Bangladesh: Living wage study

PROJECT REPORT, FACTORY D
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 work together 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 an FLA member (referred to throughout this report as the "participating buyer") 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 D."

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 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. Factory D, like two of the other three factories in this study, incorporated overtime into its regular production planning.

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 D, the project team found a mix of promising practices and opportunities for improvement. For example, Factory D was providing on-the-job training to help workers advance

---

[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] 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).

into higher-paid roles; conducting successful worker training on wages, benefits, and allowances; and engaging in positive buyer-supplier dialogue. At the same time, Factory D's wage levels and reliance on overtime can impact workers' quality of life. The project team recommended that Factory D engage in greater social dialogue with workers and the Participation Committee on ways to make progress on workers' wages. The team recommended productivity incentives as one option for providing additional income opportunities for workers.

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 productivity incentives. Find further recommendations for buyers in the conclusion section of this report.

In line with FLA's supply chain transparency requirements, FLA member companies must make their Tier One factories public through a list on their website or other public platforms. FLA also historically discloses its members' participation in living wage reports. However, the company featured in this report sources from a single factory in Bangladesh. To protect the factory's anonymity, FLA has applied an exception to its usual disclosure requirement and anonymized the company as well. All living wage findings in the report related to the buyer are retained in full.

Table of Contents

Executive summary *1*
Introduction and methodology *4*
Background *5*
Research observations *6*
Factory D: Promising practices and recommendations *10*
Buyer recommendations *11*
Multi-stakeholder dialogue *12*
Conclusion *13*

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 D, a garment manufacturer located in the Export Processing Zone (EPZ) in Chattogram, Bangladesh. Factory D is operated by a large multinational corporation, which is headquartered outside Bangladesh, and employs tens of thousands of people across several countries, primarily in garment and textile manufacturing. Factory D has supplied products for the participating buyer since 2012.

TABLE 1: FACTORY D RESEARCH (2024)

Research method	Sources
Management and supervisor interviews	Factory manager, human resources manager, and supervisors
Worker interviews	75 workers
Buyer purchasing practices review	Participating buyer submitted documentation as part of the Milestone 5 evaluation within the Fair Labor Accreditation Program
Wage data review	Documentation of wages during offsite worker interviews in Oct. and Nov. 2024 Annual wage data collected through FLA's Fair Compensation Toolkit

As part of the project, Factory D, along with the participating buyer, agreed to provide information to FLA about their production planning and purchasing practices, respectively. The factory also agreed to provide information about its 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 conduct the wage data review. GWD followed up with a survey in March of 2025 to learn about workers' experiences with minimum wage 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 the financial challenges they faced.

Following the data collection and analysis, the project team met with members of Factory D's management team and provided recommendations for steps they could take to make further progress toward living wages. Similarly, the project team provided recommendations to the participating buyer, which developed an action plan for helping the factory meet its 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 D took place in December 2024. At the time, GLWC estimated the net living wage for the satellite cities outside of Dhaka to be Bangladeshi taka (BDT) 23,100 (USD $197).[3] Factory D is located in Chattogram, which is around 250 kilometers from Dhaka and is therefore not strictly located in a satellite city. This report uses the BDT 23,100 ($188) living wage estimate as the closest possible estimate currently published by GLWC.

The minimum wage applicable to the garment sector in January of 2025 was BDT 12,500 ($103).[4] The government of Bangladesh raised the previous minimum wage of BDT 8,000 ($72) in 2023 after widespread worker protests about poor wages. In the EPZs, the minimum wage was slightly higher at BDT 12,800 ($105). For both EPZ and non-EPZ factories, an adjustment in the annual increment was made in December 2024, when the government announced a nine percent increase for all garment workers with one year of service, raising the wage for these workers to BDT 13,625 ($112) and BDT 13,952 ($115) in the EPZs.

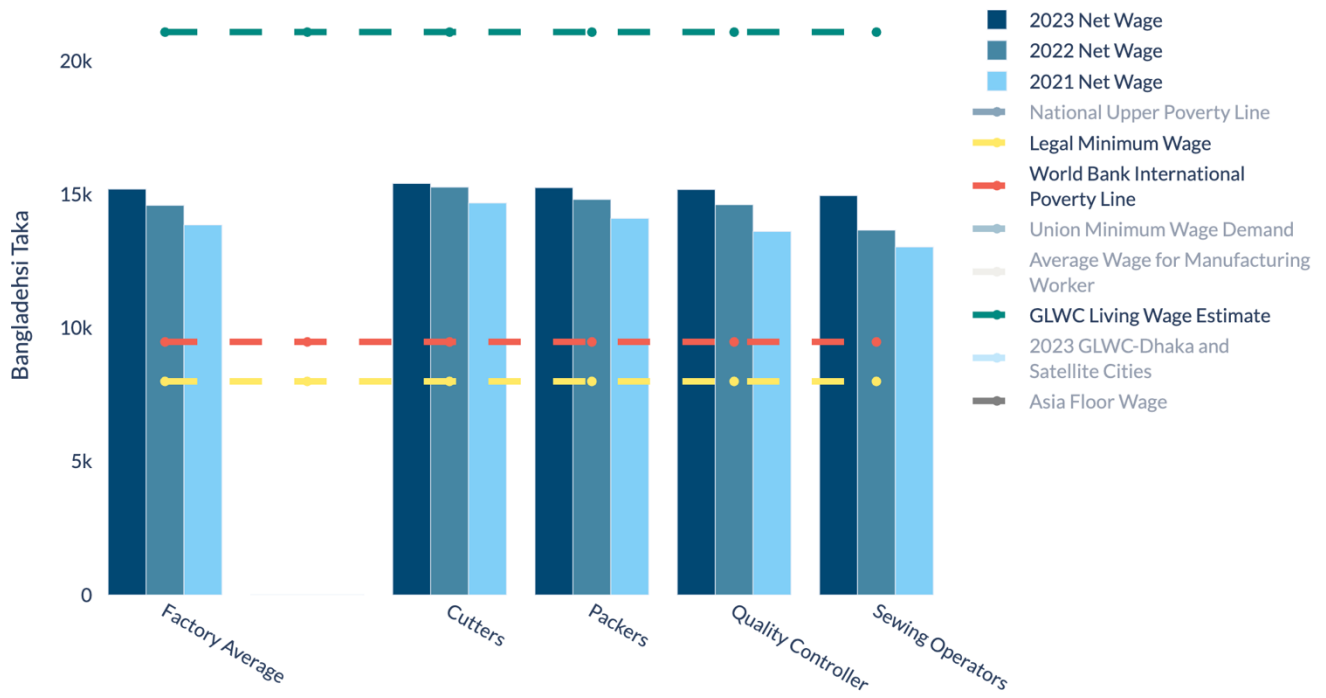
At the time of the research, Factory D employed more than 7,000 people, all of them Bangladeshi, and more than 60% of them women. Because the factory was located in an EPZ, no union was allowed to operate there. However, the project team found that Factory D maintained an active Participation Committee that met with management quarterly to discuss issues of concern to workers. The factory documented meeting minutes and records of issue resolution of follow-up actions, and posted this information on notice boards for workers' awareness.

Previous wage data compiled by Factory D in 2021, 2022, and 2023 provided the team with insights on wage levels prior to data collection on this project. As shown by Figure 1, the average worker's earnings increased year after year but remained far below the then-current GLWC living wage estimate (BDT 21,081, or $194).

[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 2021, 2022, AND 2023, PRIOR TO THE PROJECT



Research observations

The project team learned that the company operating Factory D manages sourcing from its head office overseas. The team at the head office works with buyers on price negotiations and confirmation of orders. Because factory management in Bangladesh is not involved in these processes, they had few observations to share with the project team on buyers' purchasing practices.

However, the project team was able to confirm that the participating buyer provided order forecasts four months in advance and tended to confirm orders two months prior to delivery date, helping to support efficient production planning at Factory D. Factory management stated they were unaware of any production challenges with the participating buyer.

The factory conducts all of its production activities in-house, and plans production around an 8-to-10-hour workday, six days a week, incorporating overtime into its regular production planning. Data collected during the project showed that working hours may in rare cases extend to 11 hours, depending on production volume. The project team calculated that the median work hours for the workers they interviewed was about 10 hours.

The project team learned that when Factory D hires a worker, the industrial engineering team evaluates the worker's skills using a defined matrix and assigns them to a category based on their knowledge and operational proficiency. The factory negotiates with individual workers on any wage rates offered that are higher than the legally applicable level. Helpers, the lowest-paid workers, perform tasks that do not require them to operate sewing machines. Junior operators

work on single-needle machines; operators work on both single- and double-needle machines, and senior operators work on all machines, including computer-stitch machines. Starting wages vary according to these skill levels, as demonstrated in the chart below.

TABLE 2: WAGES BY JOB CATEGORY

Category	Role	Monthly wage	Number and percentage of workers
Unskilled	Helpers	BDT 12,800 ($107.56)	293; 4%
Semi-skilled	Junior operators	BDT 13,800 ($115.96)	2,200; 30%
Skilled	Operators	BDT 14,450 ($121.42)	2,787; 38%
Highly skilled	Senior operators	BDT 15,200 ($127.73)	2,053; 28%

The factory also provides a monthly and quarterly attendance allowance, night shift allowance, transportation allowance, subsidized lunches, and a no-cost medical facility for workers' general healthcare needs. The factory provides a festival bonus to all employees, including new hires.

The GWD worker interview team calculated that the median monthly wage at Factory D was BDT 17,381 ($145.62) including overtime across the months of October and November 2024 and BDT 15,486 ($129.74) without overtime. Neither salary meets GLWC living wage estimates. Moreover, FLA standards do not include overtime—or any other payments that are not guaranteed—when evaluating whether a factory pays a living wage. The BDT 15,486 figure represents around a 33% gap with the GLWC living wage estimate, BDT 23,100 ($197), meaning the median worker was earning one-third less than the estimated living wage.

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 three of the four factories, 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. Overall, workers in the export processing zone in Chattogram, where Factory D is located, reported that they were less able to meet their basic needs than workers at the two factories in this study located in Gazipur, closer to Dhaka.

Factory D feedback

Workers employed at Factory D also reported the following:

- All workers reported being paid on time.
- At the same time, nearly two-thirds of workers stated they wanted to work more overtime, but they could not, due to Factory D's strict adherence to the limits of two overtime hours per day, and no more than 60 hours of work per week.
- Almost all workers had seen their expenses increase following the minimum wage increase. Sixty percent of workers had adjusted their financial habits because of this (either taking loans or reducing spending), and 29% said they could not meet their household's financial needs. Still, 74% of workers said they were able to save some of their income in case of emergencies.
- More than 60% of workers stated that the minimum wage is too low, due to rising living costs.
- Almost all workers reported that the Participation Committee was actively engaged in workplace affairs, with 76% stating they felt the committee represented their interests.

The interview team did not detect a gender gap in payment amounts at Factory D, 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

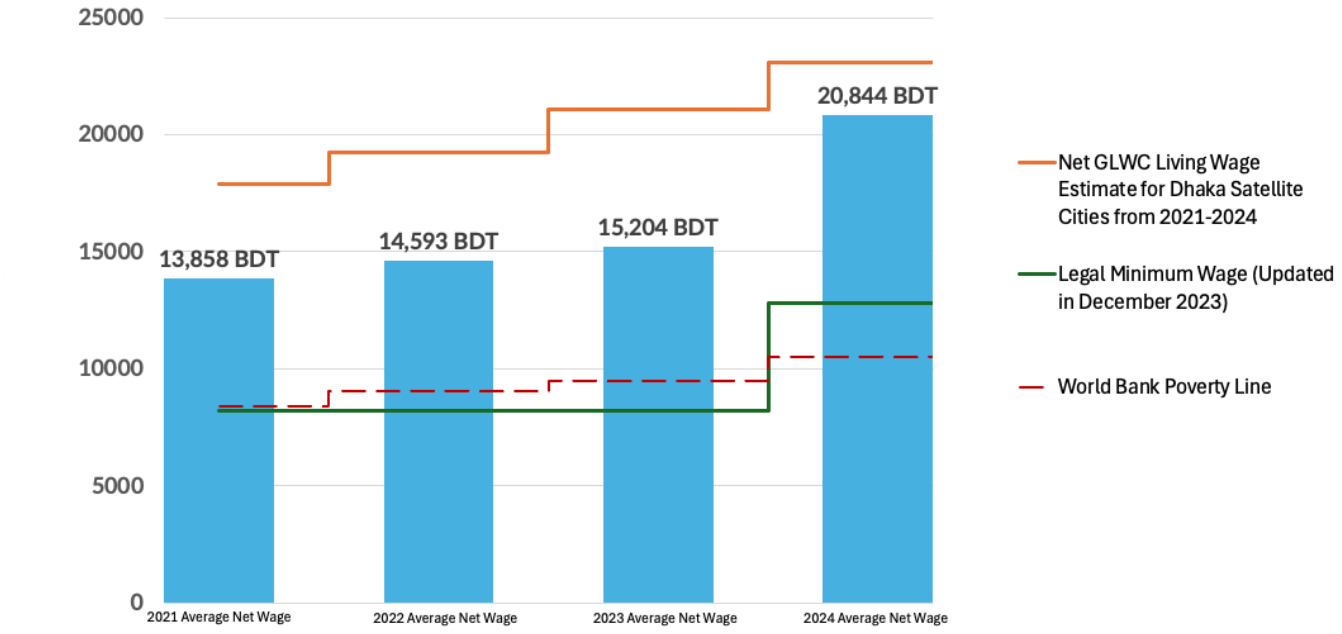
In 2021, the average monthly net wage at the factory was BDT 13,858. This was 69% higher than the legal minimum wage of BDT 8,200 applicable to Bangladesh's EPZs, but it remained 22.65% below the Global Living Wage Coalition (GLWC) net living wage estimate of BDT 17,916 for Dhaka satellite cities at the time. In 2022, the average net wage increased by 5.30% from the previous year, rising to BDT 14,593. This growth occurred in the absence of any changes to the statutory minimum wage, which remained at BDT 8,200 throughout the year. Compared to this baseline, the factory average was 77.96% higher. However, the gap with the GLWC benchmark, which had risen to BDT 19,245, remained substantial at 24.17%.

In 2023, the average net wage rose an additional 4.19%, reaching BDT 15,204. The GLWC benchmark increased sharply in the same period, rising by 9.54% to BDT 21,081. As a result, while the factory average was 85.42% above the unchanged legal minimum wage, the gap with the GLWC estimate increased to 27.87%. The pattern across 2022 and 2023 indicates that the factory can deliver annual increases of around 4-5% even without changes in the statutory baseline. This could suggest that the factory is retaining its workforce and consistently applying the mandatory annual increment of 5% for workers with one year of service or more.

In 2024, following the revision of the minimum wage in EPZs to BDT 12,800, the factory's average net wage increased markedly by 37.10%, reaching BDT 20,844. This adjustment lifted factory averages well above the new statutory floor, by 62.84%. At the same time, the gap with the GLWC net living wage estimate of BDT 23,100 narrowed significantly to 9.77%, meaning the factory average now covered about 90 percent of the benchmark. Within the project, this factory stands out as the closest to the living wage estimate. Its averages had already been higher than those of the other participating factories in earlier years, and its ability to achieve steady year-on-year gains in the absence of regulatory changes to the legal minimum demonstrates a stronger capacity to make sustained progress.

It should be noted that the GLWC estimates are based on Dhaka satellite cities and may not fully reflect wage and cost of living conditions in Chattogram, where the factory is located. They are therefore used here as a reference point to support transparency and inform project insights and recommendations, rather than as definitive conclusions.

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



Overtime earnings formed a significant share of workers' total compensation in 2021, accounting for 26% of net pay when leave and incentive pay were included.[5] This reliance on overtime remained broadly stable in 2022 at 25%, before declining to 17% in 2023 and 18% in 2024. In absolute terms, average overtime earnings increased from BDT 3,761 in 2021 to BDT 3,855 in 2022, then fell to BDT 2,645 in 2023 before climbing again to BDT 3,761 in 2024. While these figures show that the factory has reduced the role of overtime compared to 2021, it continues to account for between one-quarter and one-fifth of workers' total earnings. Given the relatively high wage levels already achieved by the factory, further efforts to shift these amounts into base pay could enable workers to reach or surpass the living wage estimate through regular wages alone.

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

Factory D: Promising practices and recommendations

The project team identified several promising management practices in place at Factory D. In particular, workers reported satisfaction with the timeliness of their wage payments, the company's leave policies, the no-cost medical center, and its festival bonus policy.

Further promising practices and recommendations include the following:

PROMISING PRACTICES

1. On-the-job training
Factory D provides on-the-job training to help workers move into higher-paid roles when needed.

2. Buyer-supplier dialogue
Factory D maintains effective communications with the participating buyer working on this project.

3. Worker engagement
The project team found positive worker-engagement practices, noting that that Factory D communicates information on factory policies and procedures during both the hiring and orientation processes. The factory also conducts periodic refresher training programs to update workers on wages, benefits, and allowances. Factory management posts notices about these topics in work areas in the workers' native languages and sends worker welfare officers to engage with workers regularly on the production floor.

RECOMMENDATIONS

1. Improve communication between the factory and company headquarters
Factory D and relevant staff in the overseas head office should collaborate to increase factory management's understanding of buyers' purchasing practices and how the company negotiates with buyers on costs. Factory management and head office staff should ensure they are aligned on how to account for buyers' fair compensation commitments in costing and production planning.

2. Establish a company-wide human rights due diligence program
Because Factory D is part of a large multi-national corporation employing tens of thousands of workers, Factory D's leadership should consider developing a comprehensive human rights due diligence program that can scale improvements across its locations. Such a program could leverage worker input across a variety of locations for living wage solutions that might be relevant to more than one factory. The program could test solutions before company-wide rollout, continually assessing living wage gaps across all corporate operations and implementing improvements in collaboration with buyers, workers, and other stakeholders.

3. Improve communication with workers on wage grades
Although workers understood many aspects of workplace compensation, the project team found that worker awareness was low about the wage thresholds of other grades, how to progress between roles, and when and how regulatory changes affect their earnings. Factory D should strengthen its worker training and engagement on these aspects of workers' compensation.

4. Engage in social dialogue on living wages
Factory D should begin a dialogue with the Participation Committee and establish ongoing worker feedback mechanisms to collect information on the adequacy of workers' wages, and their work-life balance relative to the high number of hours factory employees work each week. Factory D should seek to understand what improvements would help workers manage their hours while still earning enough money to live and consider ways to implement worker suggestions.

5. Engage workers on the time it takes them to complete tasks
Factory D should involve workers in decision-making related to changes in compensation systems and related policies. In particular, the factory should engage workers in establishing standard-minute values (SMVs) for workplace tasks as part of the labor costing process. The factory could establish a committee of workers trained in SMV-setting to assist management and provide insights into production challenges.

6. Better manage overtime hours
Factory D must not plan production around excessive overtime. Workers understandably say they want more overtime hours to supplement their low wages, which makes Factory D's implementation of additional strategies to increase workers' pay and implement workers' compensation-related suggestions more critical. The project team recommends continuing to invest in improving production line efficiency, machinery improvements, and worker skills training.

7. Establish a productivity incentive program
Factory leaders should consider incentive programs that provide financial rewards for outstanding performance, helping workers reduce their reliance on overtime. The factory could collaborate with the participating buyers (and other buyers) to explore collaborative funding for a recognition or rewards program. Any new incentive programs should be developed collaboratively with workers and Factory D should incorporate their insights and feedback into program design.

Buyer recommendations

As part of the pilot, the project team also reviewed the participating buyer's purchasing practices. The project team cited the strong buyer-supplier dialogue between Factory D and the buyer as a promising practice, while offering the following recommendations for improvement:

1. Support the factory's worker engagement efforts
The buyer should communicate to Factory D that it strongly supports the factory engaging directly with workers on the topic of living wages. This should include strong support for conducting regular social dialogue with the Participation Committee, seeking ongoing feedback from workers on their cost of living and their ideas for reducing reliance on overtime, and involving workers in decisions on costing and production processes.

2. Strengthen cross-department and supplier dialogue
The buyer should ensure that its fair compensation commitment is well known by relevant internal departments and Factory D's management and headquarters staff. The buyer should regularly engage all of these parties in reviewing and analyzing wage data and pursuing strategies for

improvement where the data shows, as at Factory D, that compensation is far below the living wage estimate and that workers have a heavy reliance on overtime.

3. Pursue continuous improvement in planning and sourcing
The buyer should continue to enhance its production planning, demand forecasting, and supplier communication to help reduce the factory's reliance on excessive overtime while ensuring purchase orders reflect living wage costs.

4. Incorporate responsible sourcing into performance reviews
The buyer should review wage data and information from supplier surveys when assessing the performance of relevant staff. They should ensure that staff are conducting cost negotiations that account for living wage costs.

5. Support productivity incentive programs
The buyer could financially invest in any new incentive programs Factory D develops to help ease workers' reliance on overtime. Such 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 supplement wages can be a critical stopgap for workers facing poverty, in the absence of strong wage-related regulations and enforcement.

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

Overall, the project team recommended that the buyer examine the relationship between the prices it pays to Factory D, and whether those prices enable Factory D 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 this 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, a discussion of challenges different stakeholders face in achieving living wages, and a 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 often offset immediately by cost increases in rent, food, or basic necessities, slowing progress toward living wages. This economic pressure was compounded by structural and political barriers: suppliers emphasized that wage structures cannot be easily adjusted—such as introducing new productivity incentives—without direction from centralized bodies like the Bangladesh Garment Manufacturers and Exporters Association (BGMEA) or the Bangladesh Export Processing Zone Authority (BEPZA).

While the project relied on available channels such as the Workers Welfare Association and Participation Committees to conduct assessments and inform recommendations, these mechanisms have limited reach, and roundtable participants showed hesitation to fully engage in discussions on social dialogue. Some also observed that workers often seek additional overtime, particularly in the EPZs where many migrate for employment opportunities — a practice that has become normalized but reflects the inadequacy of base wages. These perspectives highlighted the importance of creating more space for structured dialogue between workers and management. At present, this space remains constrained: unionization rates are low, unions are not permitted in the EPZs, and alternative mechanisms are limited in scope. Even so, participants recognized that the existing structures can provide a starting point for engagement, and with continued effort supported by all parties, including brands, these spaces could be expanded for more meaningful worker–management dialogue.

In addition to collaborative business solutions, 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 as a national priority and clarify guidance around how to implement and monitor the implementation of the 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 D support this conclusion, while showing promise for ways buyers and suppliers can collaborate for improvement.

Three of the four factories studied in Bangladesh—including Factory D—planned production around overtime hours. Even when working up to 66 hours a week in rare cases, workers reported needing more overtime to earn enough wages to cover their basic needs with some money left for saving. The data collected on the project supports workers' interpretation of their wages. According to wage data collected for October and November 2024, the average worker at Factory D was earning one-third less than the GLWC living wage estimate, without overtime. With overtime included, the average worker was earning one-quarter less than the living wage estimate.

FLA's living wage definition does not include overtime or any other unguaranteed components of workers' pay when evaluating whether workers' wages are living wages.

The project team found efficient production planning and strong buyer-supplier collaboration at Factory D. 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—achievable without overtime—Factory D should publicize its fair compensation commitment and continue cultivating relationships with buyers who will support living wages in policy and practice. The participating buyer 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 the company's 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 training on living wages and collective bargaining.
- Collaborate with each other and their multi-stakeholder partners to increase their leverage with factories in pursuit of living wages for workers.