Transparency Assessment:

Examining the transparency journey for the Bangladesh apparel sector

Table of contents

Executive summary

The 2013 collapse of Rana Plaza in Bangladesh is widely considered a turning point in global efforts to protect workers and ensure fair working conditions, using transparency as a lever to improve accountability.

The Bangladesh ready-made garment (RMG) industry has become a major participant in transparency initiatives in the years since that tragedy. Public disclosure has introduced unprecedented transparency around fire, electrical and building safety conditions, unlocking substantial improvements and demonstrating that greater transparency can benefit the sector.[1]

While the research conducted in this Transparency Assessment was completed before the outbreak of the COVID-19 virus, its conclusions and recommendations are more relevant than ever. The cancellation of over US$3 billion in orders in the early days of the COVID-19 crisis resulted in a call for urgent changes to the purchasing practices of brands and for more transparent communication with workers. The Bangladesh Garment Manufacturers and Exporters Association (BGMEA) issued calls for brands and retailers to pay suppliers for committed orders. A coalition of civil society organisations solicited public statements from brands and retailers about their commitments to suppliers, and publicly tracked their responses. The lack of critical, transparent information about factory re-openings and wage payments also caused considerable human suffering. Multi-stakeholder initiatives, such as Better Work, the Fair Labor Association and the Ethical Trading Initiative, released guidance to mitigate harm to workers. As the Bangladesh apparel industry emerges from the COVID-19 crisis, new standards of transparency will serve the industry well in the future.

The aim of this study is to understand what kinds of transparency initiatives are already in place in Bangladesh and globally, and what needs to be done to improve understanding and motivate greater transparency among different stakeholder groups in the apparel sector.

Using Laudes Foundation's definition of transparency – **the public disclosure of data which enables constituents to hold decision-makers to account** – this Transparency Assessment:

(1) reviews selected global and local transparency initiatives and their relevance to Bangladesh;

(2) captures the opinions of highly impacted Bangladeshi stakeholders on current and desired levels of transparency; and

(3) proposes potential approaches for increasing transparency for the benefit of workers and other stakeholders.

As seen throughout this study, transparency means different things to different people. For many, even the limited sharing of information between stakeholders is considered transparency. The definition used in this study is strictly related to public disclosure. A Continuum framework for understanding the current transparency status of manufacturers, workers and brands is presented in Chapter 6.

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[1]   The Accord on Fire and Building Safety in Bangladesh, the Alliance for Bangladesh Worker Safety, and the Bangladesh Department of Inspection for Factories and Establishments required public disclosure of factory-specific safety related conditions. For further discussion, see **section 2.3, Initiatives in Bangladesh**.

Reviewing global and local transparency initiatives

As a prelude to conducting survey research and interviews in Bangladesh, a number of initiatives were identified to help understand the global and local transparency landscape.

The analysis reveals growing efforts to expand the depth and breadth of transparency in apparel supply chains, both globally and in Bangladesh. However, more coordination and collaboration between initiatives and relevant stakeholders can reduce redundant efforts and facilitate wider access to beneficial information. Most initiatives rely on web-based platforms, creating an accessibility barrier for workers.

Understanding stakeholder opinions

The study adopted quantitative and qualitative methods for collecting data. Quantitative data was collected through a structured questionnaire survey of 104 apparel manufacturers in Dhaka, Gazipur, Narayanganj and Chattagram. Key Informant Interviews (KIIs) and Focus Group Discussions (FGDs) were used to collect qualitative data from RMG factory workers and other industry stakeholders, including brands.

The majority of surveyed manufacturers (87 percent) understand transparency to be the public disclosure of information about labour issues, working conditions and safety-related compliance. Most claim to keep records and publicly disclose information on these issues, however, verification reveals that in many cases they do not distinguish between public and limited disclosure. Manufacturers often share information privately with supply chain partners and believe this to be an indicator of transparency. The very concept of transparency is still at an evolving stage among Bangladeshi RMG manufacturers.

For most workers, transparency simply means timely and reliable information about their wages. Some believe transparency is related to information on order volume, product destination and brand names. Representatives from workers' associations want publicly accessible, factory-specific information about worker rights, including hiring and retention practices.

Brands generally believe a certain level of transparency already exists between them and manufacturers. They also feel that if factory managers and workers can maintain good communication and negotiation systems, third-party monitoring and corrective measures will no longer be necessary.

Across the supply chain, transparency does not always mean the same thing. A cultural change is required so all stakeholders share the same understanding and participate in promoting transparency. This will help maintain a balance in the RMG value chain so that transparency is not used by one party to disadvantage another.

Barriers and challenges to greater transparency

There are several challenges and barriers to achieving greater transparency in the Bangladeshi apparel sector. For starters, maintaining reliable records is an enormous task that requires automation through a central authority like the Bangladesh Garments Manufacturers and Exportners

Association (BGMEA) or the Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA). The fear of losing business due to inadequate social compliance performance – especially with the increasing focus on environmental issues – has also been cited as a key reason why manufacturers and brands are reluctant to share information publicly. "Early adopter crisis" means those manufacturers who take bold steps to disclose more information sometimes face criticism and a potential loss of business.

Information that is publicly available currently exists in different technology platforms supported by the various transparency-related initiatives. Consolidating public access onto a common technology platform would allow stakeholders to more easily connect the dots and identify common levers for change, promoting transparency as a beneficial tool for all parties.

Moving stakeholders along a transparency continuum

By examining the perspectives of each primary stakeholder group through the lens of a continuum of transparency performance and understanding, this study identifies steps to move towards fuller and more public disclosure. From there, progress can be more easily measured.

The three primary stakeholders are:

1. **Brands,** including retailers and other buyers of Bangladeshi garments, who want to sustain a favourable business environment and meet the expectations of investors, consumers and civil society stakeholders with the goal of de-risking the supply chain. Brands can improve their transparency performance by increasing engagement with the civil society initiatives committed to transparency and which provide the mechanisms for supply chain disclosure. Brand performance can also be improved by using transparent information about purchasing practices and committing to increase their Transparency Index ratings over time.

2. **Manufacturers,** the factory owners and their management teams, whose interest is in seeking and maintaining stable business relationships with their customers – brands and retailers – with reasonable profits. Manufacturers' transparency performance can be improved through engagement with brands and multi-stakeholder initiatives committed to transparency, aligning with them and developing joint asks that encourage greater transparency in purchasing practices.

3. **Workers,** who provide the labour and seek livelihoods that are safe and meet their expectations for wages and benefits. Since workers are the primary intended beneficiary in this Transparency Assessment, worker performance can best be understood through the transparency performance of brands and factories. Worker transparency is improved, for example, when factories and brands recognise workers' needs for transparent information and take these into account when designing worker communication policies and procedures. Transparency plays a critical role in democratising decision-making where the key parties have access to the same information.

In addition to stakeholder-focused recommendations, this Transparency Assessment highlights three broad levers for change.

- **Coordinating effort** between the major transparency initiatives globally and in Bangladesh and among identified stakeholders in order to prevent data duplication, diluting resources, confusing stakeholders and obfuscating the benefits of transparency.

- **Building consensus,** to create a common industry understanding and appreciation of the value of transparency among stakeholders to, in turn, build a unified call to action.

- **Applying the principle of reciprocity** whenever considering opportunities for greater transparency, so that transparency is viewed as mutually beneficial rather than the imposition of one stakeholder's requirements on another.

Introduction: Transparency moves centre stage in Bangladesh

The Rana Plaza disaster and COVID-19 pandemic have created greater urgency for transparency across the global apparel supply chain. The Bangladesh RMG industry has an opportunity to lead in this space, but more information is needed to understand the current landscape and what action is needed.

The global apparel industry has grown to rely on increasingly complex supply chains to create and deliver products quickly and at low cost. These supply chains are often characterised by a lack of visibility, allowing poor working conditions to remain undetected and unchallenged and creating significant risks for businesses.[1]

Transparency has been a topic of conversation in the garment industry for over 20 years, with various disclosure initiatives emerging during this time. Some companies have been disclosing information about their Tier 1 suppliers – also known as final assembly or cut and sew factories. More are joining, often due to the initiatives included in this assessment. In the wake of the 2013 Rana Plaza disaster and now the COVID-19 pandemic, we are seeing an even stronger push towards greater industry transparency.

The collapse of Rana Plaza brought transparency to global public attention. When the building fell, killing 1,132 people and injuring more than 2,500 garment workers, people had to dig through the rubble looking for clothing labels in order to find out which brands were linked to the building's five garment factories. In some cases, it took weeks for brands and retailers to determine why their labels were among the ruins and what sort of purchasing agreements they had with those factories. Expectations for improved supply chain disclosure have risen ever since.

The COVID-19 pandemic has increased these expectations further. By the time the Bangladesh government ordered a shutdown of the RMG sector on 25 March 2020, the dramatic cancellation of orders by global brands and retailers had already begun. According to Professor Mark Anner at the Center for Global Workers' Rights at Penn State University, just weeks into the pandemic, more than half of Bangladeshi suppliers had seen the bulk of their in-process or already completed production cancelled.[2] Many buyers made use of *force majeure* contract clauses to justify the suspension of contract terms. This ignited an unprecedented outcry from Bangladeshi suppliers insisting that brands and retailers pay for their committed orders at original terms. According to the Bangladesh Garment Manufacturers and Exporters Association (BGMEA), by late April, US$3.1 billion of export orders had been cancelled, representing 982 million pieces and affecting 2.28 million workers.[3] Better Buying carried out a micro-survey of suppliers to understand the impact of COVID-19.[4]

[1]   Executive Summary, Towards Greater Transparency: The Business Case, page 1, 2017, see: https://www.ethicaltrade.org/sites/default/files/shared_resources/eti_transparency_business_case.pdf

[2]   Mark Anner, Ph.D., Director, Center for Global Workers' Rights in Association with the Worker Rights Consortium, "Abandoned? The Impact of Covid-19 on Workers and Business at the Bottom of Global Garment Supply Chains", https://ler.la.psu.edu/gwr/news-items/Abandoned_CGWRWRCApril12020.pdf, 27 March 2020 updated on 1 April 2020.

[3]   See: https://www.bgmea.com.bd updated on 29 April 2020, accessed on 30 April 2020.

[4]   Suppliers around the world were invited through various means to complete the brief survey during the period of 18 March through 31 March 2020. The full report with recommendations can be found here: https://betterbuying.org/wp-content/uploads/2020/04/Better-Buying-Special-Report-COVID-19-Guidance-for-Brands-and-Retailers.pdf. 10% of the suppliers surveyed were from Bangladesh.

The results were released publicly and resulted in recommendations for improving purchasing practices.

The impact on workers became a focus of public concern. Civil society organisations – including the AWAJ Foundation, Workers Rights Consortium, ReMake, Clean Clothes Campaign, TraidCraft Exchange, global unions and others – began to solicit statements from brands and retailers, pushing for commitments to suppliers and workforces at a time of crisis.

A lack of clear and readily available information affected workers directly too. When the shutdown was extended, many workers were confused about whether they should remain in their villages or return to the cities for work. During the first week of April, thousands started returning to Dhaka, Gazipur and Narayanganj, despite not knowing whether their respective factories had reopened.[5] The crisis reminds us that workers are often last to learn of critical information related to labour issues and wage payments.

Even before COVID-19, growing momentum around transparency was being felt in the Bangladeshi apparel sector. In 2017, BRAC, the Ethical Trading Initiative and Laudes Foundation (formerly C&A Foundation) brought together 64 participants in Chittagong to consider the challenges and opportunities around transparency.

At the event, transparency was defined as the "the public disclosure of data which enables constituents to hold decision-makers to account."[6]

The objective was to stimulate partnerships that could establish Bangladesh as a world leader in transparency and improve conditions for workers who power the industry.

A Transparency Working Group was established, and a Transparency Assessment commissioned to understand what kinds of transparency initiatives are already in place in Bangladesh and globally. The study was the first of a number of action items put forward at the event. It would look at the perspectives of different stakeholder groups, constraints and barriers, and what needs to be done to motivate greater transparency across the sector.

This resulting Transparency Assessment includes a number of recommendations for the Transparency Working Group. It has been conducted to provide insight into the transparency perspectives of stakeholders in the Bangladesh apparel sector, with specific objectives to:

- **Benchmark global transparency best practice and its relevance to Bangladesh;**

- **Explore the understanding and perceptions of the three stakeholder groups (workers, manufacturers and brands), to triangulate their readiness to accommodate the transparency practices of different countries and organisations;**

- **Assess current transparency mechanisms/initiatives along with stakeholder awareness and perceptions of each;**

- **Explore potential ways of leveraging transparency for the benefit of the apparel sector;**

- **Describe the fears and barriers that Bangladeshi stakeholders have around disclosing more information about their industry; and**

- **Provide recommendations on how to advance apparel sector transparency in Bangladesh.**

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[5] The Daily Star, 5 April 2020, https://www.thedailystar.net/frontpage/news/sudden-influx-1889740

[6] Definition found in source material for the workshop: "Transparency in the Bangladesh Apparel Industry", 15-16 November 2017, Chittagong, Bangladesh.

The transparency initiative landscape in relation to Bangladesh

The Bangladesh apparel industry is the focus of a number of global and local initiatives aimed at improving the transparency of brands and retailers, supply chains and factories. Little coordination between these initiatives creates challenges in comparing data.

The global and local transparency initiatives in this chapter are assessed against the following criteria: (1) alignment with the transparency definition *(the public disclosure of data which enables constituents to hold decision-makers to account)*, (2) nature of key stakeholder support, (3) impact on workers, (4) relationship to regulatory requirements, and (5) adoption or potential for adoption in the Bangladesh RMG sector. A comprehensive list is not attempted nor are those selected for inclusion described in depth. Rather, key features are described in order to provide context for the role that transparency can play in creating a robust and humane apparel sector in Bangladesh.[1] A tabulation of all assessed initiatives is available at the end of the chapter.

2.1. Global Initiatives

A number of global initiatives serve as harbingers of the growing movement towards transparency, including the Transparency Pledge, the Transparency Index, KnowTheChain, Open Apparel Registry (OAR), the Fair Wear Foundation's Brand Performance Check and Better Work. These initiatives and their relationship to the criteria described above lay the foundation for understanding the opportunities and constraints for transparency in the Bangladesh apparel sector.

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[1]   The rising wave of concern for corporate transparency is not limited to the global apparel industry, Bangladesh, or even to concern for human rights or labour conditions. As one of many examples, the Institute of Public & Environmental Affairs (IPE) was created in 2006 in China as a non-profit research organisation to collect, collate, analyze government and corporate environmental information in a publicly available database format.

Transparency Pledge

Transparency Pledge was created in 2016 by a coalition of nine global trade union federations and human rights organisations with the objective of promoting corporate accountability for garment workers' rights in global supply chains.[2]

The Pledge asks companies to regularly publish a list, in English, naming all sites that manufacture their products, including the full name of all authorised production units and processing factories; site addresses; parent company of the business at the site; and type of products made.

Of the 72 companies originally approached to adopt the Pledge, 22 are either fully aligned or committed to aligning with it, 29 publish at least the names and street addresses of their supplier factories, and 18 have yet to publicly disclose supply chain information. Another 17 companies are publishing supplier factory lists in full alignment with the Transparency Pledge standard or have committed to doing so in 2020.[3]

Alignment with transparency definition

The Transparency Pledge offers credible information accessible via website disclosures and enables comparison with other brands. It aligns with the transparency definition.

Nature of stakeholder support

The Transparency Pledge, together with its campaign to urge companies to adopt it, has increased the number of companies that publish factory lists and expanded the nature of information disclosed (for example, Tier 2 suppliers). Brands and retailers have been somewhat reluctant participants even though transparent supply chains drive traceability, resulting in better control over production processes and reducing a variety of supply chain risks. Manufacturers have expressed reluctance to publicly disclose detailed site and workforce information, typically out of deference to their customers. When they have agreed to do so, many manufacturers have hoped for some tangible benefit in return, such as additional or more stable business.

Impact on workers

Supply chain disclosure is not in itself a guarantor of workers' rights. However, it is a necessary step in the journey toward greater accountability when used by stakeholders to advocate for and manage workplace improvements

Regulatory requirement

There is currently no regulatory requirement to publicly disclose supply chain information. However, there are specific initiatives that do require disclosure. In 2019, the Fair Labor Association (FLA), a leading multi-stakeholder initiative, adopted a policy of requiring its company affiliates to disclose factories. Brands and suppliers voluntarily agree to become FLA affiliates.

Signs of potential adoption in Bangladesh

Many brands and retailers that disclose their supply chains work with factories in Bangladesh. Most, if not all, of the Transparency Pledge coalition partners have active compliance and capacity building programmes in the Bangladesh garment sector.

[2]   Coalition members are IndustriALL Global Union, International Trade Union Confederation, UNI Global Union, Human Rights Watch, Clean Clothes Campaign, Maquila Solidarity Network, Worker Rights Consortium, International Corporate Accountability Roundtable, and International Labor Rights Forum.

[3]   Fashion's Next Trend, December 18, 2019, (accessed on February 11, 2020).

Transparency Index

FASHION REVOLUTION

Transparency Index, from Fashion Revolution, is an annual, publicly available review of the 200 largest global fashion brands and retailers, ranked according to how much they disclose about their social and environmental policies, practices and impact. Its ultimate goal is to share publicly accessible and detailed information to drive positive change for workers through systematic reform of supply chains.[4]

The first Index was published in 2017. It measures performance across five key areas: policy and commitments, governance, supply chain traceability, supplier assessment and remediation, and 'spotlight issues' covering concerns such as gender equality, decent work, climate action and responsible consumption and production.

Points are awarded based on disclosure on company websites, in corporate responsibility or sustainability reports, other publicly available documents, or third-party websites when linked to the company's own website. The Index is published in English, though there is also a Brazil-only edition published in Portuguese.

Alignment with transparency definition

The Transparency Index is consistent with the definition because it provides accurate, credible information in a manner that is accessible to all and enables comparison between brands and retailers.

Nature of stakeholder support

The Index makes specific recommendations for citizens, brands and retailers, governments and policy makers, and civil society groups, trade unions and workers. It has broad support among civil society organisations for its robust methodology and focused approach to measuring transparency. The Index is watched closely by brands and retailers who are sensitive to reputational harm, have made commitments to corporate responsibility, and are keen to understand the ratings they and their competitors receive each year.

Impact on workers

The Index has the potential to be used by civil society organisations, including worker representatives, to advocate for improved brand and retail performance. The public nature of the Index can incentivise brands to become more transparent, ultimately leading to better impacts for workers.

Regulatory requirement

The Transparency Index is not a response to regulatory fiat and does not require permission from rated companies.

Signs of potential adoption in Bangladesh

The Index does not currently breakdown scores by country, nor is the information searchable by country (the exception is an Index focused on Brazil released in 2019, which reported on 30 local brands and retailers).

[4] Fashion Transparency Index 2019, page 85.

KnowTheChain

KnowTheChain is dedicated to eradicating forced labour. Its 2018 Benchmark report for the apparel and footwear sectors measures the performance of 43 companies across seven themes: commitment and governance, traceability and risk assessment, purchasing practices, recruitment, worker voice, monitoring, and remedy. Each theme is weighted equally and determines a company's overall Benchmark score on a scale from 0 to 100. Benchmark reports are publicly available on the initiative's website.

The ratings are easily searchable on the website and the tool is available in Japanese, Chinese and English. The scores are based on information provided by the company and other public sources, such as third parties deemed credible by KnowTheChain. Importantly, disclosure of names and locations of Tier 1 suppliers, and some information on suppliers beyond Tier 1, is assessed as part of its "Traceability and Risk Assessment" benchmark.

In 2019, KnowTheChain revised its methodology following broad consultation with stakeholders and the next Benchmark report is expected sometime in 2020.

Alignment with transparency definition

KnowTheChain is substantially aligned with the transparency definition. The Benchmark is publicly available and compares brand performance against other rated companies. It does not compare the most recent company ratings to previous Benchmark ratings, although it is possible to derive this comparison since the 2016 and 2018 Benchmarks are available on the KnowTheChain website.

Nature of stakeholder support

KnowTheChain is a collaborative partnership between the Business and Human Rights Resource Centre, Humanity United, Sustainalytics and Verité. All, except Sustainalytics, are non-profit organisations. It has broad support within civil society and is used by brands and retailers to gauge the adequacy of their transparency initiatives.

Impact on workers

The impact on workers is indirect, since it rates brands and retailers and not the workplace conditions in factories. Still, the sole objective of KnowTheChain is to create publicly available information regarding risks of harm to workers so that stakeholders, including apparel brands and retailers, know where to focus efforts to reduce the risks of forced labour.

Regulatory requirement

KnowTheChain conducts its research and publishes its findings regardless of government mandate or brand consent.

Signs of potential adoption in Bangladesh

The initiative has no Bangladeshi filter, so it is not possible to compare the forced labour risks specific to the country. However, many of the companies do source apparel in Bangladesh.

Fair Wear Foundation

Fair Wear Foundation (FWF) publishes an annual Brand Performance Check for 144 member brands. The Brand Performance Check rates performance in seven areas: purchasing practices, monitoring and remediation, complaints handling, training and capacity building, information management, transparency, and evaluation

The FWF provides targeted feedback to companies on how to improve, a clear improvement or exit path for underperforming members, and a tool for consumers to find information about FWF member companies.[5]

The Brand Performance Check rates companies as: Leader, Good, Needs Improvement, or Suspended. This publicly disclosed rating of FWF member brands is at present the only public rating of brand purchasing practices.

Alignment with transparency definition

Brands are encouraged to make public their factory lists and the overall results of annual Performance Checks. Brands that engage in transparency in the supply chain are rewarded with higher Brand Performance Check scores. Transparency is not broken down by country and it is not possible to easily compare ratings over time.

Nature of stakeholder support

FWF is a multi-stakeholder initiative, with representation at board level from industry, trade unions and NGO communities.

Impact on workers

Brand Performance Checks rate the adequacy of brand due diligence in the protection of workers across a range of areas. Higher scores are presumed to correlate to better impacts for workers. The Performance Checks do not disclose the state of workplace conditions at specific factories.

Regulatory requirement

Brands voluntarily engage with FWF.

Signs of potential adoption in Bangladesh

There are 229 Bangladeshi factories working with 23 FWF member brands. To date, 58 complaints have been received from workers in Bangladesh; details are on the FWF website.[6] Members participate in its Workplace Education Programme (WEP), which provides short, targeted onsite training for managers, supervisors and workers aimed at raising awareness about labour standards, methods for communicating problems and resolving disputes. The FWF has a small, permanent staff in Bangladesh.

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[5]   Page 7, Brand Performance Check Guide.

[6]   See: https://www.fairwear.org/complaints/?countryfilter=Bangladesh, accessed February 11, 2020.

Open Apparel Registry

Open Apparel Registry (OAR) maps apparel factories and their affiliations. The searchable database of factories is compiled from lists submitted by contributors and contains the precise name and location of apparel factories, along with the source of the information. The location of factories is presented in an easy-to-read and searchable map on its website.

OAR is governed by a non-profit organisation with a multi-stakeholder board of directors. Its mission is to maintain a neutral and publicly accessible database of every factory in the global apparel and footwear sector, to enable industry collaboration and improve factory identification. The database is available for use by any organisation to:

• Update and standardise factory names and addresses against the database,

• Understand the affiliations of current and prospective factories to identify opportunities for collaboration,

• Find potential new suppliers, listed with their credentials and affiliations, and

• Leverage the OAR ID as a unique and shared ID across software systems and databases.[7]

Alignment with transparency definition

Publicly connecting brands and retailers to the factories they use is a key component of transparency. The database enables public access to a map with detailed factory location information correlated to the brands that use the factory.

Nature of stakeholder support

OAR is designed to provide value to diverse stakeholders including brands and retailers, civil society, researchers and others. The information about factories and their customers, which comes from multiple sources is available to all stakeholders to use for their own purposes, including advocating for improved workplace conditions. The data is published under an open-source data license.

Impact on workers

OAR has an indirect impact on workers because it allows workers or their representatives to correlate factories with the brands and retailers that use them. The platform does not contain information about workplace conditions or about brand due diligence to mitigate human rights risks.

Regulatory requirement

Information on the OAR web platform is curated from publicly available sources and is not required by any regulatory authority.

Signs of potential adoption in Bangladesh

The OAR site currently displays 3,672 manufacturing sites in Bangladesh.

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[7]   See: https://info.openapparel.org/ accessed on June 10, 2019.

Better Work

Better Work is a joint programme of the International Labor Organisation (ILO) and the International Finance Corporation (IFC). It assesses compliance with core international labour standards and national legislation in 1,700 apparel factories employing more than 2.4 million workers across eight countries.[8] Better Work has two parallel transparency initiatives – one which applies to Bangladesh, Haiti, Indonesia, Jordan, Nicaragua and Vietnam, and another one particular to Cambodia.

In Haiti, Indonesia, Jordan, Nicaragua and Vietnam, Better Work's Transparency Portal makes public key findings from Better Work assessments, revealing which factories have been found non-compliant on issues such as occupational safety and health, child labour, forced labour, discrimination, worker compensation, contracts and freedom of association. Public disclosure occurs after two assessment cycles and factories can respond to non-compliance findings directly on the website. The Portal discloses the factory name, country, date of most recent assessment and an overview of factory compliance status. The Bangladesh Portal is expected to follow this format.

The Better Factories Cambodia Transparency Portal[9] measures critical issues and low compliance. Twenty-one critical issues are used to measure performance of all Cambodia garment factories and results are made public after two or more assessments. Fifty-two legal requirements are also measured. Of the more than 475 factories cited on the Cambodia Transparency Portal, 21 are listed as low compliance, of which nine are listed as closed.[10] All Cambodian garment factories are required to participate in Better Factories Cambodia in order to export product. Since disclosing factory assessments in 2014[11], the number of factories meeting these standards jumped by 57 percent in three years. This was while revenues in the sector grew to their highest recorded levels.

Alignment with transparency definition

The Better Factories Cambodia Transparency Portal is aligned with the transparency definition since it provides credible, publicly available information that tracks performance on specific workplace conditions over time. The portal does not correlate factories with the names of brand and retailer customers. Better Work's transparency portal for Haiti, Jordan, Nicaragua, Indonesia, Vietnam – and soon Bangladesh – also provides information about specific factory non-compliances but does not visually track progress over time. This portal does not correlate factories with brands and retailers.

Nature of stakeholder support

As a programme of the ILO, Better Work has support from employers, worker representatives and governments who together guide all major programmatic approaches.

Impact on workers

Workers directly benefit from improvements made as a result of assessments and capacity-building initiatives. Reports are not posted in local languages although worker representatives are typically made aware of findings.

Regulatory requirement

Participation is required for manufacturers in Jordan, Cambodia and Haiti who wish to export finished products as a result of bilateral trade agreements.

Signs of potential adoption in Bangladesh

Better Work's programme in Bangladesh is discussed in section 2.2 Initiatives in Bangladesh.

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[8]   https://betterwork.org/, accessed on February 11, 2020.

[9]   Better Factories Cambodia is an affiliate of Better Work and was the leader in developing a system for public disclosure within Better Work's program of action. It has a unique transparency portal, which is linked to Better Work Transparency Portal.

[10]   See: http://betterfactories.org/transparency/en/issues/view/low_compliance, accessed on May 23, 2019.

French Duty of Care or Vigilance Act

The French law is one of a growing number of regulations that require public disclosure, alongside the California Transparency in Supply Chains Act, UK Modern Slavery Act and the Australian Modern Slavery Act. While these laws are significant milestones, apart from the French Vigilance Act, they only require companies to report on their efforts, if any, to identify certain forms of human rights-related risks.[12] Companies subject to the Vigilance Act, however, are required to also report on programme implementation – going further than other national regulatory mechanisms.

To comply with the Vigilance Act, companies must provide a report including:

- A mapping of the risk (risk identification and prioritisation),

- Procedures to regularly assess how subsidiaries, suppliers and subcontractors are performing against this risk mapping,

- Measures to prevent and mitigate serious violations,

- A functioning alert mechanism that collects reporting of existing or actual risks, developed in partnership with trade union organisations, and

- Monitoring mechanisms to evaluate implementation and effectiveness of implemented measures.

It is expected that similar requirements will be enacted into law in other European countries.

Alignment with transparency definition

Large multinational companies are required to publicly report on and implement an extensive plan that addresses human rights-related risks, including in company supply chains. The report must be published annually. It is not known whether there will be a central repository of reports or what capabilities will exist for tracking progress over time.

Nature of stakeholder support

The Vigilance Act has broad support from civil society as a useful tool in making progress toward accountability.

Impact on workers

The Vigilance Act focuses on the performance of large brands and retailers. It has an indirect impact on workers since the focus is on workplace conditions, among other human rights concerns in supply chains. Notably, it will require companies to report on their entire supply chains, not only Tier 1 factories. Companies required to report under the Vigilance Act will have production in Bangladesh, although it is not known how many suppliers and workers in Bangladesh are linked with companies covered by the Act.

Regulatory requirement

Large companies, defined as having headquarters in France and employing 5,000 employees or more within France or at least 10,000 worldwide (including through direct and indirect subsidiaries), are required by law to comply. Foreign companies headquartered outside France, with subsidiaries that employ at least 5,000 employees in France, are also required to comply.

Signs of potential adoption in Bangladesh

Early analysis of company reports is sparse at present and it is too soon to know how reports might be used in the Bangladesh RMG sector.

[11] Better Factories Cambodia implemented its initial program of transparency from 2001 to 2006. It's current program of transparency was launched in October 2013 and became available online in 2014.

[12] For more information about global policy and regulatory developments, see Business and Human Rights in Law, BHRinLaw.org, a joint initiative of project of the European Coalition for Corporate Justice, CORE Coalition, Public Eye, the International Corporate Accountability Roundtable and Above Ground. The site tracks d evelopments in legislation and case law related to the corporate responsibility to respect human rights, with a focus on mandatory human rights due diligence and parent company liability.

2.2 Initiatives in Bangladesh

Bangladesh has borne the brunt of the world's characterisation of the apparel industry as exploitative, with the Rana Plaza tragedy used as evidence. Significant efforts have been made to improve transparency in the RMG sector. Public disclosure by the Bangladesh Accord on Fire and Building Safety (Accord), Alliance and Department of Inspection for Factories and Establishments (DIFE) introduced unparalleled transparency on fire, electrical and building safety, capturing substantial improvements and demonstrating that greater transparency can benefit the industry.[13] The following section looks at the Accord and the Alliance initiatives as well as Better Work Bangladesh and BRAC University Mapped in Bangladesh.

The Alliance for Bangladesh Worker Safety

The Alliance, a leading North American-focused initiative that also publicly reported on safety issues in Bangladesh RMG factories, closed its doors at the end of 2018.[14] Its successor organisation, Nirapon, which represents 21 mostly North American brands and retailers in Bangladesh, is leaving the country. The organisation, which took over from the Alliance for Bangladesh Worker Safety, is shifting to a more streamlined structure based in North America.

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[13]   The Alliance ceased operations at the end of 2018; as of this writing, the legal basis for its successor organisation, Nirapon, to support safety inspections and remediation through qualified third-party vendors is being challenged by the High Court. Negotiations between the Accord and a new entity created with support from the BGMEA and the government of Bangladesh – the RMG Sustainability Council – are underway to determine the future of activities previously carried out by the Accord.

[14]   Over 20 brands formerly associated with the Alliance formed Nirapon in 2019 "...to monitor the factories from which its member brands source to verify that they: 1) continue to meet the National Action Plan harmonised standards for physical safety (structural, fire, and electrical); (2) have implemented standardised training programs focused on worker safety; and (3) continue to make the helpline service, Amader Kotha, available to their factory workers." See: https://www.nirapon.org/nirapon-overview/. As of this writing, the future of Nirapon is uncertain due to a high court order halting the initiative's work in the fall, 2019.

Accord on fire and building safety in Bangladesh

Bangladesh Accord on Fire and Building Safety (Accord) is an independent, legally binding agreement between brands and trade unions to work towards a safe and healthy garment and textile industry. The Accord covers RMG factories and focuses on factory inspection, monitoring remediation, safety training and resolving safety complaints.

On 19 May 2019, a memorandum of understanding (MoU) between the Accord Steering Committee and the BGMEA permitted all Accord operations to cease after an additional 281 working days. After this period, an industry-labour RMG Sustainability Council became responsible for Accord functions.[15]

The Accord's transparency features include:

- Publication of a single aggregated list of all factories in Bangladesh (including sub-contractors) used by signatory companies, based on information regularly provided by each of the signatory companies. The information contains factory addresses. Information linking specific companies to specific factories is not provided.

- Publicly available written inspection reports.

- Public statements identifying any factory that is not acting expeditiously to implement remedial recommendations.

- Quarterly aggregate reports that summarise industry compliance data as well as a review of findings, remedial recommendations and progress and training for all factories at which inspections and training have been completed.[16]

Accord's website is in English and Bangla, though many website documents are in English only.

Alignment with transparency definition

Detailed factory-level data regarding factory safety, health and building integrity is publicly accessible on the Accord website, enabling readers to see how much progress has been made. The information is limited to safety, health and building integrity issues.

Nature of stakeholder support

Brand and trade union collaboration has been at the core of the Accord's governance structure. Factories have complained about the costs and rapid timelines for remediation but have in large part accepted the initiative and its positive benefits. Civil society is broadly supportive.

Impact on workers

Information about safety, health and building integrity have a direct benefit for workers employed by in-scope factories in Bangladesh.

Regulatory requirement

Although brand signatories are legally bound to implement the Accord's provisions in their supply chains, brands entered into the arrangement voluntarily. Signatories require factories to comply with requirements for inspection, remediation and complaints handling as a condition of business.

Signs of potential adoption in Bangladesh

The Accord is solely focused on Bangladesh and distinguishes Bangladesh for the strides it has made in broad-based worker-centric initiatives and material improvements in worker safety.

[15]   See: https://bangladeshaccord.org/updates, accessed June 11, 2019.

[16]   During its tenure, the Alliance for Bangladesh Worker Safety (Alliance) also listed signatory companies, names and addresses of in-scope factories, and detailed inspection and remediation reports. The Alliance completed its work on December 31, 2018.

BRAC Mapped in Bangladesh

BRAC University Mapped in Bangladesh (MiB) is an initiative based at the Centre for Entrepreneurship Development at BRAC University, with lead funding from Laudes Foundation and the government of the Netherlands. It captures essential information about the Bangladesh RMG sector, including name and location of factories, information about worker demographics and brand/retailer relationships. The information is available on an easily accessible and customisable web platform. The initiative has completed an initial census and to date data from the Dhaka, Gazipur, Naryangonj and Chittagong has been uploaded on MiB.

Alignment with transparency definition

MiB allows easy web-based access to basic factory information, including precise factory location, information about factory customers, and memberships or affiliation with inspection programmes. This degree of transparency is consistent with the transparency definition, although it does not have a mechanism for monitoring changes over time.

Nature of stakeholder support

The initiative has broad support and is guided by a multi-stakeholder Project Advisory Committee that includes brands, government, non-governmental organisations, industry associations and others.

Impact on workers

Workers or their representatives will have access to the names of factory customers and other key factory information. MiB has a valuable, but indirect, impact on workers because it allows them to correlate factories with the brands that use them. The platform does not currently contain detailed information about specific factory workplace conditions or brand due diligence to mitigate human rights risks.

Regulatory requirement

MiB has support from the government of Bangladesh, which could itself benefit from the information provided. However, there is no regulatory requirement for participation or engagement.

Signs of potential adoption in Bangladesh

MiB focuses on the Bangladesh RMG sector and makes a significant contribution to the information available to all stakeholders.

Better Work Bangladesh

Better Work Bangladesh seeks to bring together diverse groups – governments, global brands, factory owners, unions and workers – to improve working conditions and make the RMG sector more competitive. As of 25 January 2020, 27 international brands and retailers, 242 factories and 552,000 workers are participating in or impacted by the initiative in Bangladesh.[17]

Alignment with transparency definition

Better Work Bangladesh is committed to following the Better Work approach to transparency used in Haiti, Indonesia, Jordan, Nicaragua and Vietnam. This shows data from the most recent assessment around critical issues found in factories. A precise commencement date for reporting in Bangladesh has not yet been determined.

Nature of stakeholder support

Better Work has broad brand and retailer endorsement, who have helped fund its growth. Its affiliation with the ILO brings with it the support and engagement of national governments and trade unions. Factories find benefit primarily from its on-the-ground capacity-building initiatives and the promise of a reduced number of audits.

Impact on workers

Better Work's factory-focused services are designed to have a direct, beneficial impact on workers.[18]

Regulatory requirement

Participation in Better Work Bangladesh is not required as a condition of export to the US or other markets as it is in Cambodia, Haiti and Jordan.

Signs of potential adoption in Bangladesh

In 2019, Better Work Bangladesh published the *Industry and Compliance Review covering the period June 2015 – December 2018*. [19]It noted non-compliance rates and the names of 200 assessed factories. However, the non-compliances were not tied to the names of specific factories. It is expected that web-based disclosures tying factories to non-compliances, similar to Haiti, Indonesia, Jordan, Nicaragua and Vietnam, will begin in 2020.

[17]   For a description of Better Work Bangladesh's program of work, see: https://betterwork.org/where-we-work/bangladesh/, accessed on February 11, 2020.

[18]   For a description of Better Work's factory services package, see: https://betterwork.org/our-work/factory-services/

[19]   See https://betterwork.org/wp-content/uploads/2020/01/Bangladesh-Annual-Report_2.pdf, accessed on February 11, 2020.

2.3 Observations on the transparency initiative landscape

There is considerable diversity in the scope of the initiatives surveyed in this assessment. Generally speaking, each initiative can be categorised as having one of three distinctive features:

Brand or retailer focus

Rating brand or retailer performance on transparency (Transparency Index, French Duty of Care Act, KnowTheChain, FWF)

Supply chain focus

Linking brands and retailers with factories that make their products (Transparency Pledge, OAR, MiB)

Factory focus

disclosure of factory workplace conditions (Better Work, including Better Work Bangladesh, Accord/Alliance)

As all of the initiatives rely primarily on web-based platforms to disclose information, there is limited direct availability of information for workers who do not have computers or Internet access.

Most initiatives rely on information from publicly available sources, rather than original research conducted through onsite visits and/or other labour-intensive forms of due diligence. The notable exceptions are Better Work, which posts information based on its own credible assessment process, and MiB, which conducts extensive census activities. In the case of the Transparency Index, OAR and Transparency Pledge, brands and retailers are encouraged to provide information.

OAR, MiB and the Transparency Pledge are uniquely focused on linking factories to the brands and retailers that buy from them. KnowTheChain and Accord/Alliance focus on specific issues – forced labour and safety respectively. Conversely, the Transparency Index and FWF's Brand Performance Checks examine brand and retailer behaviour across a range of issues.

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Where regulatory requirements such as the French Duty of Care Act are concerned, a clear benefit is that they create a level playing field in which all companies that meet the threshold for reporting must adhere to the same standard for transparency.

Comparison creates greater knowledge of company performance in contrast to peers, and greater motivation to improve behaviour.

Half the initiatives are brand- or retailer-focused, without disclosing information on factory location or workplace conditions (Transparency Index, KnowTheChain, FWF, French Duty of Care Act). Only two focus solely on factory workplace performance (Better Work, Accord). Better Work Bangladesh is the only initiative that plans to publicly report on a range of factory-specific workplace conditions. Given this landscape, obtaining full supply chain information – tying brands and retailers to factories and workplace conditions – is a cumbersome exercise, at best.

Looking outside the surveyed initiatives, OAR announced in February 2020 that it had created the Open Data Standard for the Apparel Sector (ODSAS) together with Wikirate, the International Corporate Accountability Roundtable (ICAR) and the Clean Clothes Campaign. This collaborative effort by civil society organisations provides information about the brands that factories work with in a format that is both efficient to use and comparable across brands for all stakeholders.

To understand the relevance of these approaches to the Bangladesh RMG sector, clarity is needed on what stakeholders want and need, in the context of opportunities and constraints. These perspectives are detailed in the next chapter.

Overview table

Initiative Name	Alignment with transparency definition	Nature of stakeholder support	Impact on workers	Regulatory requirement	Signs of potential adoption in Bangladesh
Transparency Pledge	Yes	Weak	Indirect	No	Strong
Transparency Index	Yes	Strong	Indirect	No	Medium
KnowTheChain	Yes	Strong	Indirect	No	Medium
Fair Wear Foundation (FWF)	No	Medium	Direct	No	Strong
Open Apparel Registry (OAR)	Yes	Medium	Indirect	No	Strong
Better Work	Yes	Strong	Direct	Yes*	Strong
French Duty of Care or Vigilance Act	Yes	Medium	Indirect	Yes	Weak
Bangladesh Accord on Fire and Building Safety (Accord)	Yes	Strong	Direct	No	Strong
Mapped in Bangladesh (MiB)	Yes	Strong	Indirect	No	Strong
Better Work Bangladesh	Yes	Strong	Direct	No	Strong

*for manufacturers in Jordan, Cambodia and Haiti who wish to export

Manufacturers express mixed feelings about transparency

Transparency is a fairly new concept in Bangladesh and manufacturers do not share a common understanding of the definition as it relates to public disclosure. Many accept there are benefits to transparency but there is also concern it could hurt business.

3.1 Survey methodology and data

In addition to the review of global and local transparency initiatives, this study adopted both quantitative and qualitative methods for collecting data to understand the level of transparency practiced by Bangladeshi stakeholders, their expectations regarding transparency, and the perceived advantages and challenges of becoming transparent. A detailed methodology is provided in **Appendix 1**.

The manufacturer survey covered four districts that account for 90 percent of Bangladesh apparel factories – Dhaka, Gazipur, Chattogram and Narayanganj. It included 104 small, medium and large factories (by number of workers), producing both woven and knit apparel.

3.2. Capturing manufacturers' views on transparency

The quantitative survey of RMG manufacturers reveals widely held perceptions of transparency as well as transparency practices and aspirations. The findings also summarise manufacturers' views on the prevailing gaps in transparency and their suggestions for achieving greater transparency in the sector.

Across the survey sample there was inconsistent understanding of the concept of transparency – defined in this study as the public disclosure of data. Even after explaining this definition, many respondents could not distinguish between public disclosure and private or limited disclosure of information. The findings described in this chapter should be interpreted within this context.

Many manufacturers consider information to be transparent when they disclose it to their respective brand customers or to monitoring authorities like DIFE. Some think they are transparent if they are ready and willing to share labour compliance and safety-related information with anyone who requests it. According to the definition used in this study, disclosing information privately to respective trading partners or other stakeholders does not constitute transparency.

Transparency, or public disclosure of information, is achieved when manufacturers share information on publicly accessible websites, in annual reports or through the websites of various monitoring authorities.
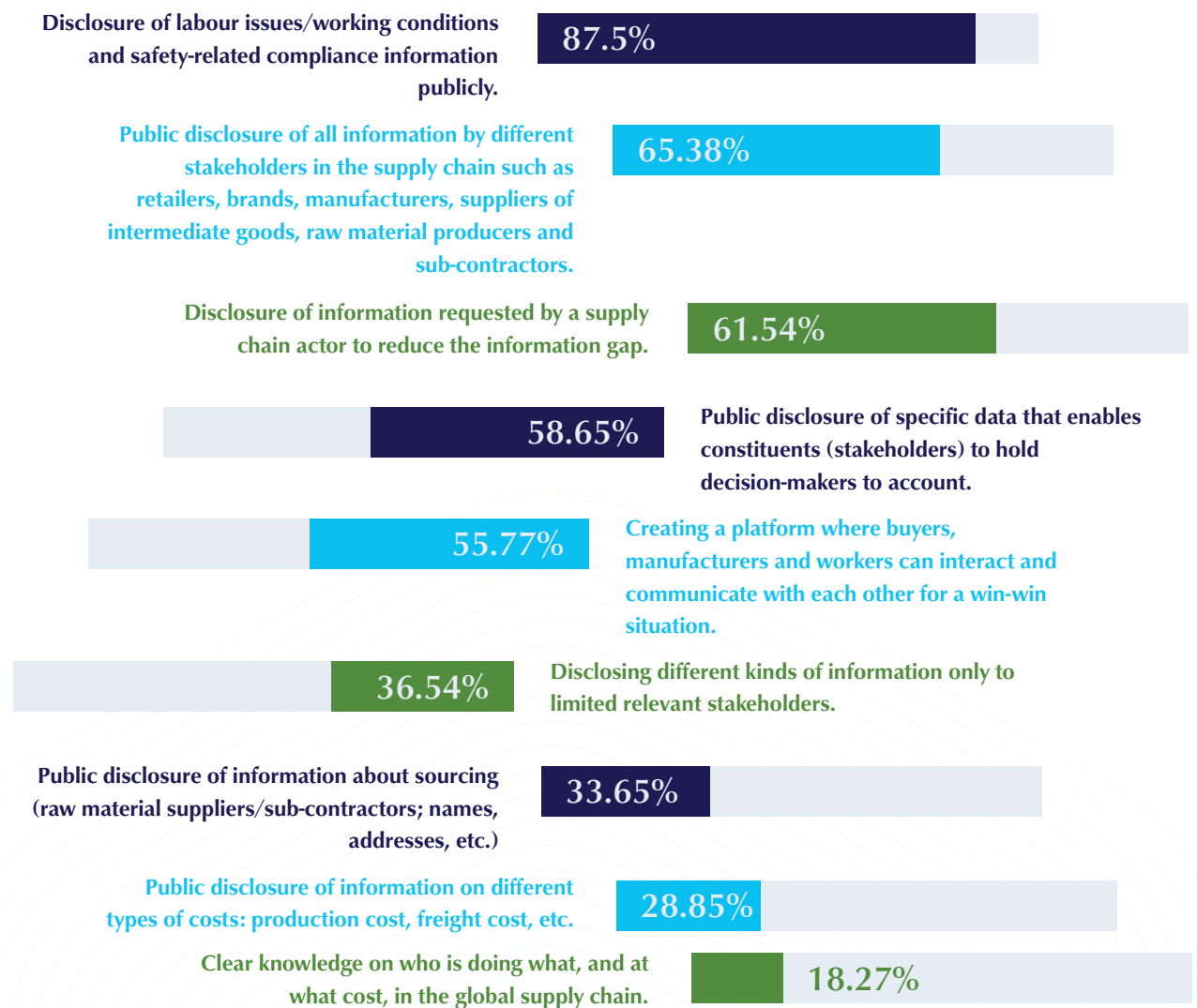
This study focuses on the transparency status or public disclosure of data related to issues that can enhance stakeholder accountability and improve working conditions. Information about profit margins and financial results, for example, are not within scope.

3.2.1 Manufacturers' perceptions of transparency

Manufacturers were asked to share their understanding of transparency through a multiple-choice survey, with the opportunity to select up to five answers. Some of the key findings are summarised here:

- While knowledge about transparency is still in its infancy, the awareness-building campaigns and work by Accord, Alliance (now Nirapon) and DIFE mean most of the factories do publicly disclose information on total number of workers and safety-related issues. For 87 percent of the surveyed manufacturers, transparency is defined as the "public disclosure of information on some labour issues/working conditions and safety-related compliance". In these cases, public disclosure takes place on factory websites, trade association websites, websites of the government's monitoring authority, or in a database like MiB.

- Nearly two-thirds of manufacturers (65 percent) consider transparency to be the "public disclosure of all information by different stakeholders in the supply chain". To these manufacturers, transparency means every stakeholder should share information when requested to do so, and there should be reciprocity in information sharing. However, it is important to note that disclosure by all stakeholders is not the same as reciprocal disclosure.

Figure 3-1: Manufacturers' perceptions of transparency (As multiple responses were allowed, percentage values do not add to 100.)


Disclosure of labour issues/working conditions and safety-related compliance information publicly. **87.5%**

Public disclosure of all information by different stakeholders in the supply chain such as retailers, brands, manufacturers, suppliers of intermediate goods, raw material producers and sub-contractors. **65.38%**

Disclosure of information requested by a supply chain actor to reduce the information gap. **61.54%**

58.65% Public disclosure of specific data that enables constituents (stakeholders) to hold decision-makers to account.

55.77% Creating a platform where buyers, manufacturers and workers can interact and communicate with each other for a win-win situation.

36.54% Disclosing different kinds of information only to limited relevant stakeholders.

Public disclosure of information about sourcing (raw material suppliers/sub-contractors; names, addresses, etc.) **33.65%**

Public disclosure of information on different types of costs: production cost, freight cost, etc. **28.85%**

Clear knowledge on who is doing what, and at what cost, in the global supply chain. **18.27%**

- 58 percent believe transparency is the public disclosure of "any" information that can make stakeholders more accountable. Though these respondents defined transparency as the public disclosure of information, later data reveals they often consider limited information sharing as transparency.

- 55 percent think transparency refers to the creation of a platform where buyers, factory owners and workers can interact and communicate for a win-win situation.

Most manufacturers consider any level of information sharing to be transparent, whether public or limited disclosure. Greater consensus is therefore needed among stakeholders regarding which issues should be disclosed.

3.2.2 Potential impacts of transparency

The surveyed manufacturers expect transparency to bring positive impacts but are also concerned about negative consequences and challenges (full results shown in Figure 3-2, Figure 3-4 and Appendix Table A 2-1 and Table A 2-2).

Figure 3-2: Possible positive impacts of becoming more transparent (opinion shared by % of total respondents) (As multiple responses were allowed, percentage values do not add to 100.)
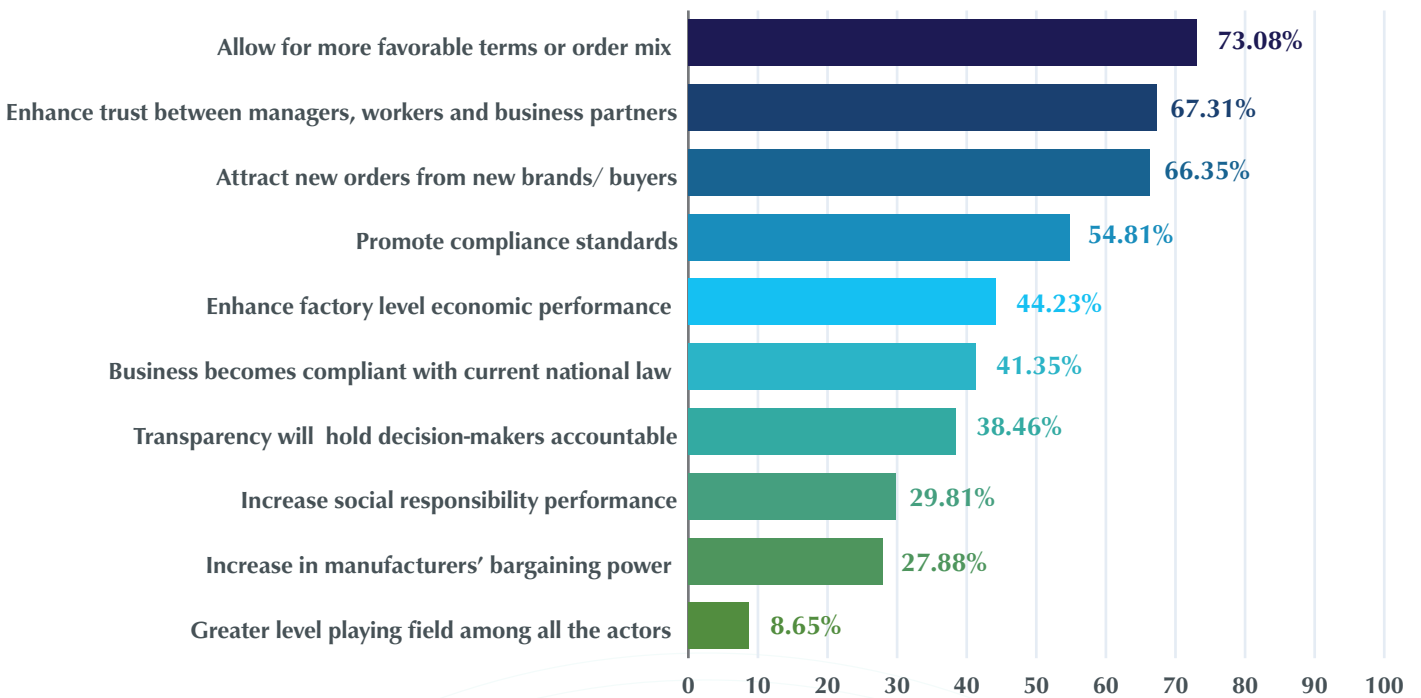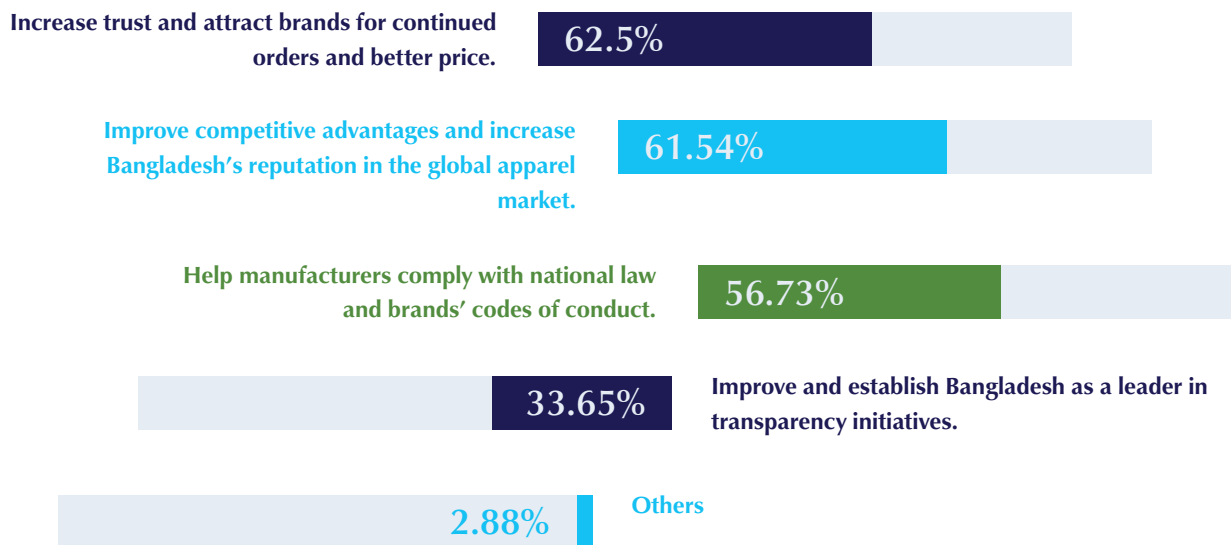

- The most commonly held expectation, by 73 percent of manufacturers, is that transparency will lead to more favourable terms from brands.

- Around two-thirds (67 percent) believe greater transparency will enhance trust between managers, workers and business partners, while 66 percent think it will attract orders from new brands, boosting growth.

However, there are limits to the information they are comfortable sharing in public. In many cases, manufacturers only want to be more transparent to the specific brands with whom they do business. This does not qualify as transparency under the definition used in this Transparency Assessment.

Manufacturers were also asked their opinion about using transparency to increase their competitive advantage as a preferred customer for brands (Figure 3-3).

Figure 3-3: Manufacturer opinions about using transparency as leverage for competitive advantage

Increase trust and attract brands for continued orders and better price. 62.5%

Improve competitive advantages and increase Bangladesh's reputation in the global apparel market. 61.54%

Help manufacturers comply with national law and brands' codes of conduct. 56.73%

33.65% **Improve and establish Bangladesh as a leader in transparency initiatives.**

2.88% **Others**

- The most common view, held by 62 percent of manufacturers, is that transparency can have a direct positive impact on business by increasing customer trust and attracting brands for continued orders and better pricing.

- 61 percent believe greater transparency will improve Bangladesh's reputation in the global apparel market, compared to competitors.

- 56 percent say transparency helps manufacturers comply with national laws and brands' codes of conduct, providing further leverage when competing for business.

- Interestingly, 33 percent of manufacturers think Bangladesh will become a leader in transparency initiatives if they set an example by becoming more transparent.

- However, manufacturers do foresee possible challenges or negative impacts associated with greater transparency, including loss of business (74 percent). Just under two-thirds (64 percent) worry it could lead to increased worker dissatisfaction, as workers might compare their income with revenue earnings without considering the fixed costs of running the business. Full results are shown in Figure 3-4 and Appendix Table A 2-2.

- 52 percent think brands may use disclosed information to bargain for lower prices.

- Other concerns include increasing business costs associated with maintaining reliable and verified data, increases in tax liability and fear of reputational harm.

3.2.3 Manufacturers' awareness of transparency initiatives

Better Work is the most recognised initiative, known to 63 percent of the surveyed manufacturers. Their awareness of various local and international transparency initiatives is presented in Figure 3-5 and Table A 2-3.

- 53 percent are aware of MiB, while OAR is known to 39 percent.

- Some manufacturers are aware of the Transparency Index (27 percent), Transparency Pledge (21 percent), Better Buying (19 percent), and Garment Workers' Diaries (19 percent).

- Around 7 percent say they do not know about any transparency initiatives.

Knowledge of initiatives does not necessarily reflect participation. Respondents generally express an interest in joining if participation will lead to an increase in business.

Figure 3-4: Possible negative impacts or challenges of becoming more transparent (opinion shared by % of surveyed factories)
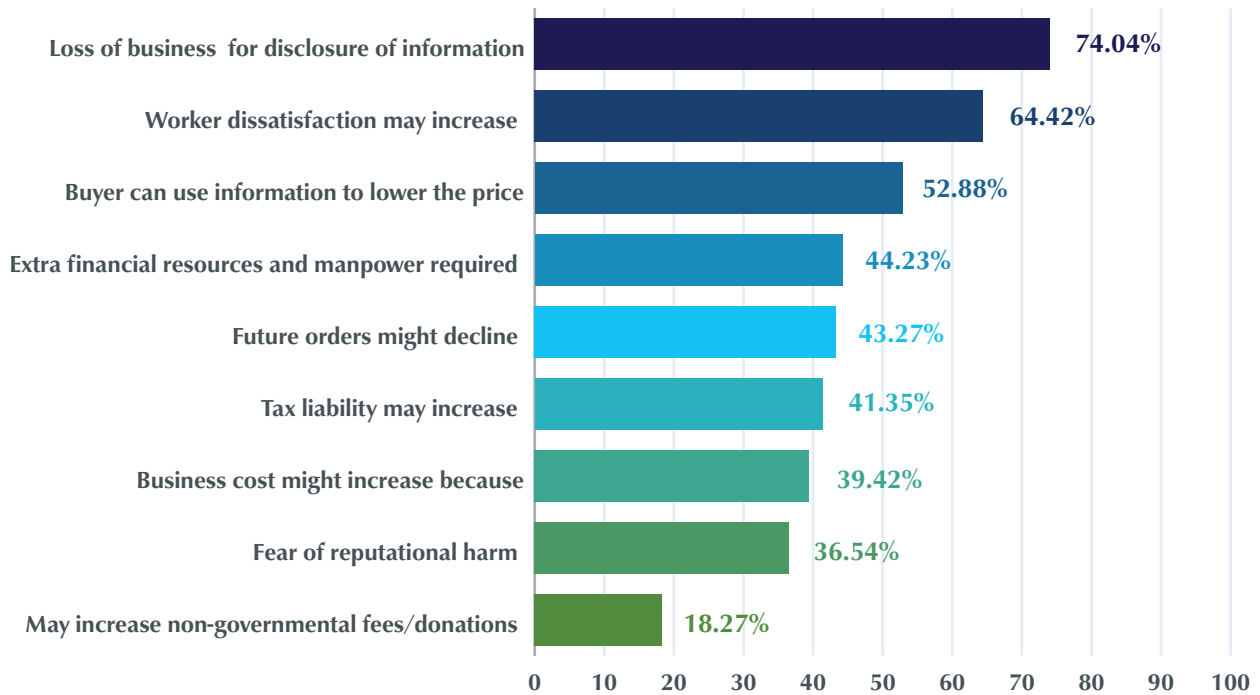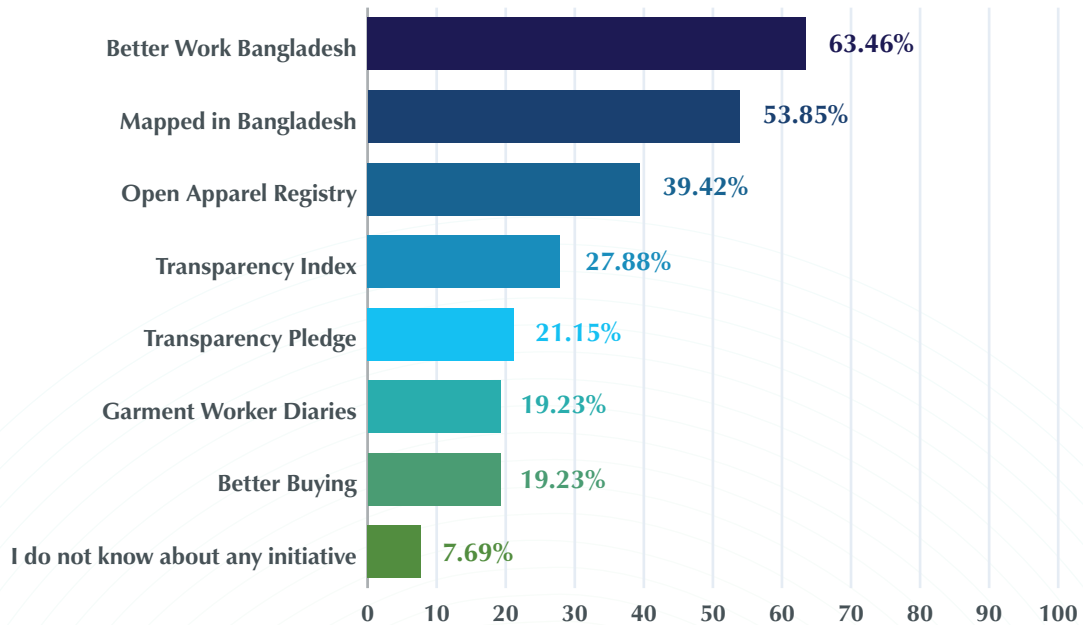
Category	%
Loss of business for disclosure of information	74.04%
Worker dissatisfaction may increase	64.42%
Buyer can use information to lower the price	52.88%
Extra financial resources and manpower required	44.23%
Future orders might decline	43.27%
Tax liability may increase	41.35%
Business cost might increase because	39.42%
Fear of reputational harm	36.54%
May increase non-governmental fees/donations	18.27%

Figure 3-5: Manufacturers' awareness of compliance or transparency initiatives (as % of total respondents)

Category	%
Better Work Bangladesh	63.46%
Mapped in Bangladesh	53.85%
Open Apparel Registry	39.42%
Transparency Index	27.88%
Transparency Pledge	21.15%
Garment Worker Diaries	19.23%
Better Buying	19.23%
I do not know about any initiative	7.69%

3.2.4 Manufacturers' current transparency practices

To understand current levels of manufacturer transparency, the survey attempted to discover:

i)   Information already disclosed publicly by manufacturers;

ii)   Information disclosed in a limited way (only to brands, development partners, or similar closed groups, etc.);

iii)   Data currently not disclosed, but which they are willing to disclose in future;

iv)   Data they do not disclose now, but would disclose if required (by law or by brands, etc.);

v)   Data they do not want to disclose; and

vi)   Data they do not consider relevant for disclosing.

Information is categorised into two groups: a) social compliance data; and b) information regarding operations and purchasing practices.

Disclosure of social compliance data

Most of the surveyed manufacturers claim to disclose some social compliance data in the public domain, either on their website or on websites that can be accessed publicly. Upon verification, data including gender disaggregated number of workers, workplace safety and the existence of Workers' Participation Committees were found on the MiB website. However, manufacturers also claim to publicly share information on monthly wage payments, working hours, overtime benefits and workers' leave. These indicators are in fact mostly disclosed to brands or monitoring authorities and not to the wider public – and therefore do not meet this study's definition of transparency.

Some manufacturers are sensitive about disclosing certain types of compliance-related information. Many claim to publish information on the percentage of workers with employment contracts publicly, but even this is limited disclosure, mainly to monitoring authorities. Those manufacturers who are reluctant to provide contracts to all workers, such as small and medium enterprises, may fear reputational damage from disclosing this information.

While a majority of surveyed manufacturers disclose a variety of social compliance information, as required by different authorities, verification found that they could not properly distinguish between public disclosure and limited disclosure. Some of the information mentioned may therefore refer to limited disclosure and not transparency according to definition used in this study.

Disclosure of operations and purchasing practices information

To understand the current level of transparency regarding operations and purchasing practices, 19 different types of information were considered, including production capacity and planning, information about subcontractors and brands, and current environmental practices.[1]
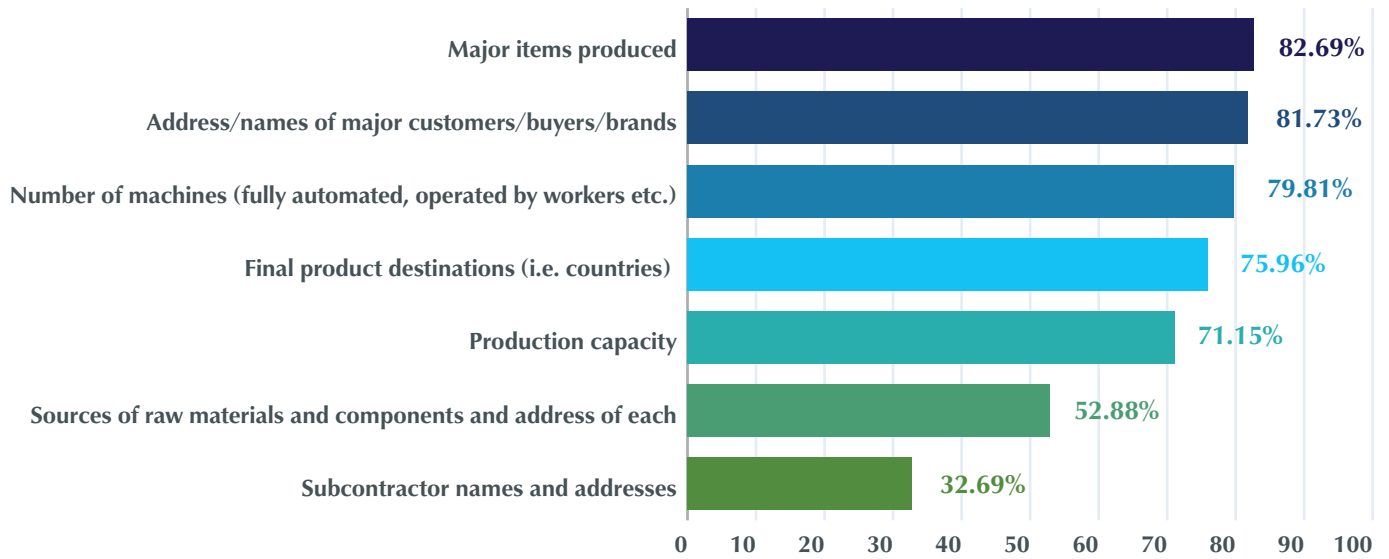
•   Figure 3-6 presents the top types of information currently disclosed by surveyed manufacturers. The majority disclose information on items produced (82 percent), the names of brand customers (81 percent), number of machines (79 percent), destinations of final products (75 percent) and production capacity (71 percent).

Verification found that some of this information is indeed available on large manufacturers' websites or other publicly accessible websites like MiB. However, certain information, such as subcontractors' names and addresses, are disclosed only to brands and do not qualify as public disclosure.

Outside of these top issues, the proportion of manufacturers claiming to publicly disclose information on other matters relating to operations and purchasing is low. Around one-third disclose information on the nature of waste produced during production, their method of waste management, and similar issues. Only 2 percent share information on profit margins,

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[1]   The discussion can be found in Appendix Table A 2-4.

Category	Percentage
Major items produced	82.69%
Address/names of major customers/buyers/brands	81.73%
Number of machines (fully automated, operated by workers etc.)	79.81%
Final product destinations (i.e. countries)	75.96%
Production capacity	71.15%
Sources of raw materials and components and address of each	52.88%
Subcontractor names and addresses	32.69%

for example, if they are asked for it by monitoring authorities or by brands. They still consider this limited disclosure of information to supply chain stakeholders to be an indicator of transparency.

While most of the manufacturers are not transparent on these issues – according to the definition of public disclosure – the disclosure of operations and purchasing practices information is not always necessary for ensuring better working conditions. For example, manufacturers are not keen on disclosing information related to brands' terms of payment, lead time, minimum required time for production, standard minimum value (SMV), standard allowable minutes (SAMS), planning and forecasting, percentage gap between purchase order, and modification of shipping date.

This is considered confidential business information and some manufacturers will only consider limited disclosure to a few stakeholders. Since transparency does not require the sharing of confidential, competitive business information, this is both understandable and acceptable.

3.2.5 Opinions regarding transparency gaps in Bangladesh

•   When asked their opinion regarding transparency gaps in the Bangladesh apparel sector, 74 percent of manufacturers noted that transparency is a new concept and more work needs to be done to improve understanding and communicate its importance across all stakeholder groups. Around two-thirds (67 percent) see an imbalance in current information sharing; for example, buyers may know the cost information of manufacturers but manufacturers do not know the costs brands face in their respective segments of the supply chain. (Full results in Figure 3-7.)

•   Around half of manufacturers think there is a scarcity of information about brands' purchasing practices in the public domain, as well as insufficient information regarding procedures for dispute settlement (for example, brands are only accountable for any wrongdoings in their own country and according to their own laws).

•   Other gaps noted by manufacturers include a lack of factory-specific safety information (as collected by Accord/Alliance/DIFE) in one consolidated public platform (26 percent), and lack of proper communication between management/factory owners and workers/workers' representatives (42 percent). Manufacturers also suggested ways to reduce transparency gaps in the Bangladesh RMG industry (Table 3-1). The most popular suggestion, from

Figure 3-7: Transparency gaps in the Bangladesh apparel sector (As multiple responses were allowed, percentage values do not add to 100.)

22.12%
Factory-specific labour compliance-related information is not available in the public domain. It is only shared in a limited forum

26.92%
Factory-specific safety information given by Accord/Alliance/DIFE not consolidated on a common platform

42.31%
Lack of proper communication among management/factory owners and workers or workers' representatives

51.92%
Not enough information available in the public domain regarding the procedure of dispute settlement with brands

74.04%
Manufacturers unaware of the meaning of transparency

67.31%
Brands know manufacturer' costs, but manufacturers do not know brands' costs

60.58%
Absence of collaboration among manufacturers and the government to come up with a long-term planning/road map for RMG sector to face the effect of becoming a middle-income country (and losing the benefits of less developed country status)

56.73%
Not enough information in the public domain about brands' purchasing practices

- 82 percent of respondents, was to organise awareness raising programmes.

- 63 percent believe that all manufacturers should be encouraged to use their social compliance status as a business promotion tool.

- Another popular suggestion from 52 percent of respondents was to reach for some kind of unified code of conduct, or mutual agreement, on acceptable disclosures.

- Only one-fifth (20 percent) believe that participation in, and support for, transparency initiatives like Transparency Pledge, OAR and Garment Worker Diaries among others could enhance transparency in the sector. Just 3 percent would like to see trade unions engaged in price negotiations with brands.

Table 3-1: Manufacturers' suggestions for reducing transparency gaps in the Bangladesh RMG industry (multiple responses allowed)

	Possible ways to reduce transparency gaps	Share of 104 surveyed manufacturers (% total)
1	Awareness raising programmes (workshops and seminars) where brands and manufacturers can share their expectations and challenges around becoming more transparent.	82.69
2	Encouraging manufacturers to disclose activities related to labour compliance and environmental compliance as a tool for business promotion.	63.46
3	Maintaining a continuous sustainable relationship between factory owners and workers.	54.81
4	Formulating a unified "code of conduct" for both brands and factory owners to be more transparent.	52.88
5	More social activities and CSR (corporate social responsibility) activities by manufacturers that ensure the wellbeing of workers, their families and the community, and disclosing them publicly.	50.96
6	Maintaining brands' commitment to "lead time".	32.69
7	More open and ongoing interaction/meetings between brands and manufacturers on operations and planning.	29.81
8	Brands, manufacturers and workers should maintain good relations and bring a positive cultural change.	26.92
9	Using the Diplomatic Mission Offices of Bangladesh in different countries to increase "trade diplomacy" and promote Bangladeshi companies internationally; increase government collaboration between countries to ensure good business practices among brands and manufacturers.	25.96
10	Arranging International Trade Fair and Conferences as platforms where brands and manufacturers can share their demands and understand the upcoming changes needed for improving the RMG industry.	25
11	Participation/support for initiatives like Transparency Pledge, Transparency Index, Better Buying, Open Apparel Registry, Better Work Bangladesh, Garment Worker Diaries, BRAC University Mapped in Bangladesh, etc.	20.19
12	Engaging trade union leaders in price negotiations with brands to gain fair price and thereby ensuring fair wages for workers.	3.85

In addition, manufacturers were asked about the main stakeholder groups that can play a role in advancing transparency. 83 percent expect brands to come forward with greater transparency (full results presented in Figure 3-8 and Appendix Table A 2-5).

86 percent consider owners' associations such as BGMEA and BKMEA to be the main actors, while 85 percent also consider themselves responsible for bringing more transparency to the sector.

Most manufacturers think that brands can play a big role in making the apparel sector more transparent by disclosing information about purchasing policies and other relevant business information on their websites or in annual reports. Likewise, if manufacturers regularly disclose information about labour compliance, work environment and safety conditions in the public domain, transparency will further improve in Bangladesh.

Figure 3-8: Manufacturers' perspectives on the responsibility of stakeholder groups for advancing transparency (% of manufacturers disclosing data in public domain)
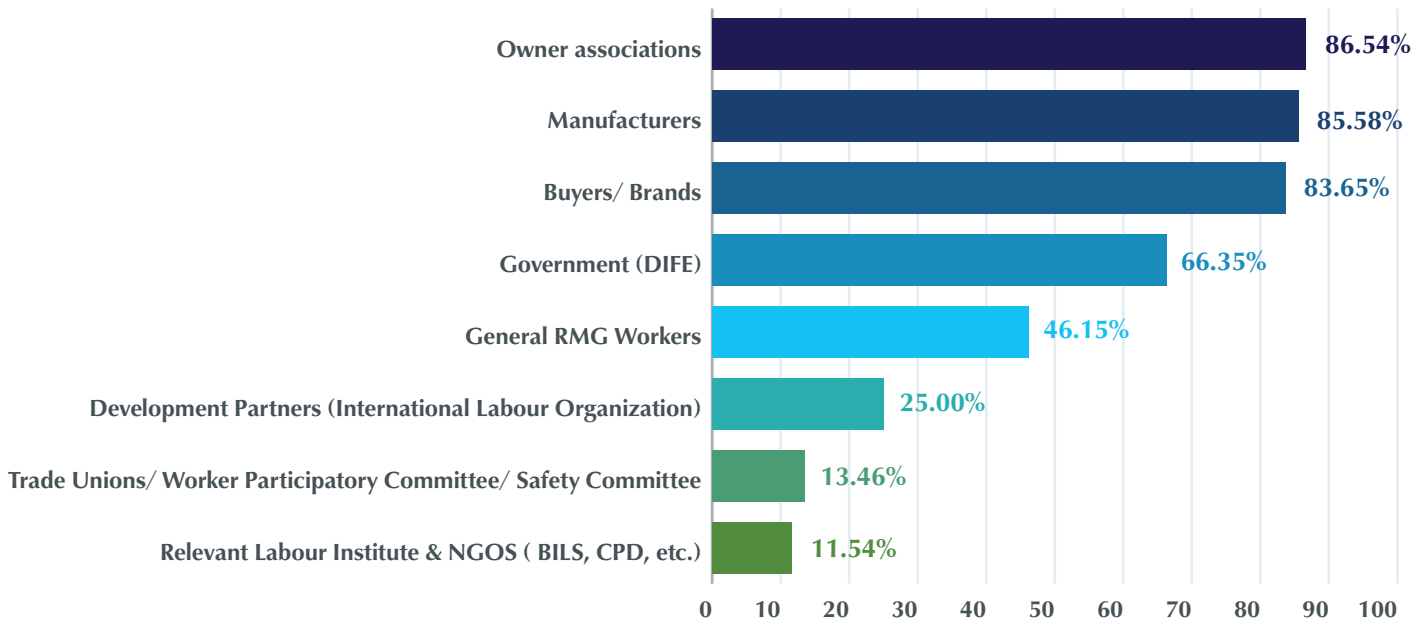
These findings indicate that all parties should work together to improve sector transparency – brands and manufacturers, with workers as direct stakeholders and government and development partners as facilitators.
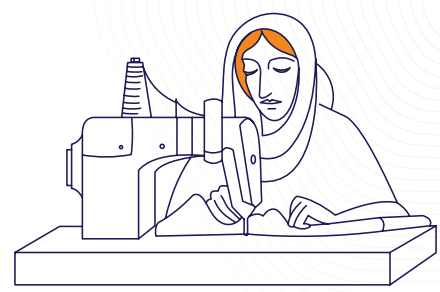
Apparel workers seek trust and transparency

Workers are generally less concerned about public disclosure and more interested in receiving information directly from their employers – especially details related to wage payments, safety and business performance.

Alongside the survey of apparel manufacturers, **10 Focus Group Discussions (FGDs)** were held with **91 RMG factory workers** in Gazipur, Mirpur and Uttara (detail in Appendix 1.2). The concept of transparency was explained to the participants at the beginning of the FGDs and their perceptions and expectations of transparency are presented below.

4.1 How RMG workers understand and feel about transparency

a. Wage payments

In most cases, workers understand transparency to be timely and reliable information about their wages (including overtime) and early notification of any possible delay in wage payments. In the case of any delays, workers wish for manufacturers to disclose the possible date of payment. They expect a fixed schedule/date when they will get their salary every month.

> **"I have come to work in a RMG factory to earn money, so I want regular payment. I shall leave this job after my needs are fulfilled."**
>
> **An operator in Mirpur**

b. Order details

Some participants were eager to know the name of the brands who purchase the items they produce. A number of workers believe transparency is knowing the order volume and destination of a product (at least by name of country). Curious respondents check labels for brand names and destination countries.

c. Profit margin

Some workers think transparency means sharing information about factory profits. They believe this will help them understand when there is a delay in payment due to loss of business. They say feeling closer to the owner and knowing when the business is growing would motivate them to work harder for the factory.

> **"I am sure I will not die due to structural collapse as it is written on our notice board that our building will not collapse in the next 70 years along with other information on the factory."**
>
> **Comment by one FGD participant**

d. Compliance standards

Workers are eager to know about the safety of their workplace and consider the disclosure of safety information to be an indicator of transparency. They believe workplace evaluations by reliable authorities should be disclosed to them so they can be sure of safety conditions.

4.2 RMG workers' expectations regarding transparency

Workers expect factory owners to meet with them regularly (for example, at social events like annual cultural events or picnics) to establish trust between owners, managers and workers. Some FGD participants work in enterprises where the owners share information about profit and loss and their relationship with these owners is strong. They also receive special bonuses for good performance. Workers expect line managers to let them know about the destination of products, brand names and shipment volumes so they feel motivated to meet targets.

> "The owners should let us know about their financial side so that we can be a part of their profit and loss. If our employer incurs loss, we will make sure the factory recovers from it."
>
> **Comment by one FGD participant**

According to workers, this information could be disclosed through noticeboards. They also noted that a mobile app could be developed with data on compliance indicators of different factories to help them choose good factories.

For instance, in one FGD at Gazipur, researchers found that six out of 11 participants (55 percent) had smart phones with them. The respondents use various mobile financial apps like bKash and Nagad, mainly for money transfers.

The workers also note barriers or challenges to greater transparency. They are worried that biometric information collected for worker databases, which they believe are developed by manufacturers but in reality are implemented by BGMEA, could be used against them.

If the information stored in the database is shared among all the factories, workers could become blacklisted and struggle to find work in another factory if their status is shown as 'fired' or 'protestor'.

Industry stakeholders call for greater collaboration

A change in mindset and culture is needed to bring greater transparency to the Bangladesh RMG sector. Stakeholders need to come together to align on what should be disclosed to build trust and confidence in the benefits of transparency.

A total of **17 expert Key Informant Interviews (KIIs)** were conducted with stakeholders in the supply chain, including factory owners, brands, development partners, members of owners' associations, representatives of workers' organisations, civil society and government. Five manufacturers were interviewed in depth to understand their perceptions and feelings towards transparency. **The main aims of the KIIs were to:**

- Identify different stakeholders' understanding and perceptions of transparency;

- Explore potential ways of leveraging transparency for the Bangladesh apparel sector to keep its comparative advantage;

- Identify different stakeholder groups relevant to advancing transparency in the Bangladesh apparel sector;

- Identify the expectations, motivations and uses of transparency initiatives/mechanisms for each stakeholder group;

- Understand fears and barriers around disclosing more information; and

- Understand the data required for enhancing transparency in the apparel sector.

5.1 Stakeholder attitudes towards transparency

Transparency means different things to different stakeholders, as outlined in the transparency Continuum presented in chapter 6. During interviews, the research team explained that transparency means the *public disclosure of information*; anything else is not considered transparency. However, the findings reveal that different stakeholders consider themselves transparent even after limited disclosure.

Respondents mostly agree there is an imbalance in the relationships between stakeholders in the RMG value chain. Manufacturers believe brands will not disclose information they want to know, while workers think manufacturers mostly try to protect their own interests, not that of their workers. Sharing information and greater interaction is necessary to build trust and transparency between stakeholder groups.

Factory owners mostly welcome transparency but believe that public disclosure of information should be done with caution. They expect brands to be transparent about the price they offer in different countries and consider the activities of the Accord and Alliance as attempts to improve transparency. Manufacturers think a cultural change is necessary to move towards greater transparency and that all stakeholders should participate in this process.

Brands state that some level of transparency already exists between manufacturers and brands, as a prerequisite for doing business. They consider the disclosure of necessary information between stakeholders as transparency, even though it is not public disclosure, and believe business confidentiality should be maintained regarding most sourcing practices, turnover and profit data.

They generally agree that transparency between factory managers and workers is a challenge.

In their view, if communication and negotiation between workers and factory owners is improved, it will no longer be necessary to have third parties monitoring and negotiating corrective action plans and the compliance role of brands could be reduced.

Brands only expect the disclosure of certain information from manufacturers and think that public disclosure is at the discretion of manufacturers. A general rule should not be imposed; rather, transparency between brands and manufacturers (private disclosure) should be agreed in the context of their business relationship. At the factory level, confidentiality is needed for competitive reasons and factories may not be interested in disclosing information on the source of their intermediate goods, except to the brands concerned.

Brands feel the blame for price doesn't rest solely with them and want the governments of producing countries to come forward to improve infrastructure (to raise productivity and reduce the cost of doing business). They believe consumers are concerned about whether the garment they are purchasing is produced in an ethical manner, but not about sourcing details. Brands believe manufacturers should be more transparent about sub-contracting (if any), but do not think it is necessary to share this information publicly.

Some brands think an independent trade union is not necessary for transparency and that representatives of workers at the factory level are enough to ensure workers' rights.

For workers, transparency means knowing salary information, including the process of calculation, disclosing information on whether all their rights are addressed, and whether their grievances are handled well, and so on.

For leaders of worker associations, transparency means access to factory-level information regarding worker rights and the facilities provided for them. They want to know how many workers are hired and terminated and why, how many receive maternity leave and when, and so on. They want to make sure workers get a fair share of profits but feel there is currently no financial transparency with regards to the payment of workers.

A representative of a workers' organisation suggested that transparency is not just disclosure of information but about reducing gaps that exist between buyers, manufacturers and workers. It is about disclosing information to hold others to account.

5.2 Transparency fears, barriers and data needs

One manufacturer emphasised that the biggest transparency challenge is the traceability of the product from start to finish. The main priority for manufacturers is that their machines run and they want transparency regarding payment and order placement. Apparel is a product where competition happens in cents and not in dollars and manufacturers fear that disclosing business information gives leverage to competitors.

On the whole, respondents note that public availability of factory-level data is very poor in Bangladesh. Combining different data sets – such as MiB, Accord/Alliance and DIFE – is one possible solution. This would be more resource efficient and eliminate data duplication. The necessary technical efforts for collecting and disclosing data is another big concern. Ideally there should be a system of regularly updating the data sets of all factories. This is an enormous task that requires resources and technical expertise, and this of course
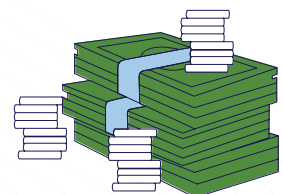
Apparel is a product where competition happens in cents (¢) and not in dollars ($) and manufacturers fear that disclosing business information gives leverage to competitors.

should be attached to monitoring authorities. Some existing databases are trying to improve efficiency. For example, Garment Worker Diaries has been a helpful resource for those who are working to ensure living wages and improve the livelihood of workers. Since data availability is still poor, development partners should focus their training on sensitising workers to the need for data-led negotiations.

Manufacturers point out that the RMG supply chain is driven by brands. As brands are mostly guided by the regulations of their country of origin, they are not obligated to disclose business information. Manufacturers note that brands want to pay the lowest possible price for RMG products and orders are usually placed with their terms and conditions. Manufacturers do not get detailed information about the health of brand businesses, which is problematic given that manufacturers expand their operations based on brands' business expansion. Better market signals are needed to ensure the sustainability of the industry in Bangladesh and the disclosure of brand performance is thus an important part of global transparency.

Manufacturers, however, are doubtful whether brands will disclose information regarding their purchasing practices

Some respondents note that the fear around transparency is misplaced and enhancing trust between actors is the key to overcoming this trepidation.

5.3 Moving towards greater transparency

Inadequate social compliance performance is a key reason for non-compliant manufacturers and related brands to feel unenthusiastic about becoming more transparent. Transparency might "unnecessarily" bring more attention to small injuries and accidents in the workplace, thereby destroying factory reputations. Some respondents feel that, rather than terminating contracts with non-compliant factories, brands (together with development partners) should come up with solutions to problems. According to one factory owner, the role of DIFE needs to be improved to benefit overall working conditions. When conditions are good, manufacturers won't hesitate to be more transparent.

Civil society respondents and development partners suggest giving greater prominence to the environmental concerns arising out of apparel manufacturing, like water treatment and water pollution. They believe these issues will dominate the business decisions of brands in future, as consumers become more environmentally conscious. Some respondents also feel that the whole apparel chain, including consumers, needs to be prepared for outcomes of greater transparency before advocating for public disclosure of information to align expectations.

Even among some of the leading RMG factories in the country, manufacturers' knowledge about transparency is still vague. They think transparency evolves when policies are made and brands take interest and participate. This speaks to a prominent "early adopter crisis", where everyone is reluctant to be the first to publicly disclose business information.

Manufacturers feel that sourcing countries' procurement policies should provide guidelines on what needs to be disclosed by brands. A proposed mandatory human rights a due diligence (MHRDD) legislation is being deliberated in Europe. MHRDD is an EU-wide, cross-sectoral mandatory human rights and environmental due diligence legislation. The support is gaining momentum, in September 2020, *26 companies, business associations, and initiatives have signed a joint statement calling for EU legislation which requires companies to conduct human rights and environmental due diligence.*[1] Companies such as Adidas, Unilever, Inditex, and Mars are among the signatories. This legislation would mean companies in the EU and selling to the EU will have to repurpose their systems to include measures to address risks in their operations that might lead to adverse human rights and environmental impacts. These procurement policies are strong tools for improving brand compliance.

Chapter 6

Understanding stakeholders along a continuum of transparency

Stakeholders in Bangladesh are at different levels of maturity with regards to their understanding and acceptance of transparency. The Continuum provides a framework for assessing the transparency status of each main stakeholder group – and how to progress them along the journey from pre-transparent to mature.

Transparency is still an evolving concept in the Bangladesh apparel sector, with different levels of understanding, awareness and expectations across manufacturers, brands and workers. The Continuum provides a theoretical framework for understanding these stakeholders along a spectrum of pre-transparent, emerging transparent, and mature transparency. By understanding the current transparency status of the different groups, interventions can be designed to progress each group along the Continuum at the appropriate pace.

There are three elements of transparency: availability of information, accessibility of information and understanding of transparency and its benefits. These elements can be used to plot stakeholder groups along the three stages of the Continuum.

Pre-transparent is the most elementary stage, where users don't yet have a basic understanding of the concepts and do not differentiate between public and private disclosure. They do not have easy access to data and have little knowledge about how to access relevant information that is publicly disclosed. Pre-transparent groups do not understand nor appreciate how they may benefit from accessing this publicly disclosed information.

Emerging transparent is the next stage, where users have a basic understanding of the concept and see the potential value of transparent information. However, they lack an easy, cost effective way to access available information and have not attempted to use it in a purposeful manner. At this level, brands publish the names and addresses of Tier 1 suppliers in standard machine-readable formats but neither brands nor multi-stakeholder initiatives publish factory performance or purchasing practices information. While there is a way to report discrepancies between publicly disclosed information and reality, people do not feel secure doing so.

Mature transparency is when stakeholders are fluent in all three interconnected elements of transparency – accessibility, availability and understanding. They have full appreciation of the benefits of publicly disclosing information and they actively disclose and apply information to improve the industry alongside other stakeholders. At this level, brands publish beyond Tier 1 and some begin disclosing information on factory and purchasing practices. Suppliers and buyers share social compliance audit reports with workers and people feel safe to report or give feedback when reality does not align with disclosed reports. Factories are able to report on any discrepancies between the purchasing practices disclosed by brands and their reality, without fear of repercussion.

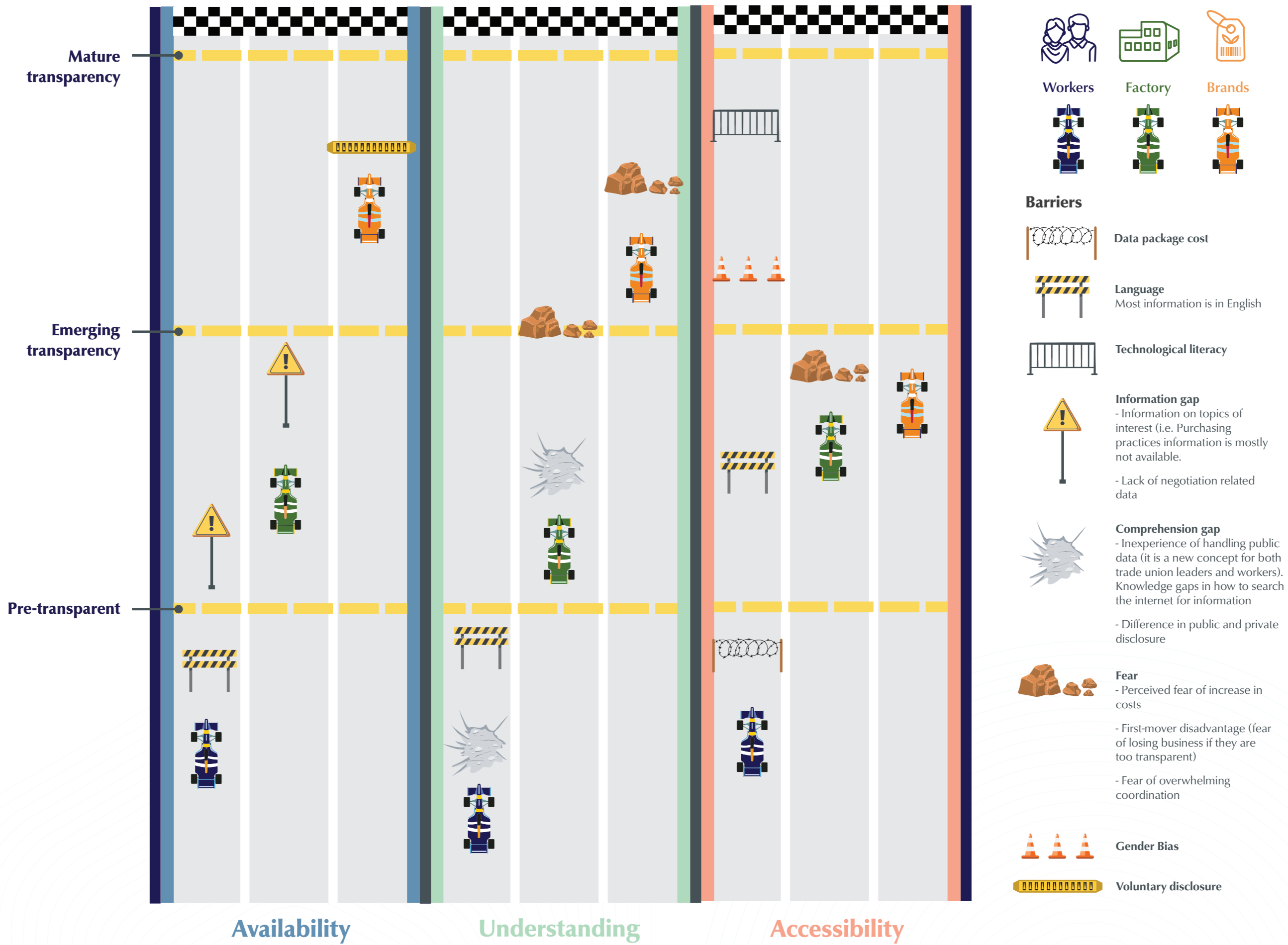## 6.1 Transparency continuum by key stakeholder group

Examining the perspectives of each primary stakeholder group through the lens of this continuum reveals the current state of transparency, along with steps to overcome perceived obstacles.

The three primary RMG stakeholders included in this continuum analysis are:

(i)   **brands,** including retailers and other buyers of Bangladesh garments who want to sustain a favourable business environment and meet the expectations of investors, consumers, and civil society stakeholders;

(ii)   **manufacturers,** factory owners and their management teams whose interest is in seeking and maintaining stable business relationships with their customers – brands and retailers – with reasonable profits; and

(iii)   **workers,** who provide labour and seek livelihoods that are safe and meet their expectations for wages and benefits.

The graphic below plots indicators of transparency for each stakeholder group along a continuum of performance from pre-transparent to mature. The continuum designations and the examples provided here are offered for discussion by the Transparency Working Group. The Group can modify and refine them to reflect the steps needed by different actors to:

(i)   identify current practice;

(ii)   set transparency goals for the future; and

(iii)   develop metrics for measuring progress over time.

Mature transparency

Emerging transparency

Pre-transparent

Availability

Understanding

Accessibility

Workers

Factory

Brands

Barriers

Data package cost

Language
Most information is in English

Technological literacy

Information gap
- Information on topics of interest (i.e. Purchasing practices information is mostly not available.

- Lack of negotiation related data

Comprehension gap
- Inexperience of handling public data (it is a new concept for both trade union leaders and workers). Knowledge gaps in how to search the internet for information

- Difference in public and private disclosure

Fear
- Perceived fear of increase in costs

- First-mover disadvantage (fear of losing business if they are too transparent)

- Fear of overwhelming coordination

Gender Bias

Voluntary disclosure

Chapter 7

Conclusion: recommendations for advancing transparency

Despite growing efforts to expand the depth and breadth of transparency in Bangladesh, this study reveals a confusing landscape where there is still insufficient understanding of transparency and its benefits. Along with targeted actions for each stakeholder group, industry interventions should focus on the principle of reciprocity, coordinating effort and building consensus.

Brands, manufacturers and workers are all in a position to provide, receive and benefit from transparent information, as follows:

Brands

can **provide** transparent information about:

- expectations for workplace standards, as captured in codes of conduct,

- performance on purchasing practices that have direct and indirect impacts on workers, and workplace demographics and conditions, such as those made possible through disclosure of workplace audits, and

- operations and purchasing practices, such as through surveys that could be made transparent by them or external groups.

can **receive** transparent information about:

- workers, captured in reports on grievance mechanisms and in workplace audits, and

- their purchasing practices performance, such as those made possible through publication of supplier surveys conducted by Better Buying or other external players.

can **benefit** from transparent information about:

- selecting better business partners based on worker and factory information, and

- identifying where to invest in capacity building initiatives that improve conditions for workers.

The transparency performance of brands can be **improved** by:

- engaging with the civil society initiatives committed to transparency and who provide the mechanisms for supply chain disclosures, and

- using transparent information to inform key supply chain decisions.

Next steps for brands could involve the inclusion of transparent supply chain information, such as public reports of workplace conditions (where available) from Better Work Bangladesh, into blended score cards to rate suppliers. Metrics could be created that measure the value of incorporating transparent supply chain information into brand sourcing decisions. Brands could adopt a goal of increasing their Transparency Index score over time.

Manufacturers

can **provide** transparent information about:

- workplace conditions, by publishing workplace audits conducted by external auditors, and

- steps to correct any deficiencies.

Disclosure can take place through direct posting by the factory or through engagement with a multi-stakeholder initiative such as Better Work Bangladesh.

can **receive** transparent information about:

- their customers' operations and purchasing practices, such as through surveys that could be made transparent by brands, and

- working conditions and workers' needs and expectations in the workplace, from workers or their representatives.

can **benefit** from transparent information about:

- attract and retain premium customers,

- negotiate for favourable terms that provide for decent conditions of work, and

- promote internal factory accountability for workforce stability and productivity by maintaining worker satisfaction.

The transparency performance of manufacturers can be **improved** by:

- engaging with brands and multi-stakeholder initiatives committed to transparency, such as Better Work Bangladesh, and

- making publicly available the social compliance data collected by DIFE.

Immediate next steps for manufacturers could include enrolling in Better Work Bangladesh, reporting data to MiB, and linking their factory to relevant brands in OAR. Moreover, the improvement of data management systems by the government may help.

Workers

can **provide** information about:

- workplace conditions, or at least contribute to this data, by reporting grievances and contributing to assessments conducted by external auditors, provided it is safe for them to do so, and

- holding data-providers accountable on publicly disclosed data about working conditions.

can **receive** transparent information about:

- their employer's workplace and financial performance, and

- information about their employer's customers – brands and buyers.

can **benefit** from transparent information about workplace conditions to:

- advocate for improvements,

- inform their choice of where to work, and

- better understand and anticipate the business and workforce needs at their factory.

Worker transparency is improved when factories and brands recognise workers' needs for transparent information and take this into account when designing worker communication policies and procedures. An immediate next step could be for manufacturers to create a checklist of worker requests for information and routinely post this information where workers can see it.

For each of the primary stakeholders, the Transparency Working Group could establish a system to track progress that takes inspiration from rubrics mechanisms. The rubrics system provides a framework to assess an intervention's effectiveness, impact and relevance not 'just' against its short-term outcomes and the feasibility of the action's design, but also against the longer term, systemic factors affecting decent working conditions for workers in the medium to long term. Rubrics methodology is a simple but powerful mixed-method approach that helps make measurable what is most important. For example, when looking at positive changes in policy, a rubric could define what constitutes significant and substantial policy change in a particular context (not just policy counts). This captures what is actually important about policy change, not just what is easiest to quantify. Rubrics helps create a broad definition of what it will look like when "positive policies" are dominant, and what the pathway to get there will look like.

The BGMEA and BKMEA provide critically important support and leadership for manufacturers. These organisations play a vital role in promoting compliance in their member factories using a central system for capturing worker grievances and organising various training programmes, including training on safety and environmental issues. Similarly, they can actively participate in making factories more transparent once a transparency protocol is agreed. The development of a protocol and set of transparency indicators could be an early work product of the Transparency Working Group. The BGMEA and BKMEA can encourage member factories to participate in Better Work Bangladesh or similar initiatives. Leadership in Energy and Environmental Design (LEED) green factories in Bangladesh can share their experiences with other members in meetings organised by these associations.

As well as promoting increased transparency for each of the major stakeholder groups as described above, three additional approaches are recommended for adoption: the principle of reciprocity, coordinating effort and building consensus.

7.1 Principle of reciprocity

Whenever possible, the principle of reciprocity should be applied when considering opportunities for greater transparency.

In other words, one stakeholder should not impose transparency on another. Surveyed manufacturers are all too aware of the increased demands by their customers – the brands and retailers. They want tangible concessions for meeting these demands – as would be expected in any commercial relationship – for example, commitments to future orders, more favourable terms, or more desirable product mix that allows the factory to balance productivity and profitability.

The principle of reciprocity cannot, however, excuse stakeholders from meeting regulatory requirements, as outlined in the California Transparency in Supply Chains Act, UK Modern Slavery Act, Australian Modern Slavery Act and French Duty of Care Act. Nor does it excuse manufacturers from creating an informed workplace, where workers have access to all relevant information related to their terms of employment.

As a tangible next step, the Transparency Working Group and others involved in pursuing the transparency agenda in Bangladesh could introduce the principle of reciprocity in its conversations between stakeholders, particularly between brands and manufacturers.

7.2 Coordinating effort

For information that is currently disclosed or planned for disclosure, sharing across web-based platforms could be encouraged so that a more complete picture is available to all stakeholders. This would help address the patchwork approach to "connecting the dots" that is currently necessary across different data sources. For example, MiB and OAR could contribute their data to each other's platforms. Once publicly available, Better Work Bangladesh factory assessments could be integrated onto both of these platforms and ultimately be used to inform ratings in the Transparency Index and FWF's Brand Performance Checks. The same benefit could accrue to the Fair Labor Association, Ethical Trading Initiative and other leading multi-stakeholder initiatives that measure brand and retailer performance but were not included in this assessment. In addition to enhanced access to the full range of information, consolidation could reduce redundant effort

and allow for sharper focus among advocates for improved workplace conditions.

As tangible next steps, the key transparency initiatives could be surveyed to determine their willingness to collaborate in the suggested manner. Data already collected by DIFE, or reports prepared by them, can be publicly disclosed. Information collected by the Bangladesh Bureau of Statistics (BBS) should be regularly updated, on topics related to number of workers, wage index and living costs, among others. Uploading factory registration information on the website of the Ministry of Labour and Employment can also be considered.

7.3 Building consensus

As much as enhanced transparency has widespread acceptance among stakeholders – even if it is poorly defined in practice – the need for continued exploration and consensus-building is critical. A redoubling of effort by the Transparency Working Group, potentially in collaboration with other respected institutions in Bangladesh such as the ILO, can continue the process of distinguishing Bangladesh as a global leader in transparent supply chains that benefit all stakeholders.

The need for consensus building is particularly important given the reluctance of manufacturers to disclose information they feel may be anti-competitive or lead to worker dissatisfaction or unrest. Establishing a clear understanding between government, workers, manufacturers and brands is essential before increasing transparency in these potentially sensitive areas.

Especially, the perspective of workers, either through their direct representatives or members of civil society, should be central to these conversations in order to ensure that enhanced transparency is consistent with the expectations of factory workers who power the sector.

As a tangible next step, the Transparency Working Group could consider reaching out to highly respected multilateral institutions with a strong presence in Bangladesh to reinforce and help drive this work across the sector. In addition:

1. The Transparency Working Group could develop a year-long, detailed programme of action for collaboration between manufacturers and brands to determine the information they will publicly disclose.

2. BGMEA and BKMEA can collaborate with BBS to promote the public disclosure of RMG-related data collected in various surveys like the Labour Force Survey of Bangladesh and Survey of Manufacturing Industries.

3. Development partners like ILO could provide support for transparency-related training programmes for different stakeholders.

4. The government and/or the BGMEA and BKMEA could mandate that information related to social compliance that is already disclosed to DIFE or other stakeholders also be made available on factory websites.

Appendix

## List of figures

List of Tables

Methodology detail

Appendix 1.1 Quantitative data collection

The study collected quantitative data from 104 apparel factories in Bangladesh through a structured questionnaire survey. The survey collected factory level data on transparency mainly from the high-level management or the owners of sample apparel firms. The survey explored the level of understanding, feeling and expectations of stakeholders towards transparency of working conditions of the apparel factories, sourcing of inputs (the countries and firms from which an apparel manufacturer purchases cotton, yarn or accessories, etc.) and marketing of the final products. The survey also identified transparency gaps relevant to different stakeholders; their expectations, motivations, fears, barriers and recommendations to make the apparel sector in Bangladesh more transparent.

The study applied a stratified multistage sampling procedure considering geographical location, nature and size of factories to select the desired 104 enterprises. The sample factories were randomly selected from the factory list of the Bangladesh Garment Manufacturers' and Exporters' Association (BGMEA). Both knit and woven apparel manufacturers were covered (Figure A 1-1). The sample comprised 48 woven enterprises, 44 knit enterprises and 12 enterprises which produce both woven and knit apparel products.

Figure A 1-1: Nature of surveyed RMG factories
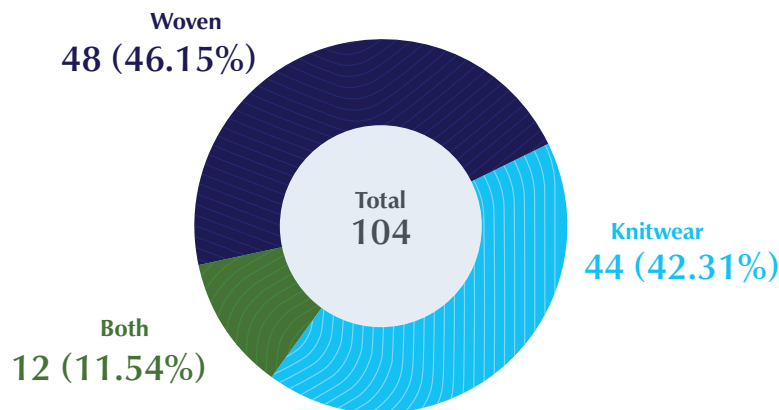
According to the BGMEA factory list, about 96 percent of the RMG factories are located in four districts – Dhaka, Gazipur, Chattogram and Narayanganj. Sample factories were chosen from these four districts in the following manner. Surveyed manufacurers were mostly large and medium, with only 21 percent being small (Table A1-3).

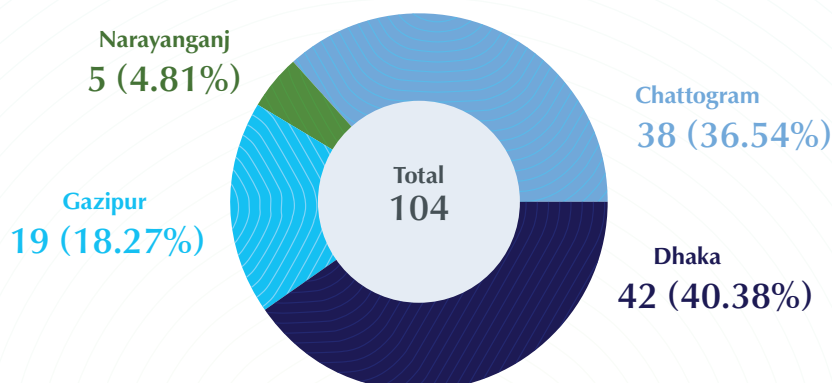**Figure A 1-2: Location of surveyed RMG factories**

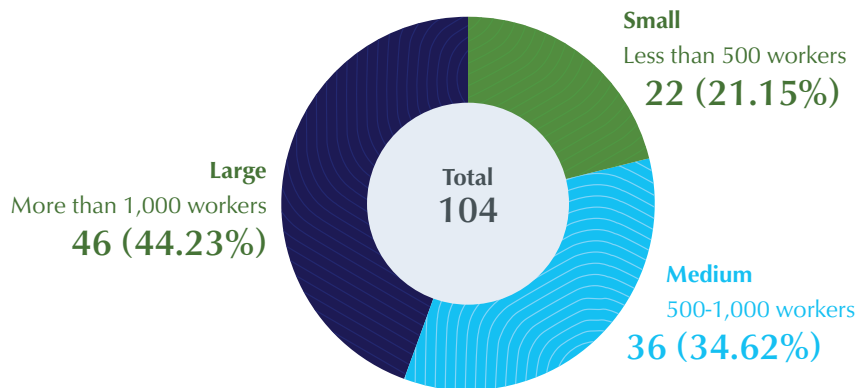Figure A 1-3: Size of factories according to the number of workers employed

Table A 1-1: Profile of respondents in the manufacturer survey

	Designation	Number of Respondents	Percentage (%)
1	Factory Manager	33	31.73
2	General Manger	22	21.15
3	Assistant General Manager	21	20.19
4	Executive Director/Managing Director	7	6.73
5	Admin In-charge	7	6.73
6	Senior Executive & Manager	6	5.77
7	Director	4	3.85
8	Chairman	2	1.92
9	Deputy General Manager	2	1.92
	Total	**104**	**100**

Appendix 1.2 Qualitative data collection

Opinions and qualitative information regarding transparency mechanisms were collected through Key Informant Interviews (KIIs), Focus Group Discussions (FGDs) and in-depth interviews with different stakeholders. FGDs were conducted with RMG workers (male and female groups separately) to understand their thoughts about transparency, and the potential benefits of various potential transparency initiatives.

The study conducted 17 expert KIIs with different stakeholders. The respondents included RMG manufacturers, industry-related association leaders, brands, development partners, civil society/academics, workers and government officials.

Table A 1-2: KII summary

Type of KII respondent	Number of Respondents
Manufacturers	5
Civil society	1
Workers' Association leader	2
Brands	2
Development Partners/NGO	5
Owner Asssociation leaders	1
Total KIIs	**17**

Initially, KIIs were conducted to narrow down the perceptions of transparency so that the questionnaire could be designed accordingly. We then approached the owner association BGMEA with the questionnaire in order to make sure it was acceptable for the mass factory owner groups we were to survey.

In addition, the study conducted 10 FGDs with apparel sector workers in three locations where there is concentration of apparel factories, namely Gazipur and two locations in Dhaka (Mirpur and Uttara). The FGDs were conducted with the aim of understanding how workers perceive transparency, how they benefit from greater transparency and their expectations for disclosing information (the type of information they want access to).

Figure A 1-4: FGD summary

Dhaka (Uttara)
3 (30%)

Total
10

Gazipur
5 (50%)

Dhaka (Mirpur)
2 (20%)
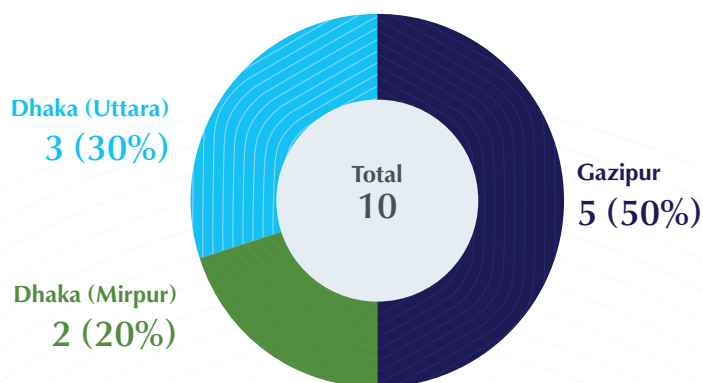
A total of 91 workers participated in 10 FGDs, both male and female (A 1-7). Their average age was 22 to 30 years, with education levels of 5 to 12 years

Table A 1-3: Overview of worker FGDs

FGDs	Total Participants	Male Participants	Female Participants	Average Age	Education Level	Average monthly Salary (in BDT)
FGD 1	10	1	9	24.5	5-8	9017.5
FGD 2	10	4	6	25	8-12	9754.50
FGD 3	10	1	9	23.20	8-12	7723.50
FGD 4	10	2	8	22.20	8-12	7920.00
FGD 5	10	0	10	22	5-8	7644.30
FGD 6	10	0	10	23.90	5-8	6310.00
FGD 7	10	2	8	30.63	5-8	9248.71
FGD 8	7	6	1	23.29	5-8	9042.86
FGD 9	7	0	7	24.57	5-8	9271.43
FGD 10	7	5	2	26.43	8-12	8395.14

Appendix 1.3 Determining sample size

To determine the sample size of the factory survey, the study applied the methodology widely used by the World Bank. The following formula was used to determine the sample size:

$$n = \left[\frac{1}{N} + \frac{N-1}{N} \cdot \frac{1}{PQ} \left(\frac{k}{Z_{1-\frac{\alpha}{2}}} \right)^2 \right]$$

Where, N = population size, P = population proportion, $Q = 1 - P$, k = desired level of precision, $Z_{(1-\alpha/2)}$ is the value of the normal standard coordinate for a desired level of confidence, $1 - \alpha$.

The readymade garment (RMG) factories can be grouped into two broad categories: woven wear and knitwear. There are two associations of RMG entrepreneurs; one is Bangladesh Garment Manufacturers and Exporters Association (BGMEA) and the other is Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA). Although the BKMEA member factories belong only to the knitwear category, the BGMEA includes both woven wear and knitwear producing factories. As has been done in the World Bank Enterprise Survey 2009 of the World Bank, we used a 90 percent confidence interval and 8 percent level of precision in selecting sample RMG factories for the survey. Here, the population is the total number of RMG factories, which is 4,621 (BGMEA, 2019).[1] Thus, assuming these parameters, the estimated sample size using the above formula is 103.362 or 103 factories (this is an estimated number for making the sample statistically significant). We therefore surveyed a total of 104 RMG factories.

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[1]   According to BGMEA (2019) total number of factories with BGMEA membership is 4,621. **http://www.bgmea.com.bd/home/pages/ TradeInformation**

Appendix 2

Manufacturer survey

Table A 2-1: The possible positive impacts of becoming more transparent according to RMG manufacturers (maximum five responses allowed) (As multiple responses were allowed, percentage values do not add to 100.)

	Positive impacts of greater transparency	Number of manufacturers	Share of 104 surveyed manufacturers (% total)
1	Allow for more favourable terms or order mix with preferred brands/buyers.	76	73.08
2	Enhance trust between managers, workers and business partners.	70	67.31
3	Attract orders from new brands/buyers.	69	66.35
4	Promote labour/environmental compliance standards, both nationally and internationally, with social audits and maintaining international standards of doing business.	57	54.81
5	Enhance factory-level economic performance.	46	44.23
6	The business becomes compliant with current national law.	43	41.35
7	Transparency will help drive behaviour change, hold decision-makers accountable, and help to highlight and fix problems.	40	38.46
8	Increase social responsibility performance.	31	29.81
9	Increase manufacturers' bargaining power in price negotiations so that rightful share of the pie gets distributed in all the levels of the supply chain.	29	27.88
10	Greater balance of power (level playing field) among all the actors of the RMG supply chain.	9	8.65

Table A 2-2: Possible negative impacts or challenges of becoming more transparent (maximum five responses allowed) (As multiple responses were allowed, percentage values do not add to 100.)

	Negative impacts/challenges	Number of manufacturers	Share of 104 surveyed manufacturers (% total)
1	Disclosure of competitive information may result in loss of business.	77	74.04
2	Worker dissatisfaction may increase if they know about owners' revenue.	67	64.42
3	Buyer will have access to information which can be used to bargain for lower price.	55	52.88
4	Extra financial resources and manpower required for running Management Information Systems (MIS).	46	44.23
5	Future orders might decline/less favourable order mix since the buyer will have more information about business cost.	45	43.27
6	Tax liability may increase.	43	41.35
7	Business cost might increase, for instance, because of maintaining reliable and accountable data collection and verification.	41	39.42
8	Fear of reputational harm.	38	36.54
9	May increase non-governmental fees/donations to different organisations.	19	18.27
10	Others	4	3.85

Table A 2-3: Manufacturers' awareness of compliance or transparency initiatives (multiple answers allowed) (As multiple responses were allowed, percentage values do not add to 100.)

	Transparency initiatives	Number of surveyed manufacturers that are aware of the initiative	Share of 104 surveyed manufacturers (% total)
1	Better Work Bangladesh (description of the livelihood of garment workers in their own words)	66	63.46
2	Mapped in Bangladesh by BRAC University	56	53.85
3	Open Apparel Registry (a database for global RMG factories' names and addresses)	41	39.42
4	Transparency Index (annually rating brands and retailers on social and environmental performance based on the available information)	29	27.88
5	Transparency Pledge (committing participating brands and retailers to supply chain disclosure)	22	21.15
6	Better Buying (an initiative for suppliers to rate the purchasing practices performance of brands and retailers)	20	19.23
7	Garment Worker Diaries, BRAC Bangladesh	20	19.23
8	I do not know about any initiative	8	7.69

Table A 2-4: Disclosure of operations and purchasing practices data by surveyed manufacturers (% of total 104 enterprises) (As multiple responses were allowed, percentage values do not add to 100.)

Issues concerning operations and purchasing practices	% of manufacturers already disclosing data in public domain	% of manufacturers disclosing data in a limited manner	% of manufacturers currently not disclosing data but willing to disclose in future	% of manufacturers currently not disclosing data, but would disclose only if they are asked	% of manufacturers that do not want to disclose data ever	% of manufacturers that did not answer or did not consider this to be relevant
Major items produced	82.69	11.54	2.88	0.96	0	1.93
Addresses/names of the major customers/buyers/brands	81.73	9.62	2.88	3.85	0	1.92
Number of machines (fully automated, operated by workers etc.)	79.81	12.5	2.88	0.96	0.96	2.89
Final product destinations (i.e. countries)	75.96	13.46	3.85	3.85	0	2.88
Production capacity	71.15	18.27	2.88	2.88	1.92	2.9
Sources of raw materials and components and address of each	52.88	22.12	3.85	15.38	2.88	2.89
Sub-contractors' names and addresses	32.69	13.46	5.77	9.62	10.58	27.88
Planning and forecasting: How many weeks are spent in planning, frequency of updates, etc.	29.81	28.85	5.77	21.15	6.73	7.69
Percentage gap (if any) between purchase order received by supplier and factory capacity reserved	28.85	28.85	5.77	16.35	6.73	13.45
Payment terms by customer	28.85	34.62	1.92	16.35	10.58	7.68
Types and nature of industrial waste	28.85	8.65	1.92	23.08	10.58	26.92
SAMS (standard allowable minutes)	24.04	23.08	5.77	19.23	4.81	23.07
Standard minimum value (SMV)	24.04	24.04	7.69	23.08	3.85	17.3
The types of chemical usage (if applicable) in your factories	24.04	8.65	1.92	11.54	7.69	46.16
Environment/labour certifications or accreditations such as WRAP, FLA, LEED, ISO 14000/26000	24.04	11.54	1.92	14.42	4.81	43.27
How the waste disposal is maintained and whether your factory has Effluent Treatment Plant (ETP)?	21.15	4.81	1.92	16.35	4.81	50.96

While verifying the data we found that the respondents could not properly distinguish between public disclosure and limited disclosure and therefore some of the information mentioned in this column may actually refer to limited disclosure and hence not transparency according to the definition used in this study.

Table A 2-5: Manufacturers' perspectives on responsibility of stakeholder groups for advancing transparency (multiple responses allowed) (As multiple responses were allowed, percentage values do not add to 100.)

	Options	Number of manufacturers	Share of 104 surveyed manufacturers (% total)
1	Owner associations (BGMEA/BKMEA)	90	86.54
2	Manufacturers (RMG owners)	89	85.58
3	Buyer/brands	87	83.65
4	Government	69	66.35
5	General RMG workers	48	46.15
6	Development partners (e.g., representatives of government, International Labor Organization (ILO)	26	25
7	Trade Unions/Worker Participatory Committee/ Safety Committee	14	13.46
8	Relevant Labour Institute (e.g. Bangladesh Institute of Labour Studies and NGOs)	12	11.54

Selected global benchmarking

Selected initiatives	Key criteria				
	Alignment with transparency definition	**Nature of stakeholder support**	**Impact on workers**	**Regulatory requirement**	**Adoption in Bangladesh**
1. Transparency Pledge	Yes. Brands and retailers commit to: 1) publish the full name of all authorised production units and processing facilities, 2) the site addresses, 3) the parent company of the business at the site, 4) the type of products made, and 5) the number of workers at each.	Civil society strongly supports disclosure of factory lists. Coalition members are: IndustriALL Global Union, International Trade Union Confederation, UNI Global Union, Human Rights Watch, Clean Clothes Campaign, Maquila Solidarity Network, Worker Rights Consortium, International Corporate Accountability Roundtable, and International Labor Rights Forum. Brands and retailers are increasingly agreeing to disclose. Factories have expressed some reluctance but accede to customer requirements.	Publication by brands and retailers of supplier lists is viewed as a necessary step in the journey toward greater accountability when it is used by stakeholders to advocate for workplace improvements.	No, however some multi-stakeholder initiatives require disclosure. For instance, the Fair Labor Association has adopted a policy of requiring its company affiliates to disclose factories. Brands and supplier companies voluntarily agree to become FLA affiliates.	Companies that have disclosed their supply chains include factories in Bangladesh. Most, if not all, of the Transparency Pledge Coalition partners have active programmes of action in the RMG sector.
2.Fashion Revolution's Transparency Index	Yes.	The Index makes specific recommendations for citizens, brands and retailers, governments and policy makers, civil society groups, trade unions and workers. The Index has broad support within civil society organisations for its robust methodology and focused approach to measuring brand and retailer social and environmental performance. The Index is being watched closely by brands and retailers who are sensitive to reputational harm, have made commitments to corporate responsibility, and are keen to understand the key drivers of the ratings they and their competitors receive.	The Index has the potential to be used by civil society organisations, including representatives of workers, to advocate for improved brand and retail performance. The public nature of the Index can incentivise brands and retailers to become more transparent, ultimately leading to better impacts for workers.	The Transparency Index is not tied to any regulatory requirement.	The Index reports do not currently break down the scores of brands and retailers by country, nor is the information currently searchable by country (the exception is an Index focused only on Brazil released in 2018, which reported on the 20 brands and retailers present in Brazil; that report is only available in Portuguese.).

Selected initiatives	Key criteria				
	Alignment with transparency definition	Nature of stakeholder support	Impact on workers	Regulatory requirement	Adoption in Bangladesh
3. Better Work Bangladesh	Better Work has two parallel transparency initiatives – one in Cambodia and the other in Haiti, Indonesia, Jordan, Nicaragua and Vietnam -- both making public key findings from Better Work assessments. The Cambodia model is in full conformity with Laudes Foundation's definition since critical issue results are visible over the last four assessments, providing easily accessible longitudinal information.	Better Work's affiliation with the ILO brings with it the support and engagement of national governments, trade unions, and businesses. Factories find benefit primarily in on-the-ground capacity building initiatives and in the hopes of reduced compliance audits. Through engagement with Better Work, brands and retailers are keen to promote factory ownership of workplace compliance as well as to reduce the burden of repetitive audits.	Better Work's factory services are designed to have a direct, beneficial impact on workers through factory trainings and related capacity building initiatives.	The Better Work programs in Cambodia, Haiti, and Jordan are mandatory in order to export product. Factory participation in Better Work Bangladesh is not mandatory.	Better Work Bangladesh published its first programme-wide compliance synthesis report in 2019 but did not link compliance data to specific factories. Disclosures using the global Better Work approach is anticipated going forward. This approach shows data from the most recent assessment around critical issues found in factories.
4. French Duty of Care Act	Large multinational companies are required to publicly report annually on and implement an extensive plan that addresses human rights-related risks, including in the companies' supply chains. There is no central repository of reports to date. There is no known provision for tracking progress over time.	The French law follows legislation including the California Transparency in Supply Chains Act, the UK Modern Slavery Act, and the Australian Modern Slavery Act. These have broad support from civil society as useful tools in making progress toward accountability. A key feature of the Duty of Care Act, or Vigilance Act, is that companies are required to report on implementation as well as plans.	The Vigilance Act focuses on the performance of large brands and retailers. It has an indirect impact on workers since the focus of the required report on plans and implementation relates to workplace conditions in factories, among other human rights concerns in supply chains.	Companies with headquarters in France that employ 5,000 employees or more in France or at least 10,000 employees worldwide (including through direct and indirect subsidiaries) are required by law to comply. Foreign companies headquartered outside France with French subsidiaries, if those subsidiaries employ at least 5,000 employees in France, are also required to comply with the Act.	Early analysis of company reports is sparse. Calls have been made for greater depth and clarity. As such, is too early to know how the reports might be used in the Bangladesh RMG sector.

Selected initiatives	Key criteria				
	Alignment with transparency definition	Nature of stakeholder support	Impact on workers	Regulatory requirement	Adoption in Bangladesh
5. KnowTheChain	The KnowTheChain benchmark report is publicly available and compares individual brand performance against all other rated companies. It does not compare current year company ratings to previous benchmark ratings for each company, although it would be possible to derive the comparison since the 2016 and 2018 benchmark reports for apparel and footwear brands are posted on the KnowTheChain website.	KnowTheChain is a collaborative partnership between the Business and Human Rights Resource Centre, Humanity United, Sustainalytics, and Verité. All partners, except Sustainalytics, are non-profit organisations. In 2019, KnowTheChain is revised its benchmark methodology through consultation with topic experts, worker organisations, industry associations, benchmarked companies, and investors.	The impact of KnowTheChain on workers is indirect, since its benchmark rates apparel brands, not factories. Still, the sole objective of KnowTheChain is to create publicly available information regarding risks of harm to workers so that stakeholders, including apparel brands, will know where to focus efforts to reduce the risks of harm to workers.	KnowTheChain conducts its research and publishes its findings regardless of government mandate or brand consent.	The initiative has no Bangladesh or other country filter, so it is not possible to easily compare the forced labour risks specific to the country. Nevertheless, many of the rated companies source apparel in Bangladesh.
6. Fair Wear Foundation (FWF) Brand Performance Checks	Brands are encouraged to make public their factory lists and overall results of annual Performance Checks. Brands that engage in transparency in the supply chain are rewarded with higher Brand Performance Check scores. Transparency is not broken down by country and it is not possible to compare ratings over time.	FWF is fully multi-stakeholder, with representation at the Board level of representatives from industry, trade unions, and NGO communities.	The FWF Brand Performance Checks rats the adequacy of brand due diligence in the protection of workers on a range of areas relevant to workplace conditions. It does not divulge factory specific information.	Brands voluntarily partner with FWF. There are no regulatory requirements for participation.	There are 229 factories that work with FWF members in Bangladesh. 23 FWF members source in Bangladesh.58 complaints from workers in Bangladesh have been received. FWF members participate in its Workplace Education Programme (WEP) which provides short, targeted onsite training for managers, supervisors, and workers about labour standards and communication. FWF has a small, permanent staff in Bangladesh.

Selected initiatives	Key criteria				
	Alignment with transparency definition	Nature of stakeholder support	Impact on workers	Regulatory requirement	Adoption in Bangladesh
7. Bangladesh Accord on Fire and Building Safety (Accord) **NOTE: Alliance for Bangladesh Worker Safety (now: Nirapon) has similar levels of transparency on its website.**	Detailed factory-level data regarding factory safety, health, and building integrity is publicly accessible on the Accord website, along with information that allows readers to see how much progress has been made. The information is limited to health and building safety issues.	Brand company and trade union collaboration is at the core of the Accord's governance structure. Civil society is broadly supportive of the initiative. Factories have complained about the costs and rapid timelines for remediation but have in large part accepted the initiative and its positive benefits.	Improvements in safety have a direct benefit on workers in in-scope factories in Bangladesh. The collaboration between brands and trade unions promotes the legitimacy of trade unions in the RMG sector.	Although brand signatories are legally bound to implement the Accord's provisions in their supply chains, brands enter into the arrangement voluntarily. Signatories require the factories they use to comply with the requirements for inspection, remediation, and complaints handling as a condition of business.	The Accord is solely focused on Bangladesh and, as such, distinguishes Bangladesh for the strides it has made in: (1) broad based worker centric initiatives accomplished in partnership with unions, and (2) material improvements in worker safety.
8. Open Apparel Registry (OAR)	The database allows public access to a map with detailed factory location information correlated to the brands that publicly acknowledge using the factory.	OAR is designed to provide value to diverse stakeholders including brands and retailers, civil society, researchers, and others. The information about factories and their customers, which comes from multiple sources including large datasets from multi-stakeholder initiatives (MSIs), brand and retailer supplier lists, factories and factory groups, service providers, and government databases, is available to all stakeholders to use for their own purposes, including advocating for improved workplace conditions.	OAR has an indirect impact on workers because it allows workers or their representatives to correlate factories with the brands that use them. The platform does not contain information about workplace conditions at the factory level or information about brand due diligence to mitigate human rights risks.	Information available on the OAR web platform is curated from publicly available sources and is not made available as part of any regulatory requirement.	The OAR site currently displays 3,672 factories in Bangladesh.