



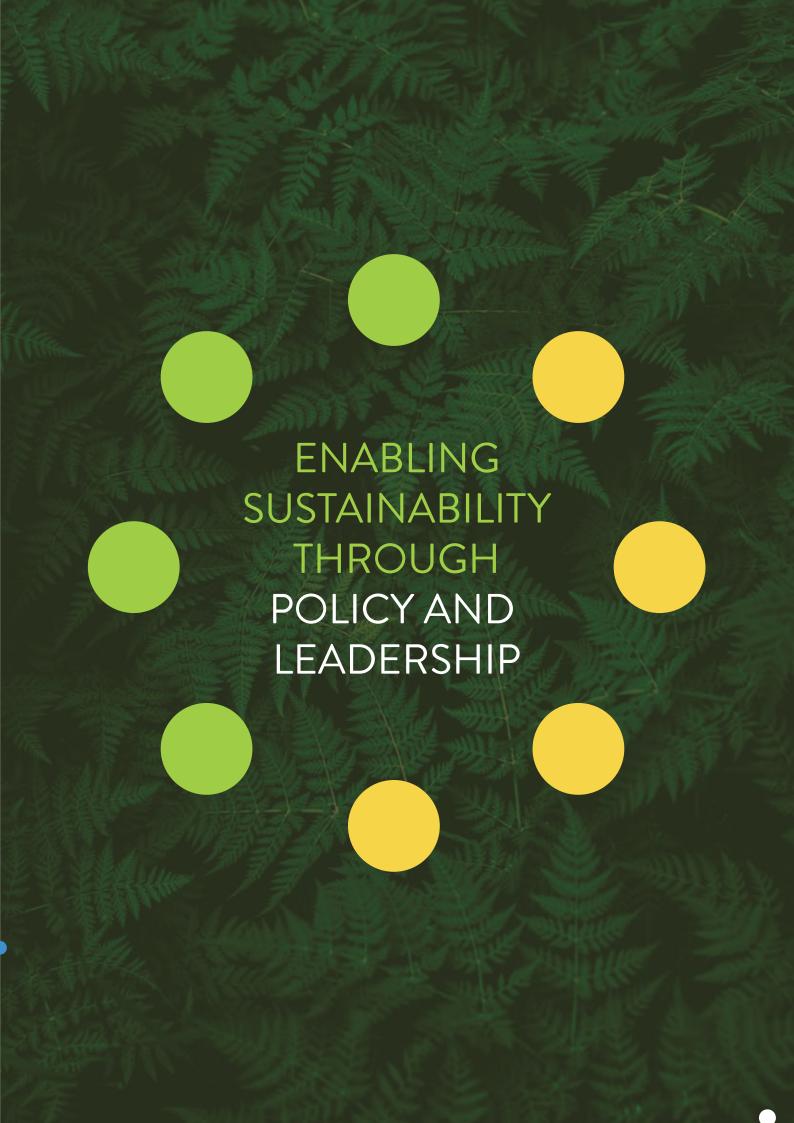
# SUSTAINABLE **APPAREL FORUM**

POST CONFERENCE REPORT NOVEMBER 05, 2019











# THE SUSTAINABLE APPAREL FORUM

he Sustainable Apparel Forum (SAF) aims to enable Bangladesh to progress as a responsible sourcing destination on the global map by accelerating the momentum of sustainability within the industry through education, awareness and reduction of the knowledge gap.

The SAF offers a knowledge gateway and networking platform, specifically for the apparel & textile entrepreneurs allowing discussion around the issues relating to sustainability. The forum presents knowledge sessions and speakers of international repute in an environment that allows fresh perspectives on sustainability.

The first edition of the SAF was held on 17th May 2017. The event served as a platform for sustainable technology development partners, material innovation companies, green solution providers and other stakeholders to meet and understand the requirements of green manufacturing.

The event also proved to benefit a large number of policy makers from national and international organizations helping them define the nature of best sustainable and green manufacturing practices.

With the ever growing climate crisis and urgency to ensure sustainability within the apparel industry, we have organized the second edition of the Sustainable Apparel Forum, held on 5<sup>th</sup> November 2019. It is our desire and expectation that this initiative will benefit both Bangladesh and the global apparel industry and help galvanize the continued adoption of more sustainable business practices in coming future.





# **EXECUTIVE SUMMARY**



In the context of global climate crisis, Action & aspiration of entrepreneurs of Bangladesh to go green & be sustainable, recurring calls for partnership in the global value chain, Bangladesh Apparel Exchange has organized the Second Edition of Sustainable Apparel Forum 2019 on 5th November 2019. 523 delegates from 214 companies from 22 countries have joined in the forum to develop individual as well as combined plan of action to promote sustainability in global apparel supply chain.

On the occasion of the event two roundtable discussions on the impact of purchasing practices at RMG supply chain & developing water conservation roadmap for the apparel & textile industry was hosted by The Embassy of the Kingdom of the Netherlands, Bangladesh & Embassy of Sweden, Bangladesh respectively. The Forum also hosted five plenary discussions along with opening & closing plenary session. Better Work Bangladesh Program, Apparel Impact Institute, GIZ, ZDHC Foundation, Sustainable Apparel Coalition, Bangladesh University of Textiles, GBCI has given presentation from their own expertise regarding issues ranging from Industrial relations to waste minimization. The panel discussions have focused on five thematic areas: Human, Transparency, Water, Purchasing practice & Climate Change.

From the discussions, debates & recommendations we found a number of takeaways on which we can find guideline & build up our next level of action plan.

Analyzing the discussions, audience participations on industrial relations issues we have noted that manufacturers in Bangladesh are well aware of the necessity to redefine industrial relation practices. Despite growing awareness among manufacturers, we need a number of works to be done.





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Different factories, international NGOs, partner organizations are developing examples of best industrial relations practices. We need to analyze these examples & institutionalize them. More work also need to be done to change the attitude of factory management towards workers in general, Awareness must also be done to raise women leadership at RMG industry. Industrial relations practices should also be upgraded to accommodate technologies & innovation to go up in the value chain. Along with all the activities we also have a responsibility to tell the amazing story of achieving high level of social compliance in the industry to all the concerned stakeholders of the supply chain.

From the discussions on the topic of transparency we also learned that building a transparent culture is the national agenda of Bangladesh but we should find a way to promote transparent factories in Bangladesh. Importance of promoting transparent factories was also reasserted by the audience polls on this issue.

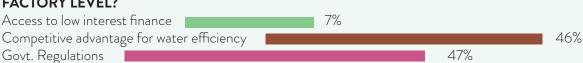
# DO YOU THINK BENEFITTING FAIRER MANUFACTURERS FOR BEING TRANSPARENT WOULD ENCOURAGE TRANSPARENT MANUFACTURING FURTHER?



Discussants urged to find a way of standardizing transparency in a cross country settings so that good manufacturers can get promoted in any country. We need to take the discussion on standardization further. We should also work to connect transparent factories of Bangladesh with the conscious customers of our export destinations.

Water conservation is also a significant issue for Bangladesh Apparel Industry. We need to facilitate access to low cost finance for adoption of water efficient technologies, in addition to that a study on manufacturers understanding on water conservation issue was also suggested by the experts. Audience polls conducted during the sessions showcase that providing competitive advantage to the manufacturers would encourage entrepreneurs to increase enterprise level water conservation initiative. Experts at the forum has suggested that we need to study more on this issue.

# WHAT FACTOR CAN DRIVE MANUFACTURERS THE MOST TO ADOPT WATER CONSERVATION INITIATIVES AT FACTORY LEVEL?



A baseline study on water demand & available water resources was suggested to develop a roadmap for the apparel industry. Policy co-ordination was also emphasized to ensure that all the stakeholders perform their duties accordingly.

Regarding the issue of purchasing practices, there are so many yet less coordinated initiatives that are directed to solve the problems of ethical purchasing. We have conducted a poll asking participants at the Sustainable Apparel Forum 2019 to identify the best solution.



Poll Results & panel discussions show that different initiatives centering on restructuring purchasing practices has their own merit. But we need to develop a solution that will be mandatory for all the brands-suppliers in any region of the world. The solution should be based on universal legal framework. The participants pointed out that there is a gap of knowledge about the initiatives & their beneficiaries. This dissemination issue of knowledge should be resolved. As discussed by experts, a lot of changes are taking place in the supplier side but we need simultaneous activities at the market end also. Consumers must know what is happening in Bangladesh.

On the issue of climate change, we found that participants, experts agree that manufacturing business can reduce carbon footprint without compromising profit margin.



To encourage manufacturers to become carbon neutral, good practices, technologies, innovations must be promoted. Method of incentivizing energy efficient manufacturers should also be developed. So, we have a number of issues to work on to make the Bangladesh RMG industry more sustainable. We will shortly come up with more effective work plan to find the solutions to the above mentioned issues. Bangladesh Apparel Exchange welcomes any collaboration, participation from any like-minded organizations.

Given the significance of Bangladesh in the supply chain, to ensure sustainability of the industry, we must look into the issues centering this manufacturing hub very seriously. I welcome everybody in the industry to bring your solution & join our effort to make the industry more sustainable & green.

Before concluding, I am happy to express my gratitude to Bangladesh Garments Manufacturers' & Exporters' Association (BGMEA) for all the support as co-organizer of Sustainable Apparel Forum 2019. I also thank The Embassy of the Kingdom of the Netherlands, Bangladesh; H&M, C&A Foundation, Better Work Bangladesh for sponsoring the event. At last I also thank all the collaboration partners who have contributed significantly in organizing the event.

Thank you everybody.

**MOSTAFIZ UDDIN** 

Founder & CEO, Bangladesh Apparel Exchange (BAE)

# **OPENING PLENARY—**

# BANGLADESH, GETTING MORE EFFICIENT

# IN MANUFACTURING GREEN FASHION FOR THE WORLD

Bangladesh is aspiring to become 50 billion dollar exporting nation. At the same time the world leadership is moving towards becoming carbon neutral by 2030. To cope with local demand of growth & global demand of carbon neutrality, entrepreneurs in Bangladesh should have to follow the best suited sustainable solutions for apparel manufacturing. Distinguished speakers of opening plenary of Sustainable Apparel Forum 2019 has emphasized on this strategy of interlinking growth with sustainability. But there are a lot of challenges, contradictions, lack of understanding to interlink growth and sustainability. Amid these obstacles entrepreneurs in Bangladesh are putting their trust on sustainable apparel manufacturing solutions.

In his opening remarks Md. Mohiuddin Rubel, Director of BGMEA & Managing Director of Bangladesh Apparel Exchange (BAE) referring to the Mckinsey report of 2019 said Bangladesh has remained one of the most preferred sourcing destination in the world. As leading position holder in the global apparel supply chain, Bangladesh need to get more sustainable in their manufacturing capacity. Currently Bangladesh has 107 LEED certified green factories, 500 more factory names are about to be announced soon. Factories are adopting praiseworthy practices like co-generation & tri-generation, condensate recovery broiler, waste heat broiler, renewable energy, LED lights etc.



# CHIEF GUEST

# MD. ATIQUL ISLAM

HONORABLE MAYOR, DHAKA NORTH CITY CORPORATION (DNCC) FORMER PRESIDENT, BGMEA

# GUEST OF HONOR

# MD. SHAHRIAR ALAM, MP

HONORABLE STATE MINISTER
MINISTRY OF FOREIGN AFFAIRS
GOVT. OF THE PEOPLE'S REPUBLIC OF BANGLADESH

# H. E. BENOIT PRÉFONTAINE

HIGH COMMISSIONER
HIGH COMMISSION OF CANADA, BANGLADESH

# MD. MOHIUDDIN RUBEL

**DIRECTOR**, **BGMEA**MANAGING DIRECTOR, BANGLADESH APPAREL EXCHANGE

# PIERRE BÖRJESSON

HEAD OF SUSTAINABILITY - GLOBAL PRODUCTION H&M GROUP



On relating Bangladesh's drive to be more sustainable with the agenda of Global leadership Md. Mohiuddin Rubel said, Sustainability has become increasingly important issue for consumers & governments. In the global sustainability framework, you can see that actions related to sustainability are being prioritized in almost all the policy formulations. In the local context, long term national policies are being formulated centering on sustainability agenda. In the global context, all the treaties including Paris agreement are pushing the industries to become more resilient. European Union planned to be carbon neutral by 2050. Most of the leading European brands planned to ensure sustainable sourcing by 2025. As per the CPO survey 2019 by Mckinsey & Co. suggest that Bangladesh is still the most preferred sourcing destination of the world. To retain such position in the world market Bangladesh should adopt policy so that Bangladesh can develop their capabilities keeping harmony with global leadership.

Opening plenary speaker Pierre Borjesson, Head of Sustainability, H&M said apart from the future growth plan, the present size of the industry in Bangladesh makes this hub important for the whole world. It is important how all the stakeholders come together to transform the whole market in Bangladesh. There are so many challenges for Bangladesh. Bangladesh have to find ways to become leader in social, environmental & economic sustainability. In this context Pierre Borjesson hailed initiatives like Sustainable Apparel Forum 2019 & emphasized on finding not only insights but also action plan to take forward the sustainability agenda.

Pierre Borjesson also added that It is utmost important that we have dialogue between workers & employers at factory level & national level. The ambitious growth plan will be in collaboration with those who carry the work. We need to look into how we can improve the working conditions more, how we can improve the wages, health & education of workers & their dependents as well. We need to look at gender inclusiveness of the industry also. As Bangladesh is one of the most important markets for the North American & European brands, Bangladesh also has responsibility to respond to the transparency & sustainability needs of the western end customers. In the opening speech of H.E. Benoit Prefontaine, High Commissioner of Canada to Bangladesh has urged the manufacturers to keep developing their sustainability standards as western policymakers as well as end consumers are getting more conscious towards ethical & sustainable manufacturing.

The call for sustainability is also being answered wholeheartedly in Bangladesh. Speaker & guest of honor of the opening session Md. Shahriar Alam, MP, Honorable State Minister, Ministry of Foreign Affairs, Govt. of the People's Republic of Bangladesh said, Bangladesh government is leading the industry to become more sustainable, innovative & efficient. Ensuring Safety & dignity to all the Bangladeshi citizen is the primary goal of the government. Still Bangladesh needs co-operation to develop its industry into the next level. Chief Guest of the session Md. Atiqul Islam, Mayor, Dhaka North City Corporation (DNCC) & Former President, BGMEA has emphasized on promoting ethical purchasing practices & making easy finance available for carrying out the developmental activities in the apparel industry. Md. Atiqul Islam concluded the opening session by with the hope that stakeholders of the industry will find ways of co-operation to find sustainability of the industry.



# VALUE ADDITION, PARTNERSHIP &

# SUSTAINABILITY IS THE GOAL

The combination of value addition, innovation & sustainable manufacturing capability can help Bangladesh to find solutions to the ongoing challenges of the apparel industry. At the closing session, speaker Ziaur Rahman, Regional Country Manager- Production (Bangladesh, Pakistan & Ethiopia) said, In order to take the leadership of global apparel business Bangladesh must concentrate their efforts on product development, efficiency & sustainability.

H&M with their intention to become leader in the circular & truly sustainable fashion world, has been working proactively in Bangladesh to change the supply side sustainably. They have target to become climate positive by 2040 & pledged to continue to be proactive for fair living wage. In these ambitious commitments H&M is aware of the fact that partnership is crucial. As Ziaur Rahman said H&M & BAE can complement each other in the mission to enhance the sustainability standard of apparel manufacturing in Bangladesh.

Viewing sustainability from a broader context, closing session speaker Dr. Rubana Huq, President of BGMEA said Bangladesh should take the approach of manufacturing high value small volume products. We should also adapt & adopt home grown solutions to the business process that will help us to become sustainable in a more cost-effective way. Saying so Dr. Rubana Huq also requested other stakeholders of Bangladesh apparel industry to find a way to end the ill purchasing practices that are hampering the sustainability drives at the supply chain.



# CHIEF GUEST

# TIPU MUNSHI, MP

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MINISTRY OF COMMERCE
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# H. E. H. G. J. HARRY VERWEIJ

AMBASSADOR EMBASSY OF THE KINGDOM OF THE NETHERLANDS, BANGLADESH

# DR. RUBANA HUQ

**PRESIDENT** 

BANGLADESH GARMENT MANUFACTURERS' AND EXPORTERS' ASSOCIATION (BGMEA)

# ZIAUR RAHMAN

REGIONAL COUNTRY MANAGER PRODUCTION (BANGLADESH, PAKISTAN AND ETHIOPIA) H&M



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She also emphasized on standardization of purchasing practices.

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In this topic, speaker H. E. H. G. J. Harry Verweji, Ambassador, Embassy of the Kingdom of the Netherlands, Bangladesh said, a truly sustainable apparel supply chain can only be achieved if sustainability issues are taken into account in the sourcing process. Speakers at the Sustainable Apparel Forum showed how truly meaningful partnership can help all of us to become sustainable. There are a growing need of long term partnership where responsibilities & power structures are assessed & adapted to be more equal across all stakeholders.

As developing meaningful partnership with all the stakeholders is time consuming, Bangladeshi manufacturers are working to become more efficient in their operation by adopting technology & smart solutions. In this regard chief guest of the closing session Tipu Munshi, MP, Honorable Minister, Ministry of Commerce, Peoples Republic of Bangladesh said, now is the time to also focus on industry's capacity to innovation and value addition, and to make our factories more efficient and competitive. Product diversification has already started in our industry and many of our factories are now producing high valued garments for the premium brands. But compared to the whole industry, it's still very insignificant.

Moreover, online shopping is getting more popular and automation has created both challenges and opportunities for us. Technologies can significantly enhance our competitiveness and it also has some impact on employment. Bangladesh's graduation to a middle income country would also bring some changes in our market system. We have to observe the whole dynamics and set our priorities accordingly. So, in this forum I would urge our valued buyers and local entrepreneurs to engage in more strategic steps forward.

Summarizing the discussions at the forum, Mostafiz Uddin, Founder & CEO of Bangladesh Apparel Exchange has said Government policy & Collaboration are the two most important issue we should consider. Government policy can help a lot to accelerate the sustainability momentum of the apparel industry. Business or individual alone cannot make these transitions. So government should focus on taking initiatives so that most crucial issues of the industry gets answered in an effective way.

On the issue of collaboration, Mostafiz Uddin added that there are too many initiatives are taken in Bangladesh & abroad. There are less co-ordination & collaboration among the initiatives. Multiple initiatives are creating confusion & complexities. So we need to collaborate with all other parties rather than taking individual initiatives.

Mostafiz Uddin concluded the event by making an open call for collaboration across the supply chain. He made the call by saying- "If our missions are same, visions are common; why do not we collaborate? Yet collaboration with out impact & action will be no use to the endangered planet & the crisis stricken apparel industry".





# PLENARY 01 -

# REDEFINING INDUSTRIAL RELATION IN BANGLADESH RMG INDUSTRY FOR SUSTAINABLE GROWTH

# BANGLADESH TO DEVELOP SUSTAINABLE INDUSTRIAL RELATIONS:

Bangladesh Apparel Industry has went through a journey of almost three decades. Entrepreneurs in Bangladesh have learned a lot during the journey & have corrected certain things that were challenging the industry in many ways. As they have invested heavily in the industrial safety aspects of the industry, it is now very safe & secure for the people who are working in the industry, Said panelist Professor Mohammad Abdul Momen, Director, BGMEA & Pride Group.

With a view to present current scenario of Industrial relations practices in Bangladesh, Professor Mohammad Abdul Momen also said, Worker relations has improved a great deal. Now anybody can see the peaceful environment that exist largely in the industry. Our past experience has been a learning experience for us. We have invested in training, safety & other areas for developing better industrial relations in Bangladesh apparel industry.

Labour leaders are also working to improve industrial relations. As described by panelist Nazma Akter, President, Sommilito Garments Sramik Federation & Executive Director, Awaj Foundation; industry leaders in Bangladesh are working to build trust among workers & management to make the present industrial relation more functional. They are also undergoing capacity building activities of the management as well as the workers. To develop a more effective culture of sustainable industrial relations practices, industry leaders are also encouraging women leadership at grass root level.

# WHY REDEFINING INDUSTRIAL RELATIONS?

The reason behind redefining industrial relations is well described by John Smith Sreen, Director, Economic Growth Office, USAID/Bangladesh. According to Mr. John Smith Sreen, The economy of Bangladesh has tripled in the time period of the last 30 years. Poverty rate has come down by over 60%, access to electricity has risen to 90%, and health indicators are also improving. A lot of things are happening in Bangladesh. Textile & apparel industry has lead the way by pushing the export volume of the country. 80% of the trade can be attributed to the textile & apparel sector. Having such a hugh concentration on one sector also creates vulnerability. To address this vulnerability, diversification of economic output is necessary & resilience within the ready-made garment industry is also important. ready-made garment industry is also important.

By creating opportunity to have dialogue, increasing workers participation, institutionalizing good practices for labours are some of the ways to create resilience in the apparel industry. In other words, Progressive industrial relations practices is essential for creating resilience of textile & apparel industry of Bangladesh.

# **GOLDEN STANDARD OF INDUSTRIAL RELATIONS**

The golden standards of industrial relations starts with the attitude of owners & managers. On this issue panelist Peter McAllister, Executive Director, Ethical Trading Initiative (ETI)says, if the owners & managers value workers as part of the success



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# NAZMA AKTER

PRESIDENT, SOMMILITO GARMENTS SRAMIK FEDERATION **EXECUTIVE DIRECTOR, AWAJ FOUNDATION** 

# PETER MCALLISTER

**EXECUTIVE DIRECTOR ETHICAL TRADING INITIATIVE (ETI)** 



factor than building progressive industrial culture becomes easier.

The success & sustainability of the industry depends on attracting, retaining & using the best of the available work forces. To do that there needs to be meaningful forms of engagement. In Bangladesh participatory workers committee is a legal requirement. There are lot of good organizations that has done good job in facilitating workers engagement in participatory way. This demonstrates participatory workers committees are the stepping stone towards developing sustainable industrial relations. But there is no alternatives to the Collective Bargaining Associations.

There are responsibility of the workers as well. Whether it is in South Africa, Cambodia or China; the biggest problems of the workers is the lack of opportunity to participate. Usually workers face different kind of barriers in front of the workers in their path of participation. But there are other issues that need to be done for better participation of the worker. Training is necessary to boost the confidence of the workers to participate & negotiate with the management. It will need time investment.

Trust is one of the important pre-condition to develop a progressive industrial relation. Panelists at the session emphasized on problem solving attitude of all the stakeholders. To build trust among all the stakeholders everybody should start by considering their own role. Everybody should focus on positive aspects.

# INDUSTRIAL RELATIONS IN THE ERA OF AUTOMATION:

Panelist Peter McAllister, Executive Director, Ethical Trading Initiative (ETI) discussed how automation has become an important factor that enforces redefinition of Industrial Relations. Automation, digitization create both enthusiasm & anxiety among the owners and workers. Both the parties think whether they will be able to take the benefits of new technology or will be left out. Dialogue is the key to solve the tension that is being created by automation at the apparel industry. Without involving workers in the automation process, without the ability to spot the right workers who can be upskilled, strife conflict can ensue in any production facility. In the end the exciting future of digitalization & automation can turn into a source of frustration rather than a source of development & growth. So, Progressive Industrial Relations should be considered as one of the key enabler of automation & digitalization.

Professor Mohammad Abdul Momen, Director, BGMEA & Pride group at the panel has described how Bangladesh Apparel Industry already faced the challenges of automation & its subsequent impact on industrial relations practices. According to Abdul Momen, in Bangladesh the sweater manufacturing industry has already seen automation at large scale. Now the requirement for number of workers s less & skill set is completely different. Sweater factory owners retrained them & workers have leaned to accommodate them. Industrial relations is a very important aspect in embracing the innovations that are coming up. There are lot of job losses & a lot of new jobs are being created. So the factory management, labours & unions has to become prepared to accommodate the upcoming changes in the industry. So it is important to redefine the present industrial relations that we practice now in the industry to accommodate innovations that are destined to improve our productivity.

# INDUSTRIAL RELATIONS AS A FACTOR FOR INCREASING PRODUCTIVITY:

Industrial relations in practice play vital role in determining the productivity of the workforce. There must be awareness about this productivity aspect of industrial relations. But industrial relations practices work in an open system where buyers are a significant player. If the buyers do not practice progressive purchasing practices, stability cannot be achieved in the relation between factory management workers. Harmful unpredictability affects the productivity of labours as well as buyer a factory owner's relationship. In addition to that effective rewards system for the workers can further develop the industrial relations positively increase workers' productivity.

# **ROLE OF BUYERS IN REDEFINING INDUSTRIAL RELATIONS:**

From the global experiences of Ethical Trading Initiative & from the experiences of working with brands, Mr. Peter McAllister, Executive Director of Ethical Trading Initiative put his valuable insights on the buyer's role in promoting progressive industrial relations in the supply chain.

According to Peter McAllister Buyers role also starts with the changes in the attitude & realization of labours contribution in the business. We see some buyers who really understand the value of labours & get involved in initiatives like ACT (Action, Collaboration & Transformation) but it is not normal yet. There is absence of vision in the industry. Apart from having a vision, we must also have a practical roadmap.

The roadmap is the good industrial relations should underpin the future of the industry. So the buyer's partnership with the suppliers got to move beyond compliance. Compliance & audit will not drive shared value & partnership that the industry is going to need in the near future. In his discussion, Peter McAllister also emphasized on experimenting new mechanism that would replace the currently practiced 'Collective Bargaining' system. He also mentioned that there are some buyers who are experimenting on this. In this area of work, organizations like Ethical Trading Initiative (ETI) can play the connecting role.

# **RECOMMENDATIONS & KEY TAKEWAYS:**

- 1. Collective Bargaining is essential for developing better industrial relations practices.
- 2. Factories with unions experience stability even in turbulent times in other factories.
- 3. Culture conducive to women leadership & inclusiveness must be promoted within the country.
- 4.Instances of better industrial relation practices should be institutionalized within the system.
- 5. Factories in Bangladesh are setting up anti-sexual harassment committee with women majority.
- 6.Redefining industrial relations is essential to take the benefits of  $4^{th}$  industrial relations.
- 7.Emphasize must be given to develop effective partnership with buyers so that better industrial relations can be developed.
- 8. Factory management should have attitude of recognizing workers as part of the solution not as part of the problem.

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# PLENARY 02 -

# EMPHASIZING ON GLOBALLY STANDARDIZED TRANSPARENCY REPORTING

# BANGLADESH'S JOURNEY TOWARDS TRANSPARENCY

Bangladesh has embarked on a journey towards transparency for last five years. This journey towards transparency has meant a desperate effort to prove the intention of Bangladesh to be in the business for long term. According to panelist Reaz Uddin Al-Mamoon, Managing Director, Epyllion Group, All the entrepreneurs of garment industry of Bangladesh has been doing a gigantic job for building sustainable & transparent product facilities for the last five-six years. In some of the cases it has not been recognized also. The work when we started we didn't know where it will end; still all the factory owners started their remediation work with very positive frame of mind.

In the process of practicing transparency, manufacturers of Bangladesh is developing a progressive definition of the concept. Panelist Sharif Zahir, Director, BGMEA & Managing Director, Ananta Group has explained the operational definition of transparency that Bangladeshi manufacturers uphold. According to Sharif Zahir, The outcry for Transparency creates a new opportunity the manufacturers to develop relationship

In a broader sense, 'transparency of some sort' has already been there in the supply chain. The factories were already been audited & the people who has been buying had some sort of control over it. But today we are talking about transparency ecosystem which will make the whole process clearer to the end customers. Transparency has been there for the food & other industry. Now it has a demand from the consumers of the fashion industry also. They want to know actually where the product has been made. This sort of demand is quiet disruptive in the sense that we can solve a lot of supply chain problems through definition of transparency.

Panelist Sharif Zahir thinks that Transparency is something good for the industry as well as for the manufacturers. Being a manufacturers out of thousands of them in the whole world, you can explain yourself, tell your stories to the buyers. Customers would also know about your factory. So this is a whole level of new opportunity for manufacturers.

### THE GLOBAL SCENARIO

Despite such enthusiasm regarding transparency in Bangladesh, the global scenario is not yet enthusiastic. From the journalistic career spanning over 2 decades, panelist Sabine Kühnl, Editor in Chief of Sportswear International, shade light on the global scenario of transparency.

According to Sabine Kühnl, 'I would say the world situation is frustrating. To bring out information for the readers & customers has become very difficult now. Transparency has become a catchword. What does it actually mean nobody knows. Nobody defines it. So it can be anything different for anybody. It does not really help to be transparent. To explain the situation let me give an example. Around one year ago I sent questionnaires to mills & factories to tell how much water they need, how much energy they



# MODERATOR

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OWNER / CEO OLAH INC. & FOUNDER, KINGPINS SHOW

# AMOL MEHRA

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**EDITOR-IN CHIEF** SPORTSWEAR INTERNATIONAL

# SHARIF ZAHIR

DIRECTOR, BGMEA

MANAGING DIRECTOR, ANANTA GROUP





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need to produce one meter of denim. They just did not answered most of the questions'.

Panelist Han Bekke, President of International Apparel Federation (IAF) explained further about the transparency situation of the world apparel supply chain. According to Han Bekke, 'If you ask people in apparel business on whether we need standardization of code of conduct of transparency, everybody would say yes we need it, but the situation is chaos. I call it 'Frank Sinatra Approach'. Han Bekke draw the example of the famous song by Frank Sinatra- 'I did it may way'. There is some positivity in trying to achieve transparency. World apparel sector is in transition and huge steps are made also in this country. But it is not in a harmonized way. Certain kind of co-operation is needed for some sort of standardization.

# WHAT ROLE SHOULD WE TAKE TO GO FURTHER?

Panelist Amol Mehra, Managing Director - North America, The Freedom Fund says, Transparency is both tool & result. When we consider transparency as tool, it will democratize the whole supply chain & different elements of the industry can collect information & leverage it the way they need. So I think it is so powerful way to create shared regulation around the supply chain. Moreover Amol Mehra emphasized on taking proactive approach from the actors in the apparel supply chain. As transparency is a tool for the supply chain actors for creating greater benefits for themselves, they must be proactive in creating transparency rather than waiting for the consumers to demand it.

To develop a better scenario of transparency practices in global apparel supply chain, Sabine Kühnl thinks, Civil Society needs to push more. It is needed to push the factories to disclose the information. But first of all the public must generate a understanding on what information they want to hear, what figures they want to know about the industry, also what do they want to know from the brand side.

To explain the future steps of transparency, Han Bekke explains, 'I think the OECD guideline for due diligence is a perfect basis for improvement. Following the guidelines fashion industry can improve transparency significantly. International Apparel Federation (IAF) is also reaching out to the other associations like Sustainable Apparel Coalition (SAC), they developed the Higg Index, and the higg index is mainly developed for big companies. The reality is the size of our industry in all countries is small & medium size. So we reach out to SAC, to see how we can transfer the higg index so that it become workable for small & medium size companies. We will take initiative like BGMEA to see how we can improve the transparency in our industry by promoting best practices & see if we can develop standardization.

The panel was positive about the possibility of standardization of transparent practices in cross country settings. When we consider standardization in cross country settings, we should consider the different backgrounds of the different countries. Though there are difference in the level of development in different countries still the industry has some examples of standardizing few manufacturing practices successfully in a global scale.

Panelist Sharif Zahir has explained the possibility of standardization. According to Sharif Zahir, when so many people are working together, it become easier when you show people how to do it. In this industry we already have tools like Higg Index which talk about sustainability part, we all comply that, we all share the information. We have gone through this whole Accord Alliance initiative. You can go to the web, you can see the status of the factory. So this is transparency what we are talking about. There has been lot of initiative in the denim sector where manufacturing process is evaluated based on scoring system. Factories get scored based on performances. This makes the whole process easier.

As a few aspects of manufacturing has become already standardized, there is a possibility that transparency practices could also be standardized & that can be followed in a cross country setting.

The panel also emphasized on the right of the manufacturers to keep their own secrecy. Manufacturers must be respected to have their own secrecy of business process also. This aspect is explained by Reaz Uddin Al-Mamoon, Managing director, Epyllion Group. According to Mr. Reaz Uddin Al-Mamoon, 'If the intention is like I want to push the manufacturers to be transparent & I would know their secrets that should not the way. I like to be transparent but not at the cost of my business. That is the buyers & other stakeholders should understand'.

# **KEY TAKEWAYS & RECOMMENDATIONS:**

- 1. Building a transparent culture is the national agenda of Bangladesh.
- 2. Individual end-customer education regarding transparency is essential.
- 3. Transparent manufacturers should work to connect with the end customers to that they can benefit from their efforts.
- 4. Good practices & transparent factories from around the world should be promoted in international forum.
- 5. Downward pressure of price is negatively effecting the initiatives to achieve transparency. The fashion industry should reconsider the whole business ecosystem.
- 6. Transparency & Sustainability tools like Higg Index should be redesigned to incorporate small & medium factories.
- 7. Same set of standards should be considered while awarding works in any part of the world.
- 8. Manufacturers must be benefitted to encourage transparency in the apparel supply chain.



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# **ROUNDTABLE**

# DEVELOPING A ROADMAP FOR WATER CONSERVATION IN THE APPAREL & TEXTILE INDUSTRY

HOST: EMBASSY OF SWEDEN, BANGLADESH. VENUE: RESIDENCE OF H. E. AMBASSADOR, EMBASSY OF SWEDEN, BANGLADESH













# **BACKGROUND**

Growth of Bangladesh depends on its water resources. The textile industry has boosted economic growth of Bangladesh at the expense of water. Usually the textile factories in Bangladesh are relied on ground water extraction. So if we do not develop a way of using this resource sustainably, growth of the industry & country might get challenged in near future.

Discussion & industry specific action regarding water sustainability is going on extensively in Bangladesh for quite a long time now. As a result Bangladesh has significant achievements in water sustainability. A number of factories in Bangladesh has created exemplary success in water usage reduction, reuse & recycling. Still we need a lot to be done.

Water conservation issue needs to be addressed by taking enterprise level, sectorial & multi sectorial initiatives. A comprehensive action plan must be adopted where all the stakeholders should come forward & play their due role to ensure water sustainability for the industry & its citizens. To develop such a guideline, Bangladesh Apparel Exchange (BAE) has facilitated a discussion by organizing roundtable on water conservation in Bangladesh RMG industry. The roundtable discussion titled 'Developing a roadmap on water conservation in the RMG industry of Bangladesh' was hosted by Embassy of Sweden in Bangladesh.

The roundtable was participated by representatives from H&M, Business Sweden, SIDA, Denim Expert Limited, ZDHC Foundation, UNIDO, Apparel Impact Institute, IFC-PaCT, Sweden Textile Water Initiative (STWI), Dhaka Chamber of Commerce & Industry (DCCI). Bangladesh University of Engineering & Technology (BUET), UNFCCC, Ministry of Water Resources, Plummy Fashions Ltd., WaterAid Bangladesh, IAF, Dutch-Bangla Chamber of Commerce & Industries (DBCCI), BGMEA, B2B Publication Sportswear International & Just Style.

# INDUSTRY SPECIFIC ACTION PLAN VS. RIVER BASIN APPROACH

Currently Bangladesh is a 32 billion dollar industry that have ambition to become 50 billion dollars within 2021. Such mammoth growth & its continuity requires different resources including water. We need to assess the impact of current growth on water resources in Bangladesh. How such development of Bangladesh Apparel industry is going to affect the accessibility of clean water to the citizens of this country? How the cost of water will change in near future for domestic & industrial usage?

Bangladesh is largely depending on ground water extraction to meet its industrial purposes. As a result water level is depleting every year. The growth of the country is happening at the expense of water. Participant Pierre Borjesson, Head of Sustainability- Global Production, H&M Group has said, this condition should be termed as 'ticking bomb'. At some point of time, the effects will be so large that the growth curve of Bangladesh will cease to move. As a significant business partner, H&M is part of the whole industry in Bangladesh. We need to work collectively together with various partners, brands, suppliers, government, and business associations etc. to have stronger & longer strategy.

To develop a long term strategy, Pierre Börjesson suggested that we should not narrow down our focus solely on textile & RMG industry. We should take a much broader 'river basin approach'. We cannot limit ourselves within the factory space. When developing a road map for water conservation we need to consider the whole water eco-system. How the river basin is being affected? How the water quality of the country is being affected? Who are the different stakeholders? How an inclusive approach involving community & different stakeholders can be taken to bring sustainability in the water resource management? In the water basin approach, no stakeholder alone can have any positive impact. All the activities should be designed in a collaborative manner.

Other participants at the discussion also expressed that textile industry is one of the most significant sector in terms of water usages but it is not the most water intensive sector of Bangladesh economy. For example agricultural activities consume more



water than textile sector. So water conservation issue cannot be discussed from a specific industry perspective. Still comparative water usages scenario in Bangladesh cannot be granted as an excuse for the textile & apparel industry. Participant Rene Van Berkel, United Nations Industrial Development Organization (UNIDO) Representative said apparel Industry cannot be benefitted by looking into how other sectors are using & saving water. Rather the apparel-textile industry should look into their own performances to ensure the sustainability of the industry.

# THE CURRENT SITUATION OF WATER CONSERVATION

Discussions at the roundtable reveals that mindset of manufacturers has changed tremendously within one decade regarding water footprint reduction. Ten years back, there was prevailing conception that 'Water is free'. Now the situation has changed. Textile factories, officials, even workers are aware of the fact that water is costly. Now everybody clearly understand that if you can reduce the usage of water, you can reduce many other collateral costs.

According to the discussion of participant Faruque Hassan, President, Dutch-Bangla Chamber of Commerce & Industries (DBCCI), One decade ago factories in Bangladesh on average used around 300 liter of water to dye one kilogram of fabric. But now it has come down to 80 liters. Even good factories can dye one kilo of fabric by using 40 liters of water. So from the view point of water reduction, Bangladesh has done tremendously well. Still we need to assess what is the present standard level of technology & water efficiency. We also need to assess whether factories in Bangladesh are managing to follow that standard level. Based on the assessments, we would need to take a number of training initiatives at different level & undertake awareness campaigns.

Discussants at the roundtable has identified that in terms of water reusing & recycling Bangladesh apparel & textile industry is still lagging behind. Water reuse & recycle requires considerable investment. We need to develop a mechanism where factory owners would get access to easy finance for adopting water efficient technology & processes.

Bangladesh has good number of factories who are creating good examples of water recycling & reuse. But we need to focus on making water reuse & recycling a country wide practice. Participants at the roundtable expressed their concern that if 'business as usual' continues in Bangladesh, we might face severe water shortage that would harm uninterrupted industrial production. Despite such a challenging situation, Bangladesh already have significant groundwork done, on which we can move further. Discussants at the roundtable has suggested that to move further from the current position, the knowledge developed from PaCT initiative can be taken as base study for Bangladesh. Based on such knowledge we should develop our policy & co-ordinate accordingly. From the view point of policy co-ordination, participants has also pointed out that there is lack of co-ordination at policy level activities regarding water sustainability. For example, ministry of textile is not recognized as a player in the water act published in 2013.

Discussants from H&M & ZDHC Foundation, BUET has proposed to introduce monetary cost for water usages. In this regard, discussant Pierre Börjesson said, putting monetary cost to water would drive the industry to become water efficient. The industry will bring innovation to improve water quality & reduce water usages.

Water Aid representative said, if the brands want to be responsible to environment start from here. Expensive Brands can offer a shirt in just 7 dollars, because the cost of water has not been paid here in the producing countries. So if the brands want to be responsible to the environment, they should start to be responsible from the producing countries by sharing the cost of water with the manufacturers.

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# WHERE SHOULD WE FOCUS?

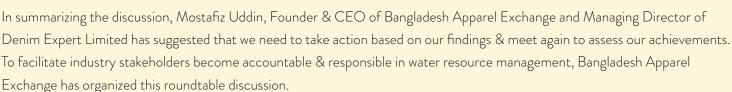
Reusing & recycling of water is emphasized by the participants at the roundtable discussion. According to data 70% of countries total wet processing activities happen at the factories located in adjacent areas of Dhaka. If the textile industry can reuse the waste water of Dhaka urban areas; this might help Bangladesh textile industry & help reduce pollution of Dhaka river basin. There is example of sewage water reusing in apparel sector in South Asia. Some leading factories in South Asia collect sewage water from adjacent villages & reuse them in their textile operations.

Indicating growing demand of water in the industry, discussants also identified that Bangladesh should focus on alternative sources of water. Experts at the discussion proposed to look into the possibility of rain water harvesting for industrial purposes. H&M has been proposing & actively promoting rain water harvesting as one of the effective ways of achieving water sustainability. But there were some uncertainty on the whether rain water harvesting can be considered as a significant option for alternative sources but discussants agreed that alternative to ground water sources should have to be considered seriously in the future plan. So we need to do research on available water resources, probable alternative sources of ground water for industrial usages etc.

Participants also emphasized on finding a unified way to identify leading factories & brands who are working seriously & developing scalable practical solutions to the water sustainability problem. By promoting the leading manufacturers & brands; we must ensure that leading companies in water sustainability can do better business.

Discussing all the possibilities, participants also noted that any drive to develop a roadmap for water conservation should be done in a 'sustainable way'. Initiatives should be taken considering the readiness of the manufacturers to comply with the new standards & requirements. Any roadmap should have elements that will help the manufacturer to get ready to comply with the water conservation standards.

# THE ROADMAP



Discussants at the roundtable discussion experts has pointed out below mentioned activities that need to be taken care of to achieve water sustainability for the apparel & textile industry. These activities involve multiple stakeholders including Government Ministries, Factory Owners, Brands & Retailers, Local & International NGOs, Technological Solution Providers, Academics etc.

- 1. Classifying the factories according to size & water consumption.
- 2. Survey on availability of surface water.
- 3. Baseline study on water demand for the industry.
- 4. Developing a timeframe to achieve set targets.
- 5. Promoting adoption of water efficient technologies.
- 6. Making low cost finance available for technology adoption.
- 7. Research on the entrepreneurs' problems & inspirations behind taking enterprise level water saving initiatives.
- 8. Policy Support & coordination from various agencies of government.
- 9. Training to officials, workers at enterprise level.
- 10. Promote the good solutions, goods suppliers & brands.
- 11. New Business Model to share the risks & benefits of water recycling.
- 12. Setting updated standard of water efficiency & helping the factories to comply with the standards.







# PLENARY 03-

# CAN WATER CONSERVATION BE BUSINESS FACTOR IN BANGLADESH RMG INDUSTRY?

# PUTTING WATER CONSERVATION ISSUE IN CONTEXT

Ambitious growth prospect of Bangladesh Apparel Industry, ever deepening climate crisis, consumer awareness, policy directions from brands & government has made the water conservation issue most significant for the Bangladesh Apparel Industry.

In this session panelist H. E. Charlotta Schlyter, Ambassador, Embassy of Sweden in Bangladesh said, Water level is sinking & waterways of Bangladesh are being polluted. The RMG industry & the brands can be said to be the reason of the problem. But they can also be part of the solution. Many frontrunners among brands & factories have shown that solutions are possible. Now we should make these examples into standards. To make the success stories of water conservation at enterprise level into a general trend, many actors need to work together. Among them governments, brands & factories must take the leadership role. This sort of collaboration is more important for the sustained growth of Bangladesh Apparel industry also.

In this aspect panelist Faruque Hassan, Honorary Consul General, Consulate of Greece in Dhaka, Bangladesh & President, Dutch Bangla Chamber of Commerce (DBCCI) said, continued development of RMG sector is critical for achieving the goal of becoming middle income country by 2021. Globally water is strategic resource for not only environment but also for development. Reduction of water usages in the textile & wet processing industry must be given enough significance.

This session has given importance to the partnership of global buyers in achieving water sustainability of Bangladesh Apparel Industry. As one of the major buyer of Bangladesh Apparel Industry panelist Kiran Gokathoti, Sustainability Manager - Bangladesh, H&M said, to achieve 50 billion dollar export volume, Bangladesh must ensure that growth is achieved in a sustainable manner. Water conservation issue should not be confined within the four wall of factories. Going beyond the factory level we must look into the issue from policy level. Around one decade ago H&M has introduced water saving initiative through PaCT & many other programs. Achieving major successes through these programs, in 2018 H&M has developed their water roadmap for the 2022. Two main component of the roadmap are 25% reduction of water usages in the supply chain & Circularity of water. H&M will continue



### MODERATOR

# **ASIF IBRAHIM**

**DIRECTOR, BGMEA**VICE CHAIRMAN, NEWAGE GROUP

# **ANSHUL CHAWLA**

COUNTRY COORDINATOR, INDIA AND BANGLADESH SWEDEN TEXTILE WATER INITIATIVE (STWI)

# H. E. CHARLOTTA SCHLYTER

AMBASSADOR EMBASSY OF SWEDEN, BANGLADESH



HONORARY CONSUL GENERAL
CONSULATE OF GREECE IN DHAKA, BANGLADESH
PRESIDENT, DUTCH-BANGLA CHAMBER OF
COMMERCE & INDUSTRY (DBCCI)

# KIRAN GOKATHOTI

SUSTAINABILITY MANAGER - BANGLADESH H&M

# MD. FAZLUL HOQUE

MANAGING DIRECTOR
PLUMMY FASHIONS LIMITED



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to report the achievements for greater transparency of the pledges made by the company.

Though water consumption is mainly attributed to wet processing industry, panelist Md. Fazlul Hoque, Managing Director, Plummy Fashions Limited focused on curving water wastage at day to day operations (e.g. water used by labours to wash hand) of the factories. In this aspect Md. Fazlul Hoque said the amount of water we waste for the day to day activities of the millions of workers at factory often go unnoticed. Curving this wastage can lead to significant amount of water saving. Though policy & awareness are two significant pre-conditions to achieve water sustainability, we need to consider this issue from practical aspect also.

In this regard Anshul Chawla, Country coordinator (India & Bangladesh), Stockholm Textile Water Institute (STWI) emphasized on adoption of new process & technologies. Being equipped with innovation, skill & efficiency Bangladesh entrepreneurs can garner extra profit & business from conserving water.

# **CONNECTING WATER CONSERVATION & CONSUMER DEMAND**

Consumers are one of the significant drivers of the sustainability initiatives taken by the brands & manufacturers. By reflecting on the changing attitude of consumers H. E. Charlotta Schlyter, Ambassador, Embassy of Sweden in Bangladesh said definitely there is a shift in attitude. People are more aware of climate & environment. When people in Sweden hear that water level is going down in Bangladesh, they think how that may affect the people of Bangladesh? How they may be contributing in it by buying the products manufactured from Bangladesh? Positive side of the awareness is if the manufacturers & buyers set targets in Bangladesh that can also be noticed from Sweden or other export destinations.

Panelist Faruque Hassan, President, Dutch Bangla Chamber of Commerce (DBCCI) also expressed the same views on consumers' attitude towards environmental sustainability. According to him, customers are aware of water conservation issues. That's why PaCT initiative has been introduced in Bangladesh & under the initiative almost all the wet processing factories are covered now. But consumer behaviors need to change more. When the designers design a product, they choose bright colors that require lot of dye, chemicals & water. So there are a lot of talks in western world about climate crisis, still they design product without considering its climate impact mostly.

# IS WATER CONSERVATION A BUSINESS FACTOR?

Greater water conservation capability of a factory exerts many impacts on its business readiness. To reflect on this aspect panelist Md. Fazlul Hoque, Managing Director, Plummy Fashions Limited said by reducing water consumption from 120 liters to on average 75 liters to dye one kilograms of fabric, we can save fair amount of money by saving energy, saving chemicals etc. On this aspect panelist Anshul Chawla, Country Coordinator (India & Bangladesh), Stockholm Textile Water Institute (STWI) added that 70% cost of wet processing goes for natural resources like water, energy etc. So the profit would also come from there. Most of the natural resources used in wet processing are interrelated. The less chemical you use; you would need less water resulting in less energy usages.

Along with increasing profitability of the factories, water conservation is also an effective tool to connect with sustainability conscious brands. In this regard panelist Md. Fazlul Hoque added that plumy Fashion limited is saving 50% water in general use also. This way a factory might not save a lot of money but it helps to create green brand image of a factory. These initiatives helps to prove a factory's commitment to the environment & sustainability. In addition to that leading brands like H&M follow standard rules to increase water sustainability in the supply chain. So manufacturers must follow water sustainability standards to remain in business in the long run. In these context, partnership issue between brands & factory owner came into discussion at the panel.

Though there was demand from factory owners to provide direct help to the manufacturers in their drive to become more water efficient panelist Kiran Gokathoti, Sustainability Manager - Bangladesh, H&M expressed other viewpoint on the issue of partnership. Kiran Gokathoti said rather than giving money to the factory directly, H&M is working on the policy level to help factory's become more sustainable in terms of water conservation.

# **RECOMMENDATIONS & TAKEAWAYS**

- 1. Collaboration & Joint Action needs to be encouraged to promote water conservation.
- 2. Sustainability must be considered more prominently while designing products, selecting color of the fabric.
- 3. Enterprise level water conservation increases cost effectiveness of the factories.
- 4. Factories with more water efficiency can connect with environment conscious brands easily & effectively.
- 5. Technology & new process should be introduced to increase enterprise level water efficiency.
- 6. H&M has adopted water roadmap for 2022 that includes circularity & reduction in usages.
- 7. Water efficiency at enterprise level can be a factor for country branding.

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# **ROUNDTABLE**

# THE IMPACT OF PURCHASING PRACTICES ON WORKING CONDITIONS IN THE GARMENT SECTOR

HOST: EMBASSY OF THE KINGDOM OF THE NETHERLANDS, BANGLADESH VENUE: EMBASSY OF THE KINGDOM OF THE NETHERLANDS, BANGLADESH













The Embassy of the kingdom of the Netherlands in Bangladesh has been proactively involved in promoting sustainable sourcing, ethical purchasing practices in the apparel supply chain. Owing to their commitment the embassy hosted roundtable: The impact of purchasing practices on working conditions in the garment sector at the occasion of Sustainable Apparel Forum 2019.

Representatives from Dutch Textile Covenant Policy Office- Ministry of Foreign Affairs Hague, Bangladesh Apparel Exchange, BGMEA, Prime Minister's Office, C&A Foundation, GIZ, US Embassy in Bangladesh, EU, High commission of United Kingdom in Bangladesh, Better Work Program, Plummy Fashions Itd., M&J Group, Fakir Apparels, DBL Group, Epyllion Group, Sommilito Garmnents Sramik Federation (SGSF), Fear Wear Foundation, ACT (Action, Collaboration & Transformation), Better Buying, H&M, M&S, G-Star, WE Fashion, Olah Inc., International Apparel Federation, The Freedom Fund, Apparel Impact Institute, Just style & Traidcraft Exchange participated at the discussion. The roundtable discussion was moderated by Dr. Debapriya Bhattacharya, Member, Board of Trustees and Distinguished Fellow, Center for policy dialogues (CPD).

# PURCHASING PRACTICE & ITS IMPACT IN THE SUPPLY CHAIN

According to ILO-BETTER WORK presentation at the discussion, Better compliance do not guarantee work orders for the suppliers. 6 out of 10 factories receive no incentives for their investment in compliance. In Bangladesh suppliers always faces the dilemma that several buyers expect compliance with different code of conduct. The suppliers has also trust issues on whether the buyer will provide regular work orders. The suppliers in Bangladesh are not sure whether the buyer will co-operate to bear the cost of maintaining labour standards. In contrast, buyers always pressure for shorter lead times, decreasing prices for the same quality. These conditions lead to poor work conditions, more supervisory stress, worker abuse, longer working hours, lower or no payments & other hazardous conditions.

In Bangladesh there are lack of systematic written contracts in many purchasing engagement cases by the buyers, more than 50% of the supplier reports that they were selling below cost of production, only 17% of the suppliers said they have received increased FOB. In general buyers are not willing to increase prices whether the increased price is incurred by raw materials cost or incorporate minimum labour wage increases. But some of the buyers are ready to increase the FOB price for increased wages. There are also instances where buyers are working with the suppliers to increase their productivity, shorten the lead time. According to a presentation for Fair Wear Foundation at the roundtable discussion, between 2014 & 2018 unit prices declined 4% at the same time cost of product gone up 13%. In this time-frame, Accord & Alliance was working in Bangladesh; all the factories in Bangladesh were investing heavily to comply with safe work environment standards & prices of fashion was going down.

There is a common argument that as the price of cotton was going down so did the cost of apparel; But this statement also is not right within this timeframe. Since 2015 cost of cotton was going up still end price of fashion was going down. Majority of the buyers do not agree to increase prices in the context of national wage increase. These conditions force suppliers to take orders even the price was well below production cost. Suppliers take orders below production cost to secure future business or by being threatened to loose contracts.

Buyers usually follow some price pressuring strategy. Sometimes buyers say price should be same of the last year. They follow 'take it or leave it approach'. Factory management do not have any choices other than accepting the price buyers are offering. Sometimes Buyers also demand price cuts. Citing another research Koen Oosterom, country manager, Bangladesh and Myanmar Fair Wear Foundation (FWF) stated that though price of apparel is going down, the time lag between delivering products & receiving money from the buyers has become larger. Cost negotiation of apparel manufacturing follows a top-down approach in apparel value chain.

# WHERE IS THE SOLUTION?

Participants the roundtable discussion debated over the solutions to the problems centering on the current purchasing practices standards. Globally buyers & suppliers follow auditing to safe-guard compliance but there are multiple initiatives & practices in the auditing system that involves multiple parties separately. Still the audit reports have credibility issues. Such sporadic system costs lot of time & distraction as well as do not solve the issue effectively.

Given the credibility issues & ineffectiveness of factory auditing system in cross country settings, participants at the discussion mostly expressed their distrust on the 'audit-sanction' approach. On the contrary participants from Dutch Agreement on Sustainable Garments and Textile (AGT) & Better Work Bangladesh, Fair Wear Foundation and ACT (Action, Collaboration, Transformation) has proposed approaches that goes beyond auditing & promotes partnership based works to solve the problems sustainably.

Jeff Wintermans, coordinator, Dutch Agreement on Sustainable Garments and Textile (AGT) explained AGT as an initiative that facilitate both suppliers & buyers to solve their problems associated with purchasing practices by partnership, transparency & accountability.

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Companies who signed AGT commit to perform due diligence as defined by OECD in the guideline for multinational organizations in 2011. But how can companies perform due diligence? That is what AGT is doing. AGT is training the signatory companies to know how to perform due diligence. To perform due diligence buying companies have to know the supply chain down to the level of production location. And also knowing their suppliers of fabric, dye staff etc. Once companies get to know the supply chain, they would have to understand the risks (impeding human rights, human welfare, labour rights, doing damage to the environment etc) associated with it, especially if they are doing business in Europe.

The companies that participate at AGT, need to develop plan to solve the risks & Submit the plan to the AGT secretariat. The AGT independently assesses whether the action plans are feasible or not; AGT has dispute mechanism; that is when one brand thinks that they are doing enough to promote good purchasing practices but AGT thinks it is not enough; then independent party will look into the issue, afterwards there will be public reports on it. Under the complaint section of AGT, any person who thinks a company working with AGT is not following the guidelines, can file a complaint.

One of the basic understanding of AGT is the audit reports are not enough, usually faked. It is what you do to prove your responsibility to solve the problems in your supply chain. There are also lack of understanding on which purchasing decisions will negatively affect the suppliers end. This problem must be solved by training the industry professionals. They must understand what responsible business practices means. There is lack of mutual understanding about the nature of responsible purchasing practices between buying department & CSR department.

Buyers usually set KPI's for commercial performances but not ethical purchasing practices. We should look into these practices also. Responsible business officials usually lack internal position in the company to pressure buyers what to do & what not to do. Most companies still use one way code of conduct. They usually say what they expect from the suppliers. They do not usually tell what must also be expected from the buying/retailing companies. They must review the impact on suppliers to assess the positivity of their buying practices. There might even be a dialogue mechanism between buyers & suppliers to improve the purchasing practices.

Better Work Program & their approach as a solution to the purchasing practices problems were also discussed by the participants at the occasion. Better Work Program in Bangladesh are working on non-application of national wage system, grading of the workers & many other compliance issues. Anne-Laure Henry-Greard, Country Programme Manager, Better Work Bangladesh described that the root of many of the problems can be associated with purchasing practices. Better Works Program works in partnership with Better Buying. Better Buying allows suppliers to anonymously rate the purchasing practices of the companies that buy their products and tells brands and retailers which practices can be improved. But Suppliers in Bangladesh are not participating in large numbers to rate the buyers. Anne-Laure Henry-Greard at the round table has requested manufacturers to participate at the rating so that enough evidence of ill purchasing practices can be gathered to address the issues. Along with thatAnne-Laure Henry-Greard also emphasized on solving problems that the industry can solve by themselves such as Collective Bargaining, Industrial relations & productivity issue.

Fair Work Foundation bought different perspective to solve the inherent problems of purchasing practices. The foundation helps factory owners to negotiate with the buyers & talk about why a certain price is important. According to Fair Wear Foundation, We need to push the brands to move towards to living wages as well as inspiring empowering factories to have their argument for fair prices.

Frank Hoffer, Executive Director, ACT (Action, Collaboration, Transformation) suggested that due to double level fierce competition, common standard of purchasing practices & competition could not be set in the apparel supply chain. Standards must be set to be followed by the whole apparel supply chain in the world. That standard must obey the national wage system for the workers. Progressive supplier countries & buyers must come together & develop a standardized purchasing practices.

From the discussions, Participants identified that partnership based initiatives also have many shortcomings. For instances, Buyers who back the partnership based initiatives, many of them source from the countries where the initiatives are not even active! So even with the good intentions accountability cannot be assured with these initiatives. Moreover, these initiatives have inherent inability to apply a common rule to all the buying companies. Generally these initiatives are taken by stakeholders from specific geographic location & they are not active in all the supplying countries with same intensity. So, at any given time there remains chance that ill purchasing practice & noncompliance survives that might contribute to the unsustainability of compliant factories as well as discourage good purchasing practices.

# CAN WE COME UNDER A CREDIBLE FORMS OF ASSESSMENT TO SOLVE THE PROBLEMS?

Though there are a lot of different initiatives that are working to solve the issue of purchasing practices, co-ordination is also developing. For example Fair Wear Foundation work with about 80 European brands publish their report on brands engagement with





Fair Wear Foundation also works with AGT to train professionals at the buying organizations to understand how their pricing is going to impact the sustainability of the factory & labours well-being. Buying organizations should commit publicly that they will follow a new role of the game. If the government of Bangladesh increases minimum prices buying organizations cannot say we have nothing to do with it.

From the discussions at the roundtable it turns out that coming out of multiple, repetitive initiatives & bringing them under one umbrella is difficult & we do not have any answer to that unification yet! At the moment suppliers follow the compliance initiatives that the brands suggest. The choice is essentially made by the brands.

# WHY BANGLADESH IS NOT MANAGING TO GARNER THE BENEFITS OF THEIR COMPLIANCE INVESTMENTS?

Citing a research paper of Center for policy research, Moderator Mr. Debapriya Bhattacharya has introduced a 'surprising assessment' regarding comparative development in social & technological upgradation in Bangladesh Apparel industry. It is found that Bangladesh has advanced comparatively more in social upgradation than technological upgradation. In contrast good compliance is not rewarded by the market systematically. Neither the workers nor the owners are regarded against their investment for social compliance. Why the market is not responding to the social compliance developments at supply side?

To this question from the moderator, one participant suggest that we have been working so much on supply side development but we are not focusing on correcting the market side. We need to take initiatives to improve the attitude regarding social compliance at the buying organization's side. Some sort of dichotomy exists in the compliance & purchase sections of the buying organizations in most of the organizations. There are good examples also but companies must align the objectives of their compliance & purchase departments.

Participants also noted our many other issues like National endowments, International trade, consumers education also plays a significant part in determining how compliant factories in Bangladesh or in any other countries can garner benefits of their investments.

# **CONCLUSIONS:**



Concluding the vivid discussion at the roundtable moderator Dr. Debapriya Bhattacharya says that we are dealing with a global value chain which is undergoing a transformation. The critical point of this transformation is who gets what part of the value, How the value is distributed among the chain. One answer to the questions is purchasing practices. In Bangladesh we are talking about compliances but there is lack of sustainability in value sharing. The discussion has moved on from ethical production to ethical purchase.

There are so many initiatives that are directed to solve the problems of ethical purchasing. But there is a gap of knowledge about the initiatives among their beneficiaries. This dissemination issue of knowledge of the initiatives must be resolved. We also need to consider the capability of the initiatives to resolve the disputes & complaints that arises among buyers & suppliers centering purchasing practices as well as compliance.

A lot of changes are taking place in the supplier side but we need simultaneous activities at the market end also. Consumers must know what is happening in Bangladesh. So there comes the issues of disclosure. Along with the suppliers, middleman, buyers, retailers should also come under the radar of disclosure. In this aspect, aggregated disclosure is not enough. Information should be disclosed focusing on brands, countries, suppliers etc. We have to really consider the market behavior. If a market do not reward good behavior, good behavior would not sustain. So, the issue of market response towards social compliance should be considered carefully.

Another important aspect is applied policy issue for restructuring purchasing practices. The roundtable showed various solutions. Applied policy issues should be considered more carefully to restructure auditing systems, leadership, asymmetry of power relationship etc.



# PLENARY 04-

# PURCHASING PRACTICE AND THEIR IMPACT ON SUPPLIERS



Purchasing practices could mean many aspects of relationship between buyer & manufacturers such as price negotiation, forecasting, lead time, order volume, change in order, payment terms etc. Purchasing practice problems manifest it in many ways. Sometimes it is merely the risk & the pressure that the buyer is feeling is sent down the chain & passed down to suppliers. So the time pressure, the cost pressure is just a downward spiral that ultimately impacts the manufacturers & the buyers negatively.

To find a solution to the problems panelists at the session proposed different models & discussed the functionality of the solutions.



Panelist Mr. Miran Ali suggested that we need common standard across countries, across buyers. There is no validity in saying that non-compliance is a country specific issue. Whether a roof (of a factory) will fall or not, it cannot be a country specific issue. It is lack of standards that may result in violation of workers' rights. Not having the same inspection procedure in all supplying countries simply means you are avoiding responsibility in absence of a tragic accident. All buyers must exercise the same electrical, structural & social standard across all their supply chain specially the final products. The final products must be inspected from factories which follow a common standard. This is the first thing to have a level playing field & reduce the constant pressure to reduce the



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**COUNTRY MANAGER** MARKS & SPENCER







prices for competition between factories & countries as well. The other point is reducing the middleman from the business. The middleman is taking all the benefits the manufacturers could get resulting in immense pressure on the supply chain to maintain compliance.

# LEGISLATIVE CHANGES REQUIRING FAIR PURCHASING PRACTICES

# Proposed by Fiona Gooch, Senior Policy Adviser, Traidcraft Exchange, UK

Purchasing practices by brands & retailers can enable positivity in the industry. But they can also disable positive improvements & corner cut workers right. The problems of purchasing practices has been documented for more than 15 years. Over the years purchasing practices in some areas has gone worse. No amount of inducement to brands & retailers will actually improve practices because constant price pressure has been continuing. So if the external environment is not changing there will not be any positive changes in near future. If we do have some changes it will be temporary. It will change if the company get any profit warning & the senior management changes their aim. So these changes will not be sustainable.

At European Union level we now have a directive on unfair trading practices for food retailing industry. If they breach these directive on how they source food, they can be subject to investigation, fine & other types of punishment. It is also being considered that complaints can be lodged confidentially because suppliers are afraid of complaining.

So on behalf of Traidcraft Exchange Uk, panelist Fiona Gooch suggested that we should push for legislative change to fix the problems of RMG supply chain.

# INTEGRATE RESPONSIBLE BUSINESS CONDUCT POLICIES & REQUIREMENTS INTO PURCHASING PRACTICES. Proposed by Jef Wintermans, Coordinator, Dutch Agreement on Sustainable Garments & Textile (AGT)

At the buyer side there needs to be integration of all the social responsibility, corporate responsibility into the buying & sourcing practices and policies. AGT has high level negotiations within the companies that have joined them. AGT examines whether there are coherence within the buying organization, whether one department in a company has departments with conflicting goals resulting in poor purchasing practices. The goal of AGT activities is not to punish manufacturers rather ensuring that a unified message is conveyed to the suppliers regarding sustainability. The AGT also work to make sure that professionals in a buying company are trained to follow the sustainability standards so that they become aware of the probable poor working conditions that may occur due to unethical purchasing practices.

# NATIONAL WAGE SETTING SUPPORTED THROUGH INTERNATIONAL PURCHASING PRACTICES Proposed by Frank Hoffer, Executive Director, ACT (Action, Collaboration, Transformation):

For too long we have been playing a game without rule & bad practices have the tendency to push out good practices. To introduce rule in the game we need compatible collaboration among buyers, retailers, manufacturers. This is what ACT is about. ACT represents 21 brands & Industry all came together with the objective to address purchasing practices that allow for paying better wages & working conditions. The brands ACT represents are buying 8 billion dollars from Bangladesh. With the ambition of exporting 50 billion dollars, Bangladesh can only achieve this; if the production is done in a sustainable manner. In this context, we think that brands have to change their behavior. If you want to move from a game without rules to new rules of the game, I need to start showing how we want to change the purchasing practices. We did a self-assessment of the purchasing practices; we talked with different suppliers from different countries, what are their key issues. We come up with five areas where purchasing practices need to change. First, incorporating base cost as a separate item and make sure the salaries goes up, prices go up & all the other cost remains same. Second, having improved terms of payments third is improved planning & forecasting; fourth, buyers in a factories are trained & asked to incorporate sustainability requirements in the purchasing practices and fifth to have a responsible strategy if you have to exit a factory & go somewhere else. These are commitments. Somehow we need to add the possibility of reverse auditing. Buyers need to check what they are doing. Finally the buyers should be able to tell the suppliers, the governments & BGMEA what situation they are facing.

# MARKS & SPENCER PRACTICES FAIR PURCHASING PRACTICES WITH THE SUPPLIERS

# Proposed by Shwapna Bhowmick, Country Manager, M&S

We still did not get our basics right. The first thing is we have to be great marketers. We have got great green factories, we have got green mills, but when it comes to doing value added products we do not consider Bangladesh. So let's get the basics first. Promote

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first what we have achieved so far & be great marketers for bringing these value added products where factories can get more profits & workers get more salaries. Second thing is collaborative efficiency increase. I think we all often get challenged that manufacturers are not efficient enough. I think the brands have to play a role as well. Brands can solve the problems of manufacturers' efficiency as well. Having good forecasting & planning, Brands can help solve the manufacturers' efficiency problem. I think collaborative approach for increasing efficiency is important.

# INDEPENDENT VERIFICATION & PUBLIC REPORTING ON BRANDS PURCHASING PRACTICES

# Koen Oosterom, Country Manager - Bangladesh & Myanmar, Fair Wear Foundation.

There is power imbalance between brands & factories. If you see the value distribution among the supply chain, most of the money & most of the power goes to the brands & retailers. At the same times, responsibility & human rights compliance issues lie almost exclusively to the factories. The brands accept very little accountability when it comes to improving worker conditions. That is something we want to address. Fair wear Foundation holds all the member brands accountable for their purchasing practices, all their decisions regarding purchasing practices are meant to be scrutinized verified by us & we report these transparently. The reports are made public. Fair Wear Foundations is also trying to improve their brand performance access even further by starting making use of data from BETTER BUYING. Fair Wear Foundation is also working in collaboration with Ethical Trading Initiative in accessing data on certain brands & evaluating them.

Secondly, the imbalance of power works in the way of price negotiation. Price is determined by the brands by not considering the actual cost the factories incur to produce the product. This is the situation that actually forces the factories to accept price that are actually below their cost of production.

So, if the labour cost goes up due to minimum wage increase, we need to ring fence the labour cost. We need to protect the labour cost in a transparent pricing process. Fair wear foundation has developed tools that would help the factories to negotiate with buyers & make clear that they need a certain price to at least comply with minimum wage legislation.

# HOW ARE WE REALLY GOING TO SOLVE THE PROBLEMS ASSOCIATED WITH PURCHSING PRACTICES

Moderator of the panel Ms. Jill Tucker, Head of Labour Rights, C&A Foundation requested all the panelist to explain whether their solutions has Public Disclosure & Complaint Mechanism? Is the solution mechanism mandatory or voluntary? Whether the solution requires Industry wide or Small Group participation? How the mechanisms proposed by the panelists would really contribute to solve the problems associated with purchasing practices?

In response Dr. Frank Hoffer, Executive Director, ACT (Action, Collaboration, and Transformation) describes that in wage setting system proposed by ACT, There has to be a national wage system. It can be either be done by setting minimum wage or by industry wide collective bargaining. It has to have industry wide purchasing practices supporting the national wage system. ACT welcomes more buyers & retailers to participate at the initiatives but it already has some substantive participation from the buyers already. The system has annual accountability & reporting procedure & complaint mechanism. The initiative also has unique feature as it has participation of Industry all.

Panelist Shwapna Bhowmick, Country Manager, M&S elaborated the good purchasing practices they follow. According to Ms. Shwapna Bhowmick they confirm that their suppliers follow transparent culture & all the complaints are reported in an open forum.

Participation of 'critical number' of Brands in any initiative to solve the problems inherent in the purchasing practices is important. In this aspect Mr. Jef Wintermans, Coordinator, Dutch Agreement on Sustainable Garments & Textile (ATG) said, based on research participation of 25% brands operating in a market is a critical number. There are also different understandings regarding the number of participating brands. As explained by Koen Oosterom, Country Manager - Bangladesh & Myanmar, Fair Wear Foundation, they prefer comparatively small number of brands so that they can experiment with different tools to find solution to the problems associated with purchasing practices. Fair Wear Foundation also work with other similar organizations to ensure that their expertise & achievements resonate across the whole system. For example, Fair Wear Foundation are working collaboratively to involve other organizations in promoting public disclosure of Brands performances in terms of purchasing practices.

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During the session, Live polls suggested that audiences have preferred the 'Legislative changes requiring fair purchasing practice's model proposed by Fiona Gooch, Senior Policy Adviser, Traidcraft Exchange, UK. To further explain the model Fiona Gooch has described the legislative changes would make specific purchasing practice standards mandatory for the brands & it would be applicable for large number of brands, there would be complaint & disclosure mechanisms also. But the process to enforce legislative changes is time consuming. Developing legislative system for unfair trading practices at food business at European level took 10 years time. To reduce this time lag, we need good quality evidence & proper coalition. Brands & retailers also need to co-operate in this process. Though enforcing legislative changes requires long time, to explain the effectiveness of her solution Fiona Gooch reiterated that voluntary approaches to fix the problems of purchasing practices are fantastic but these initiatives can only become more effective if these works are done with a backdrop of legislative underpinning.

In discussing the effectiveness of initiatives to restructure purchasing practices, Panelist Miran Ali, Director, BGMEA & Managing Director, Remi Holdings Ltd. said, Initiatives that do not need to follow universal laws will not be able to generate any significant positive result in global apparel supply chain. So legislative changes based on a specific geographic location will prove unsuccessful in a supply chain. From manufacturers' point of view, panelist Miran Ali emphasized on enforcing same purchasing practice standard across the supply chain. Transparency can be used as tool for correcting purchasing practices. According to Miran Ali, It is important that everybody in the apparel supply chain follow standardize transparent & purchasing practices so that no unethical purchasing practices can hamper the apparel supply chain.

On enforcing universal law across the supply chain, Jef Wintermans, Coordinator, Dutch Agreement on Sustainable Garments & Textile (AGT) expressed that the OECD guideline for due diligence can be followed by any state. So AGT has taken the guideline as a reference point of all of its activities. Other organizations that are working to fix the problems of global apparel supply chain should also consider the international aspect of their work scope & follow law that can be applied internationally.

Given the difference in perspectives & opinion regarding the right solution that may work in cross border settings, panelist Dr. Frank Hoffer proposes that all the stakeholders of the global industry should meet together to find a set of standard practices that everybody should follow so that purchasing practices can get standardized in cross country settings. Those who fail to follow the standards could be left behind. Without setting up standards we cannot progress in the initiatives to restructure purchasing practices positively.

### **RECOMMENDATIONS & TAKEWAYS:**

- 1. There should be standardization of purchasing practices in cross country settings.
- 2. Training of officials are important so that they can follow sustainable purchasing practices
- 3. Top-down pricing strategy contributes in the poor working conditions of the factories
- 4. Labour cost should be ring fenced so that workers do not get exploited.
- 5. Brands must ensure that their purchasing department & sustainability officials work in an aligned manner.



# PLENARY 05\_

# DELIVERING FASHION OF THE FUTURE: WHAT ROLE FOR GOVENMENTS, BRANDS & SUPPLIERS TOWARDS AMBITIOUS CLIMATE ACTION?

# THE CONTEXT OF FASHION INDUSTRY CHARTER FOR CLIMATE ACTION?

Fashion industry being one of the biggest polluter of the world is also set to play leading role in addressing the ongoing climate crisis. Before the initiation of the Fashion Industry Charter for Climate Action; many global brands & factories were working to address the climate crisis issue individually. Recognizing that resolving climate crisis requires collaborative action, UNFCCC has introduced the Fashion Industry Charter for Climate Action.

About the context of initiating the charter panelist Jens Radschinski, Head of Regional Collaboration Centre (RCC) for Asia Pacific, as fashion industry is global & innovative in practices, this industry could develop leadership for other industries to follow. Trying to get everyone onboard including governments & private sector and to develop a consolidated effort for responding to climate crisis, The Fashion Industry Charter for Climate Action was developed by UNFCCC, where fashion industry stakeholders committed a number of goals. The most prominent goal of the charter was 30% reduction of GHG by 2030, to work on a pathway to full carbon neutral apparel industry, transparency & reporting. This charter is actually driven by the industry. The UN is facilitating the work but it is driven by the industry.

# BANGLADESH'S ACTION FOR DECARBONIZATION OF THE ECONOMY:

Being on the most vulnerable country to the threat of climate crisis, Bangladesh has initiated a number of activities to decarbonize the economy. Since textile & RMG sector consist the majority share of the industrial landscape of Bangladesh, policy makers & entrepreneurs are working diligently to achieve climate neutrality & becoming climate positive in the long run. Panelist Abul Kalam Azad, Principal Coordinator (SDGs), Prime Minister's Office has explained how Bangladesh is working to decarbonize the economy & RMG industry.

According to Abul Kalam Azad, Bangladesh is mainly focusing on carbon footprint reduction in industry, energy & transport. Especially in the garment industry, the main focus shifts to energy efficiency. Due to increased efficiency, Bangladesh is increasing industrial production with less power usage than predicted. In addition to increasing efficiency, increasing dependency on clean energy is also one of the policy directions.

Bangladesh has more than 5 million solar home system & growing very quickly. Bangladesh has already developed regulatory



# MODERATOR

# RENÉ VAN BERKEL

OFFICER IN CHARGE / UNIDO REPRESENTATIVE UNITED NATIONS INDUSTRIAL DEVLOPMENT ORGANIZATION (UNIDO)

# JENS RADSCHINSKI

HEAD OF REGIONAL COLLABORATION CENTRE (RCC) FOR ASIA PACIFIC UNFCCC

# MD. ABUL KALAM AZAD

PRINCIPAL COORDINATOR (SDGs) PRIME MINISTER'S OFFICE

PIERRE BÖRJESSON

HEAD OF SUSTAINABILITY - GLOBAL PRODUCTION H&M GROUP

# DR. RUBANA HUQ

**PRESIDENT** BANGLADESH GARMENT MANUFACTURERS' AND EXPORTERS' ASSOCIATION (BGMEA)





system where a factory can install & generate clean energy for themselves. They can even exchange access clean energy to the national power distribution system. Bangladesh Government is also setting a target to increase energy efficiency to 80% against the previous target of 50%. In addition, the government also working to install low carbon emission power plants in Bangladesh to meet the growing need of energy for the textile & apparel industry.

# THE CHALLENGES IN ACHIEVING CLIMATE NEUTRALITY:

Though Bangladesh is investing a lot of money to develop green manufacturing facilities, In general there are far less response from the buyers as expected. In this regard panelist of the session, Dr. Rubana Huq, President, Bangladesh Garment Manufacturers' and Exporters' Association (BGMEA) said, 'The absolute disconnection between sustainability & purchasing practices in the major challenge. Though Bangladesh is championing the sustainability cause, though Bangladesh has been building more than hundred LEED certified factories, why are we facing downward trend in orders? Where is our collective consensus of the western buyers who could buy far more from us just because we are greener than other producing units in the other part of the world?

Dr. Rubana Huq also added that BGMEA is ready to do matchmaking if the brands, governments work together to realize the goal of carbon neutrality. It must not be viewed only from social & environmental perspective. It must also be seen from economic perspective as well. Off to the commitment of BGMEA to go green, BGMEA has signed with the charter. BGMEA is aligning themselves with the world initiatives. But we should be incentivized. We are building so many green factories. The government is supporting in it, but we need role play from the buyers also. Why are our orders going to the less sustainable factories in the other regions? These are the questions we need to ask. H&M is leading in these areas but we need more brands to rope in this collective consensus towards sustainability.

# **BGMEA MOVING DEEPER TO FIND SOLUTION:**

To explain the long term initiatives of BGMEA, Dr. Rubana Huq added that all the factories in Bangladesh are mapped into three major categories. One type of factories are targeted for developing understanding on sustainability & pollution control. The second type of factories are ready for climate action in other words they are ready for climate neutral manufacturing & the other type of factories are all set for climate positive manufacturing. So there are all three type of factories in Bangladesh & BGMEA is developing action plan to work with them accordingly.

BGMEA are also trying to form national sustainability council which will be looking to move beyond building safe industry buildings. The council will be moving into the challenge of sustainable apparel manufacturing. We believe that without labour & environment we cannot be sustainable. But the idea of sustainability should be internalized. It should go with the pricing strategy also.

# **H&M APPROACH TOWARDS BEING CLIMATE POSITIVE**

H&M believes in taking leadership for solving climate crisis by taking a value chain approach. Panelist Pierre Börjesson, Head of Sustainability - Global Production, H&M Group stated that Carbon emission should be lowered at the every step of apparel manufacturing. Customer education is also important to lessen carbon emission. As consumption of fashion contributes to one fifth of the total emission. H&M will focus on circularity & innovation. H&M emphasizes on policy, incentives & restructuring of purchasing practices collaboratively with governments, civil society & other stakeholders. For instance to eradicate usages of carbon fired boilers collectively purchasing practices policy development & incentivization can become valuable tool. Pierre Börjesson also stated that we need innovation, technology & collaboration for finding the solution to develop a climate positive apparel value chain.

Panelist Jens Radschinski, Head of Regional Collaboration Centre (RCC) for Asia Pacific, UNFCCC also emphasized on collaboration & recognition of positive achievements of different stakeholders of the supply chain. In this aspect Jens Radschinski said, Bangladesh has achieved a lot in building green factories & increasing energy efficiency. But it seems that Bangladesh is not promoted enough. So promoting Bangladesh's achievements with the customers are much more important. So if Bangladesh can develop more awareness about its achievements, entrepreneurs of the country can get more comparative advantages.

### **RECOMMENDATIONS & KEY TAKEWAYS:**

- 1. The achievements of Bangladesh to curve carbon emission must be promoted to the customers.
- 2. Customer education is also important to lessen carbon emission.
- 3. Method of incentivizing energy efficient manufacturers should be developed.
- 4. Restructuring purchasing practices is necessary to develop a climate positive value chain.
- 5. Along with maintaining safe work environment BGMEA is working to develop climate positive apparel supply chain in Bangladesh.
- 6. Disconnection of Sustainability pledge & purchasing practices are hampering the drive to achieve climate neutrality.
- 7. Bangladesh has improved its energy efficiency a great deal & working to develop its dependence on clean energy.
- 8.BGMEA has signed Fashion Industry Charter for Climate Action to align their activities in line with global leadership.

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# DRIVING SUSTAINABLE CHANGE IN THE BANGLADESH GARMENT INDUSTRY

PRESENTATIONS BY BETTER WORK BANGLADESH



Better work program has been working with suppliers in Bangladesh in a partnership based approach. From studies in factories in Bangladesh, it has been found that the factories where Better Work Program is working enjoys better compliance & progressive industrial relations practices as well as increased productivity from the labours. Based on their success they are expanding their activities in more factories in Bangladesh also.

- Sustainable industrial relations are the most important factors for Bangladesh to continue its growth trajectory.
- 2. Better Work Bangladesh program has been working to promote sustainable mechanism for compliance that has impact on productivity & efficiency.
- 3. Factories working with Better Work Program.
- 4. Better Work Bangladesh program undertakes capacity building, consultation & knowledge sharing based initiatives at enterprise level.
- 5. By upskilling female workers we will not only ensure female participation but also instigate a process of creating higher value added industry.

ANNE-LAURE HENRY-GRÉARD COUNTRY PROGRAMME MANAGER, BETTER WORK BANGLADESH

# GLOBAL COLLABORATION FOR SUSTAINABLE MANUFACTURING

PRESENTATION BY APPAREL IMPACT INSTITUTE

There are clear efficiency and effectiveness benefits to both brands and manufacturers in aligning and coordinating mill improvement programs. Apparel Impact Institute's effort is to bring the programs together and to scale up to make a positive difference.

- 1. Apparel Impact Institute (AII) Identify, fund, scale, and measure innovative programs within apparel & footwear sector.
- 2. Mill impact initiative of AII works with mills, brands & other organizations.
- 3. All drives measurable result & impact.
- 4. All currently working in Vietnam, India, Mainland China & looking for initiating programs in Bangladesh .
- 5. All projects in factories are helping them to save money, reduce carbon emission & water footprint.

# **AN ZHOU**

SR. TECHNICAL DIRECTOR, APPAREL IMPACT INSTITUTE

# **BRYANT LAPRES**

PROGRAM DIRECTOR, APPAREL IMPACT INSTITUTE



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# SUSTAINABILITY REPORTING: A DRIVER FOR SUSTAINABLE ECONOMIC GROWTH?

PRESENTATION BY GFA / GIZ

Worldwide material consumption has expanded rapidly, as has material footprint per capita, seriously jeopardizing the achievement of Sustainable Development Goal 12 and the Goals more broadly. Urgent action is needed to ensure that current material needs do not lead to the over extraction of resources or to the degradation of environmental resources, and should include policies that improve resource efficiency, reduce waste and mainstream sustainability practices across all sectors of the economy.

- 1. 'Stakeholder reporting' works for sustainability reporting, management & climate strategy.
- 2. BGMEA & BKMEA has been working with 'Stakeholder reporting' in preparing report on sectorial advancement.
- 3. Sustainability reporting can become a driver for a country's economic growth .
- 4. Sustainability reporting is more than branding, it helps to achieve more progress.
- 5. Sustainability reporting as helps to grow enterprise level competitiveness in international market.

# Sustainabil eponon

### **CAROLIN FRIEDRICH**

CONSULTANT, GFA / GIZ

# RESPONSIBLE MANUFACTURING THROUGH SUSTAINABLE CHEMICAL MANAGEMENT PRESENTATION BY ZDHC FOUNDATION

PRESENTATION BY ZDHC FOUNDATION

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There are more than 800 substances used today in textile production which are known to be harmful to human health or the environment. The vision of ZDHC foundation is to widespread the implementation of sustainable chemistry, driving innovations and best practices in the textile, apparel, leather and footwear industries to protect consumers, workers and the environment.

- 1. ZDHC works for responsible manufacturing through sustainable chemical management.
- 2. It doesn't matter where chemical pollution takes place, the pollution travels across the world.
- 3. Sustainable chemical management requires collaboration, transparency & commitment.
- 4. ZDHC program evolved a holistic approach to chemical management under 3 focus area of input, process & output.
- 5. ZDHC is a multi-stakeholder collaboration of brands & retailers, textile industry affiliates, chemical industry affiliates, solution providers & other associates.

# **PRASAD PANT**

SOUTH ASIA DIRECTOR, ZDHC FOUNDATION

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# HIGG INDEX, THE SOLUTION IN YOUR SUSTAINABILITY JOURNEY

PRESENTATION BY SUSTAINABLE APPAREL COALITION

Materials Sustainability Index is a tool to measure sustainability impacts of raw materials meaning fabrics. This is a scientific tool, based on life cycle analysis. It uses robust methodology developed together with SAC members and technical experts and gives a visual and numeric way to understand a products environmental impacts. It is our belief that in a world of information overload, transparency with the intent of positive impact will be the driving force for change.

- 1. SAC is a multi-stakeholder initiative that involves brands, retailers, manufacturers, material suppliers, academics & others. This initiative has introduced Higg Index.
- Higg index has mainly 3 modules. There are product module focusing on design, production & raw materials stage, facilities module focusing on manufacturing stage & Brand and retail module focusing on logistics & retail.
- 3. Higg product tool has two elements. One, Higg material sustainability index helps manufacturers to reduce cost by providing assessment on materials performance & the other Higg design & development module that helps product designer & developers to make more sustainable material choices.
- 4. Higg Brand & Retail Module helps brands to assess sustainability policies and practices.
- 5. Higg facility modules are holistic approach for measuring improving the environment & social labour compliance.



SENIOR MANAGER - TRAINING & VERIFICATION, SUSTAINABLE APPAREL COALITION



# MATERIALS IN APPAREL SUPPLY CHAIN: WASTE OR BUSINESS OPPORTUNITY

PRESENTATION BY **BANGLADESH UNIVERSITY OF TEXTILES (BUTEX)** 

Bangladesh Apparel Exchange in collaboration with Bangladesh University of Textiles (BUTEX) conducted a research on material flow in textile & apparel supply chain of Bangladesh. This study was aimed to be a baseline study and provided strong indications on the challenges and opportunities associated with the sustainable management of wastes in Textile-Apparel supply chain in Bangladesh.

- The average material conversion rate is from raw material to yarn is 89%, yarn to greige fabric is 81%, to dyed/finished fabric is 91%, and to garment is 80%.
- 2. The total value addition in the supply chain is only 126%, 2.25 times the original value of the raw material, with a potential to go more than 4 times.
- 3. On an average, we are losing over 70c per garment due to waste in materials during garment manufacturing.



# DR. ABBAS UDDIN SHIYAK

ASSISTANT PROFESSOR. BANGLADESH UNIVERSITY OF TEXTILES (BUTEX)

# WHAT IS NEXT FOR SUSTAINABLE AND GREEN BANGLADESH

PRESENTATION BY GBCI

Our vision is that buildings will regenerate and sustain the health and vitality of all life within a generation. We can't forget that more than anything else, green building is about people. It's about improving our quality of life and making our society not only more sustainable but more equitable too. Because every single human being on the planet deserves a safe and healthy place to call home.

- LEED is a program that not only talks about energy but also water,
   waste management, Human experience, carbon footprint reduction etc.
- 2. LEED buildings save 30-40% saving on energy & water, enjoy 2-10% increase in productivity & 35% less absenteeism.
- 3. Bangladesh has 607 LEED projects.
- 4. USGBC is working on disseminating the success case of Bangladesh in building sustainable & green infrastructures of Bangladesh.
- 5. The next target of LEED certification is incorporating the sustainability issues of building materials.



### GOPALAKRISHNAN PADMANABHAN

MANAGING DIRECTOR, APAC, ME, GBCI

# THE HIGG INDEX MANUFACTURER FORUM 2019











# GREEN FACTORY TOUR

To let different interest groups including buyers, sustainability advocates experience the challenges, achievements of Bangladesh apparel industry in achieving sustainability, Bangladesh Apparel Exchange will organize Green Factory Tour within the scope of our main event Sustainable Apparel Forum 2019. We welcome you all to participate at the green factory tour & experience the real scenario of apparel manufacturing in Bangladesh, its green achievements & challenges.









KNOWLEDGE **SESSIONS** 

**ROUNDTABLE DISCUSSIONS** 

**PRESENTATIONS** 

50+

**WORLD CLASS SPEAKERS** 

**COUNTRIES** 

**PARTNERS** 

40+ 200+ **COMPANIES** 

50+

500+

LOCAL / INTERNATIONAL MEDIA

**GREEN FACTORY TOUR** 

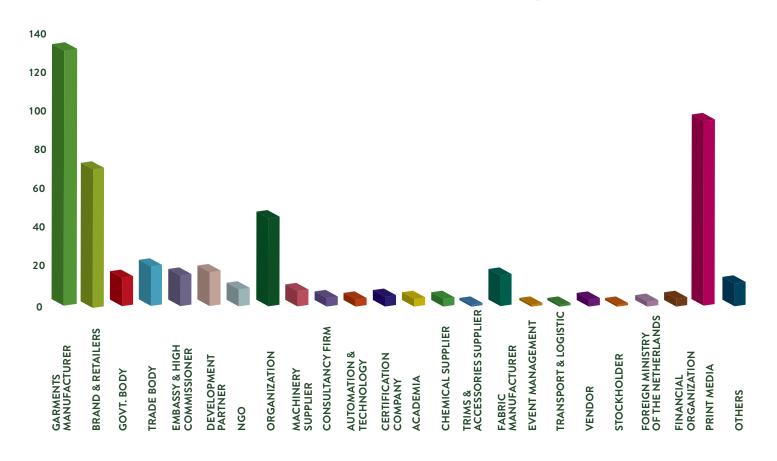
ROUNDTABLE DISCUSSIONS

POLICY PAPER FROM INSTITUTIONAL RESEARCH

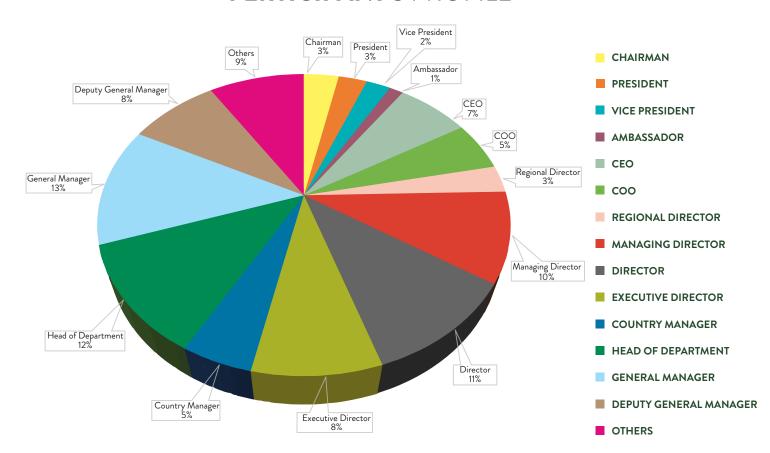
MATCHMAKING & NETWORKING

**DELEGATES** 

# **ORGANIZATION WISE SUMMARY**



# **PERTICIPANT'S PROFILE**





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### EVENT AT A GLANCE











### EVENTATA GLANCE









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### EVENT AT A GLANCE













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### JILL TUCKER, Head of Labour Rights Programme, C&A Foundation

What important in this kind of forum is not so much about what we talk in the stage, but it is what happens in the hallways, what happens through the lunch times, during the coffee breaks, it is just international players, governmental players, lots of ambassadors, workers, NGO's gathering here and been able to talk outside of the formal meetings, being able to know one another and to talk freely sharing their perspective. And I think value should be given to those hallway conversation.



### H.E.H.G.J. HARRY VERWEIJ, Ambassador, Embassy of the Kingdom of the Netherlands, Bangladesh

This Sustainable Apparel Forum is extremely important for three reasons. One is to upgrade the safety & security records in this industry since 2013. Second thing is to ensure the sustainability issues that are being integrated in the whole process and the final thing is to sense of urgency regarding the relationship with the market. Bangladesh is extremely good in Green market. This type of forum helps Bangladesh enormously. Bangladesh is positively in agenda to the international market through to this forum. In terms of sustainability, this event brought the all unit together.



### PIERRE BÖRJESSON, Head of Sustainability - Global Production H&M, Group

Bangladesh is a super important market. The agenda of Sustainable Apparel Forum is focused exactly on the sustainability and other core challenges of the apparel industry. For example water conservation practices, climate changes, Industrial Relations, transparency & many other topics are discussed within the forum. We believe as a sustainability conscious brand, H&M & Bangladesh Apparel Exchange can compliment each other by taking & supporting initiative like Sustainable Apparel Forum.



### H. E. CHARLOTTA SCHLYTER, Ambassador, Embassy of Sweden, Bangladesh

This time we participate Sustainable Apparel Forum with the discussion of uses of water which is really going to be crucial in the future . At this forum this discussion is very important as many of the factories of Bangladesh are very concerned about the uses of water . Other sustainability issues like-labour condition, Collective Bargaining are also discussed in this forum . Sustainable Apparel Forum have brought all the stakeholders together and discussed all the issues regarding this industry. So it is a good initiative to set the standard of sustainability with some policy and legislation.



### H. E. BENOIT PRÉFONTAINE, High Commissioner, High Commission of CANADA in Bangladesh

The outcome that I think to be most beneficial of this forum is that it gives you scope to communicate your green intention, demonstrate tangible proof that stakeholders in Bangladesh are really paying attention and making efforts to be transparent to show the world that Bangladesh has a sustainable industry and is moving forward in a positive way. So we can wish that green fashion start in Bangladesh in a wonderful way. This event can brand Bangladesh as a country of green manufacturing rather than the lowest cost, lowest salary manufacturers in the world. Think big, think positive, dignify workers, we don't just compete by paying less money.



### **FARUQUE HASSAN,** Honorary Consul General, Consulate Of Greece In Dhaka, Bangladesh President, Dutch Bangla Chamber Of Commerce & Industries (DBCCI)

Sustainable factories always enjoy comparative advantage and we are developing green factories. There are many energy efficient and environment friendly factories. The competitive advantage is the buyers are always looking for a energy efficient and environment friendly factory. Being sustainable the factory will be benefited out of their costing and pricing. In Bangladesh the factory report, audit report are in web and the auditor, the third party can inspect anytime. So Bangladesh is now more transparent than before.

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### HAN BEKKE, Chairman, Modint & President, International Apparel Federation(IAF)

Sustainability is a must for everybody in the apparel supply chain . Many people see investment for sustainable manufacturing as a cost, but it would be the contribution to global perspective. Participation in the panel discussion at the Sustainable Apparel Forum helps people to share the issues about sustainability and to start clean fashion manufacturing in Bangladesh.



### $\textbf{JENS RADSCHINSKI}, \textbf{Head of Regional} \,, \textbf{Collaboration Centre (RCC)} \, \textbf{For Asia Pacific Unfccc}$

If we increase sustainability in products, it means becoming energy efficient and relying more on clean energy resources. In the long run there will be cost effective matters, which helps to compete in this sector. Sustainable Apparel Forum is a huge event and it has bought together a range of stakeholders from the whole industry and they interact together as well as to bring people of value chain together. These events are very important to create momentum and share experiences.



### PETER MCALLISTER, Executive Director, Ethical Trading Initiative (ETI)

We should take the advantages of realizing the contribution for the more sustainable future, you can use the resources more efficiently, treat the workers well and grow your business, making economic contribution is gone be a requirement for doing business. Bangladesh is very important in apparel industry globally, it is vitally important part from that position where Bangladesh is also leading on that emerging agenda at SAF.



### JEF WINTERMANS, Coordinator, Dutch Agreement On Sustainable Garments & Textile (AGT)

If a company does not open up about the problem in a meeting, it will have to solve the problem by itself. If the problem is wide and big globally, no one can sole the issue like-environmental issue by itself. So it needs cooperation from the stakeholders by addressing them the issues so that we they improve our self. By having experiences SAF is improving in every edition and changes are going on . SAF gather stakeholders from various countries and discuss the relevant issues and sharing experiences.



### ZIAUR RAHMAN, Regional Country Manager Production (Bangladesh, Pakistan And Ethiopia) H&M

Bangladesh has come quite a long way and still it has to go a long way. Retail industries are changing significantly. Sustainability is something that every customer want to know the story behind the product and it's production process and by sharing the green stories of Bangladesh, Sustainable Apparel Forum helps global customers to know about how the nature has been treated in Bangladesh by the apparel manufacturers.



### SHWAPNA BHOWMICK, Country Manager, Marks & Spencer, Bangladesh

When it comes to sourcing from Bangladesh it's a very strategical position to control, as it is the biggest industry. For this, SAF people are listening to us, they are actually seeing the example that we are creating for the industry. This will evenly help Bangladesh. Here in SAF, we have some panel discussion where we are discussing the purchasing practices. This event plays a vital role to upgrade the standard of the garment industry.

20/12





KHALIL UR RAHMAN, Country Manager – Bangladesh and Pakistan, Carrefour Global Sourcing Asia Ltd.

I am very happy to be here and thanks Bangladesh Apparel Exchange for organizing such wonderful leading forum.

It is so nice to have everyone in one platform including government body, association's body, brands, from embassy and manufacturers, it really gives positive vibe to the international community. To be here as a part of the change to make a great planet & to learn about the responsibilities. So it's obvious and honor to be part of this forum today.



**THOMAS POPE,** Director - Office Of Food, Disaster And Humanitarian Assistance, USAID / Bangladesh This is a great event, I attended the previous edition, I attended the Bangladesh Fashionology Summit as well as Bangladesh Denim Expo. These are good events which brings the industry together. The garment sector is really important to the economy of Bangladesh, making it sustainable & competitive to the rest of the world is also very important. Events like this give us an opportunity to bring the brands, workers and the factory owners together to discuss how we should move forward instead of staying back.



### TUOMO POUTIAINEN, Country Director, International Labour Organization (ILO)

The essence of Sustainable Apparel Forum 2019 is that is bring people from all walks of from garments and apparel industry and it links the suppliers, the factory owners and other stakeholders under a common roof to discuss. It's not only business connectivity but also recognition that Bangladesh is going forward strong towards sustainability.



### AMOL MEHRA, Managing Director-North America, The Freedom Fund

We have seen Bangladesh to make progress around the issues of sustainability and the apparel sector in many years. And it's largely due to bringing people together to discuss, innovate and collaborate and events like this Sustainable Apparel Forum are critical for making sure that these progress continues. It's an example of renovation, the sustainable apparel forum brings together brands, labor activist, manufacturers and government to really talk about where the progress needs to happen and what the pitfalls are. So, I think event like this is critical to pushing the agenda forward and without these types of conversations you really wouldn't see so much beautiful progress.



### KOEN OOSTEROM, Country Manager, Bangladesh And Myanmar, Fair Wear Foundation (Fwf)

Transparency is very important . Bangladesh has made great strides on this regard . Whenever the fabric price goes up, labor cost goes up and the currency fluctuate, manufacturers can not put argument except receiving the given price and it becomes the part of negotiation process . So the cost price negotiation process should be transparent too. Sustainable Apparel Forum is a very good initiative for promoting Bangladesh garments industries with positive activities.



#### ASIF IBRAHIM, Director, BGMEA, Vice Chairman, NewAge Group

Bangladesh Apparel Industry has always been a step a head in terms of embracing the idea of green initiatives. Now Bangladesh is competing with the factories from all over the world for export baskets of ready made garment in the apparel sector. Our entrepreneur has an inherent nature and inherent desire to think about the environment, think about not abusing valuable resources. Organizing events like Sustainable Apparel Forum helps to develop the green attitude of the entrepreneurs more strongly.

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### MD. FAZLUL HOQUE, Managing Director, Plummy Fashions Limited

We are fully committed to the planet, that gives a kind of mental satisfaction to work with and all workers are mentally satisfied to work in a sustainable factories. By initiative like organizing event like Sustainable Apparel Forum, we can easily attract any kind of buyers which is the biggest advantage for us as well as the marketing advantage we would share, which helps to gain the power of negotiation.



### REAZ UDDIN AL-MAMOON, Managing Director, Epyllion Group

We need to be sustainable to be in the market and do the business and that is future. Without that we can not do the business globally, so we need to do it anyhow and anywhere. We are the benchmark for the other countries. We came in this position by our remarkable sustainable initiatives in last 7 years.



### SHARIF ZAHIR, Director, BGMEA, Managing Director, Ananta Group

I think this kind of event is a best way to showcase the green achievements of the industry as all as the country to the world. Today we are actively known in the fashion industry, we are the 2nd largest exporters. The conversations & sessions are all about sustainability and transparency, so through this kind of event we are actually showcasing Bangladesh as a profound leader going forward.



### PRASAD PANT, South Asia Director, ZDHC Foundation

Mostafiz Uddin is doing a path breaking work in Bangladesh. He does not believe in talking, he believes in action. In such kind of forum like SAF-it is not talking about problems, it's talking about solution.



### JOHN SMITH-SREEN, Director - Economic Growth Office, USAID / Bangladesh

At Sustainable Apparel Forum people can talk about issues that are important for Bangladesh & for the whole world in terms of business to business, sustainability, economic growth. Last 30 years Bangladesh has made tremendous progress. Access to electricity at 93% and reduction of poverty at 60% as well as health indicators are improving. Apparel Industry is playing a large part in it. So sustainability issues of the industry must be considered more seriously in Bangladesh.



#### FIONA GOOCH, Senior Policy Adviser, Traidcraft Exchange Uk

The sustainable apparel forum really must be appreciated for pulling together so many different peoples from the different sector of the apparel industry. And everyone is interested and wants to be successful in apparel sector of bangladesh. Bangladesh supplies the whole world, so if bangladesh is successful in achieving sustainability, think of all the consumers around the world, they will be changed automatically.

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### BAS BLAAUW, First Secretary, Embassy of the Kingdom of the Netherlands, Bangladesh

It really important to come together physically and sit together to talk about things. And I think this particular event help us to push forward solutions. It helps us focus, it helps us to push the knowledge we have & to bring together the different perspective and different expertise together into something that we all want to achieve, sustainability.



### AKKIE OKMA, Executive Coach & Counsellor, Okma Advice

It's a very important conference where we talk about sustainability for the garments industry, that's the future I think. And it contains more than the concept of green manufacturing, it also talks about the progressive ways to treat people, women inclusiveness in the garments industry, upskilling women so that they can create new ideas, new design and their own business, because the future is changing and they have to come with green ideas and they will have a bright future for the people in garments industry.



### **DIRK LEHMANN,** Publishing Director, Sportswear International

From global perspective to think about sustainability not just as a certain sector but also a global thing. Demands of sustainable products in fashion industry is more relevant. It is more necessary than ever talking about and really acting in sustainable direction. Sustainable Apparel Forum is a very high standard event with high international level.



### ANNE-LAURE HENRY-GRÉARD, Country Programme Manager, Better Work Bangladesh

Sustainable products have definite competitive advantages for some reasons. If it is sustainable, it will more productive and efficient. This types of tendency is more trusted by the buyers. So the buyers will come to factories to source from this and this is having more competitive advantage. Bangladesh is already come a long way in social compliance and sustainability.



### RANA ALOK SINGH, Regional Director - South Asia, Ethical Tradding Initiative

If customer are practicing with the sustaintainble products and you are not cooperating it in terms of business. Sustainability is all the community of the people who involved in manufacturing process. Mostafiz Uddin not only talks & thinks about the specific, also about the Bangladesh. SAF is a very important forum through of it people will understand what is happening.



### NAZMA AKTER, President, Sommilito Garments Garments Sramik Federation & Executive Director, Awaj Foundation

If we really need to build sustainable apparel sector, we need to build trust between workers, management, stakeholders. Social dialogue infrastructure, women inclusiveness condition in Bangladesh is better now. Work condition also is much better now. Bangladesh is now learning about the role of sustainability, transparency and accountability which is new dimension for Bangladesh.







### SABINE KÜHNL, EDITOR-IN CHIEF, Sportswear International

At the age of transparency, people should know about how factories are running. If we offer the right facts in terms of how much we use energy, how we safe water, how we treat our worker it will give clear advantages to others. It will respect our right towards the way of sustainability. The empower people should attend these types of forums like-SAF and see by themselves that the situation getting improved in Bangladesh.



### **RENÉ VAN BERKEL,** Officer In Charge/UNIDO Representative, United Nations Industrial Devlopment Organization(UNIDO)

The concept of sustainability is use materials, energy and water efficiency and then safe the cost. It is also improve the environment which makes the people happy and productive in the workplace. If we take the different angle from sustainability, it will always make a business case and need little bit of effort to uncover the value. Because of SAF, Bangladesh is taking proactive role to try to showcase some of the good practice which has been done.



### CAROLINE FREIDRICH, Consultant, GFA/GIZ

SAF is a very good initiatives as it bring many friends, manufacturers, government officials and several societies. We should have all these stakeholders to encourage sustainability development in the country and we should build an environment for the sustainability, for this we need all the stakeholders with their strength and capabilities.



### KIRAN GOKATHOTI, Sustainability Manager-Bangladesh, H&M

We should do the business in such a way that should become socially, economically, financially sustainable which means we born to meet of the current and future generations. SAF brings a lot of ideas together where we look at concern of challenges or issues that needs to be addressed to the industry.



#### KAMRAN ALAM, Managing Director, Four H Group

Bangladesh has walked a big way towards sustainability and transparency since the introduction of ACCORD. Bangladesh has done and factories are safer which reports have been published in the website, so that people can see how to improve workers welfare, fire safety. Regarding sustainability Bangladesh has highest of green factories of the world which shows the commitment towards sustainability.



### MOHAMMED BIN QUASEM, Director, ECHOTEX

We are always believe in sustainable things which we are doing continuously. It is life long program and it is going on everyday. If we want to do the sustainable products, at first we should do it for us because we believe in it and we want to do it.

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### MD. SHAFIQUR RAHMAN, Managing Director, Hams Group.

First I would like thanks the organizer for this forum . In terms of sustainability we should not consider the climate sustainability , production sustainability but also should consider the economic sustainability which is very important for a nation. Bangladesh has many factories which are GBC registered . Out of 10 factories in 1 platinum 7 factories are in Bangladesh and more than 200 factories are following the Go-Green concept which are certified by USGBC. After some initiatives by Bangladeshi government , next 5 years some expertise & technical people from Bangladesh will take the country towards the success.



### MOUSUMI KHAN, CEO, Nerapon

Bangladesh has amazing role to play and it has done an amazing job in setting world standard in transparency and setting standard on the sustainable factory. We have done the hard work, now up to us to sustain that through the important safety monitoring.



### AZFAR HASSAN, Director, Giant Group

By far bangladesh is one of the best example in the world of sustainable manufacturing. We have come back strongly in every times after some decades. Now bangladesh is one of the safest country in the world to work in. All the investors, the stakeholders are very forward thinking and they are also investing in sustainability for the future. So we are welcoming initiaitives such as sustainable apparel.



#### **LUTFUL KABIR, Advisor, GIZ**

We are actively promoting sustainability because in future sustainable products will be in demand. If Bangladesh wants to compete to the global market they have to be sustainable . The beginning of Bangladesh's transformation towards sustainability has been made and it is progressing gradually. Sustainable Apparel Forum is such types of forum which helps people to know about sustainability and people of BGMEA & BKMEA attend such types of forum.



### SHAQUIB QUORESHI, Enterpriser, Business Intelligence Limited

In terms of sustainability, we should consider safety and LEED certified eco-friendly building. We need to reform our process and need to focus on that. If we produce sustainable products, the price of the products will be high, but our manufacturing system is not yet geared for that. So we should support events like Sustainable Apparel Forum to get the discussion going for the development of Bangladesh Apparel Industry.



### KYAW SEIN THAY DOLLY, Country Manager, MGF Sourcing

The world is now aware of sustainability. Customers are moving towards sustainable fashion and promotion as well as we are also very much into it. All brands & CPO decisions very much depend on how sustainable the entire process is. So in this perspective event like Sustainable Apparel Forum would prove helpful for Bangladesh as it communicates our intention to manufacture in green & sustainable way.

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### DR. RODNEY REVIERE, Programme Coordinator, GIZ

Sustainability is the issue of the day because of the climate crisis and natural resources are limited on this planet . So, sustainability is going to be the key to business success and growth. Sustainable Apparel Forum is a larger public forum where we can get the attention of stakeholders and this forum is working as a motivator to the factories to invest more in sustainable production.



### **ZAKI UZ ZAMAN,** UNIDO Country Representative In Bangladesh, United Nations Industrial Devlopment Organization (UNIDO)

Sustainable Apparel Forum is platform for global network, people comes here and get knowledge about what is happening around the world, and what are the requirements of international buyers. From that angle this is knowledge sharing platform and this knowledge needs to be transmitted among the Bangladeshi entrepreneurs in order to stay in the world market. So, this event is really very important for Bangladesh in order to move forward and having more global share.



### GOPALAKRISHNAN PADMANABHAN, Managing Director, APAC, ME, GBCI

World is moving towards sustainable planet and Bangladesh should not be left behind. Bangladesh as a country doing extremely well. Last 10 years it has been one of the first growing economist of the world. Garments manufacturing is contributing 20% to the GDP. So it is essential for the garments factory to follow this sustainability and green.



### ANSHUL CHAWLA, Country Coordinator, India And Bangladesh, Sweden Textile Water Initiative (STWI)

Historically, apparel sector has always move to country and places where the cost of manufacturing is low, at the moment Bangladesh has enjoyed the privilege that is able to meet and. In growth stage if Bangladesh able to control the manufacturing cost through sustainability action and able to use the natural resources effectively, the business will be much more competitive in the future.



### PROF. MOHAMMED ABDUL MOMEN, Director, BGMEA & Director, Pride Group

The forum is an initiative, in the end we have to showcase Bangladesh, we have to showcase the kind of development that we have achieved, and all our indicators are good. But there are very negative notion in certain areas, especially in RMG industry. Whenever small things happen it is normally portrayed in a bad way that effects the whole sector. Event like this is a constant image building event which is promoting entire industry, promoting Bangladesh and promoting made in Bangladesh brand.



### MOHAMMAD NADIM, Former Vice President, BGMEA

I appreciated this kind of organized event. The RMG sector earns almost 84% of the foreign currency and at least 4.5 million workforce are working in this biggest sector of Bangladesh. The only the sector which earns a lot of money contributed in our countries economy. It's an achievement for our apparel sector in last 30 years, and step by step our apparel sector is becoming the role model for other world for the concern of safety and compliance. So it is very important, this initiative we can go forward. This type of forum can connect the whole world and most of the people those who are already here today they can make important role for our apparel sector. This is a big opportunity of community gathering here today.

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### **MEDIA** COVERAGE-

























































































### **OUR** CONTRIBUTORS





































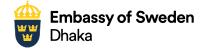




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# BANGLADESH APPAREL EXCHANGE



Bangladesh Apparel Exchange (BAE) is a non-profit organization established to promote the apparel industry of Bangladesh.

Since its inception the BAE is working for the sustainable and technological growth of the country's apparel industry through its multifarious and meaningful initiatives. The BAE offers a platform for the exchange of knowledge and expertise, combined with best working practices.

BAE continually striveds to establish forums to educate the apparel industry about the latest in technological and environmental processes to ensure the sustainable longevity of the sector. The organization believes that sustainability, technology and innovation are keys to the progress of Bangladesh apparel industry.

# OF BAE —



















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