (BBPPI) to see how procurement can impact suppliers' ability to meet sustainability commitments. BBPPI covers the following core topics, **planning and forecasting, design and development, cost and cost negotiations, sourcing and order placement, payment and terms, management of purchasing practices, and win-win sustainable partnerships**. While not currently seafood-specific, Better Buying Institute has research, resources, and case studies that can be applied to the seafood industry.

Getting Started Doesn't Have to be Complicated

- Identify key decision holders that can support operationalizing human rights due diligence findings and procurement decisions.
- Outline how procurement teams and responsible sourcing teams currently operate and then prioritize easy ways to improve coordination.
- Work with a consultant to develop or improve your strategy to implement human rights due diligence.
- SEA Alliance members should contact Andy Hickman (Andy.Hickman@seafish.co.uk) for information on existing resources.