Bangladesh: Living wage study

PROJECT REPORT, FACTORY B
OCTOBER 2026

Executive summary

As part of its fair compensation program, the Fair Labor Association (FLA) recently completed a study in Bangladesh to examine strategies for suppliers and buyers to progressively implement living wages for workers.

In total, four factories and five FLA member companies participated in the project. Two of the factories are located in the Gazipur region, while the other two are based in the Chittagong Export Processing Zone. This report covers the collaboration between the FLA member, Colosseum, buying from one of four factories in Bangladesh that chose to participate in the project, and the project team.[1] For the purposes of this report, the factory is called "Factory B."

Across all four factories studied, the project team found that the average worker did not earn base wages that met the Global Living Wage Coalition's (GLWC) estimates for a living wage in Bangladesh.[2] Even with overtime, the average worker did not earn living wages, despite most workers logging excessive hours in an attempt to achieve them.

The factories started their lowest paid workers at the legal minimum wage, and provided higher wages as workers gained more skills and experience and moved between wage categories. However, workers interviewed by the project team across all factories reported dissatisfaction with the legal minimum wage, noting that it has been unable to keep pace with rising prices. In general, workers reported that their wages were too low to afford basic needs while also saving money for emergencies, and that most households required more than one earner to survive. Workers reported cutting back on food and housing costs to save money, often living in very poor conditions.

Specifically, at Factory B, the project team found a mix of promising practices, and opportunities for improvement. For example, Factory B was the only factory participating in this study that did not plan production around excessive overtime hours, and where workers did not work excessive hours. Factory B offered workers a noteworthy package of in-kind benefits, including no-cost basic medical care, scholarships for workers' children, and a gift package for workers upon the birth of a child. At the same time, Factory B's median wages were the lowest recorded during the study.

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[1] The project team consists of staff from FLA's fair compensation team, Global Worker Dialogue, RAPID, and InSync Global. This project was funded by the Initiative for Global Solidarity (IGS), implemented by Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH, and supported by the German Federal Ministry for Economic Cooperation and Development (BMZ).

[2] Find detailed information about the Global Living Wage Coalition's living wage estimates for Bangladesh on the GLWC website: https://www.globallivingwage.org/living-wage-benchmarks/urban-bangladesh-surrounding-dhaka

The project team recommended that Factory B develop a more structured training program to help workers advance into higher-earning roles. The team also recommended that Factory B explore creative incentive programs that match the company's business model, such as incentives that reward high levels of accuracy or other quality measures, to help workers supplement their income.

FLA encourages buyers to incorporate the real cost of labor into their pricing negotiations and to maintain long-term, collaborative supplier relationships to support investment in higher wages. Buyers' sustainability and purchasing teams should collaborate to ensure that purchasing decisions align with buyers' living-wage commitments, and buyers should collaborate with each other and with multi-stakeholder partners to increase their leverage with factories. Buyers should support suppliers' worker engagement efforts and consider ways to provide financial support for incentive programs. Find further recommendations for buyers in the conclusion of this report.

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Introduction and methodology

Since 2011, FLA and its members have worked to enact a fair compensation commitment for workers in global supply chains. As part of this commitment, and to add to the growing body of industry knowledge on strategies for enabling living wages FLA studied wage progress at four factories in Bangladesh between 2024-2025. The studies aimed to assess the effectiveness of buyers' and suppliers' purchasing and production practices in supporting living wages and to develop joint strategies for improvement.

This report covers the part of the study conducted at Factory B, a garment and textile manufacturing factory. Factory B is one of a group of four facilities—including a denim factory and a spinning mill—operated across Bangladesh by the same owner. At the time of the research, Factory B supplied to more than seven global buyers.

TABLE 1: FACTORY B RESEARCH (2024-2025)

Research method	Sources
Management and supervisor interviews	Planning, production, and human resources managers, and supervisors
Worker interviews	75 workers
Wage data review	Documentation of wages during offsite worker interviews in October and November 2024 Annual wage data collected through FLA's Fair Compensation Toolkit

As part of the project, Factory B, along with one of its global buyers, Colosseum, agreed to provide information to FLA about their production-planning and purchasing practices, respectively. The factory also agreed to provide information about their compensation and human-resources systems and to provide the project team with access to wage data.

Global Worker Dialogue (GWD), in collaboration with a research firm in Bangladesh, conducted worker interviews and surveys on behalf of the project, recruiting participants from their neighborhoods, away from the factories. Between October and December of 2024, GWD conducted seven weeks of phone interviews, followed by three weeks of in-person interviews, at which GWD representatives were able to photograph workers' pay slips to verify data provided by the factories. GWD followed up with a survey in March of 2025 to learn about workers' experiences with minimum adjustments instituted by law in Bangladesh at the end of 2024. In all interviews, workers provided their perspectives on their wages and hours of work, and on the financial challenges they faced.

Following the data collection and analysis, the project team met with members of Factory B's management team and provided recommendations for steps they could take to make further progress toward living wages. The project team also made recommendations to Colosseum, which subsequently began developing an action plan for helping the factory meet their shared buyer-

supplier fair compensation goals. Finally, FLA convened a multi-stakeholder meeting in Dhaka, Bangladesh to encourage dialogue between buyers and suppliers on ways to improve workers' wages.

Background

Fieldwork at Factory B took place in January of 2025. At the time, the GLWC estimated the net living wage in Factory B's region to be Bangladeshi taka (BDT) 23,100 (USD $197).[3] The minimum wage applicable to the garment sector then was BDT 12,500 ($133).[4] The government of Bangladesh raised the previous minimum wage of BDT 8,000 ($72) in 2023 after widespread worker protests about poor wages. This was followed by another legal adjustment in December 2024, when the government announced a nine percent increase for all garment workers with one year of service, raising the minimum for these workers to BDT 13,625 ($113).

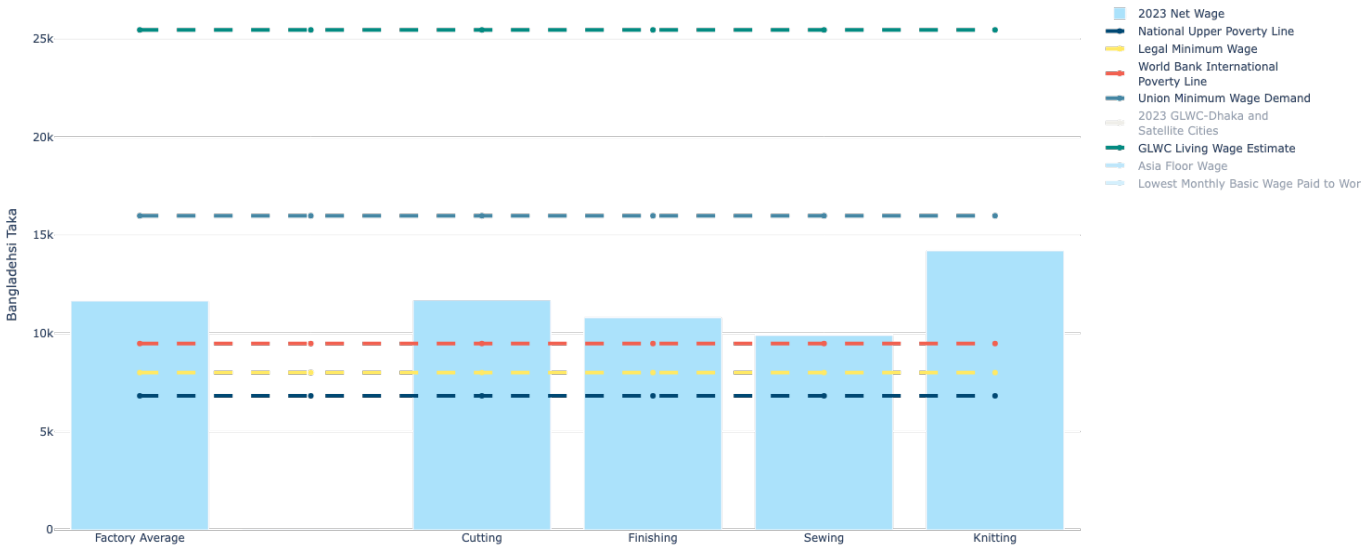
At the time of the research, Factory B employed nearly 1,500 people, all of them Bangladeshi. Men made up slightly more than half the workforce, and women made up slightly less than half. More than a quarter of the workforce had worked at Factory B for more than 10 years, and another quarter had worked there more than five years. The remaining half the workforce had worked at Factory B for less than five years. No union was present in the facility, though elected worker representatives served on a legally required Participation Committee with nominated management representatives. The project team learned that this committee had secured improvements to workers' benefits, such as the expansion of a scholarship program for workers' children and the incorporation of approved leave time into workers' monthly attendance bonuses.

Previous wage data compiled by Factory B and a buyer in 2023 provided the team with insights on wage levels prior to data collection on this project. In 2023, as shown by Figure 1, the average worker was earning far below the GLWC living wage estimate at that time (BDT 21,081, or $194), and even the highest-paid workers, knitters, were unable to achieve living wages.

[3] Find detailed information about the Global Living Wage Coalition's living wage estimates for Bangladesh at the GLWC website: https://www.globallivingwage.org/living-wage-benchmarks/urban-bangladesh-surrounding-dhaka

[4] Currency conversions in this report refer to the conversion amount for the relevant time frame referenced in the report. In this case, the conversion is for January 2025.

FIGURE 1: WAGE LEVELS IN 2023, PRIOR TO THE PROJECT



Research observations

The project team learned that Factory B manages most aspects of production by engaging with five sourcing agents working on behalf of its buyers, while Colosseum's orders are placed directly with the factory's sourcing office. However, before confirming orders, the director of the factory's sourcing office negotiates costs and pricing directly with buyers in consultation with senior factory management. When the factory raises wages, current order prices remain fixed, but new orders factor in the revised wage levels.

The project team observed that the factory plans production around an eight-hour workday, six days a week, and that overtime beyond these hours for most departments is rare. Workers in the factory's knitting and dyeing departments were not working overtime at all.

The factory specializes in meeting the needs of licensed university apparel customers, producing textiles and garments in its buyers' custom styles and colors, and with their unique logos. The production staff reported to the project team that this business model, which prioritizes accuracy over speed, makes it difficult for the factory to make efficiency improvements or offer efficiency-based incentives to workers. At the same time, the factory is able to maintain consistent operations by timing its production processes to match the distinct ordering cycles of each buyer. When some buyers' orders peak—such as during major sports seasons—factory management stated they were able to slow production for other customers accordingly.

Factory staff also reported that most buyers provide consistent order forecasting, although Colosseum participating in this project does not. In this case, the buyer's model of aggregating retailer orders before placing a complete order with the factory makes it challenging to develop accurate longer-term forecasting. Therefore, the factory plans production for this buyer based on estimates and observations of past orders, which has proved effective.

The factory maintains two primary divisions for production processes (garments and textiles), with wages for workers in each division divided into four grades. The factory determines promotions and wages based on the number of operations a worker can perform. The table below shows the starting wage for workers in both the garment division, which covers all processes from cutting to packing, and the textile division, which includes knitting and dyeing. The factory also provides attendance bonuses to workers.

TABLE 2: WAGES BY JOB CATEGORY

Grade	Textile workers		Garment workers	
	Wage (BDT/mo.)	Wage (USD/mo.)	Wage (BDT/mo.)	Wage (USD/mo.)
Grade 1	14,307	118.23	15,035	124.25
Grade 2	13,250	109.50	14,273	117.95
Grade 3	12,723	105.14	13,550	111.57
Grade 4	11,889	98.25	12,500	103.30

At the time of the field work, the project team found that the lowest-paid workers in garment divisions were earning a base salary of BDT 12,500 ($103.30) and the highest paid workers were earning BDT 26,664 ($219.95). The median monthly wage, with overtime included, was BDT 14,274 ($117.75)—the lowest among four factories studied in Bangladesh for this project. Although the median wage was higher than the legal minimum wage, it still fell nearly 40% below the GLWC living wage estimate, BDT 23,100 ($197).

The wages the factory paid to garment workers in the four grades as of January 2025 appear in the table below:

TABLE 3: WAGES BY GRADE

Grade	Salary range (BDT)	Salary range (USD)	Number of workers	Percentage of workers
Grade 1	15,035 – 26,664	124.25 – 220.36	133	9.21%

Grade	Salary range (BDT)	Salary range (USD)	Number of workers	Percentage of workers
Grade 2	14,273 – 23,061	USD 117.95 – USD 190.58	363	25.14%
Grade 3	13,550 – 15,200	USD 111.98 – USD 125.61	601	41.62%
Grade 4	12,500 – 13,526	USD 103.30 – USD 111.78	347	24.03%

In addition to workers' wages, the project team found that the factory also provided the following benefits:

- No-cost medical consultations with the factory doctor for workers and their immediate family members, no-cost medicines, and financial assistance for further medical treatments;
- Scholarships for workers' children who achieve the "top four" rank in school, plus books, writing implements, and other school supplies for all workers' children;
- Gifts for each new baby born to Factory B workers, including a bath pot, bed nets, soaps, baby lotion, baby oil, powder, and clothing;
- A festival bonus for all employees, including new hires; and
- Discounted prices on organic vegetables from the factory shop.

WORKER FEEDBACK

Across all four factories participating in this project, the interview team from GWD documented workers' perspectives on their wages, hours of work, and financial challenges. The interview team found that the median wage across the factories fell far short of living wage estimates, both before and after factoring in overtime payments. Despite the prevalence of overtime work in the other three factories in this study, 92% of workers interviewed across the four factories reported that they would prefer to work more overtime than is available to supplement their base wages. The interview team found that workers reported spending a median of BDT 6,700 ($56.13) on food and BDT 4,000 ($33.51) on rent monthly—around 64% of the overall median salary, when overtime is included. In other words, the median worker in this study was found to be working overtime, sometimes working excessive hours, and was still spending nearly two-thirds of their wages on just two basic necessities, leaving little remaining income for savings, emergencies, or other essential costs such as healthcare, education, or transportation.

The interview team received consistent worker feedback across all four factories that rising costs following the national minimum wage increase in 2023 negated the increase in their purchasing power. More than half of all workers interviewed stated that they could not meet their basic needs with their wages—neither before nor after the minimum wage increase.

Factory B feedback

Overall, workers in Factory B's geographic region reported that they were somewhat better able to meet their basic needs than workers from two factories in this study located in an export processing zone around 275 kilometers away from Factory B.

Workers employed at Factory B also reported the following:

- Nearly all workers consulted by the project team reported taking out loans, reducing expenses, working a second job, or taking other steps to meet their needs on the wages provided by the factory.
- Workers reported that wages were unable to keep pace with inflation.
- Nearly two-thirds of workers reported that their rent had spiked after the government-instituted minimum wage increase in 2023, and nearly 90% stated that the minimum wage is too low.
- Only 12% of workers stated that their wages were able to meet their basic needs, though workers who were part of families with at least two working adults told the project team they could generally achieve financial stability.
- More than half of workers interviewed had been working in the garment industry between six and ten years, the highest longevity level of any factory participating in the project.
- Workers at Factory B reported the lowest number of hours of any participating factory (a median of 206 hours per month), and also the lowest median wages (BDT 14,274, or $117.75).
- Uniquely among participating factories, almost all workers at Factory B reported in March of 2025 that they had received the wage increase they were due after the December 2024 national minimum wage increase for continuing workers.

The interview team did not detect a gender gap in payment amounts at Factory B, or at any other factory included in the study. Across all factories, 64% of all workers interviewed were female, 84% of workers were married, and 67% of workers were younger than 30 years of age.

2021-2024 WAGE ANALYSIS

In 2021, the average monthly net wage at the factory was BDT 10,981. This was 37.26% higher than the applicable legal minimum wage of BDT 8,000, but 38.71% below the GLWC net living wage estimate of BDT 17,916 for Dhaka satellite cities at the time. The use of this benchmark is particularly relevant as the factory is located in Gazipur, one of Dhaka's main satellite cities.

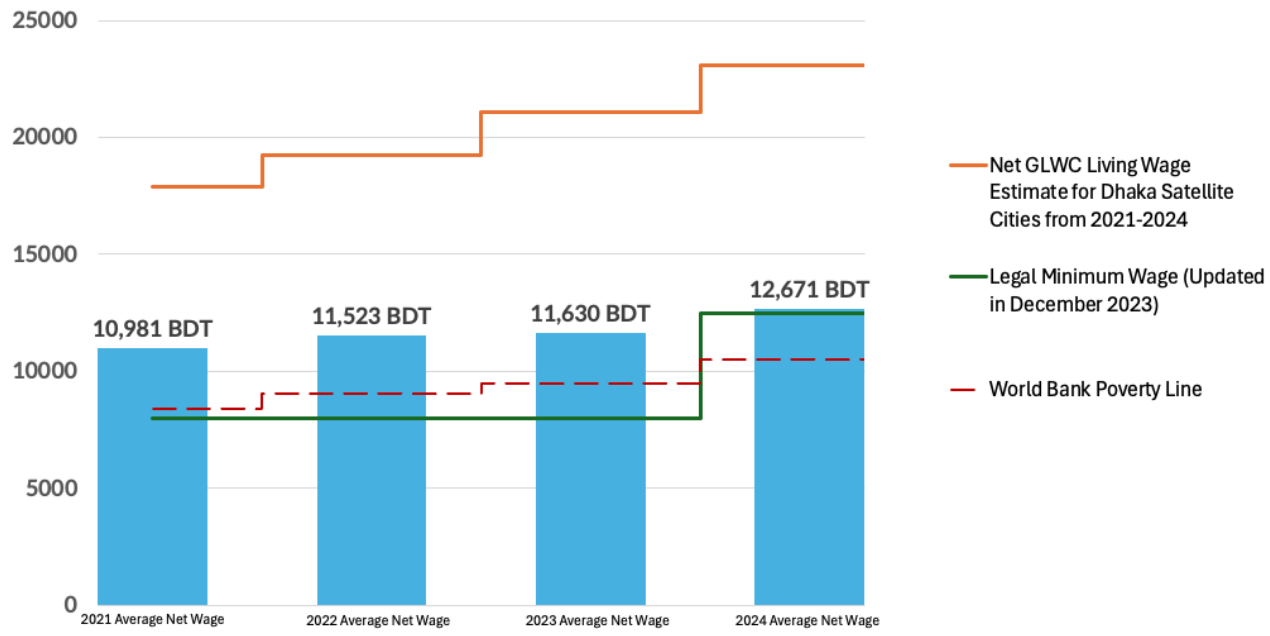
In 2022, the average net wage increased by 4.94%, rising to BDT 11,523. With the statutory minimum wage unchanged at BDT 8,000, the factory average stood 44.03% above the legal baseline. Meanwhile, the GLWC benchmark rose to BDT 19,245, resulting in a gap of 40.13% between the factory average and the living wage estimate.

In 2023, the factory's average net wage rose only marginally by 0.93%, reaching BDT 11,630. With the minimum wage still at BDT 8,000, this placed the factory average 45.38% above the statutory requirement. However, the GLWC benchmark increased more sharply to BDT 21,081, widening the living wage gap to 44.83%.

In 2024, with the national minimum wage revised to BDT 12,500, the factory increased its average net wage by 8.95%, reaching BDT 12,671. While this represented a meaningful boost in nominal terms, the increase resulted in the factory average being only 1.37% above the new statutory minimum. The GLWC net living wage estimate for Dhaka satellite cities rose to BDT 23,100, leaving a gap of 45.15%, the widest observed across the period. While the 2024 adjustment was larger than in previous years, it did not meaningfully improve proximity to the living wage benchmark.

Overall, the wage trends between 2021 - 2024 show that although the factory raises wages on an annual basis, the size of these increases does not consistently align with expectations under national labor regulations, particularly the mandatory 5% annual increment for workers with more than one year of service. The limited growth in certain years—most notably 2023—suggests that not all eligible workers may have received the full increment, or that changes in workforce composition diluted its effect at the aggregate level. As a result, wage growth at the factory has not kept pace with the rising living wage estimate, contributing to a persistent and widening living wage gap.

FIGURE 2: FACTORY B - AVERAGE NET WAGES FROM 2021-2024



Overtime made up a relatively modest share of workers' total compensation throughout the period. In 2021, overtime earnings averaged BDT 1,142, contributing to 10% of workers' total net compensation when leave and incentive pay were included.[5] This share increased slightly to 12% in 2022, with average overtime earnings rising to BDT 1,464. In 2023, overtime played an even more limited role in total compensation as it fell to an average of BDT 566, representing just 4% of workers' total pay for the year. This sharp decline suggests a reduction in overtime availability or operational changes that have reduced the need for extended hours. In 2024, overtime earnings rose again to BDT 1,054 but still accounted for only 8% of total compensation.

Taken together, these figures indicate that the factory relies far less on overtime to enhance total compensation than is common in garment factories in Bangladesh, where overtime can account for a substantial share of take-home pay. Across all four years, base wages form the clear majority of total compensation, with overtime contributing a supplementary rather than structural share. This places the factory in a comparatively strong position to increase regular wages over time, as workers are not dependent on high overtime hours to achieve a meaningful portion of their total earnings.

[5] The average net wage shown in the chart does not include incentive pay or leave pay. In calculating net wages, the FLA takes into account the basic (contracted) wage, cash benefits, and in-kind benefits, while also considering taxes and legal deductions.

Factory B: Promising practices and recommendations

The project team cited Factory B's strong worker retention as evidence that it had instituted positive practices to support its goal to provide workers with living wages and to help workers reduce their expenses. Alongside these promising practices, the team identified several recommendations for improvement, both of which are described below:

PROMISING PRACTICES

1. Strong workplace benefits
Factory B's provision of no-cost medical services and scholarships for workers' children stand out as noteworthy benefits among its peers.

2. Limited reliance on overtime
The project team did not find excessive hours of work at Factory B and found that the factory could meet production targets within the reasonable hours incorporated into its production planning. At the same time, workers reported financial strain, even with the in-kind benefits provided by Factory B, due to their inability to supplement their income with overtime hours.

3. Effective communication
Factory B's sourcing and production teams maintained productive and well-structured communications, ensuring close monitoring of production and efficient interactions with buyers.

4. Long-term partnerships
The project team found that Factory B's long-term relationships with its buyers helped ensure stable operations and optimized planning.

RECOMMENDATIONS

1. Provide a structured path to promotions and higher wages
While some workers are able to progress into higher-earning positions at Factory B following positive performance evaluations or recommendations by their supervisor, the factory should create a more structured and transparent process for workers who wish to advance. The factory could develop a "skill matrix" that defines the skills useful within the factory's operations by their complexity (such as machine proficiency by degree of difficulty) rather than focusing on the total number of operations a worker can perform. Such a system should also include clear benchmarks at which workers would become eligible for promotions and wage increases.

2. Develop an on-the-job training program
To support workers who wish to advance into higher-earning positions, the factory should strengthen its upskilling initiatives through structured on-the-job training. By integrating the "skill matrix" described above with targeted training, the factory can support long-term wage growth for workers.

3. Engage in social dialogue on living wages

Factory B should begin a dialogue with workers and the Participation Committee to collect worker feedback on the adequacy of their wages, and what improvements would most help workers earning enough money to cover their basic needs with some money left over. Factory B should consider ways to implement worker suggestions.

4. Consider creative incentive programs
Factory management identified that Factory B's business model limits its ability to offer efficiency incentives to workers. However, factory leaders should investigate alternative incentive models that align better with the factory's specialization. For example, the factory could develop incentives that reward achievements of high accuracy and quality, or the mastery of particularly complex tasks. The factory could collaborate with the participating buyer (and other buyers) to explore collaborative funding of a recognition or rewards program. Any new incentive programs should be developed collaboratively with workers, and Factory B should incorporate their insights and feedback into program design.

Buyer recommendations

As part of the pilot, the project team also reviewed Colosseum's purchasing practices, the participating buyer in this project. The project team observed that while Colosseum has a long-term relationship with Factory B's sourcing office, its relationship with Factory B is relatively new and represents a small percentage of Factory B's business – about 5 – 8%. Colosseum engages in effective buyer-supplier collaboration, which contributes to stable operations at the factory. The project team also identified the following recommendations for improvement:

1. Support skills-development and incentive programs
Colosseum could provide financial or technical support for the recommendations provided above to Factory B. For example, Colosseum could facilitate knowledge-sharing with other factories already implementing skills training programs, could provide technical guidance on training or incentive programs based on its own expertise, or could financially invest in developing such programs. These investments could be especially effective in Bangladesh or other environments where the legal minimum wage falls far short of living wage estimates. Creative programs to help workers advance in the workplace or supplement their wages can be a critical in the absence of strong wage-related regulations and enforcement.

2. Develop a system for evaluating supplier feedback
Although Colosseum collected supplier feedback through the Better Buying platform in the past, at the time of this project it did not have a feedback mechanism in place to better understand the effects of its purchasing practices at Factory B or other suppliers. Colosseum should develop such a mechanism.

3. Improve order forecasting
The buyer's business model poses challenges to accurate order forecasting, as it accepts orders from retailers and must wait until these orders are finalized before providing the factory with exact quantities. However, if Colosseum could provide any additional visibility into its upcoming orders to Factory B, such as by providing preliminary estimates, it may help the factory with its production planning.

3. Leverage insights from this project
The buyer's Colossem should continue and enhance its collection of wage data across its supply chain, particularly from high-risk and high-production-volume regions. This data should help Colosseum leverage insights from this project to inform its operational plan for achieving living wages for workers, especially where the need to raise wages is the most acute.

Overall, the project team recommended that Colosseum examine the relationship between the prices it pays to Factory B, and whether those prices enable the factory to achieve production practices in alignment with both companies' fair compensation goals.

Multi-stakeholder dialogue

After the conclusion of the fieldwork on this project, FLA hosted a multi-stakeholder roundtable on responsible purchasing practices in Dhaka, together with the Ethical Trading Initiative (ETI) and the Partnership for Sustainable Textiles (PST). The roundtable allowed stakeholders to communicate challenges and explore strategies for making progress on living wages as identified by the FLA project and by a parallel ETI/PST initiative to advance living wages through workplace social dialogue.

Buyers and suppliers joined together for a day of open dialogue on the project's findings, discussion of challenges different stakeholders face in achieving living wages, and review of the positive purchasing practices FLA recommends buyers. FLA led a training session on these practices, including responsible contracting clauses, open costing systems, accurate forecasting systems, and buyer support for worker engagement. ETI led a training session on social dialogue mechanisms.

Roundtable participants noted some sectoral and regional challenges to living wage progress in addition to those already identified by the project. For example, participants identified that many garment factories in Bangladesh struggle to pay even the legally mandated minimum wage, contributing to sectoral obstacles in the broad adoption of living wages. Participants also affirmed the inflationary challenges workers identified during the project, whereby the national increase in the minimum wage was offset by cost increases in rent, food, or basic necessities, slowing progress toward living wages. Notably, roundtable organizers observed a reluctance among participants to fully engage in discussion of solutions related to social dialogue, suggesting a need to overcome barriers to open communication and negotiation between employers, workers, and other stakeholders on living wages.

In addition to the collaborative business solutions discussed throughout the day, participants discussed ways that legal and policy efforts could supplement factory-focused solutions and support buyer-supplier efforts. For example, the government of Bangladesh could formally recognize living wages a national priority and clarify guidance around how to implement annual wage "increments"—the percentage increases mandated by law for continuing employees.

Conclusion

FLA's past reporting on fair compensation in global supply chains has indicated that Bangladesh represents a higher-risk sourcing destination due to persistent gaps between actual wages and

living wage benchmarks. The project's findings at Factory B support this conclusion, while showing promise for ways buyers and suppliers can collaborate for improvement.

Of the four factories studied on this project, median wages at Factory B were the lowest. According to wage data collected for October and November 2024, the average worker at Factory B was earning 40% less than the GLWC living wage estimate, without overtime.

However, uniquely among the factories studied, the project team did not find excessive overtime at Factory B and did find a noteworthy package of in-kind benefits—including no-cost basic medical care and scholarships for workers' children—that helped workers reduce their expenses.

The project team also found efficient production planning and strong long-term partnerships with buyers at Factory B. The factory and its buyers, including the buyer participating in this project, should build on this strong foundation. They should pursue continuous improvement of the factory's efficiency and productivity, engage workers on decisions related to wages and costing, and ensure that all costing negotiations account for the true cost of labor under the companies' living wage commitments.

To continue making progress on living wages without the need for overtime, Factory B should publicize its fair compensation commitment and continue cultivating relationships with buyers who will support living wages in policy and practice. The buyer participating in this project should enact its living wage commitments through responsible sourcing and costing. Both the factory and the buyer should continue collaborating with like-minded buyers and multi-stakeholder organizations to help realize fair compensation for workers across their supply chains.

Across the four factories studied in Bangladesh (and two other factories studied in Vietnam), the project team developed several recommendations that apply to all buyers working to support living wage progress in their supply chains. Based on the findings of this project, buyers should:

- Pursue a transparent costing process with factories that accounts for payment of living wages to workers.
- Encourage collaboration between sustainability and purchasing teams to ensure that purchasing decisions take living-wage commitments into account.
- Incorporate living wage costs into their production prices and find other ways to financially support their suppliers' progress toward living wages, such as investments in incentive programs.
- Communicate with their suppliers about their support for strong worker engagement practices and social dialogue.
- Collect wage data from suppliers to better understand workers' wages and which factories are most in need of improvement.
- Examine ways to collaborate with multi-stakeholder partners and other buyers on supporting worker trainings on living wages and collective bargaining.
- Collaborate with each other and multi-stakeholder partners to increase their leverage with factories in pursuit of living wages for workers.

Appendix: Preliminary action plans (subject to further development)

The action plans included in this appendix are in progress and reflect ongoing collaboration between the buyer and the factory.

Table A: Factory B action plan recommendations

Recommendation	Notes	Timeline for completion
Implement a clearly defined skill matrix that categorizes workers based on specific skill levels, providing transparent benchmarks for promotions and wage increases.	The factory produces different types and styles of garments, meaning one worker does not focus on a single operation every week. As a result, it is difficult to define a clear skill matrix for all workers. However, the factory will consult an expert to find a matrix with appropriate production criteria.	Ongoing *As of this report's publication, the factory has had difficulties developing this matrix because of the complexity of production. Factory management has asked Colosseum for additional resources, guidance, and examples.
Develop incentives that reward workers for maintaining high accuracy and quality while effectively managing production complexity, to ensure workers' earnings can grow within regular working hours.	The factory already has 15 best practices for in-kind benefits and cash allowances provided to workers and their immediate family. However, the factory has several concerns about implementing incentives, including concerns about possible favoritism among supervisors and workers, and concerns about the Bangladesh Garment Manufacturers and Exporters Association's (BGMEA) restrictions on incentives and increased pay. Colosseum is working with the factory to address these concerns.	Ongoing

Table B: Colosseum action plan recommendations

Recommendation	Notes	Timeline for completion
Improve order forecasting. While the brand's business model as a booking company means it must wait until all orders are finalized before determining exact quantities, any additional visibility—such as sharing preliminary estimates or historical trends—could still be beneficial.	Colosseum will review opportunities for special make-ups (SMUs) in future seasons, since Factory B provides price quotes and production capacity based on a target number of units. This could help the factory plan production and allocation of materials and trims better. To support forecasting and the factory's ability to plan production and allocate adequate resources, Colosseum can provide historical trends on certain styles when they are in the proto or SMS stage, if they are similar to a style produced previously. Colosseum's SMU business has decreased considerably as their largest customer is no longer buying from the company. While Colosseum will continue to consider Factory B when costing and developing SMU programs, the best path forward is likely to focus on historical trends for similar styles. Because of the current tariff landscape, it's difficult to predict what future seasons and ordering will look like. Colesseum will adjust the action plan if it is not feasible in the future.	Ongoing, but starting in fall 26.
Support workers' skills **d**evelopment and wage growth. Assist the factory in establishing a clear skill matrix linking specific skills and machine operations to wage progression.	Colosseum will support Factory B in creating a skill matrix for evaluating worker performance, especially when determining wage increases.	Ongoing; Colosseum has requested examples of a skill matrix from FLA.