

# Sustainable Apparel Forum 2022

ACCELERATED A SUSTAINABLE TRANSFORMATION IN THE

GLOBAL APPAREL INDUSTRY

HAPPENED IN MAY 10, 2022 DHAKA, BANGLADESH

**Event Report** 



Sustainable Apparel Forum (SAF) is **a pioneer sustainability event** of the country organized by Bangladesh Apparel Exchange (BAE).









# Promoting the sustainability agenda within textile and apparel supply chain.



www.sustainableapparelforum.com



# OBJECTIVE OF THE THIRD EDITION OF SUSTAINABLE APPAREL FORUM

Sustainable Apparel Forum (SAF) organized its 3rd Edition on May 10, 2022, after a hiatus of almost two years due to the COVID-19 pandemic. SAF conducted its earlier events in 2019 and 2022. SAF is a pioneering sustainability event of the country organized by Bangladesh Apparel Exchange (BAE), and began its journey in 2017, led by the initiative and passion of Mostafiz Uddin. The SAF eventually aims to position Bangladesh as a value-added product sourcing destination for sustainable and ethical apparel products on the global map.

For the 3rd Edition, "Beyond Business" was adopted as the central theme and the main agenda 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 innovation, technology, education, awareness and reduction of the knowledge gap.



# ACCELERATING THE MOMENTUM OF SUSTAINABILITY



The forum aimed to bring the policymakers and those connected to the apparel industry together to formulate ways to build a sustainable and responsible fashion industry. It was a real opportunity for networking, matchmaking, and exchanging views on sustainability practices and policy issues on, climate change, environmental conservation, decent work, and regulatory framework. The outcomes of the discussions and exchanges of opinions are captured in this summary document, to be used as an advocacy material and reference document to engage the stakeholders, policymakers, and supply chain actors.

These sessions were dotted with 12 live

presentations made mostly by the international stakeholders on topics aligned with the themes discussed. Besides, there were five opinion polls held to capture the perception of the audience, including the ones present online on key issues. SAF 2022, the 3rd Edition, was attended by 550+ delegates, 20+ green growth exhibitors, 50+ world-class speakers; 20+ countries, 40+ contributors, 5+ sessions, 50+ representatives from the international and national media, presentations, green growth exhibition, networking and matchmaking, and the opening and closing ceremonies. Participants spoke and delegates interacted with each other and participated in the online polls.





# THE MAN BEHIND THE SHOW

"The SAF eventually aims to position Bangladesh as a value-added product sourcing destination for sustainable and ethical apparel products on the global map. I believe together we can bring the expected changes and build a sustainable & responsible fashion industry".

With thanks and best wishes,

Gorent

**Mostafiz Uddin** Founder & CEO Bangladesh Apparel Exchange (BAE)



THE JOURNEY TOWARDS SUSTAINABILITY































NATIONAL AND INTERNATIONAL DELEGATES



WORLD CLASS SPEAKERS

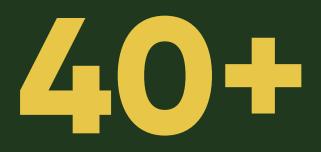


**GREEN GROWTH EXHIBITORS** 





# COUNTRIES



### PARTNERS



INTERACTIVE PLENARY SESSIONS





NATIONAL AND INTERNATIONAL MEDIA COVERAGES

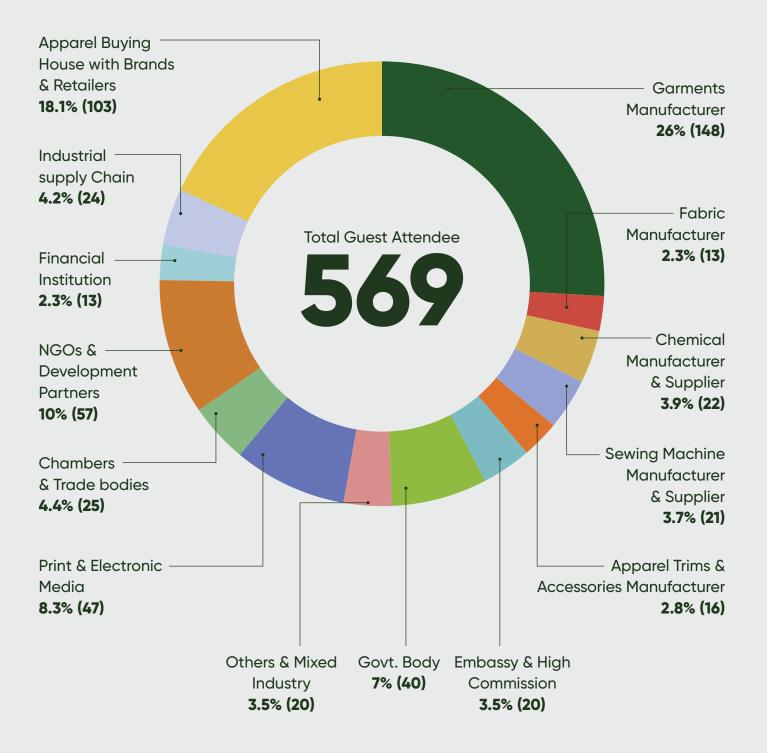






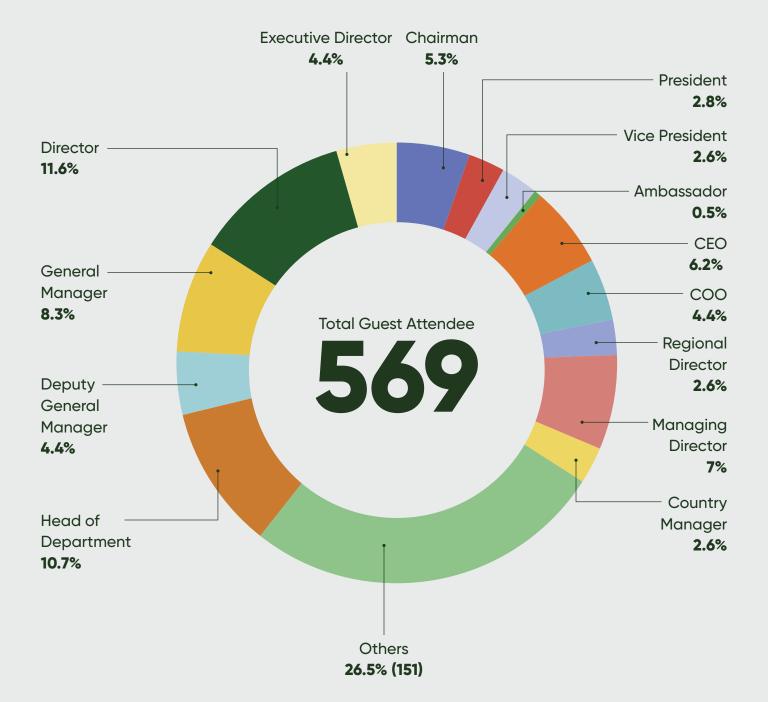
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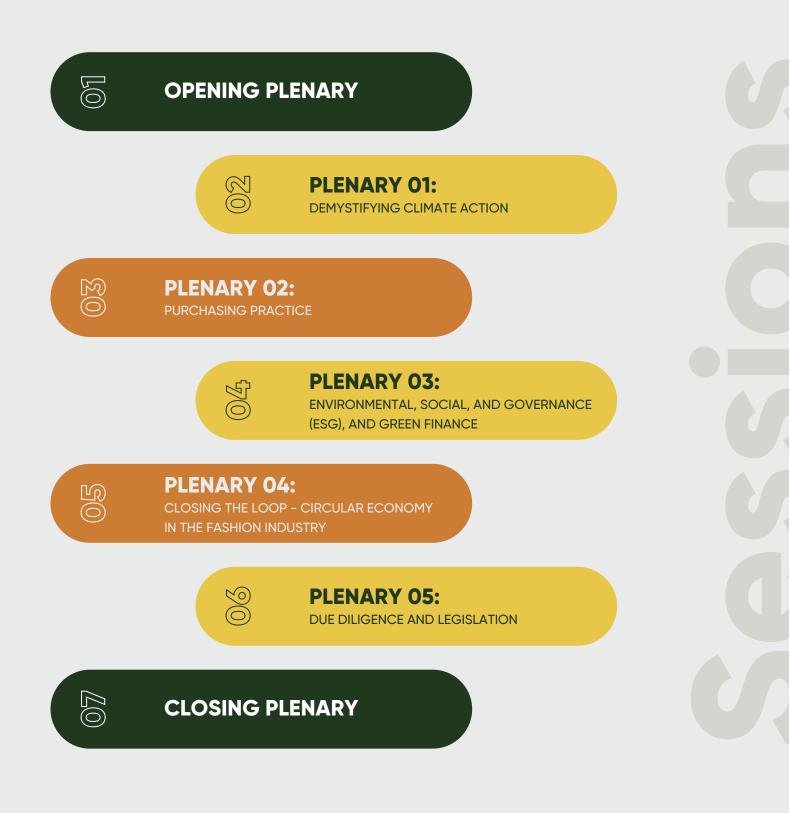




# Plenary Sessions



# PLENARY SESSIONS







# Opening Plenary





# THE GRAND OPENING

Underscoring the background and journey of the Sustainable Apparel Forum, achievements of its 1st and 2nd Editions, and the theme of this years 3rd Edition in 2022, the speakers expressed concerns about the relationship between production, supply, working environment, wages, environmental and social sustainability, responsibility and integrity in dealing with the natural resources, and human capital, financial systems, and policy and regulatory framework that constitute the business environment of the global apparel industry. "Beyond Business" was the greater picture the supply chain actors need to look at in order to achieve the environmental, social, financial, and business related sustainability goals of the enterprises, the countries, and the international community.



# THE SPEAKERS

# **MD. Atiqul Islam**

Mayor, Dhaka North City Corporation. Former President, BGMEA.

### Stephanie Theirs-Ratcliffe

Director, European Brands and Retailers, Cotton Council International.

# H.E. Anne Van Leeuwen,

Ambassador of the Kingdom of the Netherlands to the People's Republic of Bangladesh.

# Md. Mohiuddin Rubel

Director, Denim Expert Ltd. Director, BGMEA.

# **Faruque Hassan**

President, BGMEA. Managing Director, Giant Group.







Policy measures and cooperation are needed for mobilizing investment, achieving reasonable returns on investment, and uphold dignity of the labor force.

# **MD. Atiqul Islam**

Mayor, Dhaka North City Corporation. Former President, BGMEA.

MD. Atiqul Islam, Mayor of Dhaka North City Corporation, and Former President, BGMEA, said Bangladesh has proven its resilience and efficiency multiple times in the past, whether it was eradicating child labor, coping with the post-MFA era, or serious industrial accidents, and now stands out in the global arena as one of the preferred and dependable sourcing countries for apparel products, in terms of capacity, safety, and resilience. He mentioned the commendable role played by the local government and the government in general in introducing appropriate policy and incentive measures to encourage business enterprises to adopt environmental good practices. He cited the example of the provision for 10% rebate of the holding taxes in the Dhaka North City Corporation for setting up roof-top gardens, and rain-water harvesting facilities. He mentioned that the complexties in the areas of mobilizing finance, reasonable return for the investments made for environmental and safety improvement, and due diligence procedure need to be addressed for wellrounded sustainability of the apparel industry, and maintain the dignity of its labor force.





Branding Bangladesh as a responsible sourcing country to the younger generations of consumers is important.



BGMEA is taking a leadership position in engaging the development partners in improving environmental sustainability, but requires support in achieving financial sustainability.

# H.E. Anne Van Leeuwen,

Ambassador of the Kingdom of the Netherlands to the People's Republic of Bangladesh.

**H.E. Anne Van Leeuwen,** the ambassador of The Kingdom of The Netherlands to Bangladesh, said that sustainability was important not just for this generation but also for future generations. The Ambassador said the he told his son, !If it says, **'Made in Bangladesh'**, buy it!" He said that 9 in the top 100 factories were located in Bangladesh, but consumers are increasingly aware of the environmental and workers' rights issues behind the products they are buying, and Bangladeshi apparel industry is doing well to establish an image as a responsible sourcing country. However, challenges remained and to handle the issues, partnerships were important.

# **Faruque Hassan**

President, BGMEA. Managing Director, Giant Group.

**Faruque Hassan**, President of BGMEA, and managing director of Giant Group said "For the past couple of years, during the COVID pandemic, Bangladesh had to face a lot of problems and overcome many hurdles. The country is still struggling but showing enormous resilience which is reflected in the phenomenal rebound of increased export revenues". He highlighted the leadership role BGMEA played, engaging with the major development partners i.e World Bank Group, GIZ, and the Dutch Government in areas of cleaner production, energy-saving, and water management, among others. He stated the names of some such ongoing projects and the increasing number of partner factories that are participating in these initiatives. He further mentioned the challenges of green finance and complications faced while implementing them in the form of multiple inspections and audits, which are time-consuming, and add to the costs that had already shot up by some 30% in the last couple of years.





Bangladesh is a major buyer and user of cotton, and has related sustainability concerns.



"Beyond Business" implies considering environmental, social, financial, and human sustainability aspects that will shape the industry.

# **Stephanie Theirs-Ratcliffe**

Director, European Brands and Retailers, Cotton Council International.

**Stephanie Theirs-Ratcliffe,** a director of European Brands and Retailers, and a representative of the Cotton Council International, said Bangladesh is one of the largest users of cotton, and as such, this was a good opportunity to connect with the community and the industry to discuss the sustainability issues of cotton production, processing, and use. At the same time, cotton production and processing pose formidable environmental challenges, such as the high amount of water consumption, which need appropriate interventions for sustainability.

# Md. Mohiuddin Rubel

Director, BGMEA. Managing Director, Bangladesh Apparel Exchange.

Md. Mohiuddin Rubel, the managing director of Bangladesh Apparel Exchange, and a director of Bangladesh Garments Manufacturers and Exporters Association (BGMEA) welcomed all to the 3rd Edition of the Sustainable Apparel Forum (SAF) 2022. He thanked the guests, speakers, and sponsors of the event for their continued support and encouragement, and highlighted the rationale behind the "Beyond Business" theme adopted for the 3rd Edition of SAF, because sustainability of the business cycle is concerned with appropriate handling of the manufacturing and production, use of materials and utilities, environment, human capital and labor rights; consumer preferences, financial systems, behavioral integrity of the companies and management, accountability and governance, and social issues. He also highlighted that export revenues of the Bangladesh apparel industry have exceeded 40 billion dollars, but environmental sustainability issues still remain largely unaddressed, which would eventually pose a serious challenge that needs to be taken care of.



### Presentation 01

# A ROADMAP FOR DECARBONIZING THE INDUSTRY



### **Lewis Perkins** Director, European Brands and Retailers, Cotton Council International.

Lewis Perkins made an online presentation titled, "A roadmap for decarbonizing the industry", focusing on reduction of CO2 emission by 2030 in areas of apparel supply chain, and achieving carbon neutral status by 2050, based on science based targets. He spoke of the huge investment requirements and the need for successfully tapping the various funds created by governments and international bodies for climate change initiatives.

### Presentation 02

# UNLOCKING VALUE CHAIN INSIGHTS WITH SUSTAINABILITY DATA



### Vic Lau Customer Success Manager, Higg.

Vic Lau showed a presentation titled, "Unlocking Value Chain Insights with Sustainability Data" before the start of the session. He shared some insightful data and charts highlighting relations between supply chain actors. It was underscored in his presentation that even a Leed Certified eco-friendly factory building will not be able to maintain its goals for sustainable production, if there is no knowledge or control on how the raw materials and intermediate goods used in the final production are not produced or sourced in a environmentally and socially responsible way.





Plenary 01

# Demystifying Climate Action





### Plenary 01

# DEMYSTIFYING CLIMATE ACTION

It is important to maintain responsible and sustainable sourcing for raw materials and intermediate goods, in order to achieve environmental and social targets This session on Climate Action was moderated by Asif Ibrahim, the current Chair for the UNESCAP Sustainable Business Network Taskforce on Disaster and Climate Risk Reduction, Chairman, Chittagong Stock Exchange, and Director, BGMEA. The session focused on how Bangladeshi apparel industry can meet the demands of international climate action mandates while maintaining the industry's own growth trajectory, focusing on the stated science-based targets, frameworks of cooperation between the actors, options for financing and investments, and so forth. To be precise, plenary session on climate action concluded that the huge investments in investing in eco-friendly buildings and other infrastructure only made by the apparel industry of Bangladesh was not sufficient in achieving the climate action goals, but it would require acting

responsibly and implementing sustainable practices by all the supply chain actors at all stages of production, processing, and supply chain. The key recommendations on managing climate actions included (i) collaboration and long-term strategic partnership with international brands for investments in technology transfer, supply chain improvement, capacity building of local actors, and widen the use of the broad spectrum of renewable energy; (ii) frame appropriate policy and regulatory framework, and incentive schemes in Bangladesh aligned with international norms for efficient and accountable management of waste, water, chemicals, and other materials; and (iii) local capacity building of public and private entities for accessing and utilizing global climate funds.



# HIGHLIGHTS OF PLENARY 01

Key Issues	Recommendation	Critical Thoughts
1. Investing in eco-friendly infrastructure only will not be sufficient in achieving the climate action goals	1.1 Acting responsibly at all stages of supply chain will be required	1.1.1 Complexity of the supply chain and challenges of establishing traceability
2. Accessing available climate funds earmarked for Bangladesh and other developing countries	2.1 Local capacity building initiatives, and partnerships with appropriate agencies to bring in expertise	2.1.1 In a price-driven market economy, what other non-price elements have real value? How can we tap them?
3. Reduce GHG emissions and carbon footprint	3.1 Explore broad spectrum of renewable energy including hydroelectricity, energy saving technology, and biomass	3.1.1 Import of hydro-elec- tricity from Bhutan and Nepal will require activation of regional power-grid and multi-nation agreement
4. Role of international brands to mitigate the climate risks	4.1 Combine climatemove- ment with labor movement to yield the desired results to mitigate displacement and loss in livelihood	4.1.1 Who would assume the leadership role, and who would provide technical expertise, and funds?
5. National target of Bangladesh to increase the use of renewable energy up to 40% by 2041	5.1 Need for operationaliz- ing the strategy and having a clear roadmap	5.1.1 Resource mapping, correct projection for future energy-landscape



# THE SPEAKERS



### Moderator

# **Asif Ibrahim**

Chair for the UNESCAP Sustainable Business Network Taskforce on Disaster and Climate Risk Reduction, Chairman, Chittagong Stock Exchange, Director, BGMEA.

### Lindita Xhaferi-Salihu

Sectors Engagement Lead, UNFCCC.

# Rene Van Berkel

UNIDO Representative &Head, UNIDO Regional Office in India United Nations Industrial Development Organization (UNIDO) New Delhi, India.

### Professor Saleemul Huq

Director, International Centre for Climate Change and Development (ICCCAD). Professor, Independent University Bangladesh (IUB).

### Naureen Chowdhury

Senior Programme Manager, Laudes Foundation.

# **Masarrat Quader**

Public Affairs and Stakeholder Engagement Manager, Bangladesh, H&M Group.





Manufacturers and suppliers in Bangladesh need to learn how to access the available funds on climate action.

# Lindita Xhaferi-Salihu

Sectors Engagement Lead, UNFCCC.

Lindita Xhaferi-Salihu, Sectors Engagement Lead, UNFCCC, responding to the question posed by the moderator on the investment requirement to achieve the stated goal of keeping the rise of global temperature within 1.5 degree Celsius, said it has been estimated that 170 billion dollars will be required by 2025, and another 365 billion by 2040 to decarbonize all industries, not just the apparel industry. These investments could be mobilized by the corporates and by the governments, but there will be a need for developing a mechanism and streamlining access to finance.

The global brands in the apparel industry, and other stakeholders should come up with innovative ideas and state their investment needs clearly, she said. She also said manufacturers and suppliers in Bangladesh need to learn how to access the already available funds, local and international, in an easier manner.





The large number of certified green factory buildings is not enough to improve our carbon emission profile. What is urgently required is to increase use of renewable energy, e.g., solar, hydro, and biomass.



Explore broad spectrum of renewal energy, energy efficiency, improve process and introduce technology to reduce use of raw materials and wastage for the same volume of production output.

# **Professor Saleemul Huq**

Director, International Centre for Climate Change and Development (ICCCAD). Professor, Independent University Bangladesh (IUB).

**Professor Saleemul Huq,** Director, International Centre for Climate Change and Development (ICCAD), and Professor, Independent University Bangladesh (IUB), responded to the question posed by the moderator on what strategy the Bangladesh apparel sector should take to align with the ambitious global action strategies of the global apparel brands, and what should Bangladesh do to meet the targets of the global consumers while there is a disconnect with the local emission situation with the global targets, by saying that we need to turn to the broad spectrum of renewable energy, and engage in other environmentfriendly action including saving energy and fossil fuels, in order to achieve both. He added that there is a large number of platinum and green factories in Bangladesh, signifying achievements in energy efficiency, but we need to do more.

### **Rene Van Berkel**

UNIDO Representative & Head, UNIDO Regional Office in India United Nations Industrial Development Organization UNIDO) New Delhi, India.

**Rene Van Berkel**, Representative, and Head, Regional Office in India, United Nations Industrial Development Organization (UNIDO), responded to a question from the moderator, as to what can be done to break away from the dependence on solar energy and move to other sources of renewable energy, and what specifically can be done to import hydro-electricity to Bangladesh from the Bhutan-Nepal Basin, by highlighting the wide variety of possibilities available for renewable energy sources. He mentioned rooftop photovoltaic panels, the import of hydroelectricity energy from Bhutan and Nepal using the regional grid and saving energy by using technology and biomass.





# **Naureen Chowdhury**

Senior Programme Manager, Laudes Foundation.

The narratives for vulnerability should bring in the human dimension, and climate movement should be combined with labor movement to initiate effective reforms. **Naureen Chowdhury,** Senior Program Manager, Laudes Foundation, responded to the moderator who asked what the global enterprises were doing to support the financing needs and other activities to mitigate the climate change risks, by saying we definitely needed some action plan to combine the labor movement and climate movement, so that some real actions could be initiated.





The national target of Bangladesh to have 40% renewable energy by 2041, needs to be put into operation.

# **Masarrat Quader**

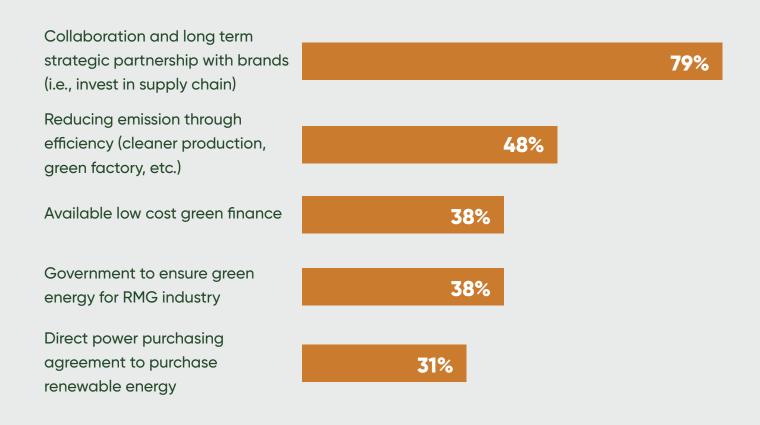
Public Affairs and Stakeholder Engagement Manager, Bangladesh, H&M Group.

**Masarrat Quader,** Regional Public Affairs & Stakeholder Engagement Manager, H&M Group, said in response to the question regarding the measures taken for collaboration with the suppliers for decarbonization, and the role of incentives to encourage climate action in Bangladesh, that H&M had the plan to reduce GHG emission by 60% by 2030, and become climate neutral by 2040. She added that about 60% of GHG emission comes from the materials or the productions, and they needed to engage their suppliers to reduce the emissions at the production level. She elaborated that suppliers often ask for finances to implement energy efficiency, but putting the proper incentive mechanism was very important before mobilizing investments for such purposes. She appreciated the high-level political commitment in favor of achieving a 40% mix of renewable energy of the total energy production by 2041, and mentioned that such commitments need to be put into operation.



# **AUDIENCE POLL**

To achieve the desired climate action target for the RMG industry of Bangladesh, according to you, which are the top 3 strategic priorities the RMG industry of Bangladesh should consider?





# Plenary 02

# Purchasing Practice





### Plenary 02

# PURCHASING PRACTICE

The session on Purchasing Practice was moderated by Dr. Najet Draper, Vice President of Research, Better Buying, who sheds light on the contemporary trends of purchasing practice, and how they affect the business and environmental sustainability. Dr. Draper showed in her brief starting presentation that Bangladesh has made some improvements in all major areas of better purchasing index in 2021 compared to 2019, and did better in covering the costs related to compliance, compared to China and Vietnam. She posed the question to the panel on what suppliers were doing at the ground level to improve the working conditions vis-a-vis the contemporary trends in purchasing practices. In the backdrop of falling global prices of the inal apparel products against the rising costs of wages, materials, production, compliance, and freight, the apparel industry of Bangladesh concludes that there should be a system to determine fair prices that the suppliers receive from the brands, wholesalers, and retailers in the buyer countries. Determining the fair prices must consider, among other things, the costs of a living and fair wage to be paid to the workers, the administrative

and management costs for social and environmental compliance required for ensuring responsible and sustainable manufacturing practices, and capital investments made. However, in a market-driven system governed by price-competition, it is very challenging to negotiate the terms of fair pricing in a market where suppliers are numerous and buyers are few. Hence, it would be necessary to engage a broad range of supply chain actors - the global brands commanding the bulk purchases of apparel products, consumer groups, policymakers and regulatory authorities at home and in destination countries, development partners, and manufacturers. The key recommendations for transforming the purchasing practices sustainable from the business point of view included (i) identifying key bargaining points for the manufacturers and suppliers in Bangladesh to negotiate a system of fair pricing in the context of paying a decent and living wage to the workers, and cost of compliance; and (ii) introduction of various social safety net schemes in Bangladesh, e.g., employment injury insurance scheme, unemployment insurance, and pension, etc.



# HIGHLIGHTS OF PLENARY 02

Key Issues	Recommendation	Critical Thoughts
1. Maintaining fair prices	1.1 Prices to be decided in the light of paying a decent and living wage to the workers	1.1.1 What will be the bargaining strength of the suppliers?
2. Investments made on social and environmental requirements often have slow payback period	2.1 Provisions for cost shar- ing and other means of partnership should be in place	2.1.1 Whenever possible, general infrastructure and public goods should be shared by multiple beneficiaries
3. Social and community pressure and advocacy to ensure accountability	3.1 Accountability provisions should be incorporated in legislations and financial systems	3.1.1 Continuation is challenging
4. Absence of social safety net in Bangladesh	4.1 The provision for provid- ing the minimum support to the workers during crisis periods must be in place	4.1.1 Introduce social safety net schemes, e.g., unem- ployment benefits, injury insurance, retirement pensions, etc



# THE SPEAKERS



### Moderator

### **Dr. Najet Draper**

Vice President of Research, Better Buying.

### **Dr. Mark Anner**

Professor, Labor and Employment Relations, and Director of the Center for Global Workers' Rights, Penn State University.

# **Ayesha Barenblat**

Founder and CEO, Remake.

# **Annabel Meurs**

Head of Supply Chain Transformation, Fair Wear.

# Abdullah Hil Rakib

Managing Director, Team Group. Director, BGMEA.

### **Bas Blaauw**

First Secretary, Embassy of the Kingdom of the Netherlands, Dhaka.

# **Matthijs Crietee**

Secretary General, IAF (International Apparel Federation)

### Nazma Akter

Founder and Executive Director, Awaj Foundation. President, Sommilito Garments Sramik Federation.







Historical data for 10 years for men's and boy's cotton pants exported from Bangladesh to the USA experienced a 17% decline in nominal prices, and 34% decline in inflation adjusted prices, which contravenes the idea of paying a decent wage to the workers.

# **Dr. Mark Anner**

Professor, Labor and Employment Relations, and Director of the Center for Global Workers' Rights, Penn State University.

**Dr. Mark Anner,** Professor, Labor and Employment Relations, and Director, The Center for Global Workers' Rights, Penn State University, in his deliberation, briefly outlined the downward trend in real prices paid to the suppliers, for the selected apparel products shown by the historical price data adjusted for inflation. Such downward price trends do have impact on the nominal wages, safety, welfare, and working conditions, apart from the squeezes in the profit margins. Dr. Anner suggested that purchasing prices must be decided in terms of a decent wage for the workers, and transparency should be in place to show how the pricing process allows payment of decent and living wages.



Huge investments made and costs incurred to comply with safety and environmental requirements has made the Return on Investment (Rol) scenario bleak.

# Abdullah Hil Rakib

Managing Director, Team Group. Director, BGMEA.

**Abdullah Hil Rakib,** Director, BGMEA, and Managing Director, TEAM Group, responded to the request to explain why prices were going down despite successes in maintaining the resilience and supply capacity, and increasing incidents of non-payment of wages. He said that the increasing costs and huge investments made in complying with environmental and safety requirements has turned the business situation difficult for Bangladesh, particularly without easily accessible and adequate financial support and credits.





Need for building enduring partnerships based on shared responsibilities.

#### **Bas Blaauw**

First Secretary, Embassy of the Kingdom of the Netherlands, Dhaka.

**Bas Blaauw,** First Secretary, Economic Affairs and RMG, Embassy of the Kingdom of the Netherlands in Bangladesh, was asked about what the buyers can uw responded that one possible recourse would be to build enduring partnerships on the basis of shared responsibilities in areas of pollution control, technology upgrade, and working conditions.



"Pay Up" Campaign helped prevent or reverse the order cancellation worth 22billion dollars globally during COVID-19.

# Ayesha Barenblat

Founder and CEO, Remake.

**Ayesha Barenblat,** Founder & CEO, Remake, responded on the question of the role of her organization in improving purchasing practices, by saying that their advocacy during the COVID pandemic helped prevent or reverse the order cancellation worth 22 billion dollars through organizing the "Pay Up" campaign, engaging millions of consumers, company people, workers' groups, and suppliers.





Manufacturing associations from 11 countries have launched an initiative to improve purchasing practices.

# **Matthijs Crietee**

Secretary General, IAF (International Apparel Federation)

**Matthijs Crietee,** Secretary General, International Apparel Federation (IAF), responded to the question posed by the moderator on whether it would be possible for the IAF to evaluate the role of the brands in influencing the purchasing practices, by saying that there are joint initiatives by 15 manufacturing associations, representing three-fourths of the global manufacturing of apparel products from 11 countries to improve commercial compliance and due diligence related to fair and transparent purchasing practices. However, there are systemic challenges that are too complex to be tackled by traditional ways.



Without adequate provision to meet the minimum requirements for a crisis situation, no strategy for improving sustainability will work.

## Nazma Akter

Founder and Executive Director, Awaj Foundation. President, Sommilito Garments Sramik Federation.

**Nazma Akter,** Founder and Executive Director, Awaj Foundation, and President, Sommilito Garment Sramik Federation, was asked the question on the expectations from the brands in the context of the order cancellation worth 3 billion dollars during the COVID-19 pandemic. She said that it was shameful that the industry could not pay one month's salary to the workers when the factories were closed due to the pandemic, and this posed a serious question on the sustainability of the apparel sector at a time of crisis. She suggested that there should be provisions for fair prices and profit sharing.





# **Annabel Meurs**

Head of Supply Chain Transformation, Fair Wear.

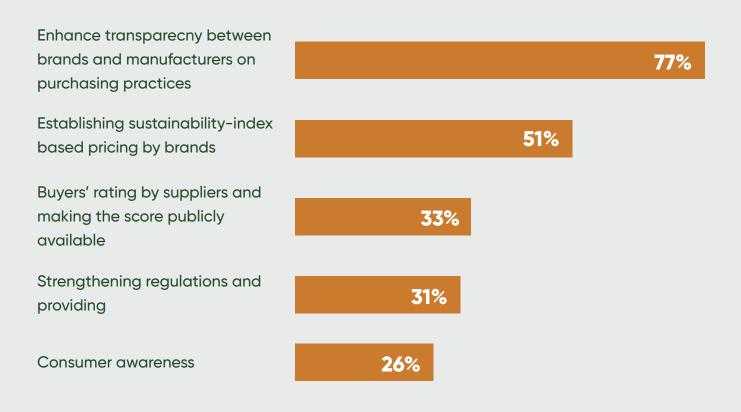
Buyers need to be compliant too, and a common framework is being developed. **Annabel Meurs,** Head of Supply Chain Transformation, Fair Wear Foundation, was asked what measures the supply chain actors, brands and manufacturers can take to minimize the impact of the external changes and make a holistic approach to improve the purchasing practices, and responded by saying that there have been examples of price increase by a handful of brands, but it did not happen across the board.





# **AUDIENCE POLL**

Better purchasing practices have huge implications on suppliers and workers; to ensure better purchasing practices, which are the three critical areas that should be considered?





Plenary 03

# ESG (Environment, Social & Governance) & Green Finance.

ES (ENVIROMENTA SOCIAL GOVE ANCE)





#### Plenary 03

# ENVIRONMENTAL, SOCIAL & GOVERNANCE (ESG) AND GREEN FINANCE

Environmental, Social, & Governance (ESG), and Green Finance" was moderated by Jenefa K Jabbar, Director, Social Compliance and Safeguarding, BRAC, and held discussions on the issues of ESG score in making the businesses resilient in the long run; importance of collaboration with the buyers, conducive policy framework, availability and challenges associated with green finance schemes, and shared responsibilities of the supply chain actors. The moderator set the context of the discussion by saying that globalization and fast fashion has peaked the consumption for apparels and created serious environmental and social implications. She further added that apparel sector uses 79 billion cubic meters of water, and is responsible for 8% of the total GHG emissions annually. This session underscored that the apparel industry of Bangladesh continues investing a fortune to improve and maintain the environmental and social compliance, and related infrastructure and procedures, but suffers a slow payback

period on such investments made. The payback period is slow because such investments and compliance do not automatically commands a higher price from the buyers, but just secures supply contract. However, Bangladesh now enjoys a commendable position in the global supply chain, as far as social and environmental compliance are concerned. However, there is room for improvements in governance issues. The area of governance in areas of environmental and social sustainability remains weak, particularly due to absence of appropriate policy and regulatory framework, and incentive structure. There are also challenges in improving accessibility to available green finance schemes. This session on ESG and green financing concluded with recommendations for (i) developing appropriate policy and regulatory framework, and incentive schemes aligned with industry needs, and market trends; and (ii) ensuring availability and easy access to green financing schemes, with more flexibility for the SMEs.



# HIGHLIGHTS OF PLENARY 03

Key Issues	Recommendation	Critical Thoughts
1. Green financing challenges, particularly for the SMEs	1.1 A separate pilot fund could be initiated, with provision for guarantee by the government, and/or sector associations	1.1.1 Capacity building in fund utilization, financial governance
2. Weak governance	2.1 Digitization, whenever possible	2.1.1 Data security and identity protection
3. Incentive mechanism for improving ESG	3.1 Develop appropriate policy and regulatory framework, aligned with industry needs, and market trends	3.1.1 Incentive mechanism for improving governance is complex and needs local capacity building in areas of audit, inspection, and reporting





# THE SPEAKERS



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#### Moderator

#### Jenefa K Jabbar

Director, Social Compliance and Safeguarding, BRAC.

## Ranjan Mahtani

Chairman, Epic Group.

# **Kamal Quadir**

Founder and CEO, bKash.

## **Kim Hellstrom**

Head of Green Investment Supply Chain, H&M Group

## Nawshad Mustafa

Deputy General Manager, Bangladesh Bank.

#### **Gemma Verhoven**

Impact Investment Team Lead, Good Fashion Fund.

#### Munawar Misbah Moin

Managing Director, Rahimafrooz Renewable Energy Limited.







# Ranjan Mahtani

Chairman, Epic Group.

Epic Group had opened up bank accounts for their 20,000 employees for improving governance in payroll management. **Ranjan Mahtani,** Chairman, EPIC Group, started off with brief remarks touching upon the importance of human capital and congenial workplace. Underscoring the need for increased governance in payroll management, he cited the example of opening up bank accounts for about 20,000 employees of his group, and highlighted various charity initiatives for the employees. He also mentioned the importance they put on environmental safeguarding.



Supporting the suppliers in introducing energy efficient technology, ecofriendly processing, and clean manufacturing.

## **Kim Hellstrom**

Head of Green Investment Supply Chain, H&M Group

**Kim Hellstrom**, Head of Green Investment Supply Chain, H&M Group, was asked by the moderator about the strategy H&M has, to achieve their stated objective of 'net zero' emission by 2040, and what they were doing to engage the suppliers and support them to achieve this target. Mr. Hellstrom responded that they are supporting the suppliers in introducing energy efficient technologies, environment-friendly processing and clean manufacturing, and by providing specific solutions for specific tasks.





Manufacturers in Bangladesh are seeing business cases in saving utilities, and materials, but needs capacity building in governance areas.



More than one million workers used bKash to receive the fund from the government as payroll support, disbursed by the employers.

# Gemma Verhoven

Impact Investment Team Lead, Good Fashion Fund.

**Gemma Verhoven,** Team lead Impact Investments, Good Fashion Fund, was asked how they were assessing the eligibility of Bangladeshi manufacturers, particularly the small and medium enterprises in accessing the green fund. Ms. Verhoven responded that more and more companies are seeing a solid business case in investing in environmentally sustainable process and technology, and social compliance is also getting importance. However, Bangladesh needed capacity building in governance issues, including financial reporting. She further said that they help Bangladeshi companies in improving their eligibility to apply for loans from the Good Fashion Fund.

# Kamal Quadir

Founder and CEO, bKash.

**Kamal Quadir,** Founder & CEO, bKash, introduced his company bKash saying that it was a central bank regulated mobile phone-based financial service; it is primarily owned by Brac Bank, and has the World Bank Group, Alibaba, etc., as shareholders. In response to the moderator's question on what extra steps bKash took during the COVID pandemic, Mr. Quadir stated that more than one million workers had used bKash to receive the fund provided by the government as payroll support during the COVID-19 pandemic.





To facilitate green financing for small and medium enterprises, either a separate fund can be created, or provisions for providing guarantee either by the sector association or the government should be initiated.

# Nawshad Mustafa

Deputy General Manager, Bangladesh Bank.

**Nawshad Mustafa**, Deputy General Manager, Bangladesh Bank, was asked by the moderator, how the central bank can support the green financing schemes so that enterprises of all sizes and capacity can benefit from such schemes, and no one is left behind. Mr. Mustafa highlighted various green funding schemes offered by the central bank, and shared some updated information on the use of the funds. For inclusion of smaller enterprises under the green financing scheme, he suggested two options - creation of a separate fund, provision for guarantee provided by the government, or the business associations like BGMEA.



Creation of a pilot fund to provide green financing support to the SMEs, and/or provide guarantee for loan repayment.

# Munawar Misbah Moin

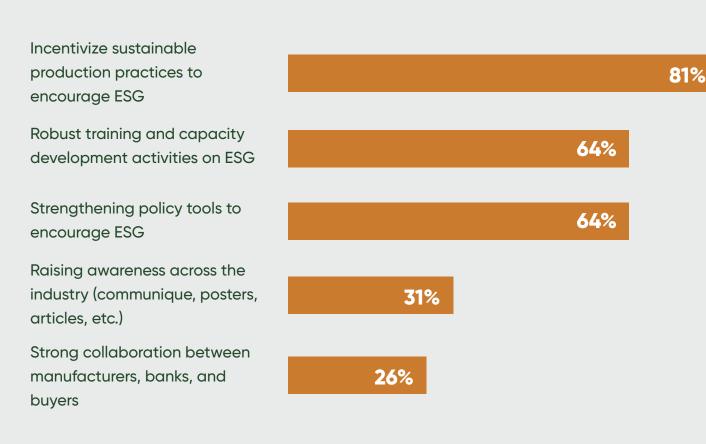
Managing Director, Rahimafrooz Renewable Energy Limited.

**Munawar Misbah Moin,** Managing director, Rahimafrooz Renewable Energy Limited, was requested to elaborate on the available financing options for solar based renewable energy set ups, and ways to include small and medium enterprises in the financing schemes. Mr. Moin responded that he wholeheartedly supported the propositions made by the central bank official, either to create a separate pilot fund for bringing the SMEs under green financing scheme, or have policy provision for the government, trade bodies, and/or supply chain actors to provide guarantee in favor the SMEs requiring the green investment. Mr. Moin also mentioned the rapidly changing energy ecosphere, shifting towards electric vehicles running on storage batteries, creating room for aligned investment and infrastructure development.



# **AUDIENCE POLL**

To enhance the Environmental, Social, and Governance (ESG) performance of the apparel industry, which are the immediate needs of the industry that should be addressed?





#### Presentation 03

SETTING A NEW STANDARD IN MORE SUSTAINABLE COTTON GROWING.



# **Stephanie Thiers-Ratcliffe**

Director European Brands and Retailers, Cotton Council International.

#### Presentation 05

# DRIVE TOWARDS SUSTAINABLE RMG INDUSTRIES.



# Mohamad Anis Agung Nugroho

Program Manager, Better Work Bangladesh. Presentation 04

# WHY ESG IS MATTER TO ALL OF US?



Marie Busck Head of CSR & Sustainability DM&T.

Presentation 06

# PARTNERSHIP AND COLLECTIVE ACTION: A NEW KIND OF LEADERSHIP.



**Amina Razvi** CEO, Sustainable Apparel Coalition.





# Closing the Loop: Circular Economy in Fashion Industry





#### Plenary 04

# CLOSING THE LOOP - CIRCULAR ECONOMY IN THE FASHION INDUSTRY

The session was moderated by Micke Magnusson, Entrepreneur in Residence & Agent for Impact, ENVIU, and focused on how the apparel industry of Bangladesh can locally manage the circularity loop and meet the demands of the partner brands and consumers, knowledge and policy issues, collaboration aspects and shared responsibilities of the supply chain actors, transformation from linear economic model to circular model, and what can be done by the suppliers, financiers, and brands for bringing in this transformation. The moderator posed two basic questions to the panelists for discussion - what have they learned in their effort for transformation into circularity, and what can be recommended for further improvements in future. The session discussed that Bangladesh apparel industry has started its journey on the path of circularity some four decades ago, but is transforming itself from the linear path of using material resources at present. By now,

the industry has learned the benefits of recycling, reuse, conservation, and minimization of waste and materials. However, the circularity loop is too wide to be managed effectively by a single actor in the supply chain, and needs linkages with other actors. The 3rd Edition of the Sustainable Apparel Forum held on May 10, 2022 discussed the state of affairs of managing circularity at the local level, and shed light on the lessons learned and what can be done to improve the pace of transformation towards a better circularity. The Forum agreed on a number of priority needs to boost up this transformation, such as, (i) developing appropriate policy and regulatory framework on waste Management and recycling, including realistic targets and incentive schemes; (ii) market development for collectors and aggregators of waste materials; and (iii) review of the local practices for chemical recovery, and water management.



# HIGHLIGHTS OF PLENARY 04

Key Issues	Recommendation	Critical Thoughts
1. Policy & Regulatory Framework on Waste Management and Recyling	1.1 Needs to be in place, with clearly stated targets and time-bound roadmap	1.1.1 Need for alignment with local context, and international norms and trends
2. Market development for collectors and aggregators of waste materials	2.1 E-commerce solutions and incentive mechanism need to be launched	2.1.1 Maintaining transparency and establishing traceability
3. Bangladesh could be very large source for recy- cled contents in apparel products	3.1 Finding appropriate waste materials, efficient collection, and aggregation	3.1.1 Where do we get the recyclable fiber and fabric, for export oriented apparel industry?
4. Not only fiber, reuse, recovery, and recycling of chemicals, and other raw materials	4.1 Appropriate partner- ships between technology providers, financiers, regulators, and supply chain	4.1.1 Focus on national interest, policy coherence, and positioning the global value chain



# THE SPEAKERS



#### Moderator

#### **Micke Magnusson**

Entrepreneur in Residence & Agent for Impact, ENVIU.

# Tapan Kanti Ghosh Pascal Brun

Senior Secretary, Ministry of Commerce, Government of the People's Republic of Bangladesh.

## Leila Yim Surratt

Director of Strategy & Engagement, P4G.

#### Shehrin Salam Oishee

Director, BGMEA, and Director, Envoy Group.

# **Holly Syrett**

Impact Programmes & Sustainability Director, Global Fashion Agenda.

#### Head of Sustainability. H&M.

## Ian Cronin

Community Curator, Platform Shaping the Future of Advanced Manufacturing & Value Chains, World Economic Forum.

## **Alfredo Ferre**

CEO, Recover.

#### Khushbu Maheshwari

Innovation Analyst, Asia, Fashion For Good

#### Javier Santonja Olcina

Regional Head, Bangladesh & Pakistan, Inditex.

## **Naser Ezaz Bijoy**

CEO, Standard Chartered Bank of Bangladesh.

## **Martin Stenfors**

COO, Renewcell.





# Tapan Kanti Ghosh

Senior Secretary, Ministry of Commerce, Government of the People's Republic of Bangladesh.

The Ministry of Commerce, Bangladesh, is yet to formulate appropriate policy and regulatory framework to promote circular economy, and partnerships will be needed for technology transfer and cost sharing. **Tapan Kanti Ghosh,** Senior Secretary, Ministry of Commerce, Government of the People''s Republic of Bangladesh, responded as representative of the regulator on behalf of the government, by saying that adequate regulatory and policy framework needed to promote circular economy is still not in place in Bangladesh, but the Ministry of Commerce is working on it along with the stakeholders. He also said they Bangladesh apparel industry needs to forge partnerships with the technology providers, buyers, and other supply chain actors for increased use of recycled materials and recovery of chemicals and other raw materials, and for cost sharing.



It's an imperative to cut our emissions by half in every decade, and we need to set ambitious targets, appropriate roadmaps, and policy & regulatory framework.

#### **Pascal Brun**

Head of Sustainability. H&M

**Pascal Brun,** Head of Sustainability. H&M, said that setting an ambitious goal moves things faster, and there is an imperative prompted by scientific evidence that we need to cut our GHG emissions by half in every decade, so that we can achieve the 'net zero' status by 2040. Setting targets would not be sufficient and we need to have appropriate roadmaps as well to reach the targets. He said Bangladesh is on the right path to achieve a top position in the circular economy, if recycled cotton is used by its huge apparel industry, but appropriate policy and regulatory framework will be needed on recycling and waste management.





Partnership and collaboration amongst the supply chain actors and regulators is essential for effectively promoting circularity.

# Javier Santonja Olcina

Regional Head, Bangladesh & Pakistan, Inditex.

Javier Santonja Olcina, Regional Head, Bangladesh & Pakistan, Inditex, said that everyone including regulators, financiers, suppliers, technology providers, and brands needs to work together in promoting circular economy. Citing the example of his own company, he said Inditex made a move to integrate the whole operations vertically so that they could have more control on sourcing, and now their main focus was on vertical integration for circularity. To achieve the required level of such vertical integration, partnership and collaboration between all levels of supply chain actors, i.e., suppliers of raw materials, manufacturers, brands, retailers, and regulators will be necessary.



Collection and aggregation of waste materials remain a formidable challenge, and existing demand for waste materials cannot be catered without an effective collection and aggregation system in place.

#### Leila Yim Surratt

Director of Strategy & Engagement, P4G.

Leila Yim Surratt, Director of Strategy & Engagement, P4G, also underscored the need for forging effective partnerships amongst the supply chain actors and technology providers. She also mentioned that in addition to recycling, waste management, recovery and reuse of water and chemicals are also needed to promote circularity in a more meaningful way. She mentioned that SMEs are important parts of the supply chain, and their capacity for maintaining circularity needs to be supported by the large corporate partners, financiers, development agencies, and regulators. She pointed out that collection and aggregation of waste materials are a formidable challenge, and without resolving this, the existing demand for waste materials cannot be catered.





# Ian Cronin

Community Curator, Platform Shaping the Future of Advanced Manufacturing & Value Chains, World Economic Forum.

Retail brands are increasingly in the lookout for products with more recycled contents, creating an opportunity for transformation towards circularity. **Ian Cronin,** Community Curator, Platform Shaping the Future of Advanced Manufacturing & Value Chains, World Economic Forum, said that Bangladesh is in an ideal position to move up the value chain of recycled materials used in the production of apparels. This transformation is already happening in Bangladesh, but there is a need for investment mobilization and technology transfer.





Majority of international brands are keen to remove companies from their supply chain by 2025 if they are slow in transition towards circularity.

## Naser Ezaz Bijoy

CEO, Standard Chartered Bank of Bangladesh.

**Naser Ezaz Bijoy,** CEO, Standard Chartered Bank of Bangladesh, cited various statistics to demonstrate the trend among the majority of investors requiring to have specific and clearly stated 'net zero' emission strategy as a prerequisite for investment decision. He further added that 78% of the international brands are keen to remove companies from their supply chain from onward 2025 if they are slow in transition towards circularity. Mr. Bijoy then highlighted some of the innovative loan products to encourage ESG among the enterprises and said the whole eco-system of the industry-specific supply chain actors, and particularly the collection and aggregation of the waste materials is not very clear yet, making it challenging for the banks in making credit decisions. The cost factor depends on the scale, which is still limited, and consequently keeping the costs high at the moment. Accessing carbon credits could help mitigating the current high costs in the short-and mediumterm.





# Shehrin Salam Oishee

Director, BGMEA, and Director, Envoy Group

There is a need for building partnerships with the major recycling enterprises from around the world, so that they can start operations in Bangladesh. **Shehrin Salam Oishee**, Director, BGMEA, and Director, Envoy Group, said that all entrepreneurs need to be responsible in a collective manner, and need the support of the regulators and international brands. There is a need for building strong partnerships and collaboration amongst all stakeholders – producers, spinners, manufacturers – all need to come out and speak with one and the same voice adding that we must discuss how we can enhance the quality of manufacturing in a sustainable ways. She recommended bringing in the major recycling enterprises from around the world and forge partnerships with them so that they can start operations in Bangladesh.



#### **Alfredo Ferre**

CEO, Recover.

Recover targets to produce 60,000 tonnes of recycled fiber by the end of 2023 in Bangladesh.

Alfredo Ferre, CEO, Recover, said they have 75 years of experience of selling recycled cotton products in Europe, but have been facing challenges with scalability in recent years. He added that they decided to start operations in Bangladesh because it's a big producer of waste. Their first set of machines has already reached Bangladesh the second will be on the way soon, and they planned to recycle 60,000 tonnes of fiber by the end of 2023, which will produce about 150 million units of the final product.





# **Martin Stenfors**

COO, Renewcell.

Scaling up investments in recycling is expensive and timeconsuming, and interventions are needed. **Martin Stenfors,** COO, Renewcell, said that they are recyclers of chemicals in cotton fiber addind that there was also room for recycling the fibers and chemicals from synthetic materials. He said investing in recycling technology was costly and there was need for scaling up the investments.



# **Holly Syrett**

Impact Programmes & Sustainability Director, Global Fashion Agenda.

Continued dialogues are a good way to speed up collaboration to promote circularity.

**Holly Syrett,** Impact Programmes & Sustainability Director, Global Fashion Agenda, said there is huge demand from the major fashion brands for recycled materials. She said continued dialogue between the stakeholders is a good way to speed up collaboration in promoting circularity.





# Khushbu Maheshwari

Innovation Analyst, Asia, Fashion For Good.

**Khushbu Maheshwari,** Innovation Analyst, Asia, Fashion For Good, highlighted the wide scope of their work, and their engagement with multiple brands and supply chain actors. To promote circularity, they can support in digitizing the traceability, a very important step for ensuring sustainability and transparency.

Digitalization of traceability of materials used in the production process is important in ensuring environmental & social sustainability.

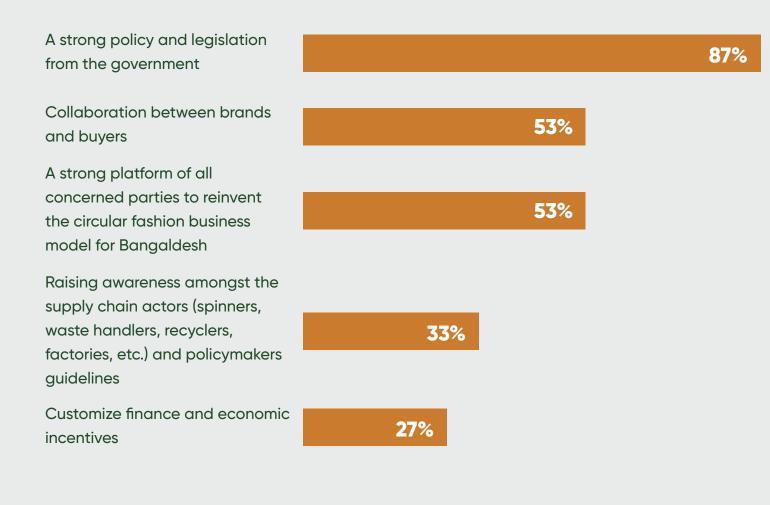




# **AUDIENCE POLL**

**EVENT REPORT** 

What are the three critical needs of the Bangladesh RMG industry to adopt the circular economy and locally close the loop?





#### Presentation 07

CATALYZING A SUSTAINABLE CIRCULAR ECONOMY.



lan de Cruz Global Director, P4G. Presentation 08

CONVERGENCE, COLLABORATION & CREDIBLE DATA: THE 3CS OF SLCP



**Janet Mensink** 

Executive Director, Social and Labour Convergence Program (SLCP).



Plenary 05

# Due Diligence and Legislation





#### Plenary 05

# DUE DILIGENCE AND LEGISLATION

Miran Ali, Vice President, BGMEA, and Managing Director, Bitopi Group was the moderator of the Plenary Session 5, and started off with the tremendous importance put on compliance procedure and reporting requirements. He mentioned that sustainability and due diligence will be the next big challenge for the apparel industry in Bangladesh, and throughout the supply chain. Bangladesh needs to build capacity to comply with the new and changing regulations. The upcoming new legislations on due diligence from the European Union on human rights and environmental issues were discussed at length at the 3rd Edition of Sustainable Apparel Forum. The Forum expressed concerns on the rising costs of compliance in the context of decreasing prices, and underscored the need for lasting and meaningful partnership based on shared responsibility with the European brands to enhance the local capacity for compliance. The Forum also underscored the

preparedness of Bangladesh for meeting any new sets of regulations because Bangladesh has already ratified a large number of ILO Conventions and other international regulations.

The session concluded with the key recommendations on (i) identifying areas of shared responsibility with the brands and retailers in the buying countries on key issues of environmental and social compliance; (ii) pushing towards a fair pricing mandate; and (iii) framing appropriate local policy and regulatory framework, and incentive mechanism to cover the manufacturers supplying locally to the export-oriented enterprises.



# HIGHLIGHTS OF PLENARY 05

Key Issues	Recommendation	Critical Thoughts
1. Compliance capacity for the new legislations on due diligence from the European Union on Human Rights and Environmental concerns.	1.1 BGMEA and Bangladesh Sustainability Council should take the lead and form partnership with the stakeholders.	1.1.1 The cost of compliance, and the period of economic returns.
2. Mitigating the downward trend of the product prices in the context of increased cost for compliance.	2.1 Brands need to take a mandatory responsibility to ensure payment of decent wages to the workers, by calculating the cost of paying a decent and living wage before deciding the price.	2.1.1 In a price-driven market economy, what other non-price elements does have real value? How can we tap them?



# THE SPEAKERS



#### Moderator

#### Miran Ali

Vice-President, BGMEA, and Managing Directort, Bitopi Group.

#### Anna Athanasopoulou

Head of Unit for Social Economy & Creative Industries, European Commission.

## **Toumo Poutiainen**

Country Director, International Labour Organization.

# Kalpona Akter

Executive Director, Bangladesh Center for Workers Solidarity, and President, Bangladesh Garment & Industrial Workers Federation.

## **Hendrik Alpen**

Global Head of stakeholder Engagement & Social Impact, H&M Group.

# **Zahangir Alam**

Social Labour Manager, Bangladesh & Pakistan, Bestseller.

#### **Barbara Bijelic**

Financial Sector and Regulatory Engagement Lead, Center for Responsible Business Conduct, OECD.

#### Dr. Michael Klode

Head of Project, Deutsche Gesellschaft Fur Internationale Zusammenarbeit Gmbh (GIZ), Dhaka.







# Anna Athanasopoulou

Head of Unit for Social Economy & Creative Industries, European Commission.

The European Union is preparing new due diligence legislations on human rights and environmental concerns. **Anna Athanasopoulou,** Head of Unit for Social Economy & Creative Industries, European Commission, was asked by the moderator how the SMEs would be able to comply and survive the complex and challenging tasks of due diligence and remain in the industry. She responded that the European Union was making new due diligence legislations on the issues of human rights and environmental concerns, complying with which would put additional challenges, particularly for the SMEs, being part of the supply chain. The European Union (EU), as such, is keeping the legislations flexible and has embedded safeguards to protect the SMEs from the effects of such legislations and from obligations to comply. At the same time, the EU will provide ground level support to the interested parties to comply with the new legislations.



# Hendrik Alpen

Global Head of stakeholder Engagement & Social Impact, H&M Group.

H&M will remain accountable for what their suppliers, and will collaborate with them to improve compliance. **Hendrik Alpen,** Global Head of stakeholder Engagement & Social Impact, H&M Group said that H&M as a brand will remain accountable for what their suppliers along the supply chain was doing, and collaborate with them to ensure compliance through joint efforts.





Bangladesh has already proven their capacity to quickly respond to the new compliance requirements on the issues of structural and fire safety.

# **Barbara Bijelic**

Financial Sector and Regulatory Engagement Lead, Center for Responsible Business Conduct, OECD.

**Barbara Bijelic,** Financial Sector and Regulatory Engagement Lead, Center for Responsible Business Conduct, OECD, was asked how OECD could help the apparel sector of Bangladesh to comply with the new EU legislations. Ms. Bijelic responded that, BGEMA and the Bangladesh Sustainability Council will need to take the lead, and build on the experience gathered by the industry for quick capacity building to comply with the new regulations imposed in the recent past on fire and structural safety. She further added that, OECD will remain a valuable partner in helping the Bangladeshi apparel industry to improve their compliance.



Toumo Poutiainen

Country Director, International Labour Organization.

The private sector should lead the way, and by engaging the government and workers.

**Toumo Poutiainen,** Country Director in Bangladesh, International Labour Organization, was asked what Bangladesh should do to comply with the new EU legislations. Mr. Poutiainen said Bangladesh already has knowledge of the initiatives and approaches to improve compliance, and enjoys certain advantages in complying with due diligence requirements. Toumo Poutiainen also said that the new set of legislations was not something totally new, and Bangladesh should not be facing any major problems in complying with the new legislations.





# Zahangir Alam

Social Labour Manager, Bangladesh & Pakistan, Bestseller.

It is unlikely that Bangladesh would face difficulty in complying with the new legislations. **Zahangir Alam,** Social Labour Manager, Bangladesh & Pakistan, Bestseller, was asked whether the new EU legislations would influence the sourcing behavior of the EU brands. Mr. Alam responded that it was unlikely because Bangladesh is already a country with high compliance, and some new changes are unlikely to modify the sourcing behavior of the EU brands.



The new German laws are not very different than those of OECD Guidelines, or UN standards on human rights, and Bangladesh is doing well.

# Dr. Michael Klode

Head of Project, Deutsche Gesellschaft Fur Internationale Zusammenarbeit Gmbh (GIZ), Dhaka.

**Dr. Michael Klode,** Head of Project, Deutsche Gesellschaft Fur Internationale ZusammenarbeitGmbh (GIZ), Dhaka, was asked by the moderator how the new German due diligence laws were affecting the sourcing behavior of the German brands from Bangladesh. Dr. Klode responded that, the German due diligence laws are not very different from those of OECD standards or UN standards on human rights, and compliance with them is not so challenging for the Bangladeshi apparel industry.





Brands should calculate the cost of paying a decent wage before deciding on the price, as the EU due diligence procedure.

# Kalpona Akter

Executive Director, Bangladesh Center for Workers Solidarity, and President, Bangladesh Garment & Industrial Workers Federation.

**Kalpona Akter**, Executive Director, Bangladesh Center for Workers Solidarity, and President, Bangladesh Garment & Industrial Workers Federation, was asked how the manufacturers and brands can collaborate on their shared responsibilities to mitigate the downward trend of prices in the context of the new legislations. Kalpana Akter said despite the downward trends in prices, Bangladesh has done a lot in improving the safety of workers, though there were a lot of unresolved issues regarding wages, gender-related violence, etc. She further said, brands should take more responsibilities, and not just the manufacturers, in ensuring payment of a decent and living wage to the workers. Brands should calculate the cost of paying a decent wage before deciding on the price, and this should be a mandatory part of the EU due diligence procedure.



# **AUDIENCE POLL**

Due Diligence and Legislations are becoming critical for RMG industry of Bangladesh; to enhance the regulatory performance of Bangladesh, what are the immediate needs of the RMG industry to address?

A unified code of conduct 73% Develop strong national policy and due diligence in line with 45% the global policy Developing strong and strategic collaboration with 27% brands and buyers Hand-held support from the brands and development 27% partners to train and awareness development Enhancing existing frameworks of 18% OCED/ILO/UNGP





# Closing Plenary





# THE CLOSING CEREMONY

The Closing Plenary session was held to draw conclusions on what to do to transform Banaladesh into a sustainable apparel manufacturing hub through a mix of policy interventions, appropriate actions, technology transfer, and mobilizing investments. The Closing Plenary session started off with a video clip paying tribute to Late Mohammed Nasiruddin, the founder and chairman of Pacific Group that is today the largest denim producer in the entire sub-continent. His vision and legacy had inspired many entrepreneurs in Bangladesh and earned many prestigious awards for the country and his company. The Closing Plenary concluded in favor

of (i) operationalizing the national targets for reduction of GHG emissions and increase of the renewable energy mix at the sector and enterprise levels for the apparel industry with a clear roadmap prepared for the purpose; (ii) establishing a transparent system of collaboration between the stakeholders for ensuring fair prices taking into consideration the cost for environmental and social sustainability; and (iii) accepting the fact that sustainability will be key issue in maintaining market access and its position in the global supply chain for the apparel industry of Bangladesh.



# HIGHLIGHTS OF CLOSING PLENARY

Key Issues	Recommendation	Critical Thoughts
1.National targets for reducing GHG emissions and increasing portion of renewable energy.	1.1 Specific and clear targets for the apparel sector aligned with the national targets needs to be in place.	1.1.1 The availability of finances, technology transfer, and servicing.
2. Complying with the new EU legislations and rules is essential for Bangladesh apparel industry to remain competitive and maintain market access in the EU.	2.1 Capacity building and partnerships will be needed, along with appropriate local policy and regulatory framework, and incentive mechanism.	2.1.1 Ensuring shared responsibility of the EU brands and retailers to support the Bangladeshi suppliers in terms of tech- nology transfer, mobilizing finances, and fair pricing.
3. A permanent social safety net for the workers.	3.1 Piloting should start at the earliest.	3.1.1 Fund management and governance.



# THE SPEAKERS

### Guest of Honor

### Tipu Munshi, MP

Hon'ble Minister, Ministry of Commerce.

### H.E. M. Riaz Hamidullah

Ambassador of Bangladesh to the Kingdom of Netherlands.

### Salim Rahman

Managing Director, KDS Group, and Chairman, Al-Arafah Islami Bank Limited.

### **Mostafiz Uddin**

Founder & CEO, Bangladesh Apparel Exchange.

### Special Guest

### H.E. Charles Whiteley

Ambassador and Head of Delegation of the European Union to Bangladesh.

### Mohammad Hatem

Executive President, BKMEA, and Managing Director, MB Knit Fashion Limited.

### Syed M. Tanvir

Vice-President, The Chittagong Chamber of Commerce and Industry, and Managing Director, Pacific Jeans Limited.

### **Ziaur Rahman**

Regional Country Manager Production (Bangladesh, Pakistan & Africa), H&M.

### **Faruque Hassan**

President, BGMEA, and Managing Director, Giant Group.





# Tipu Munshi, MP

Hon'ble Minister, Ministry of Commerce.

Better sustainability status of our apparel industry will help us achieve the export target of 50 billion dollars soon, and eventually turn it into 100 billion dollars annually. **Tipu Munshi,** MP, Hon'ble Minister, Ministry of Commerce, Government of the People's Republic of Bangladesh, said that capacity building on sustainability issues will become more important for Bangladeshi apparel sector, once we graduate from the LDC status by 2026. Achieving a better status in environmental and social sustainability will also help Bangladesh to gain a better bargaining position over a pricing, and reach our export target of 50 billion dollars for the apparel products, and eventually turn it into 100 billion dollars annually.



Remaining ahead in the global race for sustainable industrial development will be a key to Bangladesh's success in accessing EU markets in future.

# H.E. Charles Whiteley

Ambassador and Head of Delegation of the European Union to Bangladesh.

**H.E. Charles Whiteley,** Ambassador and Head of Delegation of the European Union to Bangladesh, said that textile and clothing industries are the center of global sustainability concerns holding far reaching impact on the environment and workers lives. Remaining ahead in the global race for sustainable industrial development will be a key to Bangladesh's success in accessing EU markets in future, because of the carbon-neutral strategy adapted by the EU would govern their trade regime, he added. The EU ambassador also mentioned their support in developing a permanent social safety net system for the workers, for which ILO is primarily working.





# H.E.M. Riaz Hamidullah

Ambassador of Bangladesh to the Kingdom of Netherlands.

**H.E.M. Riaz Hamidullah,** Ambassador of Bangladesh to the Kingdom of the Netherlands, among other things, mentioned that apparel industry is a people-oriented sector, but the increasing requirements for technology infusion is also a reality, which is adding to the costs and putting downward pressure on the wages to keep the prices competitive in a consumerist world driven by fast fashion. However, it will not be sustainable in the long run to ignore the issue of workers' dignity, which is critically dependent on pricing strategies. All supply chain actors of the apparel industry need to collaborate to ensure fair pricing so that dignity of the workers, and empathy towards nature is assured.

All supply chain actors need to collaborate to ensure fair pricing so that the dignity of workers, & empathy towards nature is assured.





Bangladesh has more than 160 LEED-certified garment factories, out of which 48 are in platinum and 98 are in gold.

### **Faruque Hassan**

President, BGMEA, and Managing Director, Giant Group.

Farugue Hassan, President, BGMEA, and Managing Director, Giant Group, greeted all and summarized the key issues discussed during the day. He said that the first session on climate change issues touched upon the actions that can be taken by the supply chain actors of the apparel industry to mitigate the climate change risks, which included reduction of GHG, carbon footprint, and conservation of utilities, chemicals, and raw materials, and waste management. The second session covered purchasing practices and concerns over downward trends in prices affecting payment of decent wages and profitability. The third session on environment, social, and governance, and green financing, discussed issues related to increasing global demand of sustainable apparel industry, which needed investments, technology transfer, and strong collaboration amongst all supply chain actors, and appropriate policy and regulatory framework aligned with national and international sustainability target. The fourth session discussed the challenges and opportunities associated with transformation into a circular economy and underscored the need for more focus on partnerships, technology transfer, capacity building, and appropriate policy and regulatory framework. The fifth session focused on the upcoming new EU legislations and the speakers agreed that Bangladesh stands in a good position to comply with the new regulations and would be able to continue its market access in the EU, though cost of compliance could be a concern.





# **Mohammad Hatem**

Executive President, BKMEA, and Managing Director, MB Knit Fashion Limited.

Costs incurred by the manufacturers for improving the environmental and social parameters of production are not often reflected in the prices paid by retailers, and thus creates bad business cases. **Mohammad Hatem,** Executive President, BKMEA, and Managing Director, MB Knit Fashion Limited, said sustainability concerns are high in the agenda of our country, as a result of damages done to the environment by the irresponsible production methods introduced since the 19th century. Bangladesh has just started catching up with the trend, and has a long way to go. However, Bangladesh is taking strides in many areas of reuse, recycling, energy and utility conservation, and reduction of waste and effluence. Besides, Bangladesh has made exemplary improvements in ensuring workers' safety in recent years. But costs incurred by the manufacturers to improve environmental and social sustainability are not often reflected in the prices paid by the retailers.



Bangladesh has set ambitious targets for reducing GHG emissions, and increasing use of renewable energy, which needs to be reflected at the level of the apparel industry.

### Ziaur Rahman

Regional Country Manager Production (Bangladesh, Pakistan & Africa), H&M.

**Ziaur Rahman,** Regional Country Manager Production (Bangladesh, Pakistan & Africa), H&M. Said that demand for sustainable production of apparels is increasing, and the global brands are producing apparels with low environmental footprint. Bangladesh is coping well with these changes, and has set ambitious goals in reducing GHG emissions and increasing the use of renewable energy at the national level. These national level targets need to be reflected at the apparel industry level, and specific targets, and regulations need to be in place.





Sustainability carries intrinsic value to the modern consumers, and increases production efficiency by reducing economic, social, and environmental costs in the long run.

At SAF 2022, we brought together the major global industry leaders in apparel sector.

# Syed M. Tanvir

Vice-President, The Chittagong Chamber of Commerce and Industry, and Managing Director, Pacific Jeans Limited.

**Syed M. Tanvir**, Vice-President, The Chittagong Chamber of Commerce and Industry, and Managing Director, Pacific Jeans Limited, was the first speaker of the closing session, and reiterated that sustainability issues have turned into a matter of core concern over the years, because sustainability carries intrinsic value to the modern consumers. Hence, it has become important to the businesses. He further added that ensuring environmental and social sustainability not only creates markets, but also increases production efficiency and reduces total costs (economic, social and environmental costs) in the long run.

### **Mostafiz Uddin**

Founder & CEO, Bangladesh Apparel Exchange.

**Mostafiz Uddin,** Founder & CEO, Bangladesh Apparel Exchange (BAE), started off his closing remarks by paying tribute to Late Mr. Nasir Uddin, a visionary entrepreneur and founder of Pacific Jeans Limited, and thanked all the guests, speakers, and participants whose contributions have made the SAF 2022, the 3rd Edition a success. Mostafiz Uddin said that "At this year's SAF we have brought all the fashion stakeholders under one roof to accelerate the momentum of sustainability in Bangladesh apparel industry, especially after the Covid-19 pandemic which has had immense impact on global apparel supply chain."

"This is high-level networking with a specific goal in mind: how can we turn the needle so that the lofty sustainability goals our industry so often talks about are translated into meaningful, practical actions," he added.

# The Exhibition



# THE EXHIBITION

Sustainable Apparel Forum 2022, the 3rd Edition, was attended by 20+ green growth exhibitors. The forum was complemented by exhibits from globally renowned recycling and renewable energy companies, showcasing their sustainability and green technologies, products, and solutions, with the aim to exhibit green growth.





THIRD EDITION

















# PRE EVENT NETWORKING DINNER

The forum aimed to bring the policymakers and those connected to the apparel industry together to formulate ways to build a sustainable and responsible fashion industry. The opportunity was cardinal for networking, matchmaking, and exchanging views on s ustainability practices & policy issues on, climate change, environmental conservation, decent work, and regulatory framework at the pre-event networking meet.













COUNTRIES

















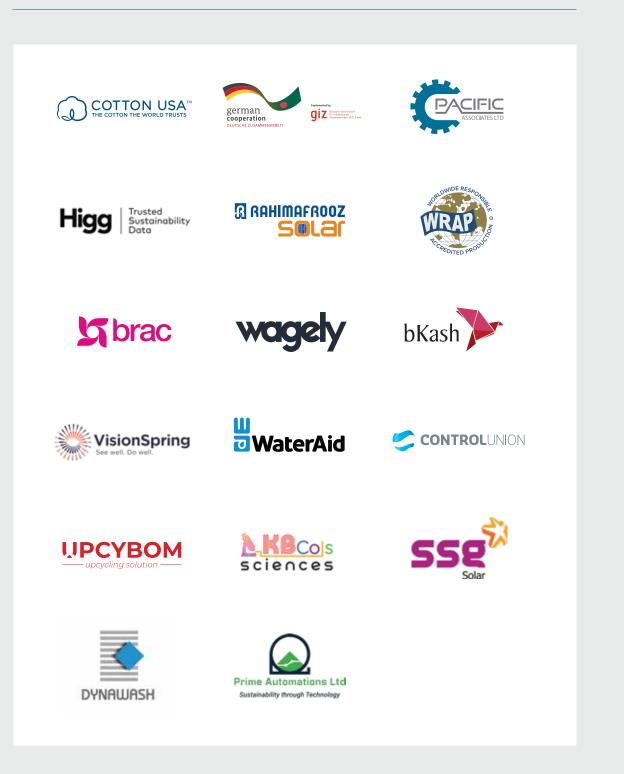


# OUR INCREDIBLE SPONSORS

TITLE PLATINUM **SPONSOR SPONSOR** PACIFIC JEANS Kingdom of the Netherlands COTTON USA<sup>TM</sup> THE COTTON THE WORLD TRUSTS 0 KDS GOLD **SPONSOR** SILVER SPONSOR Laudes —— ---- Foundation \land Prime Bank **BetterWork** Bangladesh **BRONZE SPONSOR** Trusted Sustainability Data Higg brac H&M Group **SOULAUMATER DI** bKash Selar



# OUR INCREDIBLE EXHIBITORS





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EVENT REPORT

# OUR INCREDIBLE CONTRIBUTORS



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# SOCIAL MEDIA OUTREACH

**2.2K+** 

### mentions of

#SustainableApparelForum2022 #EnablingSustainability #DrivingChange #MakeAnImpact

# 1M+

impressions across Sustainable Apparel Forum social media channels.





shares in Facebook and LinkedIn.





social media content viewed from 60+ countries.

### TRENDING



was trending in Dhaka during the conference time.



# PRINT, ELECTRONIC & TV MEDIA OUTREACH

100+

**journalists** covered the Conference.

110+

national and international electronic media engagement.

50+

national **print media** engagement.

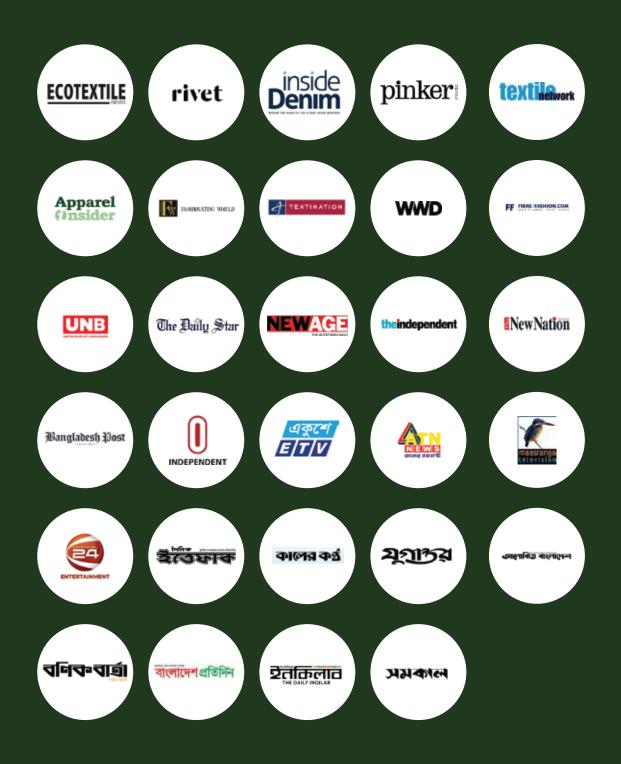


TV media coverage.

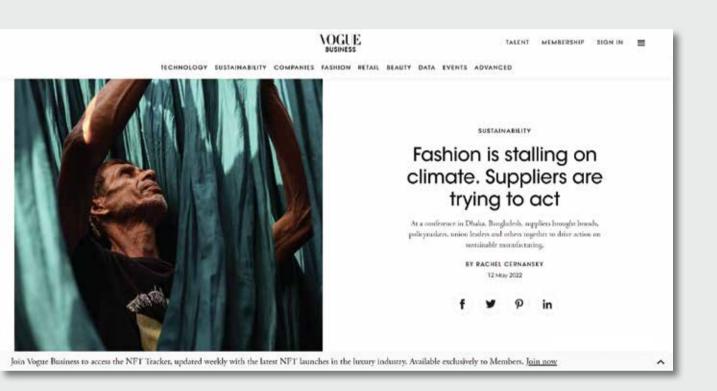


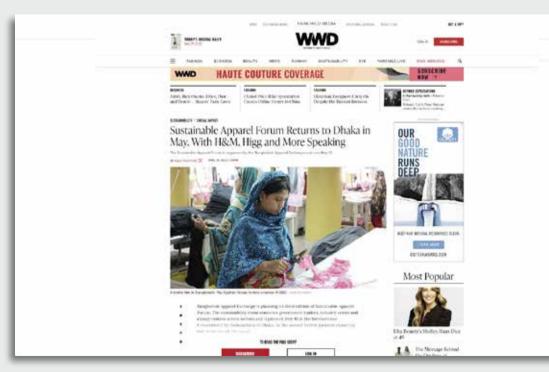


# PRINT, ELECTRONIC & TV MEDIA OUTREACH

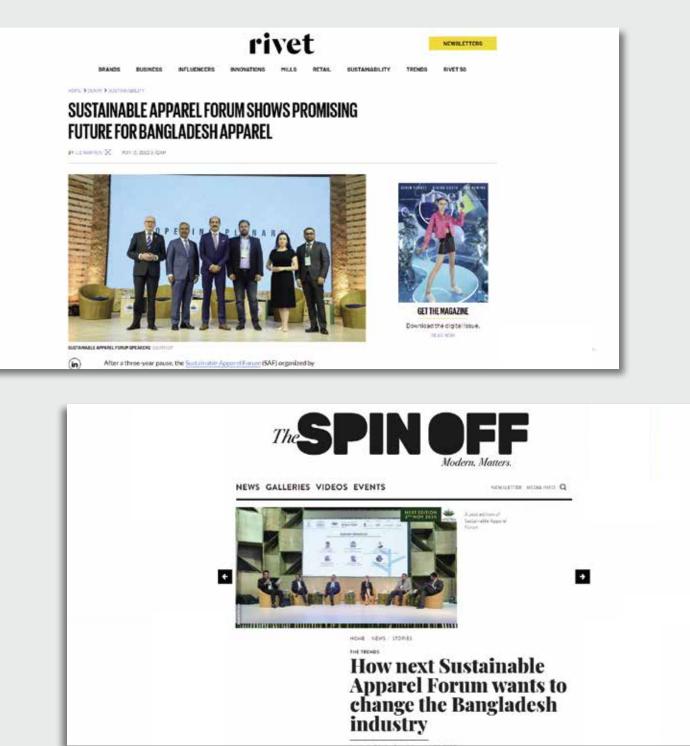
















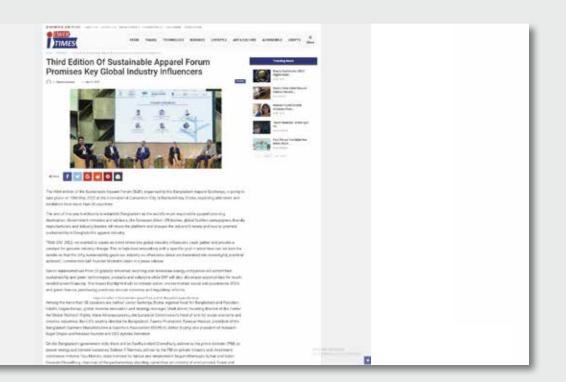


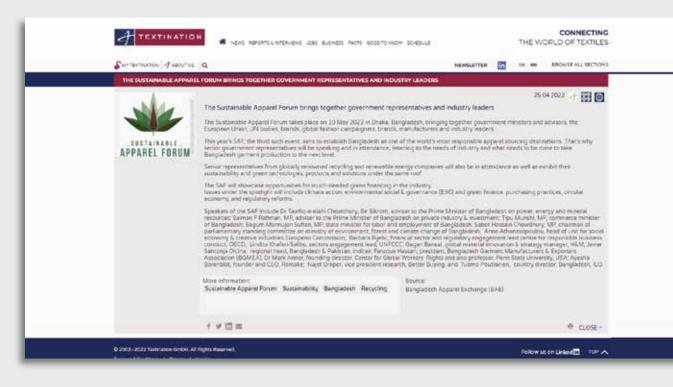














Save The Date

# 1st March 2023

Radisson Blu Dhaka Water Garden

Dhaka, Bangladesh

# SUSTAINABLE APPAREL FORUM 2023

For any inquiries please contact:

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