



# Joint recommendations for responsible business conduct in Bangladesh

Aug. 20, 2024

## Context

On Monday 5 August, [Bangladesh's Prime Minister Sheikh Hasina resigned](#) following a fresh wave of protests which snowballed into an anti-government movement. The country now faces a period of major transition; an interim government, led by [Nobel Laureat Muhammad Yunus](#) has been formed to restore order and has received international support.

This change follows weeks of mass protests over civil service job quotas, which the government countered with a communications blackout and violent repression, including a ['shoot-on-sight' curfew](#) across Bangladesh. Clashes between protesters and the police and military forces, led to the death of at least 300 people over 20 days, and injured thousands more, including at least [five garment workers](#).

As the situation in Bangladesh evolves, we welcome the formation of the interim government and hope for reform led in dialogue with industry stakeholders that will ensure the country's stability, advance workers' rights and meet environmental and human rights standards for the garments, footwear, and accessories industry.

We are focused on addressing adverse impacts on workers through responsible business conduct. The recommendations in this document reflect our organisations' guidance to our member companies and were developed with the input of local stakeholders. They convey our optimism for a stable future for Bangladesh.

## Impacts on workers and supply chains

We have been monitoring the impact on workers and supply chains in Bangladesh's garments, footwear, and accessories industry. Reports indicate some workers are still awaiting wages for July. While some factories with digitised payroll have been able to pay workers, those reliant on cash may face additional delays due to bank closures and

security risks. Supply chain disruption has also led to rising inflation and limited availability of essential commodities, weakening purchasing power in the country, with implications for workers and suppliers.

Factories began reopening on 7 August, following a government mandated holiday which lasted 6-7 days, during which the garment industry lost an estimated [USD150m a day](#). These closures follow a [similar four-day shutdown in July](#) and come during a peak time for Christmas shipments and work orders for 2025. Faced with pending delivery deadlines, suppliers have reported running their factories for additional overtime. At the same time, an initial [30-40% reduction](#) in orders was reported as buyers follow a 'go-slow' policy, reluctant to confirm future orders or prices for goods.

As production gradually resumes, reports suggest the infrastructure around exporting of products will remain challenging. Many companies are resorting to air freight due to the backlog of cargo at ports after a month of unrest and supply chain disruption. Suppliers voice the need for continued support and open dialogue. As the country navigates this period of transition, companies need to demonstrate their commitment to suppliers and the workers that drive Bangladesh's apparel and textiles industry.

We are pleased to hear [reports](#) that buyers are engaging with suppliers to address live challenges.

## Recommendations for responsible business conduct

Businesses operating in and sourcing from Bangladesh should ensure respect for international human rights laws and standards, including the [UN Guiding Principles on Business and Human Rights](#) (UNGPs) and the ILO core labour conventions [ratified in Bangladesh](#). These apply in all circumstances, including periods of civil unrest and transition, and are even more critical in this challenging context.

### 1. Conduct enhanced human rights due diligence

Businesses operating in and sourcing from Bangladesh should conduct “heightened” or “enhanced” human rights due diligence (eHRDD) in line with the UNGPs to better understand the evolving situation, identify, and mitigate risks and provide remedy where necessary. This means conducting HRDD processes that are [‘finely tuned and sensitive’](#) to the higher level of risk identified.’ to the higher level of risk identified.

Meaningful stakeholder engagement (as defined by the [OECD](#)) should be conducted, particularly with workers and their representatives, as part of the HRDD process.

Workers are best placed to communicate the impacts they face during this period. An important part of effective engagement is to ensure rights to freedom of association and

collective bargaining are respected. Where risks are heightened, trade unions can play a critical role in supporting workers and negotiating on their behalf.

In this dynamic context, ensuring prompt and ongoing collaboration with suppliers (e.g. through consultation and mitigating actions) to address these risks is essential. Our organisations are engaging with members to provide detailed guidance and support.

In particular, the following risks to workers should be considered in eHRDD:

Risk	Description
<b>Payment of wages</b>	<p>Reports indicate some workers have faced delays with the payment of their salaries for July. According to national law, these should have been paid by the seventh working day of August.</p> <p>Where payments are not made digitally, there are increased risks of delayed salary payments due to bank closures and limited access to cash. Cash flow issues are also impacting workers' ability to withdraw money.</p> <p>There is a risk that workers are not compensated for the loss of working days due to the government mandated public holidays; these should not be deducted from salaries or bonuses, or from non-working days and other holiday entitlements (e.g. Eid holidays).</p> <p>Unions can play a critical role in supporting workers and negotiating on their behalf. These risks are therefore exacerbated in contexts where unions cannot operate fully and where worker representation is not ensured.</p> <p>In addition, adjustments to orders (e.g. air freight) and factory changes (e.g. private security) which incur an additional cost to suppliers impacts their ability to pay workers' salaries.</p>
<b>Security and worker safety</b>	<p><i>Travel to and from work</i></p> <p>Workers returning to factories have reportedly faced challenges and increased risks due to localised instances of unrest. Suppliers should provide flexibility for workers on arrival and departure times and coordinate safe transportation to and from work.</p> <hr/> <p><i>Private security at work</i></p> <p>Reports indicate that suppliers are hiring private security companies to provide security services at factories and via transport. Deployment of private security presents additional human rights risks which companies</p>

	<p>should consider in their human rights due diligence. These include risks around the use of force, forced labour, discrimination, sexual abuse, poor working conditions, and reputational, operational and financial damage.</p>
	<p><i>Logistics</i></p> <p>Ports are facing unprecedented congestion exacerbating the daily risks faced by port workers. This includes overtime, causing fatigue and stress, and potentially longer exposure to extreme weather conditions. In addition, when IT systems are not working, containerised cargo may require physical checks. Port workers completing checks may face health and safety risks (e.g. if cargo is hazardous or toxic).</p>
<p><b>Excessive hours</b></p>	<p>Workers face heightened risks of excessive working hours as suppliers work to address the backlog of orders. Unmanageable or unrealistic adjustments to orders place additional pressures on workers and suppliers to meet tight deadlines.</p> <p>Travel to and from work may present risks to worker safety. Crime, particularly in the evening, has increased, making it unsafe for workers to commute at night. Organisation of overtime should be considered alongside these risks.</p> <p>Overtime implemented without consultation with workers, or their representatives, heightens risks of exploitation and forced overtime. Changes in working hours should follow provisions under national law and ILO conventions on working time.</p>
<p><b>Violence and discrimination against minority groups</b></p>	<p>Existing vulnerabilities and inequalities are often exacerbated during periods of unrest, leaving workers more exposed to exploitation. For example, there have been reports of minority groups and communities being targeted during the unrest, with temples subjected to vandalism.</p> <p>Consideration should be given to those in situations of heightened vulnerability, including women and girls, children and youth, older people, people with disabilities, ethnic and religious minorities, sexual and gender minorities, migrants, trade union members and refugees. Special attention needs to be paid to the impacts of the unrest and political transition on vulnerable groups.</p>
<p><b>Gendered impacts</b></p>	<p>Special attention needs to be paid to the gendered impacts of the evolving situation. For example, caring and family support roles can often place different demands on men and women. This can be</p>

	<p>accentuated during periods of civil unrest and political transition. Additional pressures on supply chains can also increase the risks associated with gender-based violence and harassment.</p>
<b>Assistance and grievance</b>	<p>Managers, supervisors, workers and their families and friends may be directly or indirectly affected by the unrest. For example, workers or their family members may be injured or worse, they may have lost their loved ones, homes, access to transport, childcare or face challenges accessing bank accounts. Access to independent grievance mechanisms remains critical and should be prioritised with suppliers. Particular attention should be given to situations where trade unions and worker representatives cannot fulfil their mandate and support workers.</p>
<b>Worker absence</b>	<p>Workers may be absent if they or their families have been directly or indirectly affected.</p> <p>Workers may also fear travelling to work during ongoing unrest, which may be exacerbated by the spread of misinformation.</p> <p>Women workers are more likely to bear the increased responsibilities of unpaid care, including caring for children, older people, and those injured. Suppliers should be flexible with schedules and attendance.</p>

## 2. Prevent and mitigate adverse impacts by ensuring responsible purchasing practices

Responsible businesses should strive to be stable long-term partners with their suppliers in Bangladesh. Collaborative partnerships build a strong foundation for responsible purchasing practices and for decent working conditions in supply chains worldwide.

Businesses should implement responsible purchasing practices in line with the [Common Framework for Responsible Purchasing Practices](#). Given the risks identified in the current context, our key recommendations include:

- Ensure internal commitment to upholding responsible purchasing practices.
- Communicate transparently and on a regular basis with suppliers.
- Ensure that July and August wages are paid in full and at the earliest dates, for all employees and workers.
- Do not cancel orders. Collaborate with suppliers on upcoming orders to identify alternatives to cancelling orders.

- Extend production and delivery timelines, and where order modifications occur, ensure these are mutually agreed with the supplier and the additional costs resulting from these requests are paid for by the responsible party.
- Do not impose penalties relating to order delays or request discounted rates.
- Engage with suppliers to ensure overtime is voluntarily agreed by workers and can be planned to avoid excessive working hours.
- Ensure timely payment for orders to guarantee workers' salaries are paid on time.

View the [joint statement on responsible business conduct in Bangladesh](#). If you have key insights or queries for FLA, please contact Shelly Han at [shan@fairlabor.org](mailto:shan@fairlabor.org).