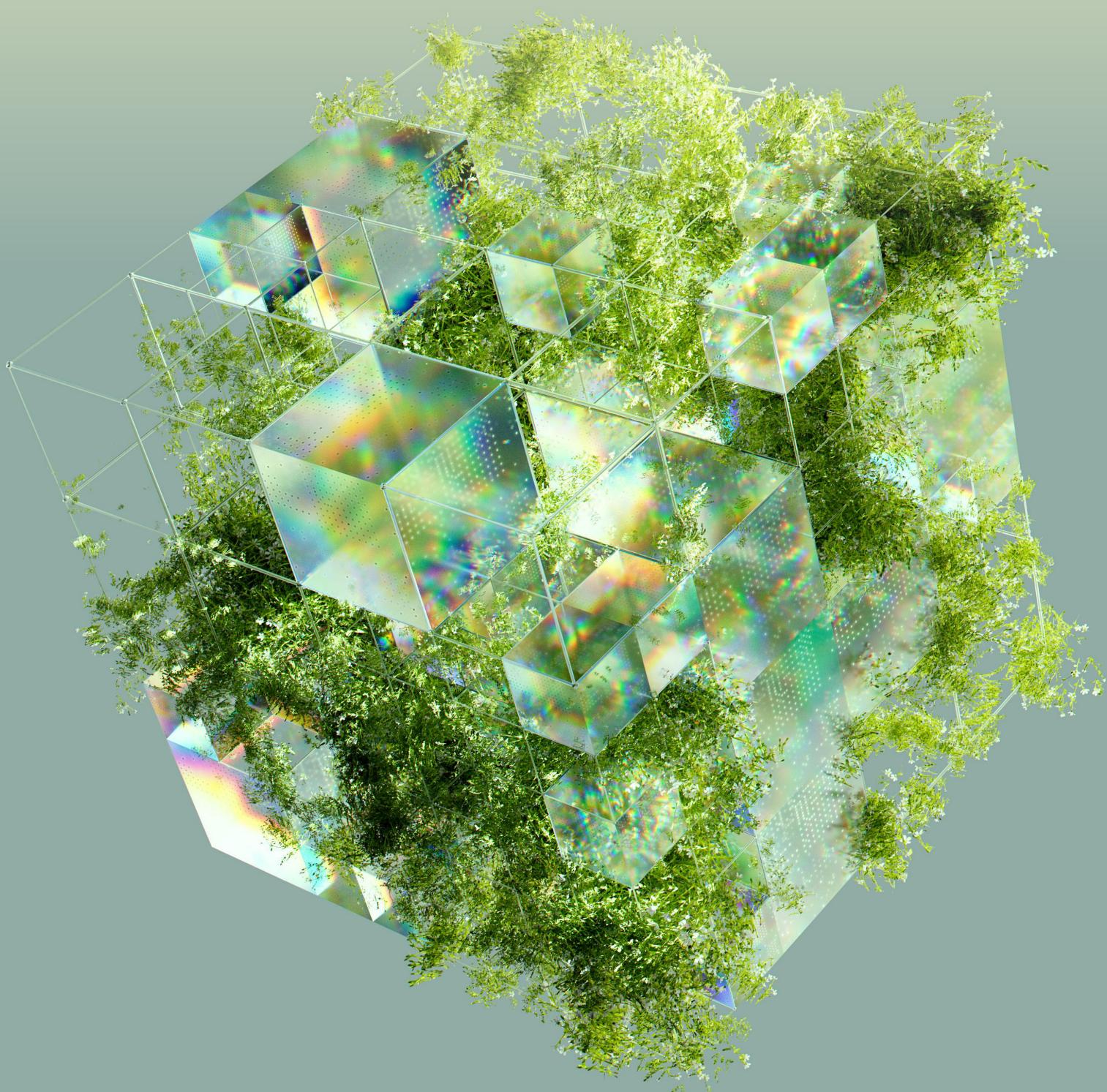


Sustainability Report 2023





Implemented by



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Stitching Sustainable Transformation



Sustainability Report 2023

Legend

- Data from BGMEA
- Data from participating member factories

Acknowledgment

The Bangladesh Garment Manufacturers and Exporters Association (BGMEA) extends its sincere appreciation to all partners, contributors, and stakeholders whose support made the BGMEA Sustainability Report 2023 possible, marking the second edition since the first report published in 2020.

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Finally, we acknowledge the ongoing support of all stakeholders, partners, and collaborators, including buyers, policymakers, and civil society organisations. Their engagement and encouragement continue to strengthen the collective journey towards a more transparent, resilient, and sustainable garment industry in Bangladesh.

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Message from the President

Bangladesh's RMG story is entering a new chapter—one where scale and sustainability are inseparable, and leadership is measured in verified outcomes. With the publication of BGMEA's second Sustainability Report, we move from aspiration to accountability, using our ESG Digital Data Disclosure Platform to establish 2023 as the sector's shared baseline for transparent, GRI-referenced reporting across participating factories. This is how we will compare progress fairly, protect confidentiality, and accelerate improvement for every member, large or small.

The signal from the data is unmistakable: Bangladesh now leads the world in LEED-certified green garments facilities, evidence that long-term investment in cleaner, resource-efficient infrastructure is already embedded in our industrial DNA. We will convert that footprint into durable competitive advantage in the decade ahead.

At the same time, our disclosure platform shines a light on the operating metrics that will define the future. In 2023, reporting factories registered energy intensity at 8.77 MJ per piece and water intensity at 16.99 litres per piece, while 31 of 57 factories generated 6.5 million kWh of solar electricity, helping to avoid an estimated 14,564 tCO₂e. These numbers are not slogans; they are the architecture of a more resilient, lower-carbon industry.

We are equally candid about the work ahead—especially on circularity. The baseline shows 20,146 metric tons of waste across the 57 reporting factories in 2023, including 16,545 tons of fabric off-cuts. Our task is to design out that waste and keep materials in play through a domestic market that rewards segregation, reuse, and recycling. The good news is that practices are shifting: on average, 93% of waste is now transferred to specialized handlers, 18% is being reused on-site, and 12% of factories operate in-house recycling plants that process 10–20% of their own waste. BGMEA will deepen this pivot by linking factories, recyclers, and brands through initiatives such as SWITCH2CE and the UNIDO-supported CREATE programme so that tomorrow's yarn and fabric feedstock is recovered here, not exported away.

Our industry's choices carry national weight. RMG accounts for roughly 83% of Bangladesh's total exports, with a footprint that reaches more than 160+ countries. As we decarbonize and close material loops, we will also champion fair purchasing practices and impact-linked incentives so that verified improvement is recognized and rewarded along the entire chain of custody. Sustainability cannot be a premium add-on for a few; it must be the standard for all—especially for MSMEs who power our ecosystem. My commitment, as President, is unambiguous: we will

make "Made in Bangladesh" synonymous with sustainability at world scale. We will invite brands, financiers, and development partners to join a Bangladesh Sustainability Champion Compact that ties long-horizon orders and concessional finance to measurable progress on our Vision 2030 targets—30% GHG reduction, 50% blue-water reduction, full ZDHC adoption, a 30% cut in energy use, and 20% renewable energy. We will broaden open, trusted data coverage through the BGMEA platform so performance gaps narrow year by year, and we will treat circularity not as a project but as an industrial strategy rooted in domestic value creation and green jobs.

This report is a threshold, not a finish line. If the last decade proved that Bangladesh can build the world's greenest factory footprint, the next will prove that we can build the world's most sustainable apparel ecosystem—data-driven, circular, and just. I call on workers, entrepreneurs, buyers, policymakers, and partners to match our ambition with the trust, tools, and terms that turn verified progress into shared prosperity. Together, we will secure a future where Bangladesh is not only a leader in global apparel, but the benchmark for how a supply chain becomes a force for climate resilience and social dignity.

Mahmud Hasan Khan
President, BGMEA

Abbreviations

and Acronyms

BEZA	Bangladesh Economic Zones Authority
BGMEA	Bangladesh Garment Manufacturers and Exporters Association
BMZ	German Federal Ministry for Economic Cooperation and Development
BOD	Biochemical Oxygen Demand
BSCI	Business Social Compliance Initiative
BWB	Better Work Bangladesh
CAC	Conciliation-Cum-Arbitration Committee
COD	Chemical Oxygen Demand
CO2e	Carbon Dioxide Equivalent
CREATE	Circular Economy in Bangladesh's Apparel Industry
CSR	Corporate Social Responsibility
CSRD	Corporate Sustainability Reporting Directive
DIFE	Department of Inspections for Factories and Establishments
EDF	Export Development Fund
EMS	Environmental Management Systems
EnMS	Energy Management Systems
ESG	Environmental, Social, and Governance
ETI	Ethical Trading Initiative
ETP	Effluent Treatment Plant
FY	Fiscal Year
GDP	Gross Domestic Product
GEZ	Green Economic Zones
GHG	Greenhouse Gas
GIS	Geographic Information System
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit
GRI	Global Reporting Initiative
HREDD	Human Rights and Environmental Due Diligence
ICS	Initiative for Compliance and Sustainability
IE	Industrial Engineering
IFC	International Finance Corporation
LED	Light Emitting Diode
LEED	Leadership in Energy and Environmental Design
MoU	Memorandum of Understanding
NDC	Nationally Determined Contribution
OHS	Occupational Health and Safety
P4G	Partnering for Green Growth and the Global Goals 2030
RFID	Radio-Frequency Identification
RMG	Ready-Made Garment
RSC	RMG Sustainability Council
SDGs	Sustainable Development Goals
SEDEX/SMETA	Supplier Ethical Data Exchange / Sedex Members Ethical Trade Audit
SEIP	Skills for Employment Investment Program
SLCP	Social & Labour Convergence Program
SMS	Short Message Service
STP	Sewage Treatment Plant
UNFCCC	United Nations Framework Convention on Climate Change
UNIDO	United Nations Industrial Development Organization
USGBC	U.S. Green Building Council
VFD	Variable Frequency Drive
VRF	Variable Refrigerant Flow
WARPO	Water Resources Planning Organization
WRAP	Worldwide Responsible Accredited Production
ZDHC	Zero Discharge of Hazardous Chemicals

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Executive Summary

This report represents the sustainability efforts of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA) and its member factories for the year 2023. Covering 57 participating member factories, it highlights the continuous commitment to sustainable practices, transparency, and accountability within the garment manufacturing sector of Bangladesh.

Key Focus Areas:



Sustainability Reporting Standards

BGMEA has adopted the Global Reporting Initiative (GRI) standards, ensuring alignment with international frameworks for transparency and accountability. As part of this commitment, BGMEA will publish this sustainability report on a biennial basis. The report emphasizes the establishment of measurable goals, performance tracking, and driving improvements across all aspects of sustainability.



Environmental Impact

BGMEA focuses on reducing the environmental footprint of the garment industry. This includes initiatives aimed at energy efficiency, water management, and waste reduction. The participating member factories have implemented significant changes to reduce greenhouse gas emissions and optimize resource usage.



Social Responsibility:

The report also details efforts towards improving working conditions, ensuring fair wages, and promoting social compliance. BGMEA actively collaborates with stakeholders to enhance workers' rights and support community engagement programs, with a focus on ethical trade practices.

Disclaimer:

This report includes both BGMEA's data as an organization and from 57 participating member factories of BGMEA; however, data availability and completeness varied, as some of them are yet to make formal ESG reporting.

BGMEA shares their progress publicly, utilising the best available and verified data while continually striving to enhance the level of disclosure in our reports.

They applied data collection controls and verification procedures. However, some estimations and assumptions were necessary.



Governance and Future Goals

BGMEA's governance structure is centered on continuous improvement, with plans to expand the number of participating factories in future sustainability reports. The association aims to enhance its members' ESG (Environmental, Social, Governance) reporting capabilities and sustainability practices.



Stakeholder Engagement

The report highlights BGMEA's collaboration with a wide range of stakeholders, including local and international partners, buyers, regulatory bodies, and civil society organizations, to strengthen the industry's commitment to sustainable growth and resilience.

This report serves as a transparent communication tool, showcasing the steps taken by BGMEA and its members to improve their collective impact on people, the planet, and business. It is intended for all relevant stakeholders, including buyers, partners, and regulatory bodies. As BGMEA continues to evolve, the organization remains committed to enhancing the sustainability of the Bangladesh garment industry through ongoing improvements in reporting practices and performance.

Additionally, for some factories, this was their first attempt at tracking ESG data. Operational differences also impacted data consistency.

About BGMEA

The Bangladesh Garment Manufacturers and Exporters Association (BGMEA) is a major trade body that plays a significant role in the readymade garment (RMG) industry of Bangladesh, which encompasses woven garments, knitwear, and sweater sub-sectors.

The association's mission is to advance the industry by engaging in policy advocacy, offering services to its members, ensuring the protection of workers' rights, and upholding social compliance within garment factories.

BGMEA is headquartered in Dhaka and has a regional office in Chattogram. In Chattogram, BGMEA employs 279 permanent staff who facilitate various services for its members. We collaborate extensively with local and international stakeholders, including major brands and development partners, so as to promote sustainable growth and enhance the garment industry's strength and resilience.

With over 45 years of experience in apparel manufacturing, BGMEA represents an industry of more than 4,200 member factories, positioning Bangladesh as a trusted sourcing hub for major globalised fashion brands. It exports apparel to over 160+ countries, benefiting from duty-free market access to the EU, an experienced labour force, and adherence to international quality standards.

Garment Manufacturing Sector Strengths

01

Support of Product Sourcing

- Collaboration of Global Brand
- Product Sourcing Facilitation
- Dispute Resolution

02

Experience

- 30+ Years of Industry Leadership
- Global Reputation for Quality
- Competitive Pricing & Market Access

03

Workforce

- Skills-upgrading & career pathways
- Affordable healthcare
- Financial inclusion
- Continuous worker-management

04

Product Versatility

- Diverse Apparel product including woven, knitwear, denim, activewear, luxury garments, smart textiles, maternity wear & medical apparel

05

Market Access

- Duty Free to key markets, including the EU (EBA scheme), US (GSP), and Canada (Canada-Bangladesh Trade Agreement).
- Preferential Trade Agreements under the APTA, offering reduced tariffs and improved market access with China, India, Sri Lanka, and Korea

06

Supply Chain Versatility

- Washing Facilities
- Dyeing Facilities
- Finishing Facilities
- Embroidery Facilities
- Printing Facilities

07

Sustainability

- UN Fashion Industry Charter for Climate Action Signatory
- Circular Economy Projects
- LEED-Certified Factories
- Collaboration with Global Sustainability Initiatives
- Facilitating Decarbonisation
- Promoting Water Stewardship
- Gender Equality and Empowerment Programmes
- Worker Health and Well-being Initiatives

The Nine Dot logo is the matrix of BGMEA's scope of work and influence.

Arranged in columns sequentially from

micro to macro,
from action to impact,
from local to global.

It is an organic transformation. The connection continues when we look at the nine dots in rows.

The first emphasizing 'reach',
the second 'transformation',
and the third, 'sustainability'.

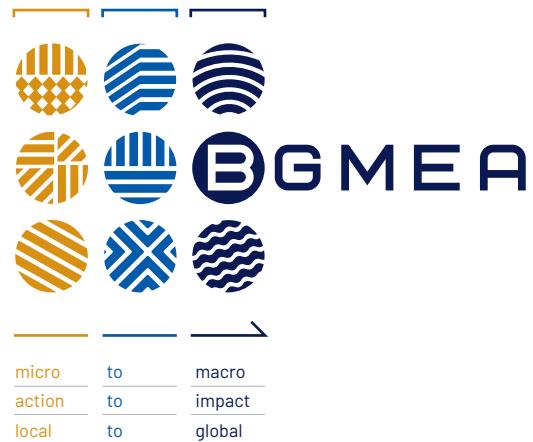
These are the nine dots and together they become the representation of BGMEA's new identity.

People
Inclusivity
Transparency

Infrastructure
Innovation
Circularity

Global Network
Brand Bangladesh
Environment

reach > transformation > sustainability



PEOPLE

To forever work for the well-being of the people of Bangladesh and mankind at large.



INFRASTRUCTURE

To build a safe and sustainable future through power plants, green factories, and modern worker-friendly workplaces.



GLOBAL NETWORK

To be ahead in the world through innovations, pivots, and flexible adaptations.



INCLUSIVITY

To listen. To be approachable. To involve people across the spectrum and not discriminate.



INNOVATION

For its ongoing contribution to the 4th industrial revolution and encouraging automation.



BRAND BANGLADESH

To uplift the equity of brand Bangladesh in the realm of sustainability and to uphold Bangladesh's values to the world at large.



TRANSPARENCY

For accountability and access to information that are central to build a trustworthy, flexible, and resilient organization.



CIRCULARITY

For the conservation of the natural system via an economic shift from a linear to a circular system.



ENVIRONMENT

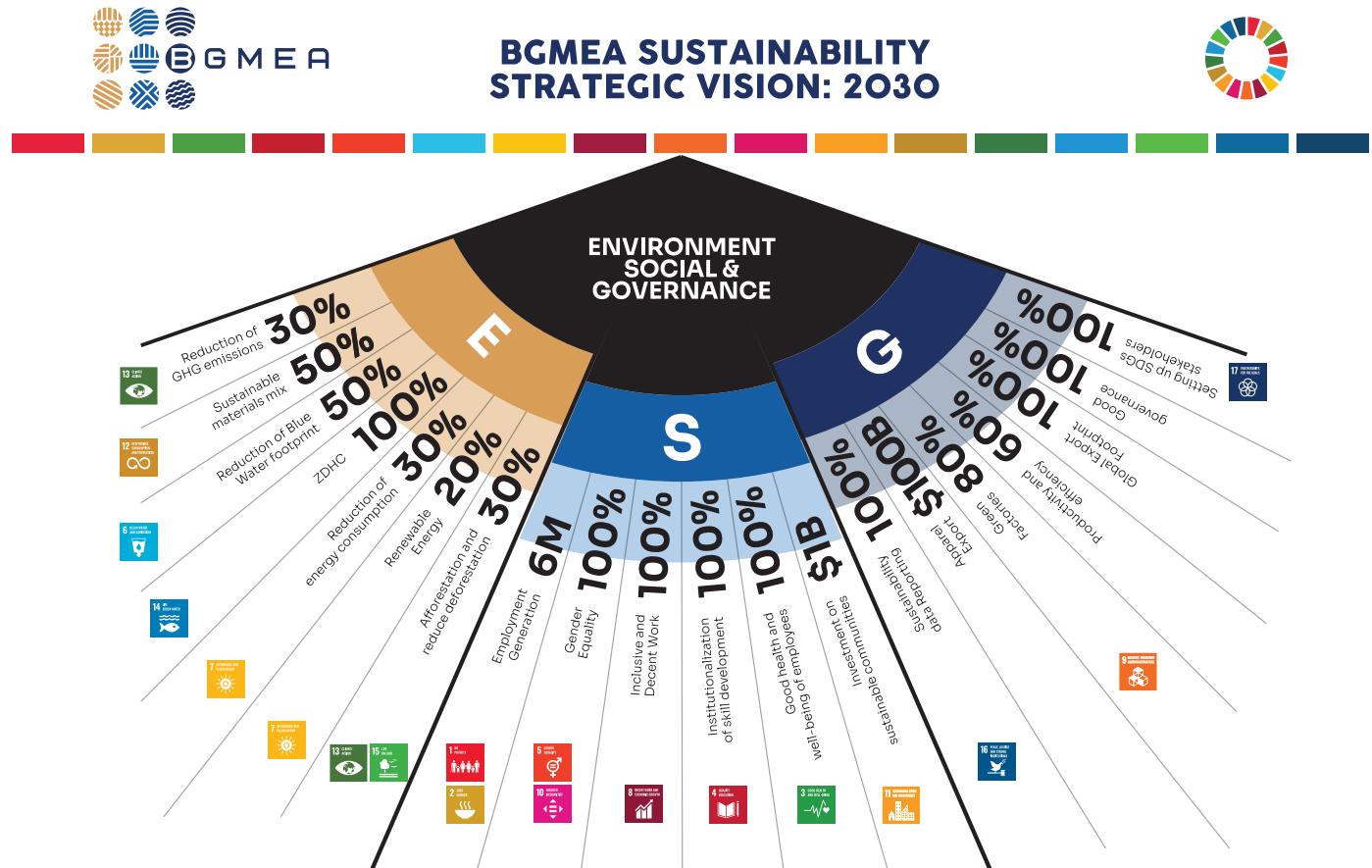
For the respect we have for nature and its dedication to preserving the natural system.



Vision 2030

In line with our Vision 2030, BGMEA is committed to transforming the Bangladeshi RMG industry into a global benchmark for sustainable, ethical, and responsible manufacturing hub. Anchored in the principles of Environment, Social, and Governance (ESG), our strategic roadmap outlines ambitious targets to reduce environmental impact,

enhance worker well-being, and promote inclusive growth. Through measurable goals, ranging from GHG emissions reduction to workforce empowerment and global partnerships, we are driving systemic change across the industry, with full alignment to the UN Sustainable Development Goals.

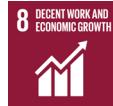


ESG issues can no longer be overlooked; it is rather a major area to focus on for businesses across the world. Given the scenario, we decided to develop a strategic sustainability vision for BGMEA to map out priorities and subsequent actions.

<p>1 30% Reduction of GHG</p> <p>BGMEA targets a 30% reduction in greenhouse gas emissions to combat climate change and foster a low-carbon industry.</p> <p></p>	<p>2 50% Use of Sustainable Materials</p> <p>Half of all materials used in production will come from sustainable sources to support circularity and reduce resource depletion.</p> <p> </p>	<p>3 50% Reduction in Blue Water Consumption</p> <p>BGMEA aims to reduce freshwater usage by 50%, especially in dyeing and washing processes, to preserve critical water resources.</p> <p></p>	<p>4 100% ZDHC Compliance</p> <p>BGMEA seeks full adoption of Zero Discharge of Hazardous Chemicals (ZDHC) standards across member factories to eliminate toxic pollution.</p> <p></p>	<p>5 30% Reduction in Energy Consumption</p> <p>BGMEA focuses on lowering energy use per unit of production through efficiency improvements and cleaner technologies.</p> <p></p>
<p>6 20% Renewable Energy</p> <p>BGMEA aims for one-fifth of total energy used to come from renewable sources such as solar or wind.</p> <p></p>	<p>7 30% Afforestation and Reduction of Deforestation</p> <p>Enhancing green cover and preserving natural ecosystems through afforestation initiatives and forest conservation.</p> <p> </p>	<p>8 6 Million Employment Generation</p> <p>Through education, skills training, and improved well-being, BGMEA aims to empower 6 million garment workers.</p> <p> </p>	<p>9 Gender Equality</p> <p>Reflecting BGMEA's commitment to create 100% inclusive, equitable, and empowering workplaces for women in the garment industry.</p> <p> </p>	<p>10 100% Inclusive and Decent Work</p> <p>All workplaces will uphold gender equity, fair wages, safety, and inclusivity to meet international labour standards.</p> <p></p>
<p>11 100% Institutionalization of Skill Development</p> <p>100% Reskilling and Upskilling of Workers. Ensure all workers are trained and reskilled to adapt to changing technologies and future employment needs.</p> <p></p>	<p>12 100% Good Health and Well Being of employee</p> <p>Reflects the industry's progressive commitment to build a safer, healthier, and more resilient workforce underscoring BGMEA's dedication to integrating sustainable health practices and employee welfare at the core of industrial growth.</p>	<p>13 \$1B Investment on Sustainable Communities</p> <p>Make cities and human settlements inclusive, safe, resilient, and sustainable, reflecting the industry's commitment to fostering responsible urban development, improving workers' living standards, and promoting environmentally conscious industrial growth.</p>	<p>14 100% Sustainable Data Reporting</p> <p>100% Integration with Global Reporting Frameworks. Align sustainability reporting with global standards (e.g., GRI, SASB, TCFD) to ensure credibility and comparability.</p>	<p>15 \$100B Apparel Export</p> <p>This goal underscores BGMEA's commitment to enhancing productivity, diversifying markets, and strengthening Bangladesh's position as a leading hub for responsible and high-value apparel manufacturing.</p>
<p>16 80% Green Factories</p> <p>Showcasing the industry's commitment in advancing eco-friendly manufacturing, resource efficiency, and technological innovation for a more sustainable industrial future.</p> <p></p>	<p>17 60% Productivity and Efficiency</p> <p>This goal underscores the industry's focus on enhancing competitiveness through technology adoption, skill development, and process optimization.</p>	<p>18 100% Global Export Footprint</p> <p>Reflects the industry's ambition to expand Bangladesh's presence across all international markets.</p>	<p>19 100% Good Governance</p> <p>100% Coverage in Governance Code Adoption. All member factories will follow an industry-wide governance code emphasizing transparency, compliance, and accountability.</p>	<p>20 100% Setting up SDG Stakeholders</p> <p>Ensure transparent and meaningful engagement with all internal and external stakeholders, including buyers, workers, and civil society.</p> <p></p>

Projects Towards Our Vision 2030

BGMEA Strategic Vision	SDG Alignment	Issues in Member Factories	Project Initiatives
30% reduction in GHG emissions		High carbon footprint, lack of renewable energy adoption	BGMEA's ESG Digital Data Disclosure Platform to track emission
50% sustainable materials mix		Reliance on non-sustainable materials, lack of circular practices	SWITCH2CE, Research on Fibre Diversification, High-End Fashion Project (linking heritage materials to international markets), Sustainability in the Textile and Leather Sector (STILE)
50% reduction of Blue Water footprint		High water usage, inefficient water management	Textile Technology Business Center (PaCT Program), Responsible Business Hub (RBH) and PaCT Program
100% ZDHC		Use of hazardous chemicals, environmental pollution	Responsible Business Hub (RBH), Sustainability in the Textile and Leather Sector (STILE), Better Work Bangladesh-BGMEA Partnership Project
30% reduction of energy consumption		High energy consumption, reliance on non-renewable energy	Textile Technology Business Center (PaCT Program)
20% renewable energy		Lack of renewable energy infrastructure	Textile Technology Business Center (PaCT Program)
30% Afforestation and reduce deforestation	 	Deforestation, lack of green spaces, environmental degradation	Sustainability in the Textile and Leather Sector (STILE), Research on Circular Economy Transition
6 million employment generation	 	Unemployment, lack of skilled workforce	Skills for Employment Investment Program (SEIP), BGMEA-EBP Capacity Building Project, ASSET Project, High-End Fashion Project
100% gender equality	 	Gender discrimination, lack of support for lactating mothers	MOTHERS@WORK, SRHR (STITCH Project), BGMEA-Solidaridad International (Gender Equality), Respect Program (TESCO)

BGMEA Strategic Vision	SDG Alignment	Issues in Member Factories	Project Initiatives
100% inclusive and decent work		Poor working conditions, lack of decent work standards	Better Work Bangladesh-BGMEA Partnership Project, NIPOSH, Employment Injury Scheme Piloting Model, Lactating Mother Aid Fund Project
100% institutionalization of skill development		Lack of skilled workforce, inadequate training opportunities	Skills for Employment Investment Program (SEIP), BGMEA-EBP Capacity Building Project, ASSET Project, InnoLead@Work, Solidaridad International (Improving Workers Productivity)
100% good health and well-being of employees		Poor occupational health and safety, lack of SRHR services, inadequate maternity support	MOTHERS@WORK, Comprehensive Eye Care for Garment Workers, SRHR (STITCH Project), Employment Injury Scheme Piloting Model, NIPOSH, SIMON Project
\$1B investment on sustainable commitments		Lack of sustainable investments	Responsible Business Hub (RBH), SWITCH2CE, Sustainability in the Textile and Leather Sector (STILE)
100% sustainability data reporting		Lack of transparency, inadequate data reporting	Responsible Business Hub (RBH), Sustainability in the Textile and Leather Sector (STILE), Research on Virtual Marketplace Platform
\$100B Apparel Export		Limited market access, reliance on low-value products, lack of global competitiveness	Research on Fibre Diversification, High-End Fashion Project, CREATE Research Project, Virtual Marketplace Platform
80% Green Factories		High energy consumption, lack of renewable energy adoption, inefficient resource use, high carbon footprint	Textile Technology Business Center (PaCT Program)
100% Global Export Footprint		Limited market access, reliance on low-value products, lack of global competitiveness	Research on Fibre Diversification, High-End Fashion Project, CREATE Research Project, Virtual Marketplace Platform
100% good governance		Lack of transparency, poor governance	Responsible Business Hub (RBH), Better Work Bangladesh-BGMEA Partnership Project, Sustainability in the Textile and Leather Sector (STILE)
100% setting up SDG stakeholder engagements		Lack of stakeholder collaboration	Responsible Business Hub (RBH), SWITCH2CE, Sustainability in the Textile and Leather Sector (STILE)
60% productivity & efficiency		Low productivity, outdated work practices	InnoLead@Work, Textile Technology Business Center (PaCT Program), Research on Virtual Marketplace Platform, High-End Fashion Project

Key Milestones up to 2023



Annual Total Export Value (FY 2022-23)

Approximately
US\$ 46.43 billion

RMG exports (FY 2022-23)

\$38.14 billion



Share of woven in RMG exports from Bangladesh

46.7%



Share of knit in RMG exports from Bangladesh

53.3%



LEED-certified green factories in Bangladesh

176

Platinum Rated

Gold Rated

57 **105**



Contribution to Bangladesh's total exports

82%



Global Reach in Apparel Exports

160+ Countries

ESG Digital Data Disclosure Platform

BGMEA has developed an ESG Digital Data Disclosure Platform to strengthen transparency and accountability in the RMG sector, enabling factories to report and track their ESG performance through this platform and contribute in achieving Sustainability Vision 2030.

This platform is aligned with global best practices and incorporates disclosure questions based on the Global Reporting Initiative (GRI) standards, ensuring consistency, transparency, and international comparability. It empowers factories to generate their own sustainability reports while establishing 2023 as the baseline year to monitor and track progress toward the 2030 goals. The platform's dashboard presents only aggregated, anonymized data to

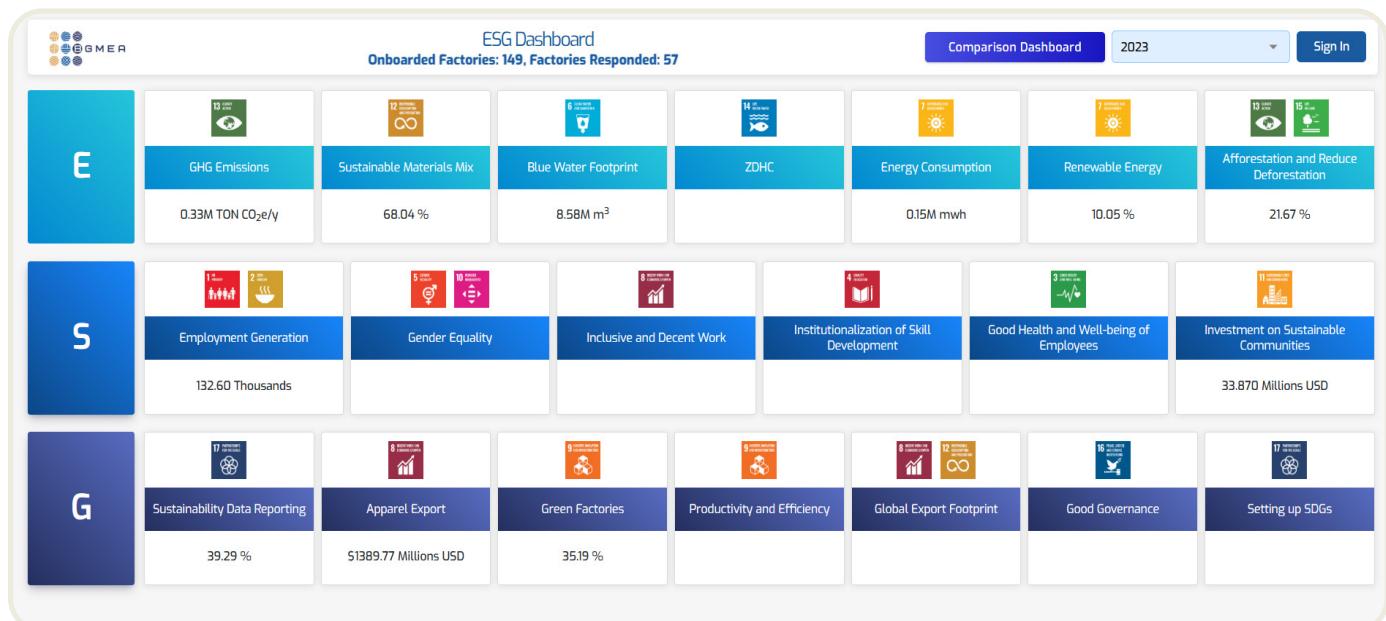
maintain confidentiality, and BGMEA has implemented a strict non-disclosure agreement (NDA) policy. Factory-level data will not be shared with any third party, except vetted consultants officially engaged by BGMEA who are also bound by NDAs.

This approach reinforces trust while enabling data-driven transformation across the industry. Additionally, the platform features a comparative dashboard, where data is represented through interactive graphs, enabling users to compare ESG metrics across factories. The data represented in this report has been collected through this platform.



The screenshots shown are dummy images captured from the platform

The ESG Digital Data Disclosure Platform is a data-driven decision-making tool.



Milestones



Environmental

8.77

MJ/pc

Energy Intensity

16.99

litres/pc

Water Intensity

6.5

million kWh

Solar Energy

0.799

kg CO2e/pc

Solar Energy

0.029

kg/pc

Waste Generated Intensity



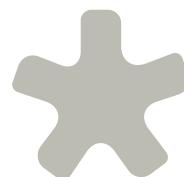
Social

53% : 47%

Female Male

Gender ratio among
the total factories**1025**Women hold supervisory
positions and show their
leadership**100%**Factories are enrolled in
RSC / NIRAPON**494**Women in
management position

Governance

1,655Total grievances
resolved**88.4%**Workers have
multiple channels to submit
their grievances**5 member
factories**published sustainability
report among
57 participating
member factories.

Contribution in Policy Formulation 2023

At BGMEA, we actively contribute to shaping and bridging the gap between national policies and member factories, thereby bolstering the ready-made garment (RMG) sector. Through strategic advocacy and in collaboration with the government, we address the industry challenges and promote sustainable growth.



Advocacy for Policy Support

The government announced a new minimum wage for garment workers, increasing the gross salary for 7th-grade workers to Tk12,500—marking a 56.25% increase, with the basic wage rising by 63.41%.

The updated wage structure came into effect on December 1, 2023. The former BGMEA President

Faruque Hassan urged all member factories to implement the new wage structure on December 1, 2023, emphasizing compliance to ensure uninterrupted operations in the industry.



Engagement in Policy Formulation

In 2023, BGMEA actively engaged in policy formulation to enhance sustainability and competitiveness in the garment industry. It advocated for the development of green economic zones (GEZ) under BEZA to promote eco-friendly industrialisation and contributed to the formulation of industrial water use policies with WARPO, emphasising sustainable water management practices.

Additionally, BGMEA co-hosted the Switch to Upstream Circularity Dialogue to advance circular practices in textile waste management and partnered with Circle Economy to accelerate the transition towards a circular economy in the garment sector. The association also participated in wage policy discussions, aiming to balance fair wages for workers with the sustainability of the industry.



Addressing Industry Challenges

BGMEA actively addressed various challenges in the ready-made garment (RMG) industry through policy advocacy and strategic initiatives.

Key areas of focus included:

1. Sustainability and Environmental Initiatives
2. Skills Development
3. Policy Advocacy for Industry Growth
4. Addressing labour issues
5. Navigating Global Economic Challenges

Collaboration with International Organizations

BGMEA's commitment to sustainability is reflected in its strategic partnerships with international organisations. These collaborations directly address key

material topics, such as labour rights, environmental impact, and economic performance.



BGMEA's

commitment to sustainability is reflected in its strategic partnerships with international organisations.



DAY CARE



Policy on
Building Oil
Child Care Sector

DAY CARE

DAY CARE



1

Governance



BGMEA

Governance Structure

The Bangladesh Garment Manufacturers and Exporters Association (BGMEA) operates under a structured governance framework for the assurance of effective leadership and decision-making:



Board of Directors:

We are governed by a 35-member elected Board of Directors, who serve a two-year term. The Board is responsible for strategic planning, policy formulation, and guiding the organisation's overall activities. Regular monthly board meetings are held to review progress and address emerging issues.

Office Bearers:

Our daily operations are managed by designated office bearers, including the President and Vice Presidents, along with other key officials. These individuals are elected and assigned with implementing the board's directives and overseeing various departments within the BGMEA.

Standing Committees:

Our Board of Directors is supported by various standing committees, each led by a chairman and composed of members with extensive experience in their own respective fields. These committees assist in formulating and executing vital policies and programs for the organisation.

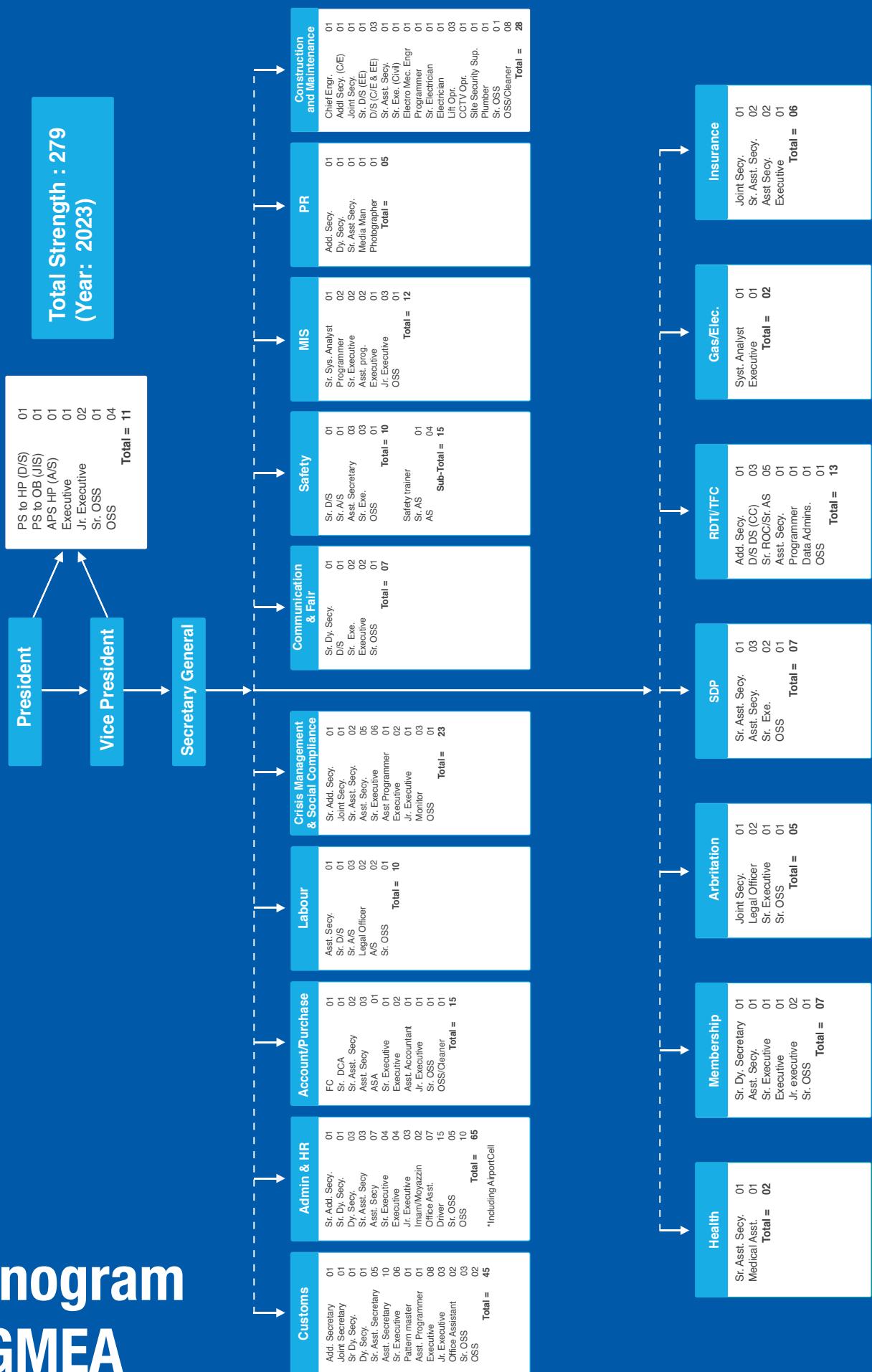
This governance structure ensures that we operate with transparency, accountability, and efficiency, aligning with our commitment towards sustainability and ethical practices within the ready-made garment sector.

AGM and Executive Meetings:

An Annual General Meeting (AGM) and Executive General Meeting are held each year to ensure institutional accountability, transparency, and member participation in major decisions.

In addition to governance responsibilities, BGMEA plays an active role in industry development projects and provides specialised support and knowledge on issues related to trade, labour, finance, and industrial operations.

Organogram of BGMEA



BGMEA

Governance Structure

Name of Standing Committee 2023

Local Fabrics	Administration
Market Development -Argentina/ Peru	BGMEA Complex
Market Development - Australia & New Zealand	Customs
Market Development - Brazil	UD (Knit)
Market Development - China	UD (Woven)
Market Development - Eastern Europe	UP
Market Development - EU	Women Affairs
Market Development -Japan	Airport Cell
Market Development - Korea	Banking
Market Development - India	Backward Linkage
Market Development - Mexico	BGMEA Hospital
Market Development - Non Traditional	BGMEA School Mirpur
Market Development - Russia	BGMEA School & Health Center - Signboard, Gazipur
Market Development - South Africa	Branding
Market Development - USA	Challenged Industries
New License	Compliance Cell
New license-2	Crisis Management Ashulia, Savar and Gazipur
NGO Affairs	Crisis Management Dhaka Zone - South
One Stop Cell	Crisis Management Dhaka Zone - North
Port and Shipping	Crisis Management - Narayangonj
Power, Gas & Telecom	Cultural
PR	DIFE
Product Diversification	Environment
Projects	FDI & Joint Venture
Publication	Fire, Electrical & Structural Safety - 1
Publicity	Fire, Electrical & Structural Safety - 2
Purchase & Sales	Floor Price and Cost Review
RDTI Cell	Foreign Mission Cell
RSC	Freight Forwarding
RSC - Environment	GIZ
SDG	GSP
SME	Health Center
Social Welfare	Healthcare and Family Planning
Sports	Health Care Savar
Stocks	Health Center (Uttara)
Subcontracting	HIV & Eye
TB Control & Dengue	ILO & Labour Affairs
Trade Arbitration	Incentive (Cash)
Trade Arbitration - 2	Industrial Engineering (IE)
Trade Fair	Knit Affairs
Training Center	Labour Arbitration Cell-1
UD/UP Automation	Labour Welfare and Education
Welfare	Law & Order
Welfare - 2	Legal Affairs (General)
Young Entrepreneur	Legal Affairs for Challenged Industries
	Local Accessories

Empowering Progress: BGMEA's Multifaceted Services for Member Factories

BGMEA is dedicated to promoting and facilitating the apparel industry through policy advocacy to the government, services to members, and promoting workers' rights and social compliance at factories. BGMEA's services are designed to address the multifaceted challenges faced by its member factories, ranging from labour compliance and worker welfare to sustainability and digital transformation. By fostering collaboration among factory owners, workers, and international stakeholders, BGMEA helps the RMG sectors to remain competitive, ethical, and forward-thinking.

01

A Commitment to Fairness: Resolving Conflicts, Restoring Trust

In Bangladesh's bustling garment factories, disputes over wages or working conditions are inevitable. BGMEA steps in not as a regulator, but as a mediator. Take the case of Fatima, a sewing operator in Dhaka who was wrongfully terminated during her maternity leave. Through the BGMEA-IBC Committee, she reclaimed her job and unpaid benefits, joining 2,961 workers who found justice in 2020.

Fairness has always been at the heart of BGMEA's values. Since 1997, its Bilateral Committee has helped factory owners and union leaders work together to resolve issues such as overtime pay and maternity rights. Meanwhile, the Conciliation-cum-Arbitration Committee (CAC) acts as a rapid-response unit, settling 92% of grievances (1,987 cases in 2019–20) before they escalate to courts.

02

Beyond Compliance: Caring for the Hands That Stitch

Behind every garment exported is a worker with dreams, health needs, and a family. BGMEA's initiatives reflect this human reality:

Healthcare: At BGMEA's free health centres in Dhaka, workers like Anika, a 28-year-old quality inspector, receive treatment for chronic fatigue—a common issue in high-pressure environments. Over 60,000 workers access these clinics yearly, while a new 100-bed hospital in Dhaka aims to reduce wait times for critical care.

Education: Five schools near factory hubs educate workers' children, like 10-year-old Rahim, whose mother stitches denim. Stipends reward top students, breaking cycles of generational poverty.

03

Digitizing Dignity: From Wages to Wellness

Factories across Bangladesh are increasingly adopting digital payment systems, ensuring timely and transparent wage disbursement while promoting financial inclusion for workers. At the same time, mental health and well-being initiatives are being introduced, offering counselling, stress management, and injury-related support. Through these efforts, workers gain easier access to health services, and employers can better track well-being data to create safer and more supportive workplaces.

Transparency is also evolving. A collaboration with BRAC University maps every RMG factory's location and labour practices publicly. "Buyers can't claim ignorance anymore," says a factory owner in Ashulia.

04

Green Threads: Weaving Sustainability into Every Stitch

Bangladesh's RMG sector is quietly leading a green revolution. Over 176 factories are now LEED-certified, cutting energy use by 40% through solar panels and rainwater harvesting. A Dhaka denim plant recycles wastewater into dyeing processes, reducing its reliance on freshwater.

05

Crisis as Catalyst: Pandemic Lessons

When COVID-19 hit, BGMEA's partnership with Inspectorio became a lifeline. A platform called Rise enabled factories like "StitchWell Apparel" to audit safety protocols weekly. "We kept 95% of workers COVID-free," says their HR manager.

BGMEA's Responsible Business Hub:

Building a Sustainable Future for Bangladesh's RMG Sector

As the Bangladesh Garment Manufacturers and Exporters Association (BGMEA), we take pride in leading the Responsible Business Hub (RBH), launched in June 2023 with support from GIZ. This initiative underscores our commitment to advancing human rights and environmental due diligence (HREDD) in Bangladesh's RMG sector. Aligned with our Sustainability Strategic Vision 2030, the RBH empowers factories to adopt ethical practices, comply with global regulations, and drive sustainable growth for a resilient industry.

Driving Human Rights and Environmental Due Diligence (HREDD) Through Strategic Objectives

We designed the RBH to simplify compliance with international HREDD standards, such as the German Supply Chain Due Diligence Act and EU regulations. By building factory capacities through training and integrating environmental and social safeguards, we aim to strengthen Bangladesh's position as a responsible global apparel supplier.

Empowering Factories with Knowledge and Tools

In December 2023, we organised a factory onboarding training to train compliance managers on HREDD frameworks, digital data platforms, and sustainability reporting. These efforts equip factories with practical tools to address risks, enhance transparency, and meet evolving due diligence requirements.

Advocating for Unified Global Legislation

As BGMEA Vice President Shahidullah Azim stated, "We need principle-based, harmonized legislation accepted by all global supply chain players." We urge governments, brands, and manufacturers to collaborate in creating equitable standards that reduce compliance complexity and protect workers and ecosystems.

Leveraging Partnerships for Global Alignment

We collaborate with partners like GIZ, BMZ, and international experts to align local practices with global norms. Through initiatives such as training on the German Supply Chain Act, we ensure our factories meet stringent EU expectations while advancing our ESG goals.

Scaling Impact and Building a Sustainable Future

To date, over 150 factories have engaged with RBH programs. We aim to scale outreach to 1,000+ factories, expand LEED-certified sustainable facilities, and solidify Bangladesh's leadership in ethical manufacturing.

Addressing Challenges Through Collective Action

Fragmented regulations remain a hurdle, but we tackle this by providing factories with updated guidance, digital tools, and advocacy for unified frameworks. As BGMEA President Faruque Hassan emphasized, "Implementing HREDD demands collective efforts—we call on global stakeholders to join us in building fair, actionable systems."

Due Diligence and Risk Management

In the current global business environment, we at BGMEA understand the increasing importance of risk management and due diligence. We incorporate these principles within every aspect of our work as new regulations promote ethical, environmentally responsible, and human rights-focused activities. We define due diligence as the process of identifying, assessing, mitigating, and monitoring environmental, social, and governance (ESG) risks throughout our value chain. This strategy overcomes regulatory compliance; it is a fundamental strategy for responsible leadership, resilience, and sustainable growth within the garment industry.

Risk Identification and Evaluation

We initiated the process by identifying and evaluating potential risks that would impact our factories, workforce, and surrounding communities. These hazards can include various factors, such as environmental impacts, worker concerns, and supply chain breakdowns. By employing systematic assessment tools, we are able to identify areas that require attention, therefore allowing us to act proactively and prevent more significant issues in the future.

Monitoring and Mitigation

We implement targeted strategies to mitigate risks following their identification. This may involve the use of energy-efficient measures, according to the approved guidelines such as BSCI and WRAP, or the promotion of ethical trade practices. Additionally, we also conduct regular reviews, audits, and assessments to evaluate our progress and make the necessary modifications, thus ensuring that we preserve the highest sustainability standards.

Collaboration for Improved Risk Management

Ongoing collaboration with stakeholders, both locally and globally, is beneficial for effective risk management. We collaborate with international organisations, NGOs, and industry leaders to share knowledge and benefit from each other's experiences. We remain knowledgeable about the most recent best practices by following the established frameworks such as the OECD Guidelines, the UN Guiding Principles on Business and Human Rights, and Fair Trade norms.

Accountability and Transparency in the Supply Chain

We believe transparent risk management is essential. We improve visibility and traceability throughout our supply chain by providing stakeholders with access to verified factory data through initiatives such as "Mapped in Bangladesh." This level of transparency not only strengthens trust among partners, customers, and consumers, but also reduces risks associated with sourcing and production.

A Continuous Process

BGMEA consider risk management and due diligence as an ongoing processes. In an effort to remain effective amid the garment industry's evolving challenges and developing global expectations, we are continuously improving our practices. Our objective is to mitigate potential hazards to figure out a responsible future for the industry by setting up sustainable practices, improving employee welfare, and ensuring transparency within our operations.



Scan the QR code to learn more about The Responsible Business Hub (RBH)

Building Sustainable and Transparent Practices

Navigating the RMG sector's complex and dynamic landscape is certainly not an easy commitment, particularly for an organisation like the BGMEA, which must balance the requirements of workers, factory owners, and worldwide stakeholders. In such a highly responsive business, transparency and strong grievance systems are more than simply tools; they are the lifelines. These programs provide a safe and structured environment for stakeholders, like the workers of our member factories to express their issues, building trust, responsibility, and a long-term growth. We at the BGMEA understand the importance of governance and transparency through a range of impactful initiatives designed to enhance trust, accountability, and sustainable development within the RMG sector.

The Responsible Business Hub (RBH) was established within the BGMEA member facilities as one of our primary

projects. As part of its mission to promote responsibility and openness in the RMG industry, the BGMEA has established this center to assist factories apply human rights and environmental due diligence methods in align with new international standards.

Moreover, at the BGMEA we support industrial relations by promoting social dialogue and workplace cooperation, essential components for building awareness of rights and responsibilities.

Our efforts include pilot training interventions in collaboration with organizations such as GIZ to strengthen factory committees focused on participation, safety, and anti-harassment. This comprehensive approach underscores our aim to foster transparent practices that enhance worker welfare, build stakeholder trust, and uphold ethical and responsible business conduct.



BGMEA

understands the importance of governance and transparency through a range of impactful initiatives designed to enhance trust, accountability, and sustainable development within the RMG sector.

BGMEA's initiatives



Responsible Business Hub (RBH) Establishment



Establishment of Circular Fashion Unit



Social & Economic Unit



Skills for Industry Competitiveness and Innovation Program



Centre of Innovation, Efficiency and Occupational Safety and Health (CIEOSH)

Accountability:

We are dedicated to maintaining accountability in our operations, striving to embed transparency across all levels of our work within the RMG sector. Our commitment to openness is reflected in a multi-faceted approach that is inclusive of comprehensive reporting, active stakeholder engagement, and regular communication on industry developments.



Stakeholder Engagement

We organize forums, seminars, and meetings to engage with various stakeholders, including government bodies, international organizations, and civil society. This engagement facilitates dialogue and collaboration on governance-related issues.



Publications and Reports

We regularly publish reports and updates on our activities, initiatives, and the overall performance of the RMG sector. These publications are accessible to stakeholders and the public, ensuring openness in our operations.



Monthly Newsletter

BGMEA publishes *The Apparel Story*, a private circulation newsletter, that provides a platform to address key aspects of the RMG industry in Bangladesh. Each issue covers topics such as industry challenges, sustainability, diversification, innovation, worker skills, and worker livelihood. *The Apparel Story* offers insights into how the RMG industry navigates a challenging global economic climate, adopts sustainable practices, explores circular fashion and new technologies, enhances worker skills through upskilling and reskilling, and ensures a decent livelihood for its workforce.



Scan the QR code to read the latest edition of *The Apparel Story*



Accountability

driving trust in the RMG sector.

Grievance Mechanism

At BGMEA, we understand the power of a worker's voice. In the dynamic and often complex world of the RMG industry, where millions of workers are involved in production, it is crucial to have a trusted platform for them to express concerns. Whether it is about unsafe working conditions, wage issues, discrimination or unfair treatment, workers often hesitate to speak up due to fear of retaliation or lack of support. That is where our grievance mechanism steps in.

Our approach is designed to bridge the gap between workers, management, and other stakeholders, creating an open, transparent, and accountable environment. The BGMEA grievance mechanism provides an easy, confidential, and accessible way for

workers to raise their concerns, reinforcing our commitment to addressing issues promptly and fairly. But mechanism also identifies recurring issues that could signal broader, systemic problems, driving continuous improvement across factories. This not only resolves the immediate concerns of workers but also fosters a culture of respect, empowerment, and trust within BGMEA member factories. Through a combination of internal and external grievance mechanisms, we ensure that worker welfare is at the forefront of our efforts. Our commitment goes beyond just providing solutions—It is about creating a safer, more respectful workplace where every worker feels valued and heard.



BGMEA
provides
a confidential,
accessible way
for workers to
raise concerns
and ensures fair
resolution.

ARBITRATION CASES RECEIVED AND RESOLVED BY BGMEA

Year	Cases Received	Cases Resolved	Workers Benefited
2019	1,054	873	2,299
2020	955	969	4,418
2021	1,206	1,134	3,495
2022	1,735	1,606	3,226
2023	1,115	1,431	2,596

In 2023, our commitment to bring a fair and transparent workplace led to groundbreaking progress in grievance management across our member factories. By partnering with multiple external organizations, we have created a robust network that empowers workers to speak up and ensures their concerns are heard and resolved swiftly.

Over 200 BGMEA-affiliated factories rely on the Fair Wear Foundation Complaints Helpline, ensuring swift action in partnership with global brands. The Occupational Safety and Health (OSH)

Complaints Mechanism under the RMG Sustainability Council (RSC) has also proven vital in maintaining workplace safety, with over 3,000 complaints processed in 2023 to ensure workers' rights are protected.

The DIFE Government Hotline continues to offer workers an external channel to address grievances. With a 91% resolution rate in 2022, it stands as a testament to the power of effective grievance management in improving factory environments.



In 2023

BGMEA's robust grievance mechanisms helped resolve thousands of worker concerns, ensuring a fair, safe, and transparent workplace.

External Grievance Channels in Member Factories



Helpline



Occupational Safety and Health (OSH) Complaints Mechanism of RSC



Fair Wear Foundation Complaints Helpline



Department of Inspections for Factories and Establishments (DIFE) Hotline



Federations



Grievance Mechanism of Participating Member Factories

In 2023, BGMEA and its member factories took significant strides in establishing a range of grievance channels designed to bring in an open and respectful dialogue between workers and management.

We prioritize open communication to ensure every worker's voice is heard. Our Suggestion and Complaint Boxes offer a confidential space for workers to submit ideas and concerns anonymously. Participation Committees (PCs), made up of elected worker representatives, meet directly with management to discuss workplace issues, while Grievance Committees bring workers and management together to resolve conflicts. Safety Committees focus on maintaining a secure environment. To accommodate different preferences, factories also provide Written and Verbal

Grievance Registers, allowing complaints to be submitted in writing or verbally. SMS grievance options offer anonymity, though they can lack investigative details. Workers can also report grievances to their Direct Supervisors, though BGMEA ensures this method does not lead to retaliation. Every factory is required to appoint a Welfare Officer to address worker concerns and ensure their well-being.

Although less common, some factories conduct Exit Interviews to gather feedback from departing workers, providing valuable insights into workplace culture. Through these diverse channels, BGMEA and its member factories create a supportive, safe environment where workers feel empowered, ensuring their concerns are swiftly and respectfully addressed.



BGMEA

and its member factories provide diverse grievance channels, creating a safe environment where every worker's voice is heard and valued.

Internal Grievance Channels in Member Factories

Suggestion/
Complaint Box



Participation
Committee (PC)

Safety Committee (SC)



Grievance Committee

Hotline Number



Written and Verbal
Grievance Registers

Short Message
Service (SMS)



Sexual Harassment
Prevention Committee

Direct Supervisor
and Welfare Officer



Exit Interviews

BGMEA's ongoing effort to strengthen worker voice mechanisms across its member factories in 2023 shows how these commitments translated into factory-level practice. Across the 57 BGMEA member factories that submitted grievance data, a total of 1,872 worker grievances were logged in 2023. Of these, 1,655 were closed by year-end, yielding a resolution rate of 88.4%. Workers in the reporting group had access to multiple grievance

channels: mobile app platforms were active in 9 factories; dedicated hotlines in 53 factories and on-site options such as letter/drop boxes or in-person reporting points in 37 factories, many factories offered more than one channel. By offering several, parallel routes digital, phone, and physical participating factories increased accessibility and trust, helping ensure that worker concerns were captured, tracked, and acted upon in a timely manner.



In 2023, participating member factories resolved 88.4% of 1,872 worker grievances, providing multiple accessible channels to raise concerns.

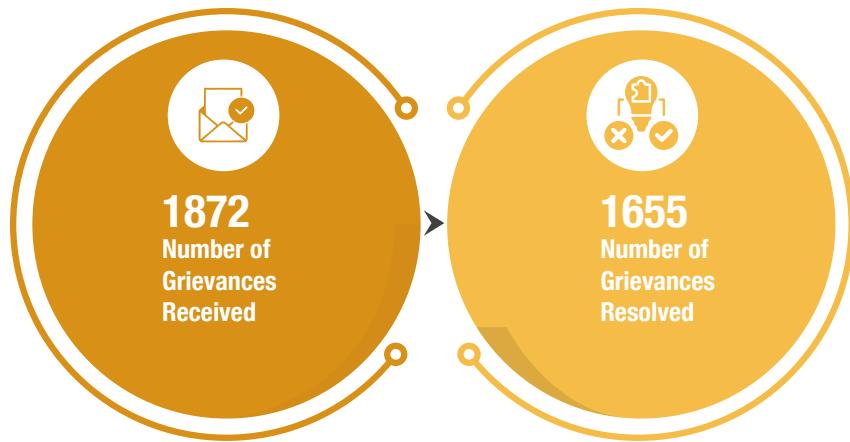
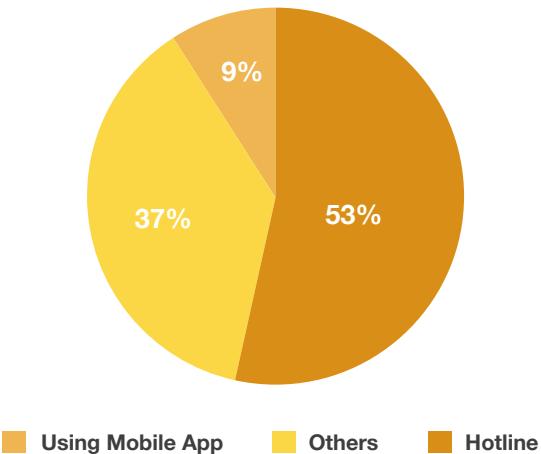


Figure 1.0
GRIEVANCE CHANNEL



Stakeholder Engagement

Stakeholder Selection and Engagement Process

BGMEA adopted a structured and inclusive approach to identify key stakeholders for its 2nd Sustainability Report.

Stakeholders were selected based on their relevance and impact within the garment and textile industry, as well as their alignment with BGMEA's sustainability objectives. This process included consultations with industry leaders, development partners, workers' representatives, and global brands, ensuring a comprehensive representation of diverse perspectives.

Following the identification phase, BGMEA organized a webinar to facilitate in-depth discussions with these groups. During the webinar, participants were clustered into specific categories such as companies, development partners, workers' federations, and civil society organizations based on their unique roles and contributions to the sustainability landscape. Through this engagement, stakeholders shared their expectations and provided insights on material topics critical to the industry's sustainable future.

The outcomes of this collaborative process have formed the foundation of BGMEA's impact arenas.



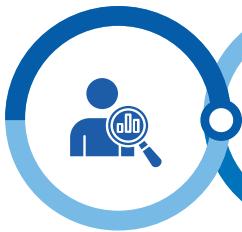
BGMEA

engaged diverse stakeholders to shape its sustainability priorities, ensuring a collaborative and inclusive approach for its 2nd Sustainability Report.

Stakeholder Engagement Steps

Consultation & Selection

Engage industry leaders, development partners, workers' representatives, and global brands to ensure diverse perspectives.



Stakeholder Identification

Select relevant stakeholders based on influence, impact, and alignment with BGMEA's sustainability objectives.

Interactive Engagement

Conduct a webinar to facilitate dialogue, allowing stakeholders to share expectations and material concerns.



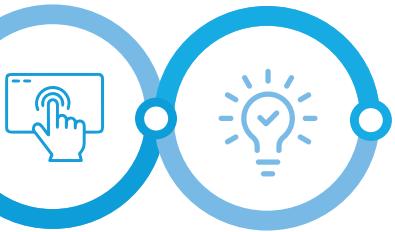
Stakeholder Categorization

Group stakeholders into companies, development partners, workers' federations, and civil society organizations based on their roles.



Integration of Insights

Analyze feedback and embed stakeholder perspectives into BGMEA's sustainability impact framework.



Dialogues & Expectations



Companies and Industry Representatives

Key Role

Manufacturers, suppliers, and industry leaders drive sustainability within the garment sector.

Focus Areas

- Operational excellence.
- Waste management.
- Greenhouse gas (GHG) reduction.

Social Contributions

- Fair wages for workers.
- Education initiatives for community upliftment.

Economic Priorities

Advocacy for fair global pricing to maintain competitiveness against countries like India and Vietnam.

Reporting Expectations

- Sustainable production practices.
- Fair wages and community education.
- Advocacy for fair global pricing.
- Waste and GHG reduction efforts.



Key Role

Manufacturers, suppliers, and industry leaders drive sustainability within the garment sector.



Development Partners

Role and Support

Development partners, including NGOs, international organizations, and government bodies, play a crucial role in guiding and supporting BGMEA's sustainability efforts.

Focus Areas

- Circular economy strategies.
- Resource efficiency and cleaner production.
- Women and youth empowerment through capacity-building programs.

Community and Social Issues

These stakeholders advocate for fostering community awareness, addressing gender-based violence, and ensuring access to social justice.

Reporting Expectations

- Adoption of circular economy practices.
- Empowerment of women and youth.
- Community awareness on sustainability.
- Alignment with global regulatory frameworks.



Women and youth empowerment

through capacity-building programs.



Brands and Civil Society Organizations (CSOs)

Role and Importance

Global brands and CSOs are key to aligning BGMEA's sustainability efforts with international ethical standards and market demands.

Focus Areas

- Living wages and ethical sourcing practices.
- Strong labour-management relations.
- Climate action and waste management.

Global Frameworks

Stakeholders emphasize the need to align sustainability reporting with global

standards, such as HREDD, CSDDD, and CSRD, while adopting circular economy practices.

Economic Priorities

They advocate for reporting on return on investment (ROI) to encourage sustainability adoption across the supply chain.

Reporting Expectations

- Ethical labour practices and living wages.
- Climate action and waste management.
- Compliance with global sustainability frameworks.



Human Rights

and Environmental Due Diligence integration into production operations.



Workers' Federations and Trade Unions

Role and Importance

Workers' federations and trade unions advocate for the workforce, ensuring the social aspects of sustainability are prioritized.

Focus Areas

- Workplace safety and grievance handling.
- Prevention of gender-based violence, especially as women represent a significant portion of the workforce.

Labour Rights Advocacy

These stakeholders stress fair wage negotiations and implementing collective bargaining mechanisms to protect worker rights.

Compliance and Just Transitions

Key interests include compliance with international labour standards, such as the German Due Diligence Act, and promoting inclusive digitalization and automation for equitable industrial transitions.

Reporting Expectations

- Improved workplace safety and grievance mechanisms.
- Forced or compulsory labour prevention.
- Prevention of gender-based violence.
- Fair wage negotiations and collective bargaining.
- Inclusive automation



Workplace safety

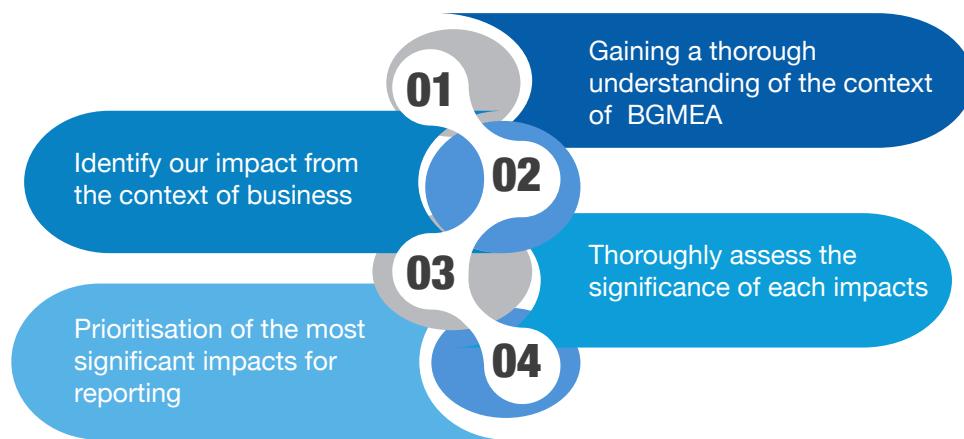
and grievance handling.

Materiality Assessment

As BGMEA advances towards sustainability, we continuously analyze industry trends and global standards to identify key social, environmental, and economic issues. BGMEA conducts its materiality assessment through an impact materiality approach, engaging in consultations and dialogues with diverse stakeholders and drawing insights from our own business experiences. This process helps allocate resources, set

reporting requirements, and guide sustainability actions effectively. BGMEA remains committed to refining this assessment by regularly updating our materiality matrix and strengthening stakeholder engagement. This method enables us to address emerging issues promptly, supporting our commitment to responsible, sustainable growth in the garment industry.

Process to Determine Material Topics



Our Material Topic

Importance to stakeholders	Very High	High	Moderate	
Impact on the business	<ul style="list-style-type: none">Diversity and Equal OpportunityNon-discriminationIndirect Economic ImpactsWaterEnergy	<ul style="list-style-type: none">Occupational Health & SafetyEmploymentTraining & Education	<ul style="list-style-type: none">Forced or Compulsory LabourFreedom of Association and Collective BargainingEconomic PerformanceEffluent and waste MaterialsModerate	<ul style="list-style-type: none">Pricing

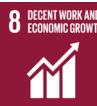


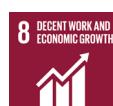
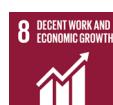
BGMEA conducts

its materiality assessment through an impact materiality approach, engaging in consultations and dialogues with diverse stakeholders and drawing insights from our own business experiences.



Integrating SDGs with Material Topics

Material Topic	GRI Topic Standard	Why is it material	Priority	Relevant SDGs
Energy	GRI 302: Energy	Energy is a key focus for BGMEA and its member factories, influencing operational efficiency and sustainability. We aim to optimise energy use, reduce greenhouse gas emissions, and minimise costs. Through sustainable practices and green technologies, we support members in enhancing energy efficiency.	High	 
Water and Effluents	GRI 303: Water and Effluents	We identify water and effluents, including their pollution aspect, as a significant material topic due to increasing demand, water scarcity concerns, and environmental impacts. BGMEA member factories utilise substantial amounts of water for manufacturing purposes, as well as for sanitary and domestic use across all units.	High	 
Employment	GRI 401: Employment	BGMEA prioritises workforce development as a key material topic, focussing on inclusivity and empowerment within its member factories. Efforts were made to employ individuals from marginalised communities, including persons with disabilities and women, reflecting a commitment to diversity, equity, and equal opportunity in the workplace.	High	
Diversity and Equal Opportunity	GRI 405: Diversity & Equal Opportunity	We identify diversity and equal opportunity as essential to building an inclusive workforce across our organisation and within our members' factories. Our commitment includes empowering women and creating employment opportunities for people with disabilities. Through these efforts, we promote equality and diversity within the Bangladesh garment industry.	High	 
Non-Discrimination	GRI 406: Non-Discrimination	Non-discrimination is prioritised as a material topic to ensure equal opportunities, enhance employee morale and retention, and promote a positive organisational culture across our member factories. This commitment aligns with global humanrights standards and ethical businesspractices.	High	 
Occupational Health & Safety	GRI 403: Occupational Health & Safety	We have chosen Occupational Health and Safety (OHS) as a material topic to prioritise the well-being and safety of workers in our member factories. Our strategic approach includes regular safety training, comprehensive risk assessments, and strict adherence to health standards, ensuring a secure and healthy work environment for all employees throughout the Bangladesh garment sector.	High	

Material Topic	GRI Topic Standard	Why is it material	Priority	Relevant SDGs
Training and Education	GRI 404: Training & Education	Training and education are prioritised as a material topic, as it is recognised that investing in skill development programmes helps enhance workforce capabilities, fosters a culture of innovation, improves operational efficiency, and ensures compliance with industry standards. Through the provision of knowledge and tools, the growth and competitiveness of member factories are supported.	High	
Forced or Compulsory Labour	GRI 409: Forced or Compulsory Labour	We prioritise this as a material topic because addressing forced and compulsory labour is essential for safeguarding human rights; ensuring compliance with international labour standards; protecting the reputation of the industry; mitigating legal and operational risks; and promoting ethical working conditions across our member factories.	High	 
Waste	GRI 306: Waste	We prioritise the proper management of waste as a critical material to prevent environmental pollution and ensure compliance with regulatory standards. Efforts to treat and dispose of waste from production processes are being carried out across member factories, contributing to environmentally sustainable operations in the Bangladesh garment industry.	Medium	 
Materials	GRI 301: Materials	We prioritise materials to ensure responsible sourcing and efficient use, reducing waste and environmental impact. Through the involvement of our member factories, we align with our commitment to environmental stewardship and resource conservation.	Medium	
Economic Performance	GRI 201: Economic Performance	We select economic performance as a material topic because strong financial results drive sustainable growth across our member factories. Such performance supports job creation, economic development, and industry resilience. Our focus on financial integrity reinforces transparency and ethical practices throughout the garment sector.	Medium	 
Freedom of Association and Collective Bargaining	GRI 407- Freedom of Association and Collective Bargaining	Freedom of association and collective bargaining are prioritised to strengthen employee voice, ensure fair representation, and promote a collaborative work environment. This commitment supports labour rights and improves working conditions in member factories. It contributes to long-term organisational sustainability and social responsibility.	Medium	 





People & progress



Capacity Development

Despite being the world's second-largest producer of Ready-Made Garments, Bangladesh often face challenges in terms of skilled labour as well as competent technical and managerial skills at management level. The industry's rapid growth has outpaced the development of technical and managerial competencies, resulting in increased production costs, lower productivity, and risks to the country's competitive edge in the global market. To address these challenges, BGMEA actively facilitates and promotes diverse worker development initiatives and technical capacity building for managerial roles among its member factories. Through the adoption of effective workforce development practices, the association supports its members in enhancing skills, improving efficiency and productivity to safeguard Bangladesh's strong position in the international apparel market.

BGMEA has collaborated with organisations such as the ILO, SEIP, and the Government of Bangladesh to execute a variety of skill development initiatives that aim to improve the capacity of workers and management in the RMG sector. Leadership and operator-level training, supervisory skills, HR best practices, grievance management, gender equality, fire safety, and advanced industrial engineering are among the key programs. Operator and mid-level training has been facilitated through partnerships with SUDOKKHO, STEP, and PKSF. At the same time, workplace conditions are further enhanced by gender-focused "Training of Trainers" programmes and fire safety initiatives, while job placement initiatives guarantee trainees practical benefits. The talents, safety, and competitiveness of Bangladesh's RMG sector have been significantly enhanced by BGMEA's initiatives.

BGMEA training initiatives



16,000
workers were
supported with
training.

	ILO-BGMEA COVID-19 Industry Response
	i4.0 Project Collaboration with A2i
	Capacity Building Training for Workers and Management
	Gender Equality and Anti-Violence ToT
	Skills for Employment Investment Program (SEIP)
	Fire Safety Training
	MoU for Supply Chain Management Training
	BGMEA-PKSF Collaboration
	Re-skilling Initiative with World Economic Forum
	STEP Project
	SUDOKKHO Program
	BGMEA-EPB Training

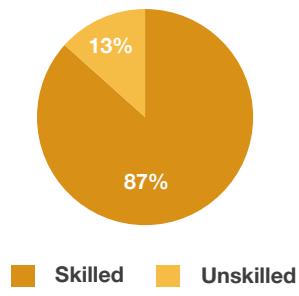
Workforce

In the ever-evolving world of Ready-Made Garments (RMG), it is not merely machines or metrics that drive success—it is the people. At the heart of BGMEA's vibrant network of 57 participating member factories lies a dynamic force of 142,579 individuals, each playing a unique role in driving industry growth.

Among them, 123,514 skilled members of the workforce stand out as the core strength behind production and progress. The expertise of machine operators, combined with the oversight of line managers, plays a vital role in driving output and adopting innovation within the organisation. These individuals are more than just employees; they are the backbone of factory operations, embodying excellence, leadership, and resilience.

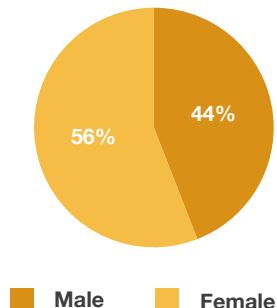
Production is efficiently overseen by 123,514 trained individuals across these 57 factories. From production line managers to machine operators, these people represent the technical proficiency and leadership driving the industry's growth. Alongside them, 19,065 unskilled workers play essential supportive roles that help ensure the seamless flow of operations. Cleaners, assistants, and other support personnel make indispensable contributions to maintaining the efficiency and functionality of the production environment.

Figure 1.1
PERCENTAGE OF SKILLED AND UNSKILLED WORKERS



Data based on 55 factories

Figure 1.2
NEWLY HIRED EMPLOYEE



Data based on 54 factories



123,514

skilled members of the workforce stand out as the core strength behind production and progress.

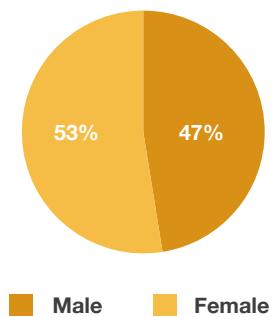
The year 2023 marked a turning point in workforce transformation. The participating factories opened its doors to 42,658 new workforce, each bringing fresh energy and potential. Remarkably, this growth was not just in numbers, but in representation. Of the new recruits, 23,754 were women and 18,904 were men—a promising indicator of increasing gender equality in the sector.

Empowering People

The RMG sector is a vital part of our economy, directly employing over 4.1 million people, with 60% being women. This industry also supports millions more through indirect jobs in textiles, logistics, and other related services, creating a strong economic ripple effect. The BGMEA, with more than 4200 member factories, plays a key role in sustaining growth and competitiveness in the global market. Together, we drive significant socio-economic development, providing livelihoods and fostering progress across the nation.

Figure 1.3

TOTAL EMPLOYEES BY GENDER



BGMEA ensures that each factory complies with legal requirements, including employment contracts, working hours for hiring and retrenching workers, and leave policies, by standards set by the Bangladesh Labour Act 2006, amended in 2013, 2018, and 2023 and the Bangladesh Labour Rules 2015. BGMEA is committed to protecting workers' basic human rights in member factories, which comply with legal human rights requirements.



1,47,546

employees including workforce and management.

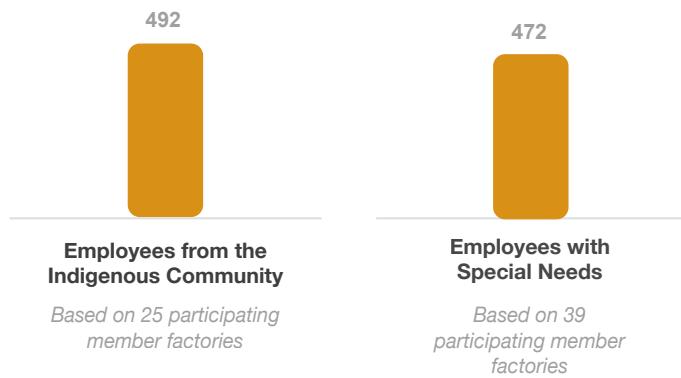
The employees of our participating member factories create an up-close representation of collaboration. A total of 1,47,546 employees power these factories, representing a combination of skill and effort. Women make up the majority, with 77,859 individuals leading the charge, reflecting the industry's dedication to empowering female employees. Alongside 69,687 men with their expertise forming a balanced and strong team.

Diversity and Inclusion

BGMEA actively promotes diversity and inclusion among its member factories in the RMG industry through focused initiatives. We promote initiatives that advance gender equality in the workplace, ensuring factories implement inclusive policies and balanced employment practices. BGMEA significantly contributes to promoting positive change and enhancing the sector's dedication to equitable and inclusive workforce development.

Figure 1.4

INDIGENOUS AND SPECIAL NEEDS EMPLOYEE



We recognise that gender discrimination is a global issue, but in Bangladesh's RMG sector, we are making significant progress towards developing gender equality. All of the participating member factories practice equal pay for all genders in their respective grades. We remain aware of preventing any gender-based discrimination within our member factories, and if such issues are identified, we take immediate action to resolve them. Additionally, we strictly follow Bangladesh's national laws to promote fair treatment and prevent discrimination in our sector.

Inclusion is an integral part of daily operations across BGMEA's member factories. The workforce demonstrates a strong commitment to diversity, with 492 employees from the Indigenous Community (based on 25 participating member factories) bringing their

distinct cultural heritage, and 472 employees with special needs (based on 39 participating member factories) demonstrating resilience and skill. Beyond enhancing the industry, their presence underscores the RMG sector's dedication to empowering all individuals and providing equitable opportunities.

Women in Leadership

Our participating member factories are demonstrating a tangible commitment to advancing gender equality and women's empowerment. From the 53 member factories that provided data for this section, we have identified encouraging progress in female leadership.

These factories report 494 women in management positions, where they contribute to key strategic decisions and provide operational guidance. Furthermore, 1,025 women hold supervisory roles, showcasing essential leadership on production lines and across various departments.

While acknowledging the inherent challenges in verifying and collating comprehensive data on leadership roles across the entire sector, these figures from our participating members serve as a strong, positive benchmark. They highlight the significant and expanding contribution of women in decision-making, paving the way for greater gender equality in the industry.



BGMEA

promotes gender equality and inclusion across member factories, ensuring fair treatment and equal opportunities for all workers.

Capacity Development Initiatives of Member Factories

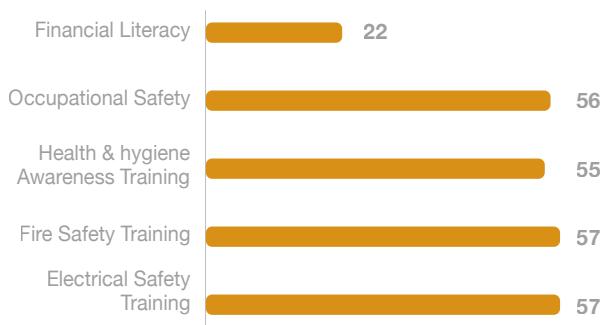
In a collective effort to develop workforce skills and productivity, 41 participating factories have taken the initiative to provide in-house training programmes. These programs have empowered 12,881 workers, equipping them with the knowledge and expertise they need to succeed in their roles. This focus on continuous learning improves the employees and promotes the factories' willingness to create an apparel industry with a culture of development, creativity, and sustainability.

In-House Training Capacity	
No. of workers who have got in-house Training	12,811
No. of Factories that have given in-house Training	41

Leading among these initiatives are Fire Safety Training and Electrical Safety Training, offered by participating 57 factories, which aim to protect employees against possible hazards. Moreover, occupational safety training, carried out by 56 factories to guarantee staff members have the skills to design and preserve a safe workplace. In addition to the importance of personal well-being and a better workforce, the Health & Hygiene Awareness Training by 55 factories has an equally impactful effect. Along with these programmes, 22 factories gave Financial Literacy first priority and provided tools to help employees manage their finances to ensure a better future.

Figure 1.6

LIFE SKILL TRAINING



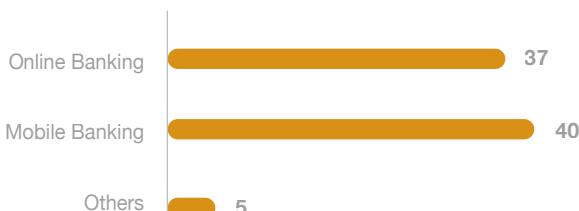
Data based on 57 factories

Employment Benefits

Within a selection of 57 BGMEA-member factories, employees benefit from various supportive measures. Among them, 53 incentivise punctuality through an attendance bonus, 23 recognise exceptional efforts with a performance bonus, and 29 reward consistent output through a production bonus. 6 factories offer gratuity to long-serving personnel, 7 factories maintain a provident fund for financial stability, and 41 provide an insurance scheme. Collectively, these measures reflect how BGMEA-member factories strive to motivate and protect their workforce.

Figure 1.8

DIGITAL PAYMENT

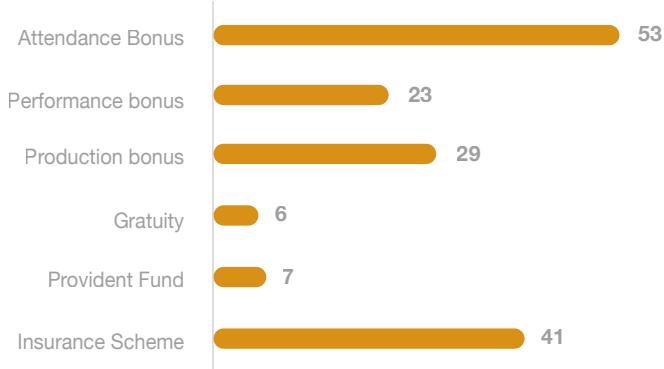


Data based on 54 factories

Our participating member factories of the BGMEA are focused on developing a supportive and worker-friendly environment by providing various facilities. 56 factories offer canteens and childcare centres to ensure their employees and their families convenience and well-being. 53 factories provide prayer rooms, while 52 allocate separate time for mothers and organise awareness programs to educate and empower pregnant workers. Furthermore, 20 factories run fair-priced shops, which ensure that workers have access to essential products at a reasonable price.

Figure 1.7

EMPLOYEE BENEFITS

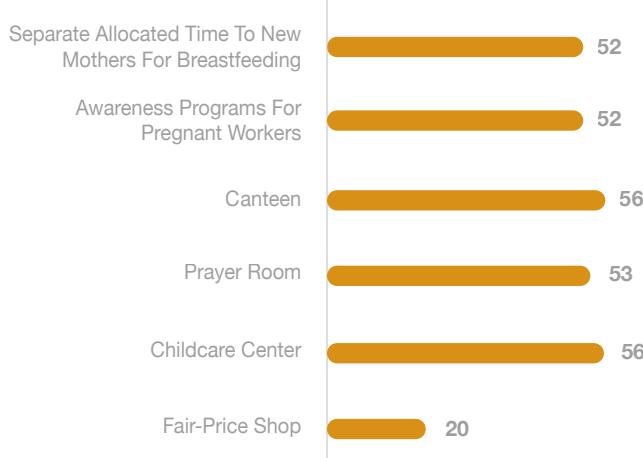


Data based on 55 factories

In these 57 BGMEA-member factories, digital payment methods serve as an essential tool for employee payments. Specifically, 37 establishments employ online banking, 40 rely on mobile banking, and 5 choose other digital platforms.

Figure 1.9

FACTORIES FACILITIES



Data based on 56 factories

Safety and Wellness

At the Workplace

BGMEA is dedicated to ensuring that the highest standards of workplace safety and worker wellness are maintained in all of its member factories. We assure that the RMG sector in Bangladesh complies with global safety and wellness standards through strategic collaborations, capacity development, and advocacy, thereby promoting the industry's long-term sustainability.

Bangladesh has made significant progress in workplace safety, with the BGMEA supporting initiatives that ensure structural, fire, and electrical safety in all export-orientated factories. We have achieved almost 100% remediation progress in RSC and NIRAPON-affiliated

factories, respectively, through collaboration with the National Initiative, RSC, and NIRAPON. Furthermore, in collaboration with the ILO and BEF (Bangladesh Employers Federation), the BGMEA provides support for extensive occupational safety and health (OSH) training. These programs concentrate on seven priority areas.

- Fire safety
- Electrical safety
- Trips slip and fall and good housekeeping
- Dangerous substances
- Ergonomics
- Noise protection
- Preventing violence at work



8,038

RMG Managers and supervisors were trained by 114 master trainers.

BGMEA WORKPLACE SAFETY INITIATIVES

01 Workplace Safety Achievements

- 88% Remediation in RSC Factories.
- 90% Remediation in NIRAPON Factories



02 OSH (Occupational Safety and Health) Training Impact

- RMG Managers and Supervisors Trained
- Workers Reached in 585 Factories

03 Worker Wellness Program

- Healthcare Centers
- Eye Care and Mental Health Campaigns
- Maternity Rights Programs

04 Collaborations and Partnerships

- Partnerships with local hospitals, clinics, and healthcare providers.
- Partnering with government agencies for public health campaigns and awareness programs.
- Collaborating with international organizations that work on health issues.

Safety initiatives

In Bangladesh's Ready-Made Garment (RMG) sector, worker safety has become a key priority, and BGMEA is playing a supervisory role in making this happen. Two major initiatives have emerged to improve safety: the RMG Sustainability Council (RSC), which continues the work of the ACCORD on Fire and Building Safety, and NIRAPON, which evolved from the Alliance for Bangladesh Worker Safety program. While both initiatives focus on critical safety areas like fire, electrical, and structural safety, BGMEA is guiding its member factories to join these programs to improve safety standards.

BGMEA does not directly run the safety programs but encourages its member factories to get involved. Currently, 53 BGMEA participating member factories are taking part in these safety initiatives.

Of these, 28 factories are enrolled in RSC/ACCORD, 3 have joined Alliance-NIRAPON, and 22 are members of both. This shows a strong commitment within BGMEA to enhance safety standards across the sector.

By partnering with these programs, our member factories improve their safety measures and create a more secure environment for workers. We support these efforts by raising awareness, providing guidance, and promoting continuous improvement in safety practices. This dedication helps ensure that we and our member factories continue to lead the way in creating a safer, more sustainable garment industry.

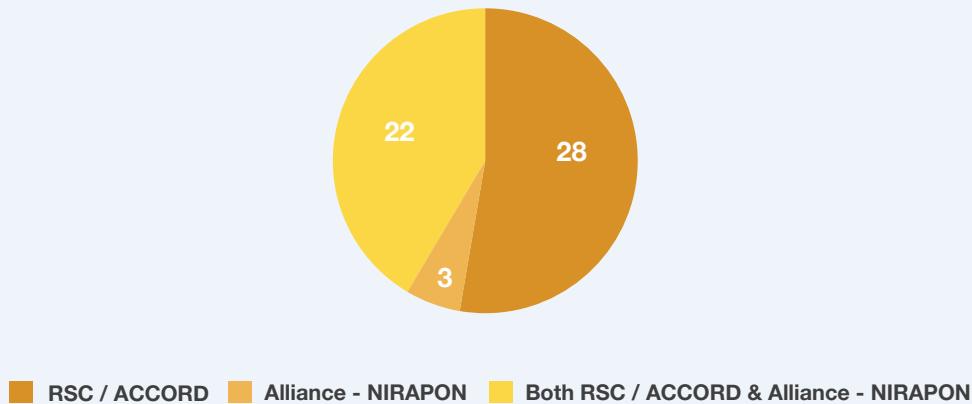


BGMEA encourages

its member factories to take part in RSC and NIRAPON safety programmes.

Figure 2.0

MEMBER FACTORIES ENROLLED IN SAFETY INITIATIVES





Fair and Ethical Practices

The Bangladesh Garment Manufacturers and Exporters Association (BGMEA) acknowledges that our workforce constitutes the foundation of the Ready-Made Garment (RMG) sector and is an essential factor for its growth and success. We actively assist our member factories in establishing fair and ethical procedures, ensuring the sector's productivity, sustainability, and appeal to new talent.

To enhance worker rights and welfare, the BGMEA mandates worker-participation committees to improve workplace safety, equitable wages, festival bonuses, paid leave, and medical leave provisions, while also emphasising the importance of inclusivity and safety.

The BGMEA has supported legislative reforms that have reduced the criteria for union registration, thereby enabling workers to effectively advocate for their rights and form unions.

A Central Welfare Fund, which is funded by member factories, establishes a strong safety net by offering essential financial and social security assistance to employees. Furthermore, the BGMEA's pilot Employment Injury Scheme (EIS) provides financial support to workers and their families who have been impacted by workplace injuries.

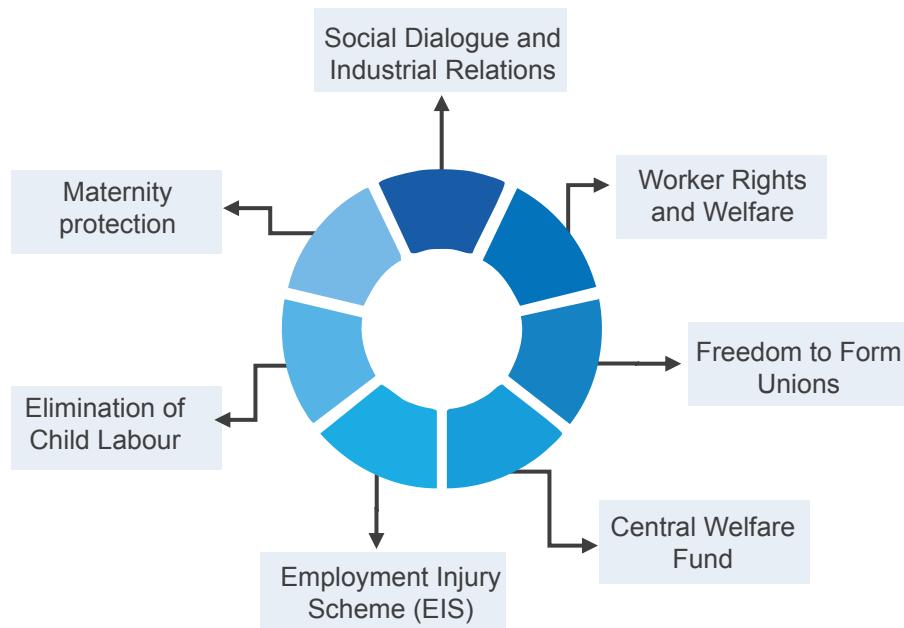


BGMEA

strengthens worker rights and welfare through committees and initiatives on safety, inclusivity and ethical practices.

BGMEA has been a leader in the fight to eliminate child labour since 1995, implementing educational and rehabilitation programs to maintain ethical standards. BGMEA collaborates with global organisations, such as Better Work Bangladesh (BWB), to promote social dialogue and strengthen relations between workers and management to build harmony in the workplace. The collective objective of these initiatives is to establish a sustainable and inclusive RMG sector in Bangladesh.

Key initiatives taken by BGMEA



Enrolled Social Standards

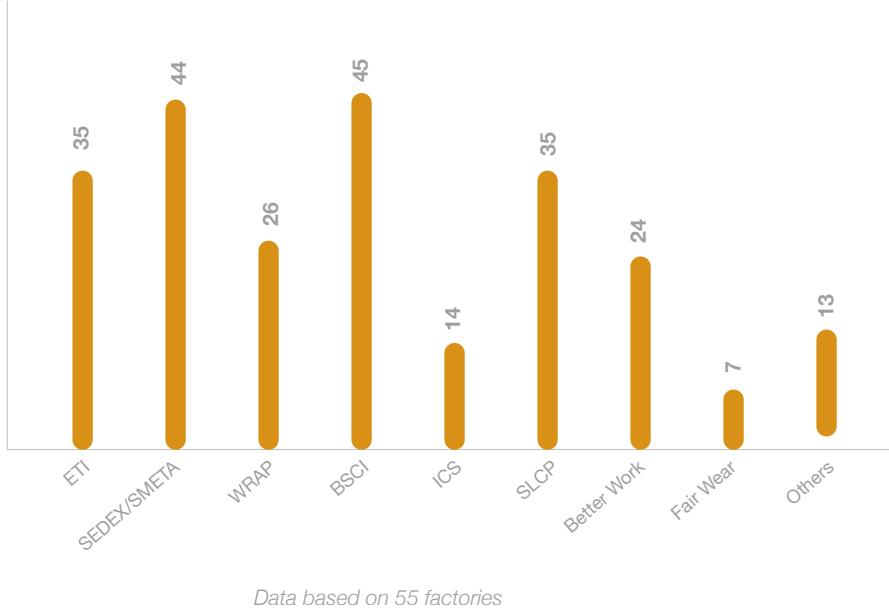
In addition to Bangladesh Labour Laws, BGMEA member factories adhere to many recognised social standards, which include Fair Wear, ICS, Better Work, SLCP, ETI, WRAP, SEDEX/SMETA, BSCI, and others. While BGMEA does not enforce any specific standards, it acts as a unifying body by providing guidelines and support to help each manufacturer choose the programme that best suits its business requirements.

All factories that are members of the BGMEA actively participate in ethical business practices by supporting worker rights, fair treatment, and sustainability. At the core of this collective effort lies the belief that ethical workplace practices strengthen the entire industry, creating benefits that extend far beyond individual employees.

By aligning with these global standards, factories have enhanced transparency, improved labour conditions, and ensured fair treatment for workers while meeting the expectations of international buyers and partners. This engagement with global platforms has not only elevated compliance and accountability but also positioned Bangladesh's RMG industry as a leading advocate of sustainability, ethical production, and continuous improvement on the world stage.

Figure 2.1

Social Standard Enrolled Member Factories



BGMEA

supports member factories in adopting ethical standards, promoting worker rights, fair treatment, and a sustainable, responsible RMG sector.

Workers Rights & Benefits

Encouraging Human Rights and Encouraging Freedom of Association

BGMEA presents itself as an influential body for ethical labour practices and human rights. Since Bangladesh has approved international frameworks, BGMEA actively takes initiatives that member factories adhere to these principles by facilitating their implementation within the Ready-Made Garment (RMG) industry.

By forming a bilateral committee with the Registered Trade Union Federation in 1997, BGMEA showed its dedication to promoting worker representation. This group was established to handle important workforce concerns, such as compliance, overtime regulations,

and maternity leave. The BGMEA has continuously urged its members to embrace equitable and inclusive working practices by establishing this forum for discussion and problem-solving.

Among the participating member factories, 9 factories have established facilities specifically for trade union activities. Workers' rights are maintained by trade unions through the establishment of safe working conditions and equitable treatment. They also provide a structured channel for workers to voice their concerns and participate in decision-making.



BGMEA
supports
ethical labour
practices
emphasizing
freedom of
association.

Cooperation with Civil Society Organisations

BGMEA continues to work with civil society organisations to advance ethical and sustainable business practices. The alliance acknowledges the vital role CSOs play in tackling global issues like environmental sustainability and human rights.

In addition to lessening their negative effects on the environment, these collaborations tackle particular issues such as managing deadstock linked to COVID-19. In order to help its members embrace eco-friendly practices, BGMEA works with investors and regulators to pinpoint and remove logistical and financial obstacles.

Collaboration with Workers' Representative Organization (WRO)

Within its member factories, the BGMEA actively promotes and facilitates the adoption of excellent worker practices. Being a key player in the RMG sector, BGMEA works with a range of stakeholders to advance moral principles and guarantee the welfare of employees in all of its member companies.

BGMEA's collaboration with labour rights organisations is one of its main initiatives. For example, in order to facilitate the creation of training programmes, the association and the Worldwide Responsible Accredited Production (WRAP) extended their Memorandum of Understanding. These programmes are offered to participating factories with the goal of improving adherence to internationally accepted moral principles. By holding both virtual and in-person training courses, BGMEA makes sure that its members have the skills and information necessary to promote a moral and secure workplace.

Additionally, in order to address important workforce issues, BGMEA collaborates closely with the International Labour Organisation (ILO). This partnership has produced comprehensive training programmes covering important topics like developing supervisory abilities, human resource management best practices, grievance procedures,

collective bargaining procedures, and guaranteeing gender equality in the workplace. In addition to adhering to international labour regulations, these programmes aim to foster an inclusive and respectful workplace culture where all employees feel valued, protected, and empowered to contribute to the industry's sustainable growth.

Addressing workplace violence and harassment is another top priority for the association. In partnership with the ILO, BGMEA supports gender equality and organises training to stop harassment, especially against women. A "train-the-trainer" programme has been implemented to promote the longevity of these initiatives, allowing participants to share their expertise throughout factories.

BGMEA keeps up its role as a change agent in the RMG sector by interacting with development partners, workers' rights groups, and international stakeholders. Its programmes emphasise striking a balance between sustaining social responsibility and attaining commercial success, reaffirming Bangladesh's dedication to moral production and worker development.



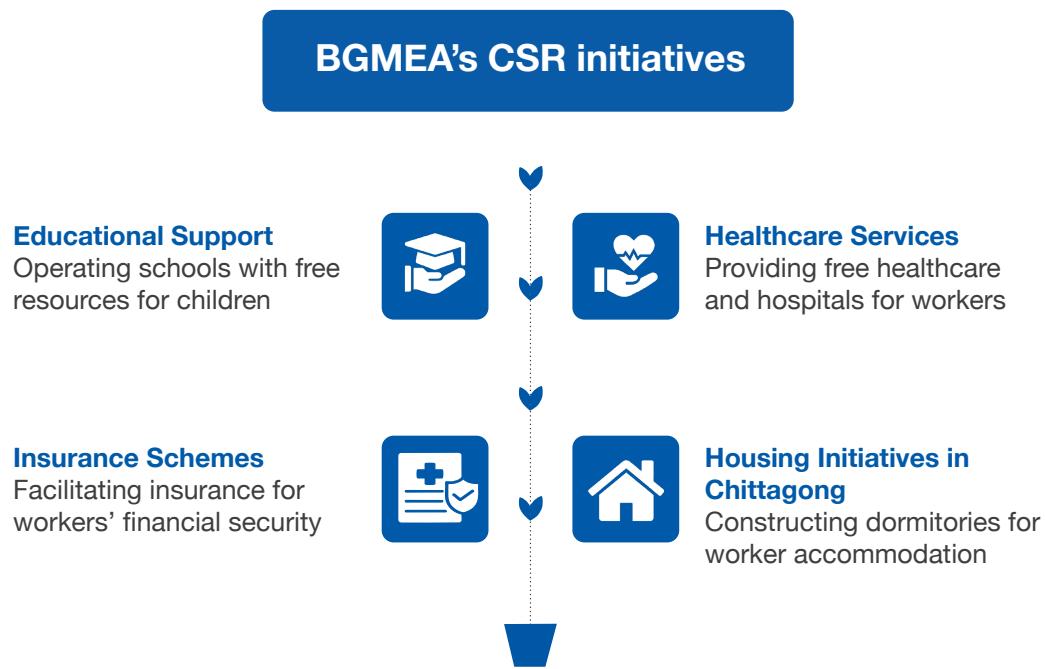
BGMEA

partners with global organisations to promote ethical practices, worker welfare, and gender equality across member factories in the RMG sector.



BGMEA's Corporate Social Responsibilities

BGMEA has eight health centers offering free healthcare services including providing medicines for free to over 60,000 garment workers annually as part of its CSR activities. Through numerous community outreach initiatives, BGMEA provides access to affordable healthcare services adapted to workers' needs, including campaigns in mental health awareness, eye care, and maternity rights programmes. Collaborating with organisations like the Jaago Foundation, BGMEA also advances education by providing online learning options for workers' children and running youth development initiatives to educate young people with fundamental skills for a better future.



With an investment of around USD 300,000 paid by BGMEA, we run eight health centers offering free healthcare services and medicine to over 60,000 garment workers annually as part of its CSR activities. These centers provide primary healthcare, including tuberculosis treatment, family planning materials, and eye care services. Additionally, three health centers are equipped with lab facilities for conducting tests such as CBC, pregnancy tests, and diabetes testing. Only BGMEA member workers have access to these healthcare services. Furthermore, a hospital that is fully operational in Chittagong provides healthcare services to employees, and a 100-bed hospital that is currently under construction in Dhaka is set to provide both indoor and outdoor healthcare services at no cost or with subsidies.

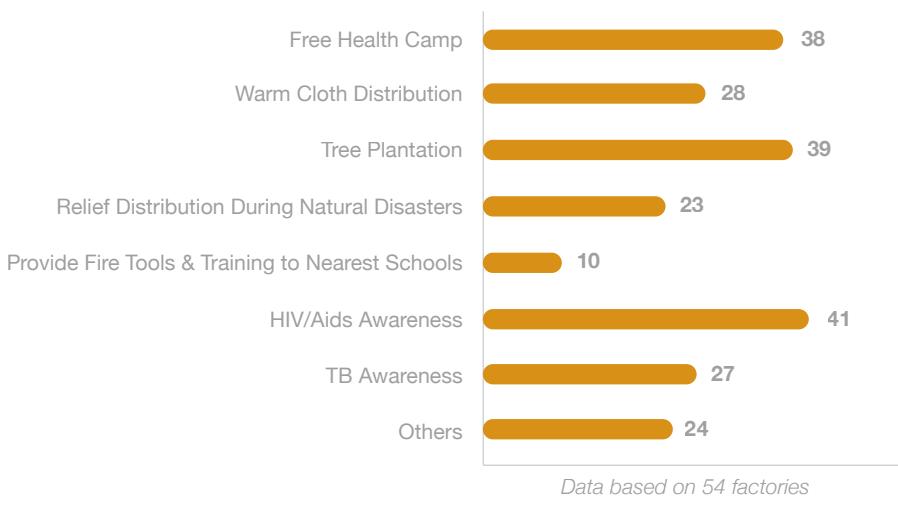
BGMEA operates five schools for the children of workers, providing free literature, study materials, and stipends to deserving students. Additionally, a dormitory in Chittagong has been constructed in partnership with the Chittagong Development Authority (CDA) to accommodate 3,000 labourers. According to the Bangladesh Labour Law 2006 and the Bangladesh Labour Rules 2015, a central fund has been created for the welfare of 100% export-oriented RMG workers. The Central Fund (RMG) started its operation on 1 July 2016. Each 100% export-oriented readymade garment factory contributes 0.03% of its total export value to the fund. After the establishment of the fund, death compensation/insurance benefits, medical assistance, and financial support for the meritorious children of garment workers are provided from the central fund.

CSR Activities of Member Factories

Our participating member factories have actively contributed to CSR initiatives, focusing on environmental, health, and social welfare. Significant initiatives include free health camps run by 38 factories and tree plantation activities run by 39 factories. Apart from that, 10 factories provided necessary tools and training to the nearest school, and 28 were helped by sending warm clothes. While 41 factories ran HIV/AIDS awareness campaigns and 27 ran tuberculosis awareness campaigns, 23 factories distributed relief during natural disasters. Comprising 24 other significant projects, our participating member factories show great dedication to sustainability and community welfare.

Figure 2.2

CSR Activities



However, our member factories prioritise worker well-being and safety through various committees. Occupational Safety and Health (OSH) Committees have been established in 56 factories to ensure workplace safety, while 55 factories have formed Anti-Harassment Committees to promote a respectful work environment. Additionally, 52 factories have Participation Committees to promote collaboration between workers and management, and 23 factories have created other specialised committees to address unique needs.



41 factories

ran HIV/AIDS awareness campaigns.

Figure 2.3
Committee of the factories



Case Study - Tree Plantation Initiative

The Bangladesh Garment Manufacturers and Exporters Association (BGMEA) has been a driving force in the garment industry, and now it is taking significant strides toward environmental preservation. Among its 57 member factories, more than half have already committed to planting trees and supporting afforestation projects. This effort is designed to address climate change, protect local ecosystems, and nurture a healthier environment for everyone involved.

For this reporting period, 31 of the 57 BGMEA member factories carried out tree planting programs to protect ecological balance and advance economic

development by increasing green cover in industrial areas. These efforts go beyond planting seedlings; they reflect a firm resolve to care for the environment. More vegetation also moderates local temperatures through moisture release and shade, benefiting workers and surrounding communities. In addition, new green spaces help purify the air and foster habitats that support plant and animal life. BGMEA aims to encourage more factories to take part in these initiatives, share proven approaches, and form partnerships to reach shared goals. By coordinating these efforts, BGMEA hopes to cultivate environmental responsibility across the garment sector.

Afforestation/ Tree Plantation Program:



Tree plantation

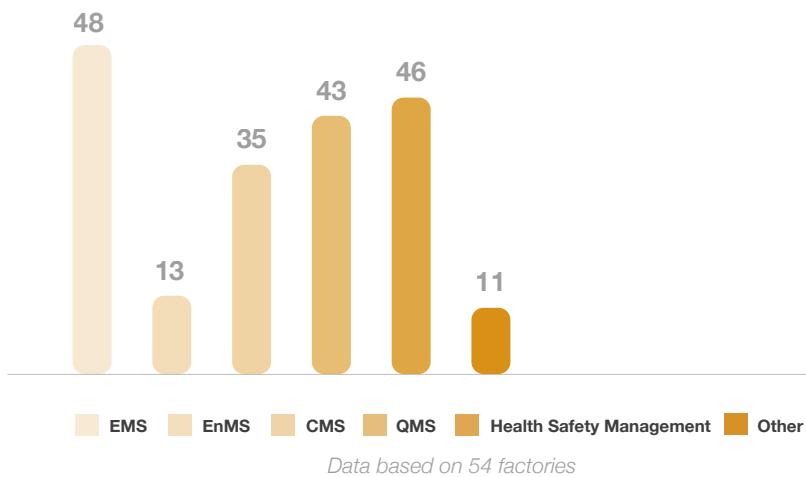
Management Systems Driving Efficiency and Compliance

BGMEA member factories have instituted essential management systems to enhance efficiency and ensure compliance. 48 factories adhere to EMS for sustainability, whilst 13 companies implement EnMS for energy optimisation. CMS is applied in 35 facilities for chemical

safety, whereas 43 factories adhere to QMS to guarantee product quality. Furthermore, 46 factories promote workplace safety via health and safety systems, while 11 firms implement alternative specialised methods.

Figure 2.4

Management System followed by Member Factories



46 factories

promote workplace safety via health and safety systems, while 11 firms implement alternative specialised methods.





Sustaining Our Earth



Water Stewardship: Advancing Sustainability in Bangladesh's RMG Sector

Water serves as a vital resource for Bangladesh, influencing its economic development, environmental sustainability, and social well-being. Bangladesh, recognised as one of the fastest-growing economies worldwide, has shifted from an agrarian to a manufacturing and service-orientated economy, resulting in increased water demand in urban and industrial sectors. BGMEA projects that the RMG sector in Bangladesh will reach \$100 billion by 2030. In order to support this growth, water demand is expected to increase by 250% by the same year. The accelerated increase in water usage is exerting considerable pressure on the already constrained freshwater resources in key economic centres. The growing dependence on freshwater, along with specific issues like groundwater depletion, water pollution, and inefficient water use, highlights the critical need for

sustainable water management practices. Addressing these issues corresponds with national priorities outlined in the Bangladesh Delta Plan 2100 (BDP), which highlights water as essential for economic development and climate resilience. In order to support the nation in achieving its objectives and commitments, BGMEA continuously intends to promote eco-friendly waste and water management, recharge systems, and efficient water use through partnerships with the Water Resources Group 2030 and other stakeholders. These goals will be achieved in accordance with governmental policies and regulations regarding water management, thereby enabling factories to expand their operations in a sustainable manner while maintaining the efficient management of water.



250%

increase in water demand by 2030 highlights the need for sustainable water management in Bangladesh's RMG sector.

Water Challenges in the RMG sector



High Dependence
on Freshwater



Wastewater
Management



Climate
Risks

Approach

By 2030, BGMEA aims to reduce water consumption by 15%, acknowledging the significance of water stewardship for sustainable growth. This goal will be attained by:

1. Increased Utilisation of Alternative Water Sources: Increasing the utilisation of reclaimed water, rainwater harvesting, and other sustainable approaches.
2. Enhancing Water-Conserving technology: Supporting the implementation of modern technology throughout all member facilities.
3. Capacity Building and Training: Implementing regular workshops and sessions to enhance water efficiency and wastewater management techniques.
4. Monitoring and Reporting: Improving data collection and reporting mechanisms to assess progress and maintain transparency.

Promoting Water Management Efficiency

As an association representing Bangladesh's garment and textile sector, we work to promote sustainable water practices within the industry. Recognising the significant water usage in processes like fabric dyeing, as well as in boilers and for domestic uses, we encourage our member factories to adopt water-saving measures. To support this, we organise training sessions, seminars, and workshops and provide online resources to assist members in implementing efficient water management systems.

Bangladesh Partnership for Cleaner Textile (PaCT) Project

In collaboration with the International Finance Corporation (IFC) and apparel brands, we have implemented the PaCT project, which promotes cleaner production practices across the industry. Through this initiative, approximately 20 billion litres of water have been conserved, showcasing how factories can adopt sustainable production techniques to reduce resource use.

Partnership with Water Resources Group 2030

We are a part of the World Bank-hosted Water Resources Group 2030, a platform focused on improving water resource management in Bangladesh. As part of this collaboration, we contribute to key initiatives, including:

Valuing Water

Raising awareness on responsible water use

Managed Aquifer Recharge (MAR)

Replenishing groundwater sustainably

Incentivizing Sustainable Production Practices (ISPP)

Promoting water-efficient factory practices

Advocacy for Industrial Water Policy

In partnership with the Water Resources Planning Organisation (WARPO), we contributed in formulating an industrial water strategy for Bangladesh. The policy focuses on regulating industrial water use, conserving groundwater, addressing climate change impacts, and establishing sustainable water management guidelines. The policy focuses on regulating industrial water use, conserving groundwater resources, addressing the impacts of climate change on water availability, and establishing guidelines for sustainable water management. It also emphasizes the need for monitoring mechanisms and compliance frameworks to ensure efficient water use across industries while safeguarding long-term water security for communities and ecosystems.



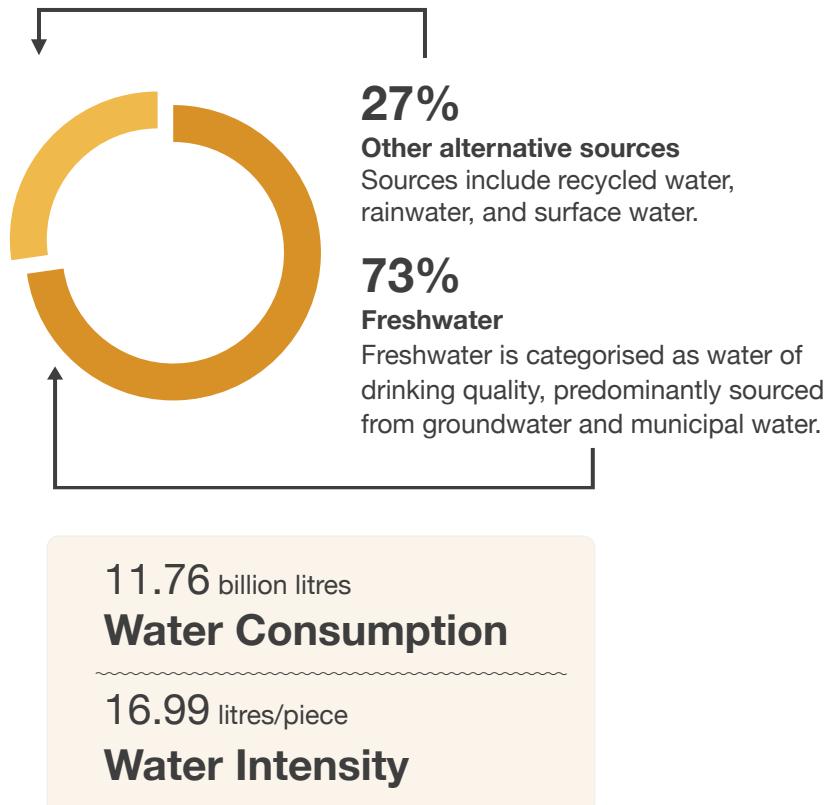
20 Billion

litres of water have been conserved, showcasing how factories can adopt sustainable production techniques to reduce resource use.

Water Efficiency in Action: Technology and Practices

The RMG sector, accounting for more than 80% of the nation's export earnings, is crucial in this changing context. This sector is a major consumer of water, especially in vertically-integrated factories that involve processes like dyeing, washing, and finishing.

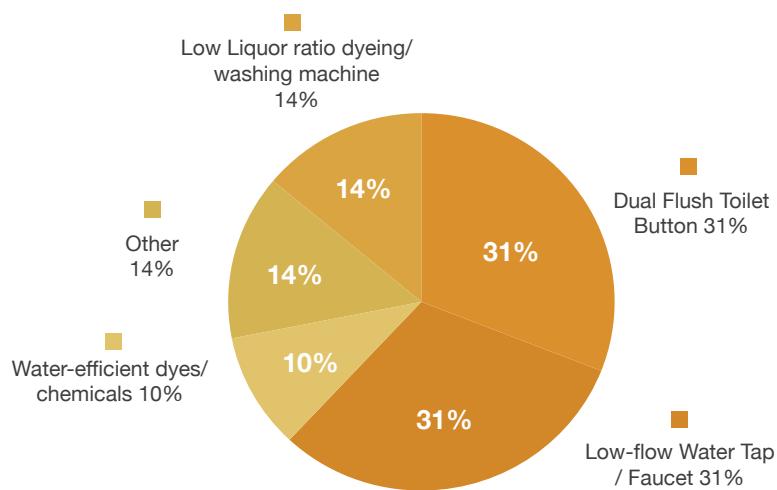
In 2023, the total water consumption of the 57 BGMEA member factories reported was 11.76 billion litres, resulting in a water consumption intensity of 16.99 litres per piece exported. Freshwater constitutes the primary source of water in these operations, representing 73% of total consumption, whereas alternative sources such as surface water, recycled water and rainwater account for the remaining 27%.



In 2023, our member factories (n=57) have already focused on deploying water-conserving systems to reduce water usage. Significant steps comprised the implementation of dual flush toilet buttons and low-flow water taps, each representing 31% of the adopted water-saving methods. Additional measures included the implementation of low-liquor-ratio dyeing and washing machines (14%) and the utilisation of water-efficient dyes and chemicals (10%). Additional technologies and practices accounted for 14%.

Figure 2.5

Water-Saving Technology/Mechanism



Wastewater Treatment

A significant portion of our member factories has embraced the installation of Effluent Treatment Plants (ETPs) to tackle wastewater management challenges and adhere to environmental standards, while others are yet to implement these systems. Among the installations, 10 member factories have adopted chemical ETPs, leveraging coagulants and neutralising agents to treat wastewater with high concentrations of inorganic pollutants, such as heavy metals and dissolved solids, showcasing their commitment to responsible wastewater treatment.

Biological ETPs, used by 8 member factories, effectively reduce BOD and COD levels by utilising microorganisms to treat wastewater from dyeing and washing processes. For more complex wastewater needs, 6 factories have installed bio-chemical ETPs, combining biological and chemical methods to address both organic and inorganic pollutants. Additionally, 2 factories rely on physical ETPs that use mechanical processes like sedimentation and filtration for initial treatment. However, the absence of ETP systems in some factories underscores the need for increased efforts to improve wastewater management across the sector.

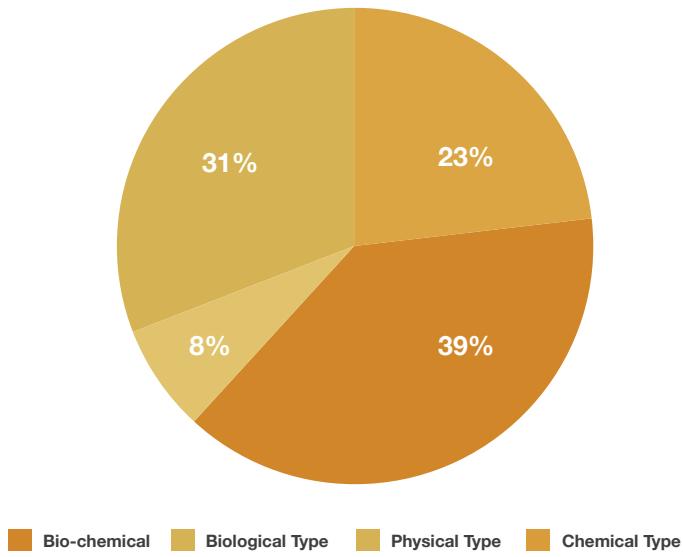


13 facilities,

out of the 57 participating member factories, reuse treated wastewater, contributing to reduced freshwater consumption and improved water efficiency.

Figure 2.6

Types of ETP



Wastewater Reuse Practices

Among BGMEA member factories, **13 facilities reuse treated wastewater**, contributing to reduced freshwater consumption and improved water efficiency.

Case Study- BGMEA's STP

Given the growing demand for sustainable infrastructure and the need to comply with environmental regulations, BGMEA initiated the implementation of a Sewage Treatment Plant (STP) within its complex. This effort reflects the organisation's dedication to meeting both national and international environmental standards while building a greener Bangladesh. One of the primary challenges faced during this project was the limited availability of land for establishing an STP, as the building was already made earlier. Despite this, BGMEA managed to innovatively integrate the treatment plant into the existing structure, ensuring

minimal environmental impact and maximising the use of available space.

To overcome this constraint, BGMEA opted for the installation of a Membrane Bioreactor (MBR) system. This advanced technology was chosen for its high efficiency, compact design, and capability to meet stringent discharge standards. The MBR system not only addressed the space limitations effectively but also ensured compliance with regulatory requirements, making it a sustainable and forward-looking solution for wastewater management in an urban setting.



BGMEA

has opted for the installation of a Membrane Bioreactor (MBR) system.



Design Parameter	INLET	OUTLET
pH		6.3 mg/L
Biochemical Oxygen Demand (BOD)	200 mg/L	<2.0 mg/L
Chemical Oxygen Demand (COD)	450 mg/L	<3.0 mg/L
Total Suspended solid (TSS)	300 mg/L	42.0 mg/L
Phosphate	-	3.8 mg/L
Nitrate	-	36.30 mg/L
Coliform	100,000 (no. Per 100ml)	0.0 (no. Per 100ml)
Ammoniacal-Nitrogen (NH3-N)	62.5 mg/L	0.38 mg/L

Managing Our Climate Impact

Energy-intensive operations in our member factories, including machinery, boilers, and lighting systems, significantly drive energy consumption, increase costs, and contribute to GHG emissions. We address these challenges through working with factories to promote and facilitate renewable energy adoption, energy efficiency improvements, and cleaner technologies to align with our BGMEA 2030 Vision.

Energy consumption is a significant factor in the operational costs of RMG factories and has broader implications for environmental sustainability. By addressing this topic, we enhance resource efficiency, support competitiveness in international markets, and contribute to achieving global and national sustainability goals, including the

Paris Agreement and the UN Sustainable Development Goals (SDGs). We are signatories of the UNFCCC's Fashion Industry Charter for Climate Action, committing to a 30% reduction in GHG emissions by 2030. Additionally, our Strategic Vision 2030 outlines ambitious environmental targets, including reducing energy consumption by 30%, increasing renewable energy use to 20%, and promoting a circular economy. As an association, our Sustainability and Innovation Division oversees energy efficiency and GHG emission reduction initiatives. We collaborate with various stakeholders, including international partners, member factories, and government entities, to ensure the effective implementation, monitoring, and governance of our sustainability goals.



30%

reduction in GHG emissions and energy consumption by 2030 reflects BGMEA's commitment to sustainable and efficient RMG operations.

Initiatives and Strategies

01

Green Factory Initiatives

176 LEED-certified factories (57 platinum-rated technologies)

PaCT Collaboration

Energy efficiency in 500 factories.
3.8M MWh saved/year, 723,617 tonnes CO2 reduced

02

03

Renewable Energy

Rooftop solar adoption with Huawei CAPEX/OPEX partnerships

Responsible Business Hub

Sustainability and compliance guidance for factories

04

05

Policy Advocacy

Advocating tax rebates and low-interest loans for green energy

Energy in Focus: Consumption, Efficiency, and Impact

The sector is energy-intensive, with processes such as dyeing, washing, and finishing necessitating substantial power consumption. Our partnerships with buyers, stakeholders, and regulators help mitigate energy consumption and decrease emissions by its member factories. All of our work, from design to manufacturing, is dedicated to energy efficiency as well as other destinations. In order to reach our carbon reduction objective by 2030, we must achieve efficiency across our footprint. We aim to help reduce emissions of greenhouse gases and improve air quality of our member factories by switching to renewable energy sources like electricity rather than fossil fuels.

At BGMEA, our target is to increase renewable energy use by 20% across our member factories, in accordance with the UN Fashion Industry Charter for Climate Action.

The 57 participating member factories encompass a variety of categories,

predominantly including cut-to-pack, vertically integrated (from yarn to finished product), knit, and woven operations. The factories are classified by size, varying from less than 1,000 workers to more than 2,000 workers. Each industry generates substantial export volumes, hence requiring increased power usage. In 2023, 57 member factories utilised a cumulative amount of 6,070 TJ of energy derived from fossil fuels, electricity, and renewable sources combined. Additionally, the factories generated a total 23.5 TJ of renewable energy through solar power plants. This resulted in an overall energy intensity of 8.77 MJ per piece for the year 2023. Natural gas, which makes up 80%, is the most used energy source in the member companies. Natural gas is a key energy source in Bangladesh. Although the country has significant reserves of natural gas, these reserves are depleting. The major sources and the breakdown of energy consumption are shown in the graph below:



6,070 TJ
of energy derived from fossil fuels, electricity, and renewable sources combined.

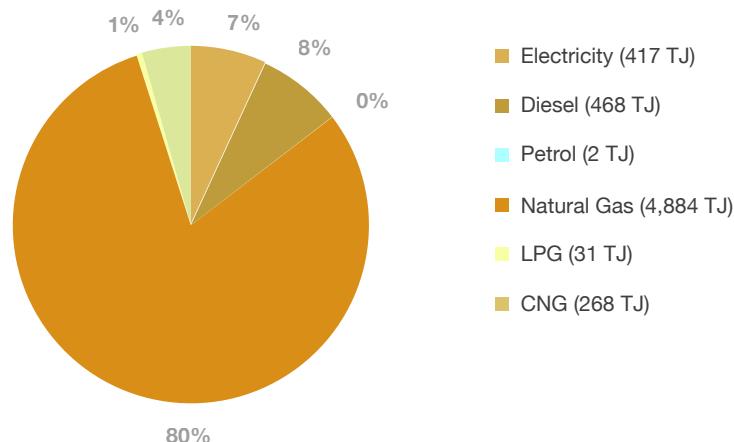
2023 Stats

6,070 TJ
Total Energy Consumed

23.5 TJ
Solar Energy Generated & Consumed

8.77 MJ/pc
Energy Intensity

Figure 2.7
ENERGY CONSUMPTION SOURCES [TERA JOULES]



The Renewable Revolution: Driving Green Energy Transitions

As an association, we recognise renewable energy as a vital element in advancing sustainability and mitigating the environmental impact of energy-intensive industries like garment manufacturing. Transitioning to renewable energy sources helps reduce greenhouse gas emissions, stabilise costs, and strengthen energy security. We address this material topic by promoting renewable energy adoption across member factories and implementing energy-efficient solutions in alignment with global sustainability goals.

Renewable energy is a critical component of our strategy to build a sustainable, energy-efficient garment sector in Bangladesh. Transitioning to renewable energy sources, such as solar power, helps reduce greenhouse gas emissions, lower operational costs, and enhance energy security. Our initiatives include promoting the installation of rooftop solar panels across factories, with a target to generate 20% of energy consumption from renewable sources by 2030, aligning with SDG 7 (Affordable and Clean Energy) and SDG 13 (Climate Action).

Within our operations, we have installed solar panels at the BGMEA building, with a total capacity of 75 kWh across the East and West blocks. To support this transition, we encourage member factories to adopt energy-efficient machinery and technologies that complement renewable energy systems. This goal is achieved through awareness-building initiatives such as seminars, workshops, and training programmes designed to highlight the benefits of energy efficiency and renewable energy integration.



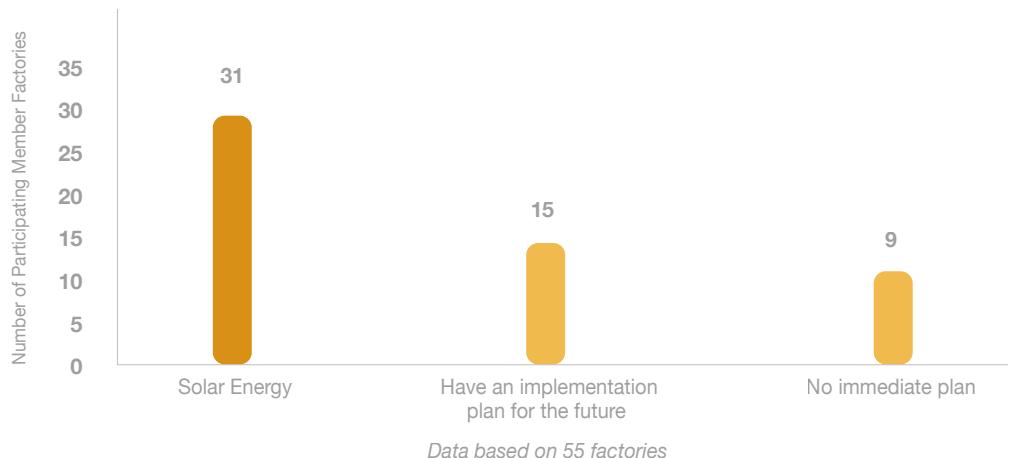
31

participating member factories are using solar power, with 15 more planning adoption, targeting 20% renewable energy use by 2030.

Our member factories are advancing renewable energy use, with 31 utilising solar power. Of the 57 participating member factories, 15 are planning to adopt it. These efforts aim to reduce dependency on non-renewable energy sources. We also collaborate with international organisations and financial institutions to explore customised renewable energy solutions and advocate for policy support, such as tax incentives and low-interest loans.

Figure 2.8

RENEWABLE ENERGY



Solar Synergy: Integrating Technology and Sustainability

The RMG sector, as Bangladesh's largest export industry, accounts for approximately 8% of the country's total energy consumption and 7% of total electricity generation. Energy-intensive processes, including spinning, dyeing, washing, and weaving, depend significantly on a continuous electrical supply. The primary sources of electricity include purchased electricity from the national grid and captive power plants fuelled by natural gas and diesel.

To address the environmental challenges of this energy dependency, the sector

is gradually shifting toward renewable energy sources, particularly solar energy. Bangladesh is home to 54 of the world's top 100 LEED-certified factories, demonstrating global leadership in sustainable manufacturing. Among BGMEA's member factories, 31 out of 57 have installed solar energy systems, generating a total of 6.5 million kWh of electricity in 2023. This transition has helped reduce an estimated 14,564.12 tCO₂e of carbon emissions in the same year, showcasing the sector's commitment to clean energy adoption.



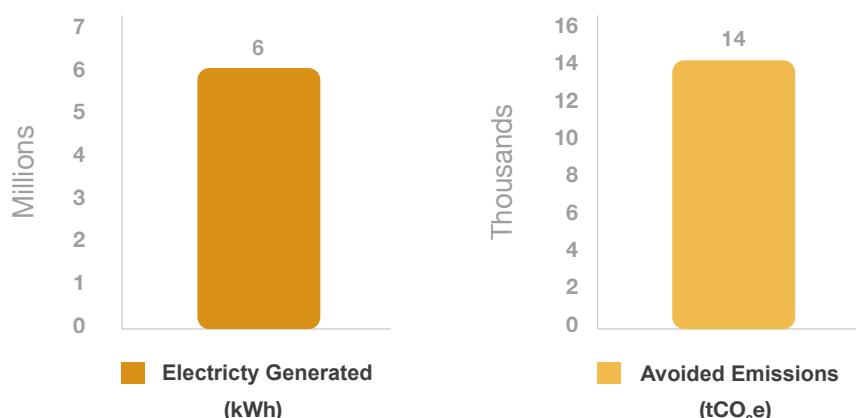
14,564.12

tCO₂e

of carbon emissions reduced.

Figure 2.9

ENERGY GENERATED & AVOIDED EMISSIONS THROUGH SOLAR ENERGY

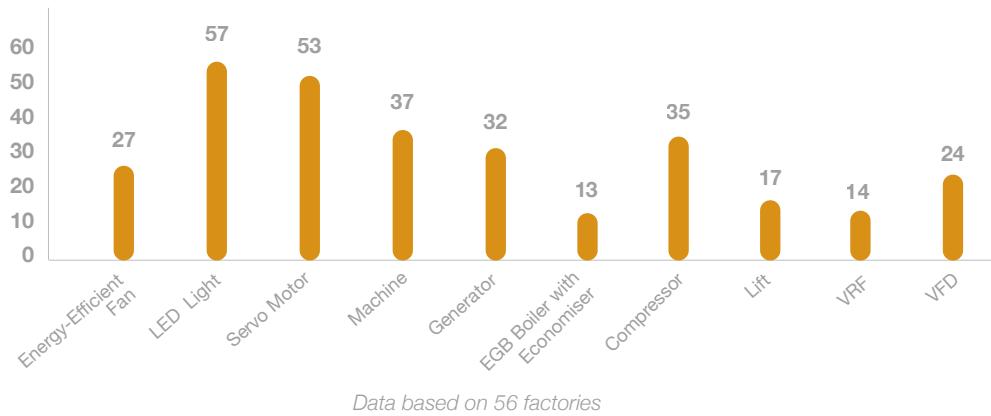


Empowering Efficiency Through Technology

BGMEA member factories are integrating energy-saving technologies to improve efficiency and sustainability. LED lighting has been installed in 57 factories, and 53 are using servo motors to optimise energy usage in machinery. For enhanced airflow, 27 factories have adopted energy-efficient fans, while 37 factories have upgraded to high-efficiency machines to lower energy demands. 32 factories now operate with fuel-efficient generators, and 13 factories have implemented EGB boilers with economisers to reduce waste. Cooling systems like VRF units are used in 14 factories, and 24 factories have adopted VFDs to enhance motor performance. Additionally, 17 factories have incorporated energy-efficient lifts into their operations, reflecting ongoing efforts to conserve energy and promote sustainability.

Figure 3.0

INSTALLED ENERGY-EFFICIENT INSTRUMENTS (2023)



57 factories

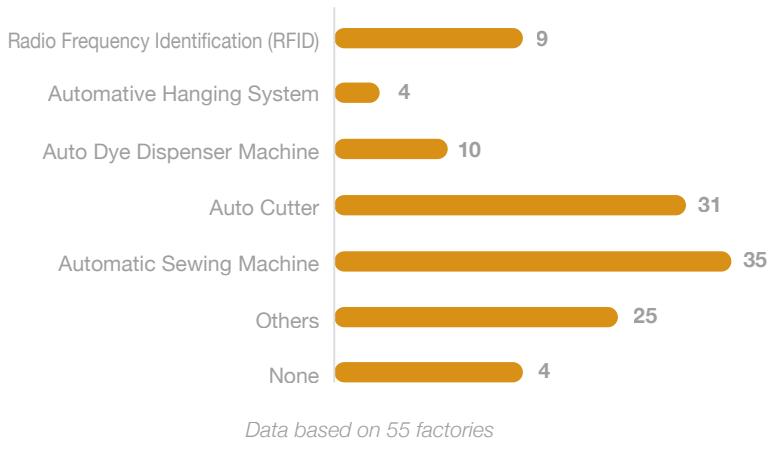
among the participating member factories, installed LED lighting, 53 use servo motors, and multiple others adopted energy-efficient technologies to enhance sustainability.

Innovative Technologies in Factory Operations

Automation has become a key driver of efficiency across BGMEA member factories. Among them, 35 factories have introduced automatic sewing machines to enhance precision and productivity, while 31 factories now operate with auto cutters for seamless fabric processing. Automated dye dispensers are utilised by 10 factories, ensuring accurate chemical application and reducing waste. Furthermore, 4 factories have implemented automotive hanging systems for improved material flow, and another 9 factories use RFID systems to streamline inventory management. With 4 factories yet to adopt automation, there is still room for growth in integrating advanced technologies to optimise production processes.

Figure 3.1

IMPLEMENTED AUTOMATION MACHINERY



GHG Emissions: A Path to Sustainable Growth

The Ready-Made Garment (RMG) sector serves as a fundamental component of Bangladesh's economy, making major contributions to GDP and export revenues. However, it makes up 15.4 percent of the nation's greenhouse gas emissions, placing it as a significant contributor to carbon emissions in the region.

The energy-intensive nature of this industry delays Bangladesh's goals to meet its nationally determined contributions (NDC) as outlined in the Paris Agreement. Bangladesh's revised Nationally Determined Contribution (NDC) pledges a 6.73 percent reduction in greenhouse gas emissions under an unconditional scenario, with an additional 15.12 percent reduction based upon international support by 2030. Mitigating emissions in the RMG sector is crucial for achieving these targets. Barriers, including restricted access to financing for energy-efficient technologies and a significant dependence on fossil fuels, increase the environmental impact of the sector.

Energy consumption represents a substantial portion of operational expenses and environmental impacts in BGMEA member factories. Inefficient energy management and reliance on fossil fuels increase CO₂ emissions and undermine resource efficiency, competitiveness, and adherence to international buyer standards.

BGMEA's focus on energy and GHG emissions is driven by:

- Alignment with National Policies
- Global Buyer Expectations
- Economic Efficiency

Approach & Opportunities

To accelerate progress toward the 30% reduction target, we plan to implement the following actions:



Capacity Building and Training

Expand energy efficiency training programs to all member factories, with a focus on:

- Advanced energy management systems.
- Maintenance of energy-efficient machinery.
- Awareness of renewable energy technologies.



Monitoring and Reporting

Set up a centralised system to track emissions and energy use in factories to ensure everything is monitored and accountable.



Promoting Circularity

Encourage member factories to adopt circular economy principles, including recycling and reusing waste materials, to minimise resource use and emissions.



Scaling Renewable Energy

Advocate for government support to help expand solar grids and other renewable energy infrastructure to reduce reliance on fossil fuels.



Strengthening Partnerships

Collaborate with local governments, international buyers, and NGOs to share technical expertise, funding, and best practices for emissions reduction.

Carbon Conscious: Efforts in GHG Management

The RMG sector significantly contributes to global greenhouse gas emissions, primarily due to energy-intensive production methods and dependence on fossil fuels. Mitigating these emissions is essential for mitigating climate change and achieving international climate objectives. BGMEA recognises this obligation and is dedicated to overseeing carbon emissions by direct and indirect reporting from its 57 member factories. BGMEA facilitates factories in implementing sustainable practices and

minimising their environmental effect by guaranteeing adherence to buyer and regulatory requirements.

BGMEA aims to achieve a 30% decrease in greenhouse gas emissions by 2030. Member factories are diligently pursuing this objective, with varying degrees of planned reductions. In 2023, our factories conducted air quality tests, installed low-emission equipment, and enacted additional strategies to reduce their carbon footprint.

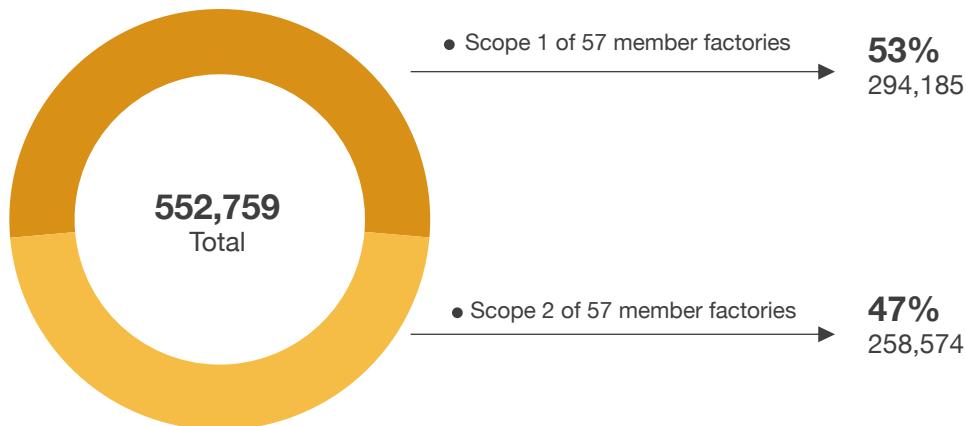


15.4% of Bangladesh's greenhouse gas emissions come from the RMG sector, highlighting the need for energy-efficient practices to meet 2030 NDC targets.

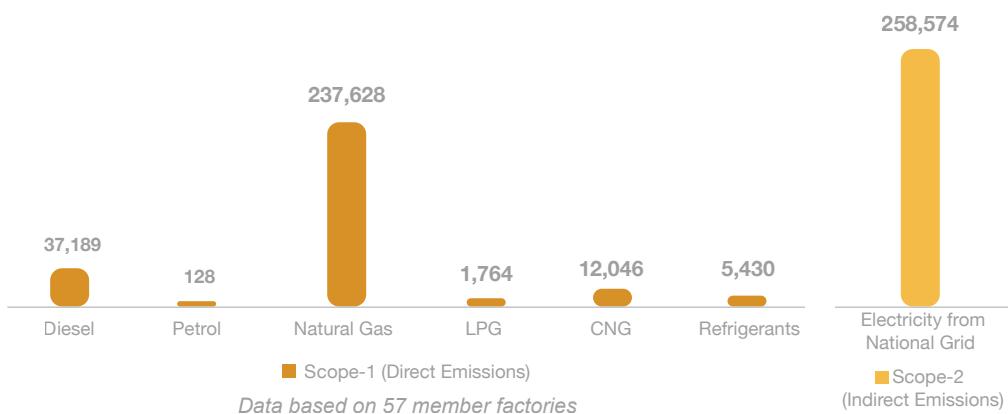
Figure 3.2

Combined GHG Emissions (tCO₂e)
Scope 3 emissions were not included in the current reporting cycle.

0.7988 kg CO₂e/pc
GHG Emission Intensity in 2023

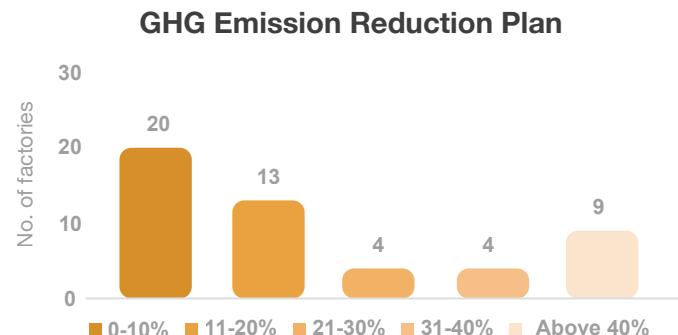


Breakdown of Direct and Indirect Emissions of 57 Participating Member Factories [tCO₂e]



GHG Emissions: Tracking, Reducing, and Innovating

Over the years, BGMEA member factories have demonstrated a growing commitment to reducing their greenhouse gas (GHG) emissions by adopting a range of practices sustainable and energy efficient technologies.



31 Factories provide training on Energy Efficiency



31 participating member factories of BGMEA for this Sustainability Report provide training on energy efficiency to build awareness among the workers.

19 (USGBC) LEED-certified Factories



Out of 57 member factories, 19 BGMEA member factories have achieved LEED certification, a worldwide standard given by the U.S. Green Building Council (USGBC). This shows their commitment to sustainable building methods, saving energy, and lowering impacts on the environment.

24 Factories conducted energy audits



23 factories have undergone energy audits conducted by third-party energy auditors. Additionally, 1 factory has a certified in-house energy auditor.

95% of the factories have conducted yearly air quality tests



Our member factories have regularly conducted air quality tests over the years. These tests include the Stack Air Emission Test, Ambient Air Emission Test, and Indoor Air Emission Test.

26 Factories with Green Areas



To support the environment and sustainability, 26 factories have dedicated green spaces on their premises. These spaces help improve air quality, support wildlife, and benefit employee Wellness.

Promoting Green Transportation

In order to mitigate their environmental impact, BGMEA member factories are actively implementing environmentally desirable transportation initiatives.

BGMEA is essential in providing support and guidance to its members as an association; however, it does not directly supervise or manage those activities. Rather, each factory determines the most effective method for establishing green transportation practices in accordance with its unique requirements. By virtue of their dedication, factories are advancing the industry's overall goals of promoting sustainable practices. These factories set a positive example for the wider industry by reducing emissions, promoting eco-conscious transportation, and integrating energy-efficient vehicle options. By sharing best practices, fostering collaboration among members, and providing resources, BGMEA facilitates the collective mission of promoting greener, more sustainable industry practices. In doing so, BGMEA

contributes to the advancement of the garment industry towards a future that prioritises environmental sustainability for future generations, in addition to economic growth.

Many factories are promoting public transport, providing employee bus services, using electric vehicles, and offering bicycle parking shelters to encourage greener commuting. At present, among the participating factories, 30 factories have implemented bicycle parking, and 8 factories have implemented electric vehicles. Despite the fact that the BGMEA does not directly operate these programmes, it serves as an organisation that provides assistance and direction to each factory in selecting the most appropriate solutions. Members are adopting more sustainable transportation options and decreasing their carbon footprints as a result of these collaborative initiatives.



Factories

are advancing the industry's overall goals of promoting sustainable practices.

Initiatives Taken by Participating Member Factories



8

Electric Vehicle



30

Bi-Cycle Parking Shade

Materials & Traceability

Material traceability is vital in the RMG sector to ensure sustainable sourcing, reduce environmental impact, and meet global compliance standards. It promotes transparency across supply chains, supports circularity, and builds trust with buyers by verifying sustainable practices. Concerns regarding human rights abuses associated with Uyghur cotton and greenwashing have intensified the need for stringent measures to prevent unethical sourcing and the misrepresentation of sustainable practices. Our “Materials & Traceability” programmes emphasise sustainable sourcing, improve transparency, and promote circularity. By tracking material origins and implementing recycling initiatives, we aim to drive the sector toward sustainable and efficient operations.

BGMEA member factories have shown their dedication to ethical and environmental stewardship by implementing a variety of global certifications. The data compiled from 57 factories offers a compelling

narrative of the industry’s commitment to meeting the evolving demands of conscious consumers and aligning with international sustainability standards. 44 factories are GOTS-certified, while 42 factories hold RCS and BCI certifications for responsible sourcing. GRS certification is awarded to 38 factories, and 37 factories are certified under OCS for organic content integrity. Additionally, 9 factories are certified for sustainable viscose, 8 for EuroFlax, and 6 for RWS/RMS, supporting ethical wool and flax production. CMIA certification is held by 5 factories, while 4 factories are certified for US cotton, and 1 factory has achieved Fair Trade certification, reinforcing ethical and sustainable practices across the sector.

Together, these efforts demonstrate how BGMEA member factories are advancing towards holistic, sustainable, and internationally aligned production methods.



57

participating member factories have various global certifications, including 44 GOTS, 42 RCS/BCI, and 38 GRS, promoting ethical and sustainable sourcing.

Logo	Certification	Participating Member Factories
	Fair Trade	1
	GOTS (Global Organic Textile Standard)	44
	GRS (Global Recycled Standard)	38
	RCS (Recycled Claim Standard)	42
	OCS (Organic Content Standard)	37
	BCI (Better Cotton Initiative)	42
	US Cotton	4
	CMIA (Cotton Made in Africa)	5
	RMS (Responsible Mohair Standard)/ RWS (Responsible Wool Standard)	6
	Euro Flex	8
	Sustainable Viscose (e.g. Lenzing, SVCOC, FSC, PEFC, etc.)	9
	Others	5

Chemicals

Chemical Management: A Journey towards Sustainable Manufacturing

The textile industry is one of the largest polluters globally, and chemical mismanagement whether through untreated wastewater or hazardous substances poses a significant threat to workers, ecosystems, and communities alike. BGMEA is stepping up to ensure that this issue is tackled head-on, driving sustainable practices across its member factories.

At BGMEA, we understand that the key to change lies in awareness and collaboration. Hence, we offer training programs on safe chemical usage, helping factories adopt best practices and reduce the risks posed by hazardous substances. These training sessions are designed to empower workers and management alike to handle chemicals responsibly, ensuring the health and safety of all involved. But we do not stop there. BGMEA is actively

leading the charge for Zero Discharge of Hazardous Chemicals (ZDHC) norms, ensuring that factories not only comply with local regulations but also align with international standards. By championing the ZDHC framework, BGMEA is driving factories to eliminate toxic chemicals from their production processes, reducing pollution and safeguarding workers' health.

In addition to ZDHC, BGMEA encourages its member factories to embrace world-class sustainability certifications like GOTS and bluesign®. These standards are a mark of excellence in the textile industry, ensuring that factories meet rigorous environmental and safety criteria. By helping our members achieve these certifications, BGMEA is paving the way for a greener, safer, and more sustainable future for the entire RMG sector.



Zero Discharge

of Hazardous
Chemicals (ZDHC)
norms are promoted
by BGMEA, driving
safer, greener
practices across
member factories.

Chemical Management: Challenges

Bangladesh's RMG sector utilises a diverse range of chemicals in textile production. Despite this vital dependency, the sector has long lacked a comprehensive national guideline for safe and sustainable chemical management. As a result, manufacturers frequently rely on brand-specific Manufacturing Restricted Substance Lists (MRSUs) and compliance standards, which vary greatly depending on the brand's country of origin.

This fragmented strategy causes tremendous confusion for manufacturers, making it difficult to achieve varying standards. Identifying the problem, we have partnered with the GIZ FABRIC programme and BUET's Chemical Engineering Department, which has taken a first step to close the gap. They collaborated to create a national chemical management guideline geared specifically to the RMG and textile industries.

The Ministry of Commerce now supports this endeavour, with BGMEA, GIZ, BUET, and BUTEX providing critical technical knowledge. A draft guideline is already in place, and a Bengali version was just created to facilitate accessibility for local stakeholders. Once finalised, this guideline will serve as a consistent national reference, making compliance easier for producers and facilitating the establishment of robust chemical management systems across the industry. This programme is expected to increase the industry's commitment to sustainability, resulting in safer workplaces and a better environment.

BGMEA Initiatives:

Training and Capacity Building

Educes workers and management on safe chemical handling.



Green Practices Implementation

Encourages the use of automatic chemical dispensing systems to reduce waste.



PaCT Program

Focuses on improving chemical, water, and energy management in factories.



International Standards Compliance

Promotes ZDHC guidelines to eliminate hazardous chemicals.



Key Chemicals Types



Dyes and Pigments



Solvents and Chemical Coatings

Our Approach: Chemical Safety in the Garment Industry

Responsible chemical use is critical to environmental sustainability, worker safety, and consumer health. Dyeing, printing, finishing, and cleaning are common chemical-based processes in the garment industry. This indicates the importance of employing safe chemical practices to reduce the potential dangers connected with these operations.

At BGMEA we are collaborating with the Bangladesh University of Engineering

and Technology (BUET) to establish comprehensive chemical management guidelines. This effort attempts to limit the use of hazardous chemicals and environmental contamination in the clothing industry. Additionally, we are glad to be a member of the Bangladesh Economic Zones Authority's task force developing standards for Green Economic Zones (GEZ). Through these initiatives, we hope to promote green industrialisation and support sustainable practices in the industry.

BGMEA member factories are advancing chemical management practices, with 26 factories maintaining comprehensive chemical inventories for improved monitoring and compliance. Furthermore, 16 factories have transitioned to safer alternatives, replacing hazardous chemicals to enhance workplace safety and reduce environmental risks. These efforts demonstrate alignment with global standards like ZDHC and a commitment to sustainable operations.



26 factories

maintaining comprehensive chemical inventories for improved monitoring and compliance. 16 factories have transitioned to safer alternatives.



16
Hazardous Chemicals
with Safer Alternatives



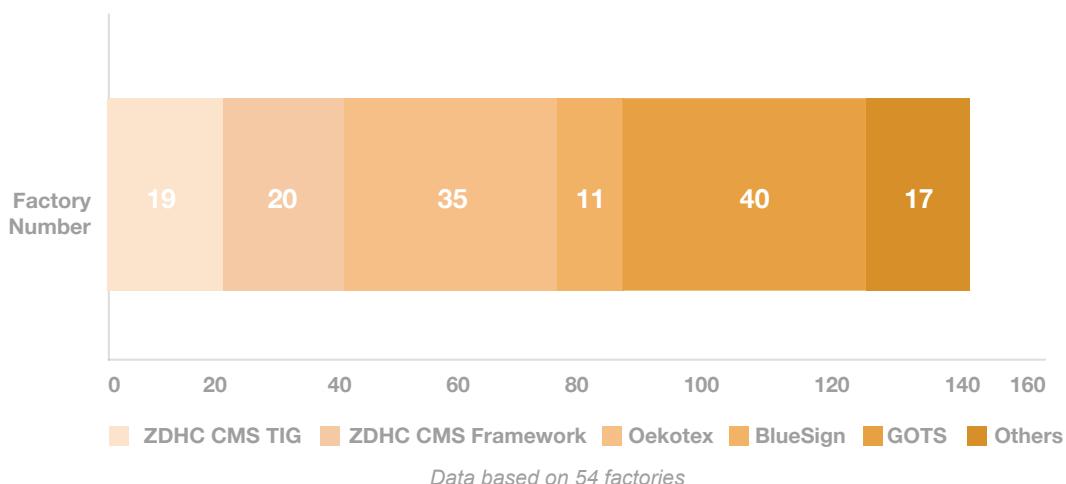
26
Chemical Inventory



22
Use ZDHC-certified
chemicals

BGMEA member factories have adopted certifications that enhance sustainability while improving chemical management. GOTS leads with 40 factories, with a significant emphasis on organic and environmentally responsible production. Oeko-Tex, with 35 certifications, provides safe and environmentally responsible textiles, while the ZDHC CMS is also gaining popularity 19 factories follow the Textile Industry Guidelines (TIG), and 20 use the CMS Framework to manage chemicals more responsibly. The BlueSign program, accepted by 11 manufacturers, reflects initiatives to lessen environmental consequences during manufacturing. Another 17 factories have chosen different certifications, demonstrating a wide range of approaches to sustainability. This shows BGMEA's approach to better chemical practices and meeting global standards in Bangladesh's garment business.

CHEMICAL STANDARD FOLLOWED



Project – Case Study

Partnership with around 400 factories for Cleaner Production (PaCT) project

As part of our commitment to making the textile industry more sustainable, BGMEA partnered with the International Finance Corporation (IFC) to launch the “Partnership for Cleaner Production” (PaCT) project. Recognising the industry’s environmental challenges, the initiative has supported over 400 factories in reducing their water and carbon footprints, enhancing energy efficiency, and adopting renewable energy and improved chemical management practices. Additionally, the programme introduced a web-based monitoring system to track resource efficiency, empowering factories to achieve significant environmental improvements. Through PaCT, BGMEA continues to drive progress toward a cleaner, more

sustainable future for the RMG sector. The BGMEA has implemented initiatives that are consistent with the Partnership for Cleaner Textile (PaCT) programme to guarantee sustainable chemical management. Given this, the BGMEA has implemented initiatives that are consistent with the Partnership for Cleaner Textile (PaCT) programme to guarantee sustainable chemical management. BGMEA's activities helped improve environmental compliance and overall competitiveness, taking inspiration from PaCT's cleaner production model. BGMEA is setting the standard for a safer, greener RMG industry in Bangladesh by promoting sustainable chemical management.



PaCT Project

reduced water consumption decreasing the average from 201 to 147 liters of water per kilogram of textile produced, a 26.8% reduction.





Responsible Management of Waste

Waste Management : A Path to Sustainability

As the global fashion industry faces increasing pressure to balance style with sustainability, initiatives like the EU Green Deal and the Green Button certification are pushing for greener manufacturing practices. These global frameworks emphasize the need for sustainable waste management, urging brands to adopt circular practices, reduce waste, and prioritize eco-friendly solutions.

At BGMEA, we are actively leading efforts to promote sustainable waste management within Bangladesh's textile industry. Through legislation, training, and strategic collaborations, we focus on waste reduction, recycling innovation, and compliance with global sustainability standards. In 2023, buyers in Bangladesh's RMG sector are placing a strong emphasis on circular fashion practices, ISO 14001 compliance, safe hazardous waste management, and blockchain technology for waste tracking. With a strong commitment to zero-waste manufacturing and closed-loop systems, BGMEA is aligning with global green goals to create a cleaner, more sustainable future for the textile industry.



USD 84.7 million

worth of textile waste was exported, primarily to India, in 2020.

Importance for Bangladesh

- As a leading apparel exporter, Bangladesh produces significant textile waste that can be better managed through recycling.
- In 2020, USD 84.7 million worth of textile waste was exported, primarily to India.
- Domestic recycling is less than 5%, highlighting significant untapped potential.

Circular Economy Approach

The global fashion industry is being compelled to improve its waste management and address its environmental impact. Throughout the globe, circular economies and sustainability are being promoted by the recognition of waste, such as fabric scraps and packaging, as a resource. In Bangladesh, where the industry employs millions of people, efficient waste

management is not only important to the environment but also for human well-being, guaranteeing cleaner communities and higher standards of living. Our sector is vital to changing the perception of trash from a problem to a resource as companies throughout the world pledge to adopt sustainable practices and circular economies.

In 2023, 57 member factories of Bangladesh's RMG sector produced 20,146 metric tonnes of waste, highlighting the necessity for efficient waste management strategies. Fabric waste constituted the largest portion, totalling 16,545 metric tonnes, thereby underscoring inefficiencies in textile cutting and production processes.

Yarn waste totalled 461 metric tonnes, whereas paper waste and plastic waste reached 1,600 metric tonnes and 1,542 metric tonnes, respectively, arising from packaging, administrative activities, and operational processes. This data illustrates the importance of adopting circular economy practices, focusing on recycling and repurposing materials, as well as implementing sustainable waste management systems to mitigate environmental impact and enhance resource efficiency.

Waste in 2023

01

Fabric Waste

16,545

metric tons

02

Yarn Waste

461

metric tons

03

Paper Waste:

1,600

metric tons

04

Plastic Waste:

1,542

metric tons

20,146 metric tons

Total waste generated across 57 participating member factories

The Challenge of Textile Waste in Bangladesh:

At BGMEA, we are actively promoting the transition to a circular economy in Bangladesh's textile and garment sector, focusing on resource conservation and reducing environmental impact. Through collaborations with UNIDO, Global Fashion Agenda, and Chatham House under the SWITCH2CE programme, we are encouraging waste segregation, recycling, and material reuse by bringing together producers, recyclers, and brands to collect and repurpose textile waste.

Bangladesh's textile sector confronts substantial waste management issues, resulting in soil contamination, hazardous emissions, and health threats to people. However, this creates an economic opportunity for textile recycling by converting waste into useful resources. Establishing a good waste management ecosystem would not only reduce environmental impact but will also unlock the circular economy's potential, encouraging long-term growth. We remain committed to pushing this shift by promoting sustainable practices and textile recycling to create a cleaner, more resilient sector.

Bangladesh's textile sector faces significant challenges in recycling, starting with the absence of national-scale recycling policies and the lack of reliable data to support a formal recycling sector. With only <5% of textile waste recycled locally, the sector produces approximately 400,000 tons of pre-consumer textile waste (Jhut) annually. Additionally, limited technological infrastructure hinders the industry's ability to effectively process and repurpose textile waste locally. These challenges highlight the urgent need for systemic change to build a sustainable, circular economy within the sector.



Bangladesh's textile

sector faces significant challenges in recycling, starting with the absence of national-scale recycling policies.

Key challenges



Absence of national-scale recycling policies



Lack of reliable data to support a formal recycling sector.



<5% recycled locally.



Limited technological infrastructure.



~400,000 tons of pre consumer textile waste (Jhut) produced annually.



Our Journey to Reducing Waste

At BGMEA, We are proud to witness how our member factories are leading the charge toward sustainable waste management, transforming waste into valuable resources. With 57 factories participating, each factory is taking innovative steps to reduce, repurpose, and recycle waste, driven by BGMEA's continuous support and commitment to sustainability.

A remarkable 93% of waste is transferred to third-party handlers, ensuring that waste is properly managed. Meanwhile, 18% of waste is repurposed directly on-site, with 10 factories turning fabric scraps into

new materials, reducing waste at its source. Furthermore, 12% of our factories have set up on-site recycling plants, managing 10-20% of their waste and contributing to a growing circular economy.

BGMEA's unwavering support through awareness programs and collaborations with its member factories has played a key role in these achievements, showcasing the sector's dedication to minimizing environmental impact while driving efficiency. Together, We are not just managing waste, we are turning it into an opportunity for a greener, more sustainable future.



57 factories

taking innovative steps to reduce, repurpose, and recycle waste, driven by BGMEA's continuous support and commitment to sustainability.

Approach



93%

3rd Party Handover

On average, 93% of waste generated across 57 of our participating member factories is handed over to third-party waste handlers.



18%

Waste Reused within the premise

10 out of 57 factories take additional steps to reuse waste within their operations.



12%

On-site Recycling Plants

These facilities recycle between 10% and 20% of their total waste.

Case Study - Current Projects



SWITCH2CE

The UNIDO-led SWITCH to Circular Economy Value Chains Project (SWITCH2CE), co-funded by the European Union and the Government of Finland, plays a pivotal role in promoting circular economy in the Textile and RMG industry in Bangladesh. The initiative works with EU multinational companies and their suppliers in developing countries to adopt circular economy approaches across three value chains: plastic packaging, textile and garments, and ICT & electronics. The BESTSELLER Switch to

Upstream Circularity Pilot, implemented under the SWITCH2CE project, is led by the United Nations Industrial Development Organization (UNIDO) in partnership with the Bangladesh Garment Manufacturers and Exporters Association (BGMEA), BESTSELLER, Global Fashion Agenda (GFA), Reverse Resources, Chatham House, Circle Economy Foundation, and the European Investment Bank. This collaborative effort is driving Bangladesh's transition toward a circular and sustainable apparel sector.



Circular Economy in Bangladesh's Apparel Industry (CREATE)

The goal of our project, "Circular Economy in Bangladesh's Apparel Industry" (CREATE), is to investigate, from a global value chain perspective, the advantages and disadvantages of implementing circular business practices in the Bangladeshi textile sector. We will look into the shift to a circular economy

in global garment value chains and suggest suitable regulations to facilitate this change. The Danish government is funding this research project, and we are dedicated to finding new information that will promote sustainability in our sector.

LEED Green Certification

BGMEA's Leadership in Green Manufacturing

BGMEA's commitment to environmental sustainability is exemplified by its promotion of Leadership in Energy and Environmental Design (LEED) certification in Bangladesh's Ready-Made Garment (RMG) sector. Developed by the U.S. Green Building Council (USGBC), LEED is the world's most widely recognised green rating system, offering a framework for healthy, efficient, and sustainable buildings.

For Bangladesh, achieving LEED certification represents a critical step toward aligning with global sustainability standards and reinforcing its position as a leader in the international textile and apparel industry.

The BGMEA has played an important role in encouraging its members to pursue LEED certification, as well as giving guidance and programmes to assist factories in adopting energy-efficient, water-saving, and waste-reduction techniques.

These efforts are consistent with purchasers' environmental objectives, increasing trust and competitiveness in global marketplaces.

Bangladesh is now among the leaders in green garment manufacturing, with 24 new LEED-certified facilities set to open in 2023.

These BGMEA-supported enterprises demonstrate energy efficiency, water conservation, and waste reduction, matching consumers' sustainability attempts and promoting market trust.



BGMEA

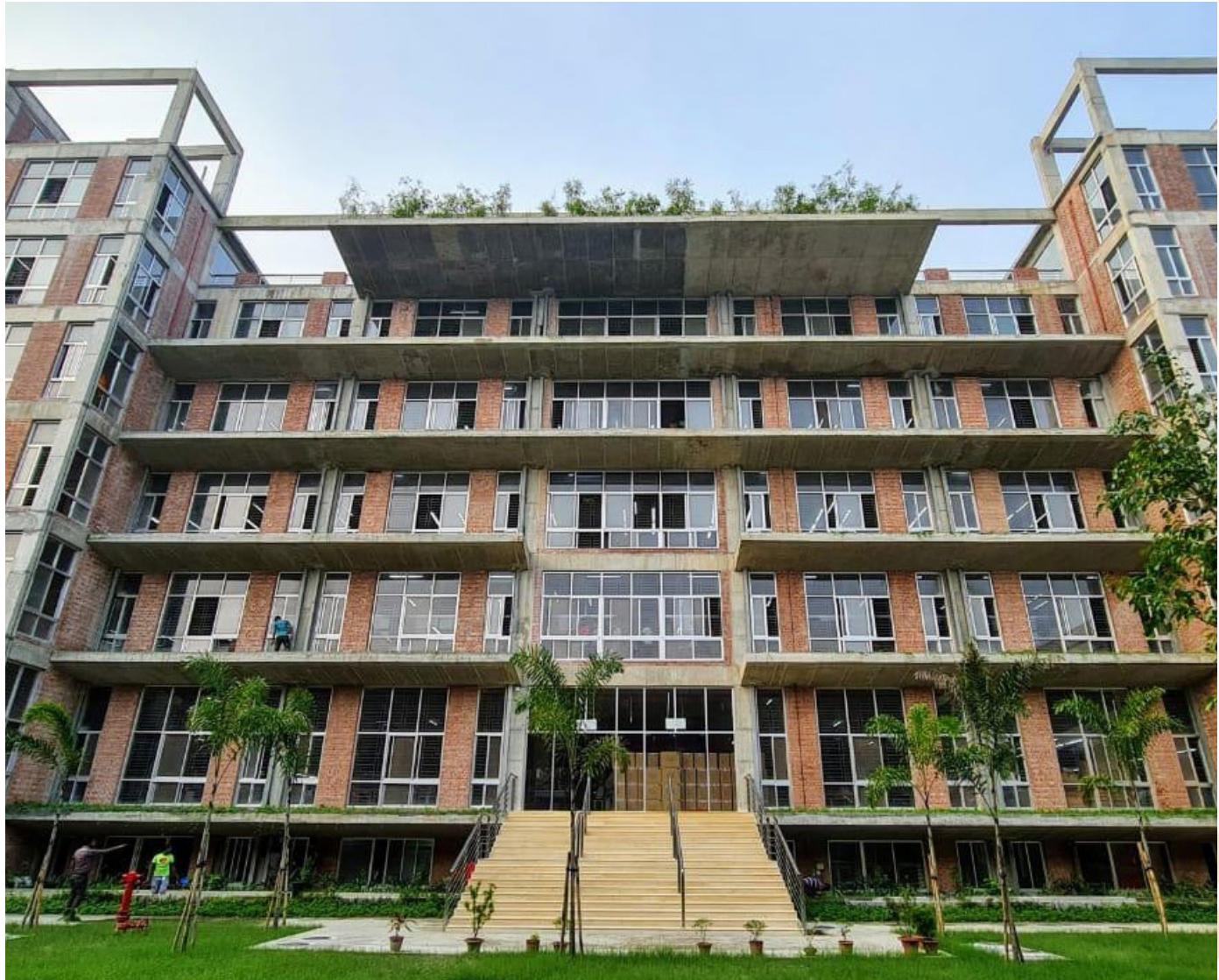
has played an important role in encouraging its members to pursue LEED certification.



BGMEA Recognized for Good Practices by the ITC

BGMEA Recognized for Good Practices by the ITC Bangladesh's RMG sector has been recognized globally for its progress in safety, sustainability, and leadership, as featured in the International Trade Centre's (ITC) publication, Good Practices in the Global Apparel Industry. BGMEA was highlighted as a case study for its work in promoting sustainability, supporting

green manufacturing through LEED-certified factories, and improving environmental practices. The organization has also made significant strides in worker safety, setting global standards, and building partnerships with international stakeholders to align the sector with global best practices.







Economy for Tomorrow



Economic Performance

Economic Sustainability: Powering Growth in the RMG Sector

Bangladesh's Ready-Made Garment (RMG) sector weaves not only fabrics but also the dreams of millions, converting the country into a global hub for affordable fashion while empowering a workforce that drives economic success and social reform.

As the second-largest apparel exporter worldwide, Bangladesh's RMG industry generated an impressive USD 38.12 billion in exports in FY 2022-23, reaching 167 countries and contributing 11% to the national GDP. With approximately 4 million workers employed, the sector is a vital pillar of Bangladesh's economic success.

However, with this growth comes responsibility. The fashion industry, including Bangladesh's RMG sector, is one of the world's largest polluters and contributors to climate change. As global brands commit to carbon neutrality by 2050, BGMEA and its member factories are stepping up, embracing the shift toward a circular economy. The challenge is clear: evolve, innovate, and improve efficiency to stay competitive on the global stage, all while promoting sustainability for a cleaner, greener future.



**USD 38.14
billion**

in exports to 160+ countries.

81.82%

FY 2022-2023

82.15%

FY 2021-2022

Share of RMG in Total Nationals Exports

BGMEA: Paving the Way for a Sustainable Future

BGMEA is leading the charge in transforming Bangladesh's RMG sector, turning challenges into opportunities. With a clear vision to reach USD 100 billion in exports by 2030, BGMEA is championing programmes that boost productivity, drive green transformation, and strengthen global partnerships. By fostering innovation and sustainability,

BGMEA and its member factories are not just keeping pace with global demand—they are setting the standard for reliable, sustainable manufacturing. This forward-thinking approach ensures that Bangladesh remains a key player in the global market, while building long-term economic resilience for the future.



BGMEA
aims to attain
USD 100 billion in
exports by 2030.

Direct Economic Performance

Bangladesh's RMG Sector: Resilience Amidst Challenges

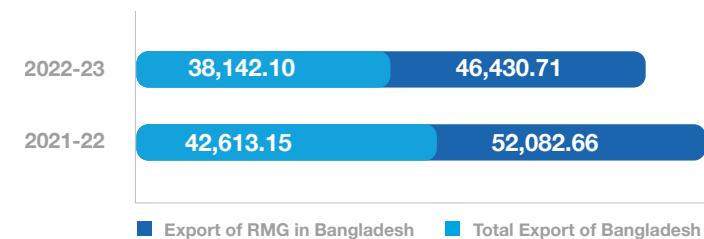
Bangladesh is on a remarkable journey to becoming one of the world's top economies, currently ranked 35th and projected to climb to 24th by 2036. The Ready-Made Garment (RMG) sector, a powerhouse within this growth story, plays a crucial role in driving the country's export performance. In fiscal year 2021-22, Bangladesh's total exports reached 52.08 billion USD, with the RMG sector contributing 42.61 billion USD. However, in fiscal year 2022-23, total exports experienced a slight decline to 46.43

billion USD, with RMG exports dropping to 38.14 billion USD.

Despite these challenges, BGMEA and its member factories remain at the heart of the country's export engine, adapting to global shifts and continuously striving to bounce back stronger. The RMG sector remains a key pillar of Bangladesh's economy, and BGMEA's efforts to innovate and push for sustainability will ensure its continued success in the global market.

Figure 3.5

Export Performance (Million USD) FY 2021/22–2022/23



In the 2023 period, Bangladesh's apparel exports to key markets saw a slight decline compared to the previous year. Exports to the EU and the U.S. dropped, while the U.K. maintained stable growth. Exports to Canada, Australia,

Japan, and India also experienced a decrease. Despite these fluctuations, Bangladesh's apparel sector continues to remain a significant player in global markets, adapting to changing demands and economic conditions.

Bangladesh's garment export performance from 2021 to 2023 shows the export values for woven, knit, and total Ready-Made Garment (RMG) exports. In 2021, total RMG exports were 35,811.87 million USD, with 16,216.38 million USD from woven and 19,595.49 million USD from knit. Exports rose to 45,709.15 million USD in 2022, with knit exports reaching 24,712.37 million USD and woven exports 20,996.78 million USD. However, in 2023, total RMG exports decreased to 35,886.61 million USD, mainly due to a decline in woven exports, while knit exports

remained stable at 19,115.60 million USD. Despite this decline, Bangladesh's RMG sector remains a vital part of the economy.

Despite a decline in export performance in all categories, the RMG industry remains an important aspect of Bangladesh's economy, contributing more than half of its overall exports. The patterns indicated in these numbers highlight persistent problems and the necessity for continuous efforts to enhance the sector's global competitiveness

Figure 3.6

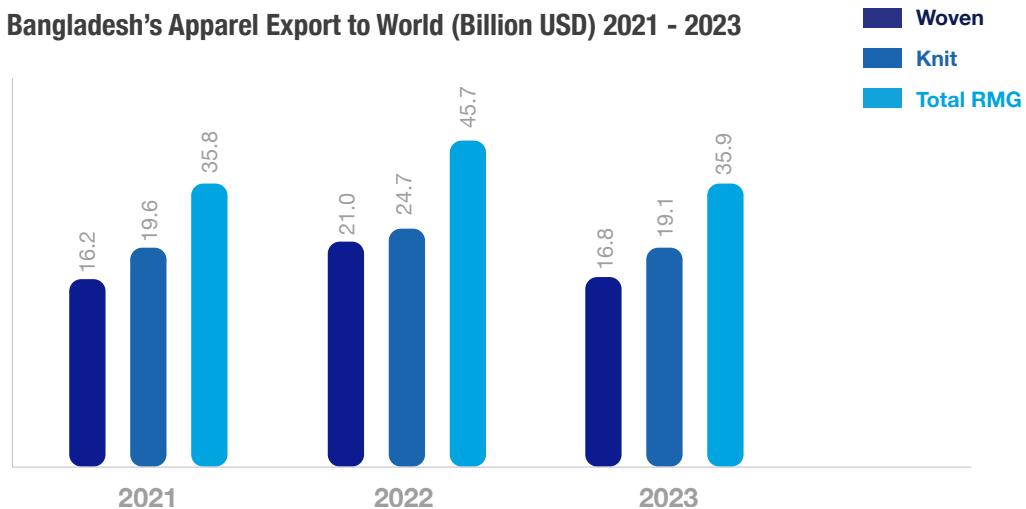


Figure 3.7

Main Apparel Items Exported From Bangladesh (Million USD) FY 2021/22–2022/23



Despite a challenging global economic environment, Bangladesh's apparel sector continues to stand tall, with BGMEA and its member factories leading the way. The U.S. remains the largest market for Bangladesh's apparel in both the fiscal years 2021-22 and 2022-23, closely followed by Germany, showing strong demand for both woven and knit garments.

However, the global economic slowdown, predicted by the World Bank, has impacted export growth. Despite this, Bangladesh's apparel sector is showing resilience. The U.K., Canada, and Australia are also key markets,

contributing significantly to exports, particularly in both woven and knit apparel. For example, in FY 2022-23, exports to the U.K. reached 1.69 billion USD for woven and 2.46 billion USD for knit garments, while Canada contributed 725 million USD in woven and 569 million USD in knit apparel.

BGMEA's efforts to keep pace with market demands and adapt to the global challenges have ensured that Bangladesh's apparel industry remains a global leader, with continued growth even in a difficult economic climate.

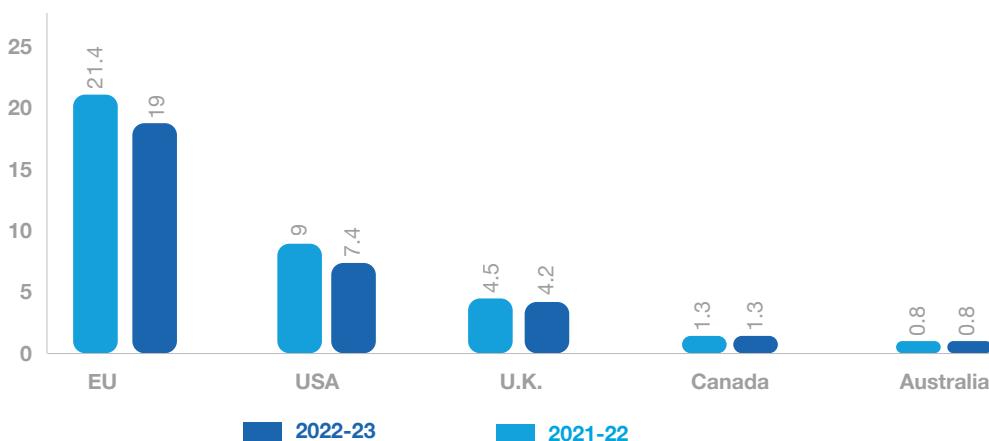
Figure 3.8

Bangladesh's Apparel Export to Different Countries (Billion USD) in FY 2022-23



Figure 3.9

Bangladesh's Total Apparel Export to Different Countries (Billion USD)



Accelerating Sustainable Growth

Growth in Bangladesh's RMG Sector

Bangladesh's economy is expanding quickly, as shown by its record-breaking export revenue, of which \$42.61 billion came from the garment sector alone in the fiscal year 2021–2022. Although the growth in RMG exports is encouraging, production costs are being pressured by issues such as rising yarn, chemical, and raw material prices. To increase demand for high-end goods, BGMEA is expanding its export markets, concentrating on

high-value goods, and establishing partnerships. By 2030, the industry also hopes to have invested at least USD 1 billion in community development initiatives, guaranteeing a long-lasting and inclusive influence on nearby communities. BGMEA is working to help our member manufacturers develop financially, innovate, and implement sustainable practices that benefit society and the environment.



BGMEA is expanding its export markets, concentrating on high-value goods, and establishing partnerships.



Settlement of EDF Loan (Export Development Fund Loan)

The Export Development Fund (EDF) Loan is a vital financial tool for Bangladesh's exporters. BGMEA worked with Bangladesh Bank to extend the repayment period from 90 to 180 days and further until December 31, 2021, easing financial pressure, particularly during the pandemic. This extension helped stabilise cash flow for member factories, allowing them to manage financial obligations and maintain operations. It directly supports the growth of the RMG sector, which contributes 9.25% of GDP and 84.58% of export revenue, ensuring its resilience in challenging times.



Repatriation of Export Proceeds

The extended repatriation period helped exporters avoid liquidity issues, allowing them to meet financial commitments without rushing fund transfers. This move stabilised cash flow at RMG factories and supported the growth of Bangladesh's export-driven economy, especially in the apparel sector.

BGMEA's efforts to secure this extension highlight its commitment to supporting member factories. This flexibility ensures exporters' competitiveness and demonstrates BGMEA's proactive role in safeguarding the RMG sector's financial health and sustainability.



Pre-shipment Credit Scheme

BGMEA facilitated pre-shipment credit at a 6% interest rate for exporters. This scheme allowed exporters to manage finances post-shipment while opening back-to-back letters of credit. BGMEA's efforts to secure favourable interest rates for pre-shipment credit helped maintain the financial stability of exporters, ensuring continued growth.



Deferred Payment for Borrowers

BGMEA facilitated deferred payment options for borrowers with rescheduled or exit loans. By allowing deferred payments until December 31, 2021, BGMEA alleviated financial pressure on exporters during the pandemic. This initiative ensured that exporters could maintain operations without the burden of immediate loan repayments, showcasing BGMEA's proactive approach to supporting members.



15% Payment to Avoid Loan Classification

BGMEA secured permission for borrowers to pay only 15% of their outstanding loan installments. This helped borrowers avoid loan classification and ease financial burdens. BGMEA's efforts to negotiate this flexibility demonstrated its commitment to helping member factories manage their financial stability.



Refinancing from EDF (Export Development Fund Loan)

BGMEA secured permission for borrowers to pay only 15% of their outstanding loan installments. This helped borrowers avoid loan classification and ease financial burdens. BGMEA's efforts to negotiate this flexibility demonstrated its commitment to helping member factories manage their financial stability.



Reduced Value Addition Requirement for Cash Incentives

BGMEA successfully reduced the value addition requirement from 30% to 20% to facilitate cash incentives for RMG exporters. This change helped speed up the processing of pending cash incentive claims, boosting financial support for exporters. BGMEA's advocacy for this reduction underlined its dedication to improving cash flow for RMG factories.



Driving Operational Excellence through Innovation

Our participating member factories are implementing innovative mechanisms to increase productivity and efficiency. Within this group, 23 factories have implemented lean manufacturing, which involves optimising the production process and reducing waste through process refining. In the meantime, 14 factories are applying Six Sigma methodologies to enhance quality and decrease operational variability.

Furthermore, 21 factories investigating alternative productivity-enhancing strategies, which shows a varied approach to operational success.

To further these developments, 27 factories have established separate Industrial Engineering (IE) departments, ensuring an organised plan to improve efficiency and promote innovation.

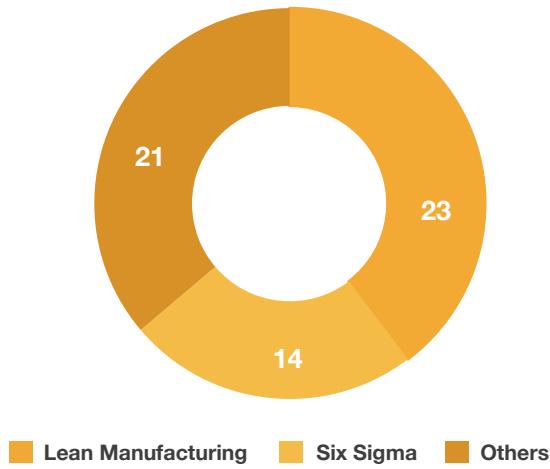


27 factories

among the participating member factories, have established separate Industrial Engineering (IE) departments.

Figure: 4.0

Productivity-Increasing Mechanism Adopted



Data based on 48 factories

How We Report

Sustainability Reporting Goal

The Bangladesh Garment Manufacturers and Exporters Association (BGMEA), being the largest trade body in the country, is fully committed to transparency. By adhering to the Global Reporting Initiative (GRI) standards, our Sustainability Report allows us to share data and insights on our economic, environmental, and social efforts. This report primarily highlights information and data from our member factories, projects, initiatives, and commitments. However, as an association rather than a manufacturing or service-providing entity, we do not hold the same volume of specific data typically expected under GRI standards for individual manufacturers. Instead, this report focuses on providing an overview of the broader RMG sector in Bangladesh. In future reports, we hope to include more detailed data about BGMEA as an organization.

Reporting Period

Year 2023

Determining Our Report Content

We are dedicated to driving sustainable growth within Bangladesh's RMG sector. As a trade association, we prioritise key topics that influence stakeholders' decision-making regarding the sector. We focus on areas with significant economic, environmental, and social impact resulting from the activities of BGMEA and its member factories. In line with our Vision 2030, we have set clear sustainability targets to foster responsible industry practices. This vision underscores our commitment to achieving long-term resilience and environmental stewardship across the entire RMG sector, reinforcing our role as leaders in sustainable development.

Limitations

This sustainability report is based on data from the 57 BGMEA member factories that participated and does not represent the entire Ready-Made Garment (RMG) sector in Bangladesh. Despite aiming for a broader factory participation, challenges were faced to receive data as many member factories are still in the early stages of building their capacity to maintain comprehensive ESG data. The same challenge led to some data being incomplete as well. Data validation was conducted using a combination of random sampling techniques, including online validation for 20 factories and on-site validation for 10 factories. Additionally, cut-off date for data collection and report publication further limit the scope of available information.



GRI Content Index

Statement of Use: BGMEA has reported the information cited in this GRI content index for the period 1 January 2023 to 31 December 2023 with reference to the GRI Standards

GRI 1 Used: Foundation 2021

GRI Standard	Disclosure		Location	Page Number
GRI 2	2-1	Organizational Details	About BGMEA	2
	2-2	Entities included in the organizations sustainability reporting	Executive Summary	1
	2-3	Reporting period, frequency and contact point	Executive Summary Contact: info@rbh.bgmea.com.bd	1
	2-7	Employees	Workforce	39
	2-9	Governance structure and composition	BGMEA Governance Structure	17
	2-16	2-16	Grievance Mechanism	24
	2-29	Approach to stakeholder engagement	Stakeholder Engagement	29
GRI 3	3-1	Process to determine material topics	Materiality Assessment	32
	3-2	List of Material Topics	Materiality Assessment	32
GRI 200 Series	201-1	Direct economic value generated and distributed	Direct Economic Performance	89
	201-3	Defined benefit plan obligations and other retirement plans	-	-
GRI 300 Series	301-1	Materials used by weight or volume	Materials & Traceability	-
	301-2	Recycled input materials used	Materials & Traceability	72
	301-3	Reclaimed products and their packaging materials	Materials & Traceability	-
	302-1	Energy consumption within the organization	Energy in Focus: Consumption, Efficiency, and Impact	64
	302-2	Energy consumption outside of the organization	Energy in Focus: Consumption, Efficiency, and Impact	

GRI Standard	Disclosure		Location	Page Number
GRI 300 Series	302-5	Reductions in energy requirements of products and services	Empowering Efficiency Through Technology	66, 67
	303-3	Water Withdrawal	-	-
	303-4	Water Discharge	-	-
	303-5	Water Consumption	Water Efficiency in Action: Technology and Practices	60
	305-1	Direct (Scope 1) GHG emissions	Carbon Conscious: Efforts in GHG Management	69
	305-2	Energy indirect (Scope 2) GHG emission	Carbon Conscious: Efforts in GHG Management	69
	305-3	Other indirect (Scope 3) GHG emissions	-	-
	306-3	Waste generated	Responsible Management of Waste	79
	308	Supplier Environmental Assessment	-	-
GRI 400 Series	401-1	New Employee Hire and employee turnover	Workforce	39
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Employment Benefits	43
	401-3	Parental Leave	Empowering People	40
	403-1	Occupational health and safety management system	Safety and Wellness	44
	403-5	Worker training on occupational health and safety	Safety and Wellness	44
	403-8	Workers covered by an occupational health and safety management system	Management Systems Driving Efficiency and Compliance	55
	404-1	Average hours of training per year per employee	Capacity Development	-
	404-2	Programs for upgrading employee skills and transition assistance programs	Capacity Development	41
	405-1	Diversity of governance bodies and employees	Capacity Development	18
	413-1	Operations with local community engagement, impact assessments and development programs	Community Outreach	53
	414	Supplier Social Assessment	-	-

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