INDUSTRY ATTACHMENT (INTERNSHIP) · FINAL DEFENSE

Sustainable and Ethical Sourcing Practices and Their Challenges in the Bangladeshi RMG Industry

A Buying/Liaison Office Perspective — an empirical study of woven-bottoms sourcing at the LPP S.A. Bangladesh Liaison Office

DEFENSE SCHEDULE

BOARD & SLOT

Board 05 · Slot 1

DATE & TIME

Wednesday, 19 August 2026

8:00–10:00 PM · Online

BOARD MEMBERS

Mohammad Saif Noman Khan

Tasneema Afrin

Associate Professors, IBA

FORMAT

10 min presentation + 5 min Q/A

PRESENTED BY

Md. Sohel Rana

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PROGRAMME

Post Graduate Diploma in Garment Business

IBA, University of Dhaka

ACADEMIC SUPERVISOR

Mohammad Saif Noman Khan

Associate Professor, IBA, University of Dhaka

An internal buying office that sits between the brand and the factory

LPP S.A.

Polish apparel company, founded in Gdańsk in 1991. Around 30,000 employees and sales in over 40 markets.

Five brands: Reserved, Cropp, House, Mohito, Sinsay.

LPP owns no factories in Bangladesh. It operates through the Bangladesh Liaison Office.

> An internal buying office sourcing only for LPP's own brands — not a trading house or commission agent.

LPP brand teams, Poland

Buying decisions, prices, delivery dates

▼

LPP S.A. Bangladesh Liaison Office

Nomination, production plans, follow-up, risk escalation

▼

Bangladeshi suppliers and factories

Capacity, production reality, compliance status

buyer expectations · factory capability · production reality · compliance requirements · delivery commitments

The research question comes directly from the desk I run

MY AREA OF WORK

Merchandising Team Leader — denim, non-denim woven bottoms and accessories

- Supplier nomination and coordination
- Production follow-up against the time-and-action plan
- Quality and compliance coordination
- Delivery commitments and risk escalation

RESEARCH OBJECTIVES

Broad objective — investigate sustainable and ethical sourcing practices in woven-bottoms sourcing, and the challenges affecting their implementation, through the LPP S.A. Bangladesh Liaison Office.

01
Sustainability and compliance in everyday sourcing decisions

02
The role and the limitations of the liaison office

03
Practical difficulties of sustainable, ethical sourcing

04
Practical remedies based on the collected evidence

Evidence from live sourcing work, triangulated across three sources

PRIMARY EVIDENCE

Production follow-up records

SS 2024 → AW 2026

Order quantities · FOB prices · planned vs actual milestones · final status

Factory visits and systematic observation

Same structured checklist each visit; progress against the time-and-action plan

Seven semi-structured interviews

Merchandising · quality · compliance · supplier-side professionals

One time-pressured order case discussion

How priorities shift when a shipment is at risk

SECONDARY SOURCES

- BGMEA export and trade data
- LPP corporate information
- Relevant industry and trade reporting

Used for context only. Every substantive claim rests on primary evidence.

TRIANGULATION

Production data + structured observation + interviews — each objective answered by at least two sources

Sustainability is considered—but commercial pressure can change the priority

PRICE		DELIVERY		COMPLIANCE / SUSTAINABILITY
Tight FOB leaves less room to absorb disruption or upgrades	↔	A missed date has immediate, visible consequences	↔	Postponement is rarely visible in the same order cycle

OBSERVED

Compliance status, audit results, chemical management and factory approvals are reviewed before and during order placement.

When orders run to plan, compliance requirements are generally managed without difficulty.

When delays, material shortages or shipment risks arise, attention moves to delivery recovery.

INTERPRETATION

The issue is not a lack of awareness. It is competing commercial priorities.

Sustainability is deliberately part of the decision; the difficulty is holding its position when the schedule is at risk.

High delivery performance requires continuous pressure and co-ordination

2,981
monitored order lines
SS 2024 → AW 2026

~97%
shipped on time ex-factory
author's follow-up records

~3%
shipped late
very limited schedule margin

WHAT HOLDS THE NUMBER UP

Tight lead times and tight FOB margins, plus fabric, approval and capacity disruptions

Constant monitoring, repeated follow-up and close buyer–supplier–office coordination

Average FOB in my portfolio ranges from about US$4.00 to US$15.19 by brand and category — financial headroom differs widely

DATA SAYS

Delivery performance — timeliness of ex-factory shipment.

INTERPRETATION

Operational pressure creates competing priorities. No causal claim is made.

NOT CLAIMED

97% on time does not measure sustainability performance.

The liaison office sees the risk—but does not control every commercial decision

Buyer expectations

↕

LPP S.A. Bangladesh Liaison Office

↕

Factory reality

WHAT THE OFFICE CAN DO

- Monitor production and milestones
- Coordinate between buyer and factory
- Identify risk early
- Communicate status honestly
- Recommend alternatives
- Escalate issues

WHAT IT CANNOT FULLY CONTROL

- Final price decisions
- Order allocation
- Certain delivery commitments
- Higher-level commercial decisions

KEY MESSAGE Strong visibility, limited decision authority.

Compliance is strongest around audits, hardest during routine production pressure

amfori BSCI	**Sedex / SMETA**	**Accord / RSC**	**Higg FEM**	**ZDHC / OEKO-TEX**
Social compliance, labour conditions	Labour, health and safety, environment, ethics	Structural, fire and electrical safety	Factory environmental performance	Chemical management and product safety

Scheme coverage differs from factory to factory and from buyer to buyer.

AUDIT PERIOD — ATTENTION RISES

- Documentation and records
- Training and housekeeping
- Corrective-action follow-up

ROUTINE PRODUCTION — ATTENTION COMPETES

- Shipment pressure
- Resource constraints
- Immediate operational priorities

IMPLICATION Compliance needs to become continuous management, not only audit preparation.

Supplier capability and production visibility directly affect sourcing risk

A WORKING CLASSIFICATION OF SUPPLIERS

Advanced	Strong systems, stable management — compliance embedded and continuous	Low risk
Developing	Adequate but stretched — audit-driven, improving	Medium risk
Basic	Limited resources and systems — reactive, event-based	High risk

CENTRAL INTERPRETATION

The major challenge is structural, not simply individual. Requirements are understood; price, lead time, volume and capacity reduce the flexibility to act on them.

TWO OPERATIONAL CONCERNS

01

Limited production visibility

Fabric, approval or planning delays may surface late in the order cycle, when few corrective steps remain.

02

Unauthorised subcontracting

Identified as a risk to traceability and compliance under peak load — not presented as a widespread practice.

From price-first sourcing to risk-based supplier management

CURRENT PRACTICE

Price- and capacity-led nomination

Compliance considered separately, often after the commercial decision

→

IMPROVED PRACTICE

Balanced supplier scorecard

price · capacity · compliance status · delivery history · supplier capability · risk

Advanced

Lighter oversight — release attention to where risk sits

Developing

Structured support on the specific gaps that recur

Basic

Development plus closer monitoring before volume grows

Invest in supplier development, not only supplier inspection.

Build sustainability into the sourcing decision, not after it

01

Continuous production visibility

Milestone-based monitoring in one disciplined record, so slippage shows at the fabric stage, not the sample stage

02

Stronger subcontracting control

Declaration and prior approval, with risk-based spot checks in high-load periods

03

Realistic commercial planning

Align price, capacity and delivery expectations, informed by the office's read of real capacity

04

Long-term supplier development

Training, supervision and stable relationships that reward the behaviour the brand asks for

Supplier capability + Production visibility + Realistic commercial planning + Sustainability in sourcing =

More responsible and commercially effective sourcing

01

Sustainable sourcing is already part of sourcing decisions, but commercial pressure can weaken its priority.

02

The liaison office is strategically positioned to identify risk because it sees both buyer expectations and supplier reality.

03

Long-term improvement requires supplier development, continuous visibility, realistic planning and sustainability built into sourcing decisions from the start.

Compliance checks alone cannot create sustainable sourcing

Thank you

Questions and discussion

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