

Report on
Sustainable Procurement in RMG Sector: A focus on Aman Knittings
Ltd., Bangladesh

By

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23382024

A practicum report submitted to the BRAC Institute of Governance and Development (BIGD) in partial fulfillment of the requirements for the degree of Masters in Procurement and Supply Management

BRAC Institute of Governance and Development (BIGD)
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Declaration

It is hereby declared that, the report submitted is my own original work while completing degree at BRAC University. The report does not contain material previously published or written by a third party, except where this is appropriately cited through full and accurate referencing. The report does not contain material that has been accepted, or submitted, for any other degree or diploma at a university or other institution. I have acknowledged all main sources of help.

Student's Full Name and Signature

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Letter of Transmittal

Mohammad Sirajul Islam

Sr. Academic Coordinator

BIGD, BRAC University

Subject: Submission of practicum report titled “Sustainable Procurement in RMG Sector: A focus on Aman Knittings Ltd., Bangladesh”

Dear Sir,

I am grateful to submit herewith my report on “Sustainable Procurement in RMG Sector: A focus on Aman Knittings Ltd., Bangladesh”, as a partial requirement to achieve the degree of Masters in Procurement and Supply Chain Management. It is my proud privilege to work under your active supervision and guidance.

I have attempted my best to finish the report with the essential data from senior officers of directorate of Primary Education, student and teacher in prevent dropout.

I hope that the report will meet the desires.

Sincerely yours,

A. T. M. Jakaria

23382024

BIGD, BRAC University

Non-Disclosure Agreement

This agreement is made and entered into by the undersigned A.T.M. Jakaria at BRAC University and the Aman Knittings Ltd. As I am currently working at the organization, I have access to the organization's information. I agree that I will keep all the information strictly confidential and will not share it with anyone outside of the organization.

Student's Full Name and Signature

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Workplace Supervisor's Full Name and Signature

Md. Tanvir Alom, Manager, Aman Knittings Ltd.

Acknowledgement

At first our gratefulness goes to Almighty for giving us strength and ability to complete the assignment & report. May your name be exalted, honored & glorified. A bunch of people have contributed on preparing this report. Their valuable advice and suggestions made it easier for us. At the time of assignment and report, I worked mainly on a Supply Chain Department of Knitting factory. I would like to offer special thanks to my supervisor Mr. Mohammad Sirajul Islam, Senior Academic Coordinator, BIGD, BRAC University & Mr. Tanvir Nayeem, Manager [Sourcing Department], Aman Knittings Ltd. for helping me to do this report continuously guiding me about the development and preparation of the report. Above all, I would like to acknowledge my deep debt to all of my university & particularly of BIGD for their kind inspiration & help, which remain as the backdrop of all my efforts. However, within short span of time, I have prepared my assignment and report overcoming all the difficulties. Here I would like to present the report and acknowledge that I remain responsible for the inadequacies & errors, which doubtless remain in the following report.

Executive Summary

This practicum report, titled “Sustainable Procurement in the RMG Sector: A Focus on Aman Knittings Ltd., Bangladesh,” was conducted from January to May 2025 as part of the requirements of the MPSM program. The report explores how sustainable procurement practices are integrated within the Ready-Made Garment (RMG) industry in Bangladesh, using Aman Knittings Ltd.—a prominent knitwear manufacturer and sister concern of Unifill Group. The topic was chosen in light of increasing global attention toward environmentally and socially responsible sourcing, especially in labor-intensive industries such as garments. The practicum relied on primary data collected through interviews with 20 mid- and top-level professionals from various departments such as merchandising, supply chain, quality, and compliance, as well as insights gained through the author’s professional experience at Aman Knittings Ltd.

Chapter 1 provides the context and objectives of the practicum, discussing the rising importance of sustainable procurement in response to global standards like the Sustainable Development Goals (SDGs) and ISO 20400. The chapter outlines the objectives of identifying key imperatives for sustainable manufacturing and evaluating the contribution of supply chain management in achieving sustainability. Aman Knittings Ltd. has shown proactive efforts in sustainable sourcing by only procuring Better Cotton Initiative (BCI) certified yarn, and increasingly sourcing organic and recycled materials in response to global customer demands. The company maintains a strict compliance framework to select suppliers and has made sustainability a core aspect of its procurement strategy.

Chapter 2 elaborates on the supply chain management structure of Aman Knittings Ltd., emphasizing its supplier evaluation system and procurement practices. Suppliers are categorized based on performance into Platinum, Diamond, Gold, Silver, and Bronze tiers. Strategic suppliers are chosen based on evaluations related to price, delivery, quality, and customer service. The company follows a disciplined approach regarding lead time, payment terms, negotiation, documentation, and delivery processes. Aman ensures ethical procurement through strict codes of conduct that prohibit bribery,

enforce labor rights, and demand product traceability. A comprehensive evaluation system ensures continuous monitoring and elimination of non-compliant suppliers.

Chapter 3 presents the main findings and observations from the practicum. It identifies that sustainable procurement is no longer optional but a business imperative driven by customer expectations and environmental concerns. The chapter highlights that Aman Knittings Ltd. is working towards sourcing 50% of its materials from sustainable sources by FY30, including organic cotton, recycled fibers, and BCI-certified cotton. Data shows a significant shift in procurement patterns, with BCI cotton accounting for over 92% of procurement in early 2024. However, a major challenge was identified regarding delays in receiving Transaction Certificates (TCs) from suppliers for organic cotton. These certificates are critical for verifying compliance with organic standards and are often delayed due to poor documentation, internal inefficiencies, or misleading assurances from suppliers. In response, Aman Knittings has implemented a detailed Standard Operating Procedure (SOP) to address the issue, including checkpoints from sampling to final delivery, and rigorous verification by the sourcing and technical departments. This has helped improve accountability and traceability in the supply chain.

In summary, this practicum demonstrates that while Aman Knittings Ltd. has made commendable progress in integrating sustainability into its procurement and supply chain management, there are still challenges—particularly in documentation and supplier awareness—that need to be addressed. The findings reinforce the critical role of structured procurement practices, supplier collaboration, and effective documentation systems in achieving long-term sustainability goals in the RMG sector.

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List of Acronyms

BCI – Better Cotton Initiative.

GOTS - Global Organic Textile Standards.

RMG-Ready-made garments. SCM-supply chain management.

SOP – Standard Operating Process.

TC – Transfer Certificate.

Chapter 1: Introduction and Scope of Practicum

1.1 Background: Sustainability in Garment Industry

Sustainable procurement has become a critical focus in the global RMG sector as stakeholders aim to address environmental, social, and economic challenges. International standards like the UN's Sustainable Development Goals (SDGs) and ISO 20400 emphasize responsible sourcing to reduce waste, minimize environmental harm, and uphold labor rights. With increasing consumer demand for ethical and sustainable products, RMG manufacturers must integrate sustainability into their procurement processes to remain competitive. In Bangladesh, the RMG sector accounts for a significant portion of GDP and exports, employing millions of workers. While the industry drives economic growth, it also faces heavy reliance on imported raw materials, labor rights violations, and environmental pollution. Despite notable progress, such as green factory certifications and initiatives for waste reduction, integrating sustainability into procurement remains an ongoing challenge. Addressing these issues is essential to secure the sector's position in the global market.

As an employee of Aman Knittings Ltd., I can say that our company is enthusiastic about this sustainability. The company selected for this study operates as a leading player in Bangladesh's RMG sector. It has a well-established supply chain but faces challenges in implementing sustainable procurement practices. Limited supplier transparency, cost constraints, and weak enforcement of sustainability standards are key obstacles. This study seeks to assess these issues and provide actionable recommendations to align the company's procurement practices with sustainability goals. In Aman Knittings, the company didn't procure any yarn without BCI [Better Cotton Index]. Not only that, most customers seek organic cotton and recycled yarn. Customers from every corner of the world are looking for sustainable items that are less hazardous to our environment. That's why the company set up the supplier basement which suppliers are maintaining proper compliance. The company maintains proper certification of all suppliers. For that reason, I chose the sustainable procurement as

my practicum topic.

During the coursework particularly in PSM-607 titled Sustainable Procurement Aman Knittings Ltd. have learnt various aspects of sustainable procurement. Sustainable procurement (or “green procurement”) is the process of integrating environmental, social, and governance (ESG) goals into procurement, purchasing, and supply chain. Sustainable procurement integrates responsible business practices and sustainable corporate behavior into procurement processes, policies, and decisions. It balances sustainability, profitability, and meeting stakeholder requirements. Sustainability is a strategic direction that goes beyond the requirements of legislation or economics. It considers stakeholder expectations on what is acceptable and fair. It aims to do good business now without compromising the future.

1.2 Objectives of the Practicum

The objective of Sustainable Procurement in the RMG Sector is to integrate environmental, social, and economic considerations into the procurement process to ensure long-term sustainability, ethical practices, and resilience within the supply chain. It aims to address the environmental and social impacts of procurement decisions while balancing cost and operational efficiency. Throughout this practicum I will examine the sustainability processes in the RMG factories with particular focus on Aman Knittings Ltd. The detail scope of practicum will address the following two questions.

- a) What are the key imperatives for sustainable manufacturing in Bangladesh's RMG industry with reference to Aman Knittings?
- b) How does supply chain management contribute to sustainable manufacturing in Aman Knittings Ltd.?

1.3 Methodology of Practicum

I am working in RMG sector I can easily communicate with mid management and top management, in this case study I collect data from 20 people who have been working in this sector in factory and

buying house for 12-18 years working middle management and top management, so they are well-known this RMG sector. They are working in this sector when this sector was growing and rise. I have interviewed RMG concerned people for this practicum. I took appointments from the interviewers over phone calls and interviews at their offices. Participants are working as Merchandising and Supply Chain department, Quality Assurance department, Industrial Engineer department, Commercial department, Human Resource department, Compliance Department and ERP team. Every day I read different web sites, I used search engine for Google, Google Scholar, slide share. More importantly, I have applied my understanding and observations in this practicum based on my professional experience in the garments industry and Aman Knittings. Under the guidance of my workplace supervisor, I have completed the practicum work. from January to April 2025.

Chapter 2: Supply Chain Management of Aman Knittings Ltd.

2.1 Procurement in Aman Knittings Ltd.

Sustainable procurement is implemented from the beginning of identifying a purchase need and involves the whole supply chain. In the past, green procurement only focused on the environmental aspects. However, today organizations are beginning to take a more holistic approach that considers social and economic factors. Sustainable procurement challenges whether there is a real need for a product or service. It considers the potential environmental and social impacts and alternative options to save resources and avoid unnecessary consumption. It actively develops suppliers to meet a higher standard of responsibility. Figure:1 reflects the total amount of BCI Cotton Aman Knittings Ltd.procured by Aman Knittings.

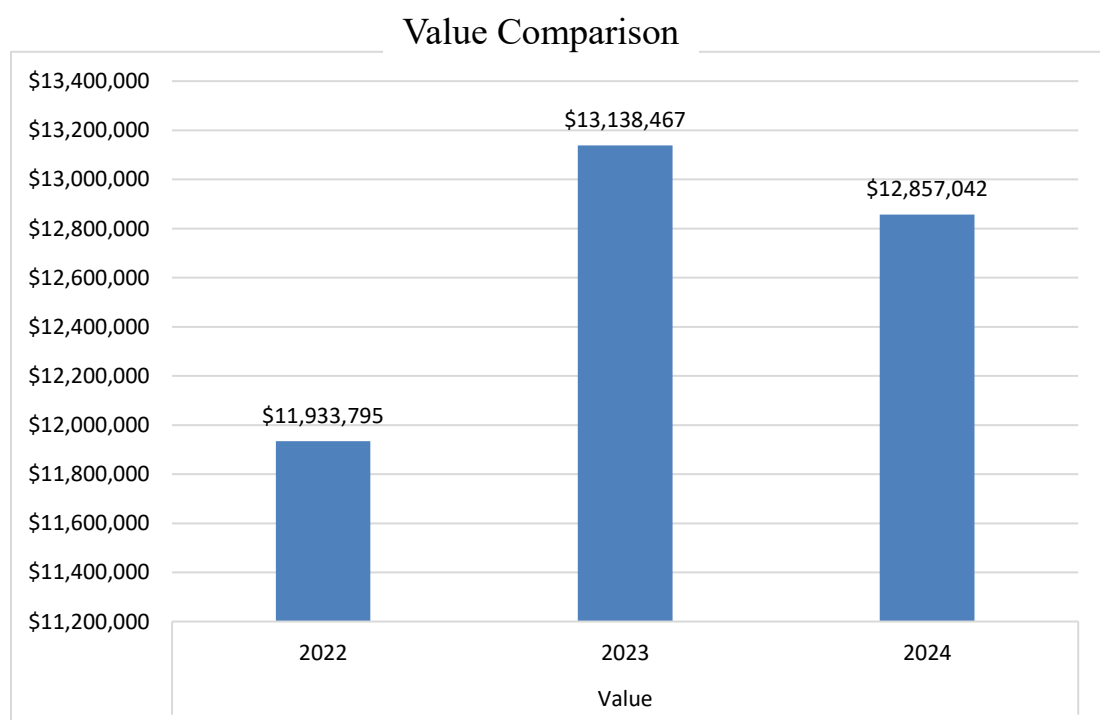


Figure 1: Yarn Procurement of Aman Knittings from 2022 to 2024 in terms of value

Quantity Comparison

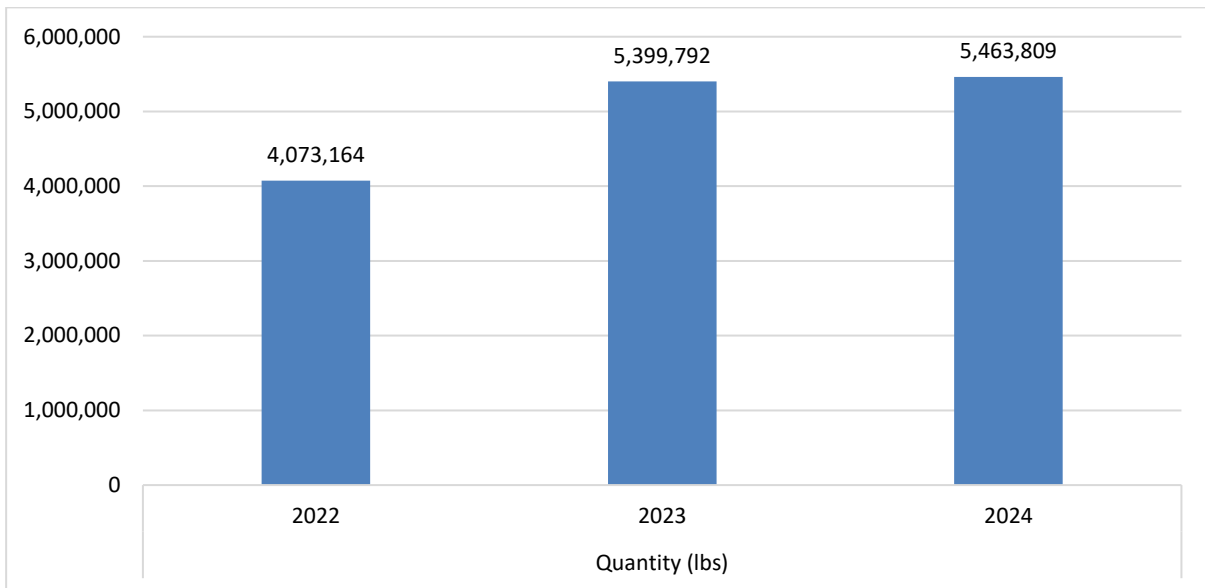


Figure 2: Yarn Procurement of Aman Knittings from 2022 to 2024 in terms of quantity

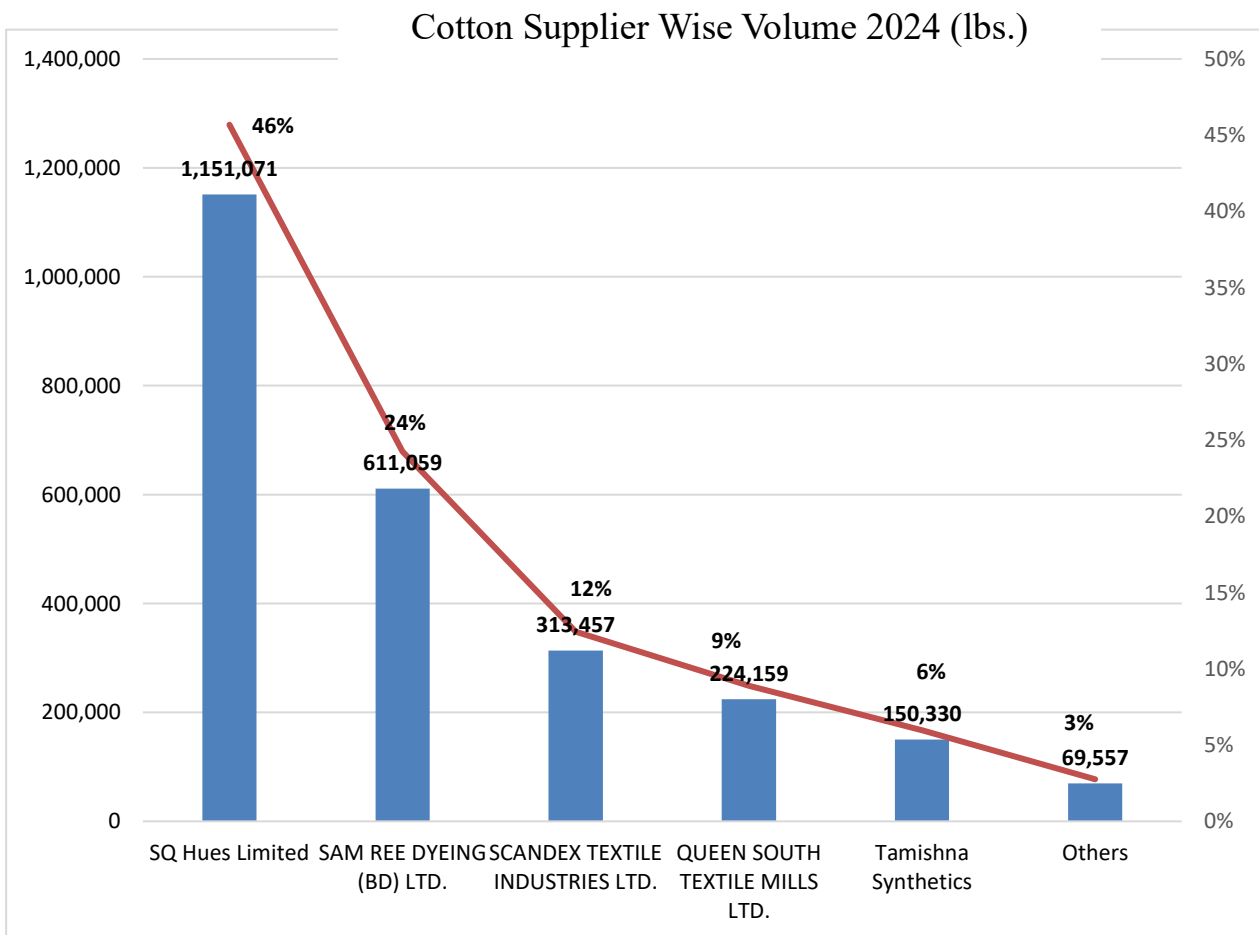


Figure 3: Yarn Procurement of Aman Knittings from 2022 to 2024 in terms of volume

Road map for AMAN Partners:

Supplier Category based on Achieved Points	
Achieved Points on evaluation	Category
More than 90 but less than 100	Platinum
More than 80 but less than 90	Dimond
More than 65 but less than 80	Gold
More than 50 but less than 65	Silver
Less than 50	Bronze

Table 1: Categories of suppliers based on evaluation

Benefits	Platinum	Diamond	Gold	Silver	Bronze
Involvement in any new Strategy	90%	50%	30%	10%	0%
Recognition	Public Recognition	AMAN Internal recognition			
Price Negotiation	Both party open costing	Moderate Flexibility			
Access to Insights	90%	50%	30%	0%	0%
Supplier Development	Strategic Partnerships	Advanced Programs	Basic Programs	Improvement Workshops	
Access to New Projects	First Access	Second Access	Third Access	Moderate Access	Random access
Priority in Orders	Highest Priority	High Priority	Medium Priority	Lower Priority	Lowest Priority
Long-Term Contracts year range	5	4	3	2	0
Volume in Lbs(Lakh/ Year)	12	8	5	2	Random orders

Order placement/distribution

Suppliers will get the mentioned above facilities according to the chart. Booking will be provided to the supplier in ERP work order through mail by Sourcing Team only. All type of certificates or documents have to ensure before order confirmation through mail. For each item/quality/category AMAN's current practice is 3 strategic suppliers at a time and strategic supplier will be selected based on supplier evaluation result where Platinum and Gold suppliers will get the first preference to be considered as strategic suppliers.

Supplier evaluation and elimination

Preferred suppliers will be evaluated in terms of price, quality, on time delivery, customer service (Sample Support, Communication Support) at every month in prescribed format. Based on total achieved score each supplier category (Platinum, Diamond, Gold, Silver, Bronze) will be fixed as per guideline of “Road map”. During evaluation, if any strategic supplier goes to silver or bronze category for two consecutive quarter in a row, then that supplier will be eliminated from the strategic supplier list and new supplier will be brought to that position. Non-ethical supplier will be permanently eliminated from Unifill Group.

Negotiation

Price negotiation will be done on Sampling stage/development stage/quarterly/case to case and it will be approved by management. All kind of price confirmation should be written in mail by both parties. Confirmed price should be reflected in PI. Yarn supplier will notify Aman 1 month earlier if any change in the fixed price. If order is placed within price validity period, then supplier will honor agreed price. During projection booking placement all terms and condition (if have any) must be finalized in written form and agreed by both sides. Any kind of cancelation after confirming the price should be informed through mail and agreed by both Aman and Yarn Supplier within 1 working day from confirmation.

Lead time

For regular quality below mentioned lead time will be followed. For exceptional/irregular quality, mutual agreed lead time will be followed.

Supplier must have to share the delivery date and production status via mail with details.

Type	Lead Time	Remarks
Cotton yarn	12 Calendar Days from color approval	Big qty as per priority, Supplier won't hold production for LC/UD/BOE. Before delivery Aman will ensure LC.
Mélange yarn	25-35 Calendar Days from color approval	
Sample	3-5 Calendar Days	
LC	Within PI validity	
BOE	3 Working days from hard copy receiving.	
UD	9 days from LC date	
Payment	As per Maturity date	

Table 2: Composition wise lead-time followed by Aman Knittings

Payment Terms

L/C payment terms will be “L/C 90 days sight”. AMAN will ensure L/C before taking bulk Yarn delivery.

Quality

Supplier will ensure that bulk Yarn pass all test requirements mentioned in W/O as well as buyer wise basic requirements, any information required against any buyer, it should be asked before bulk production. For RFD Yarn, supplier must check the shade of each batch and share continuity card with Aman's Internal QC. Yarn Supplier will ensure standard quality before delivery.

Bulk Yarn delivery

Yarn Supplier will ensure bulk delivery to Aman. Supplier have to deliver the quantity within 12 days of color approval following below chart

Quantity Range	Lead Time	Remarks
1-500 lbs	1-5 days	Based on agreement
501-1000 lbs	7-9 days	
1001- 3000 lbs	10-12 days	
3001-5000 lbs	70% within 7 days Rest 30% within next 7 days	
Above 5000 lbs	1 st Batch: Within 7 days, Rest qty: As per sourcing priority	

Table 3: Quantity range wise lead time followed by Aman Knittings

Yarn Supplier must need to ensure Aman ERP work order/PI/ Style number and LC number in each and every delivery Challan. Yarn supplier will ensure 100% delivery as per invoice quantity. Supplier will provide shipment advice within three days prior from ETD at origin with all the necessary details (only for the foreign suppliers).

Claim

If supplier is unable to give the bulk yarn within agreed lead time, then supplier must have to bear the actual line idle cost/if any [CPR, air, discount, sales loss]. Supplier will share an acknowledgement claim copy along with corrective action plan. Compensation quantity has to be provided **within 3 days** after mutual agreement or within mutually agreed date. Final Claim amount will be adjusted from immediate next upcoming order. 10%-20% amount will be deducted from each PI, which will be settled down by mutual understanding.

Code of Ethics

Suppliers will not offer or accept any form of bribery, corruption, extortion, or embezzlement to any employee of AMAN. AMAN has a “zero tolerance” policy and does not accept any type of gift or any offer of hospitality. Suppliers will not make illegal payments directly or indirectly. Suppliers will implement monitoring and enforcement procedures to ensure compliance with anti-corruption laws. Suppliers will respect intellectual property rights, and will conduct technology and know-how transfers

in a manner protecting intellectual property rights. Suppliers will maintain a policy reasonably assuring that their production does not directly or indirectly commit human rights abuse.

2.2 SCM Structure in Aman Knittings Ltd.

The SCM is led by the head of procurement and process control in our company. Based on knit garments and woven garments, our company have two sister concerns. One is Aman Knittings Ltd. and another one is Aman Graphics and Designs. Both are sister concerns of Unifill Group. For Aman Knittings Ltd. There are 8 members in procurement department and for Aman Graphics, there are 11 members in our company. Both the team reports to the Corporate General Manager.

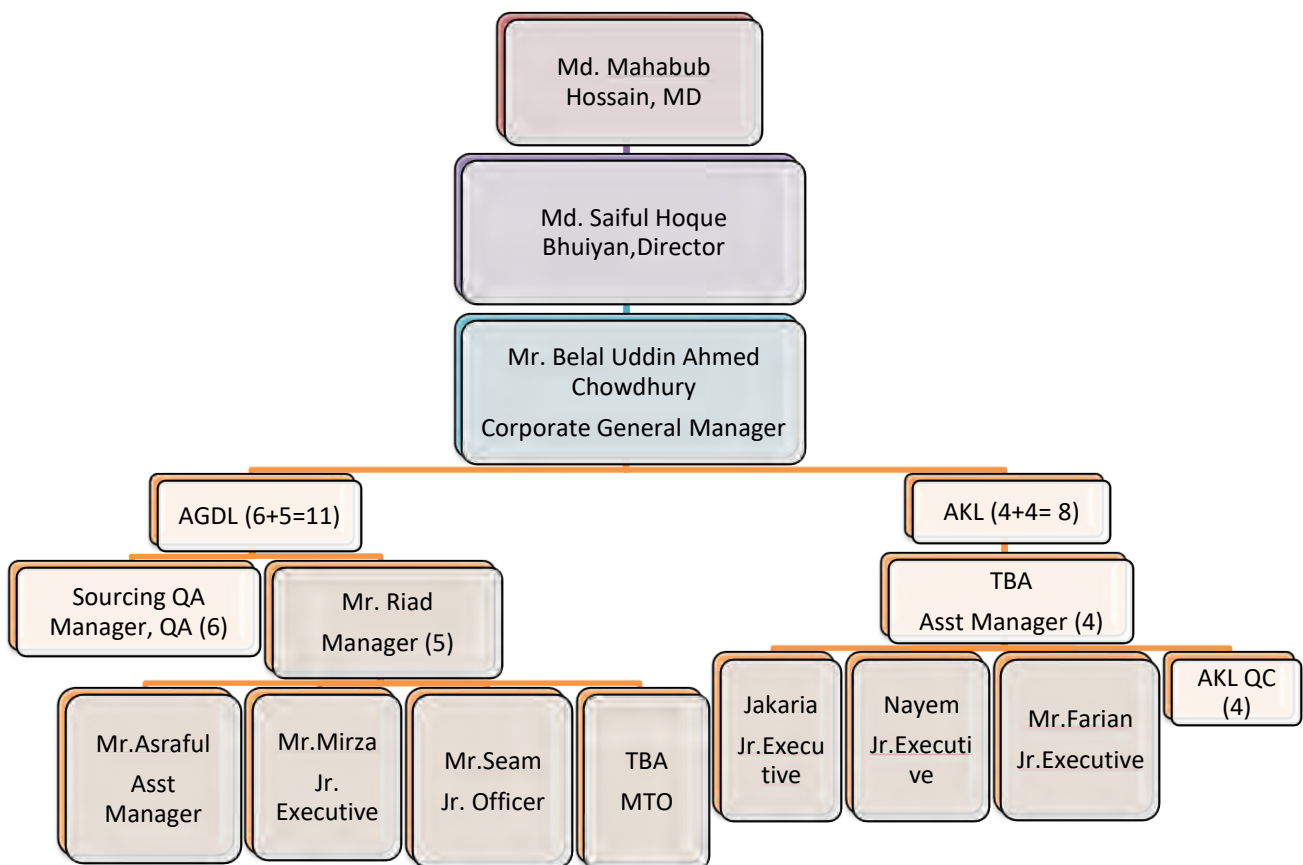


Figure 4: Organogram of SCM in Aman Knittings.

Chapter 3: Practicum Findings and Observations

As discussed in Chapter 1, this practicum aims to examine sustainable procurement processes for sustainable manufacturing in RMG factories with particular focus on Aman Knittings Ltd. So, this chapter presents the findings and observations on key imperatives for sustainable manufacturing and contribution of supply chain management for sustainable manufacturing in Aman Knittings Ltd.

3.1 Key imperatives for sustainable manufacturing in Bangladesh's RMG industry

In PSM-606, I have learnt the key imperatives of sustainable procurement. Sustainability is a business imperative. To keep up with the market, create customer value and innovate with suppliers leading companies are setting ambitious ESG goals. A cohesive ESG strategy can affect the bottom-line profits. McKinsey's research shows that strong ESG credentials drive down costs by 5-10%, and top ESG performers have higher growth and valuation by margins of 10-20%. ESG policies carry substantial brand value. Companies that focus on social impact like work-life balance can be more attractive employers. The environmental impact of companies is a significant factor in what employer's people choose. 69% of workers note the company's environmental record as a factor for a job. Robust analytics and visibility into the supply chain can identify potential shortages and supply shocks. A governance policy can also reduce risk through fraud and corruption.

3.2 Supply chain management for sustainable manufacturing in Aman Knittings Ltd.

Sustainable Materials: A switch to more sustainable materials is crucial for the fashion industry to address urgent environmental challenges including climate change, biodiversity loss, soil health degradation and water scarcity. By recycling textile fibers in a closed loop system, Aman Knittings Ltd. can reduce the dependency on virgin synthetic materials and agricultural crops which come with a high environmental footprint. Aman Knittings is committed to accelerate the change to more

sustainable raw materials and has set a goal of buying 50% of all purchased materials from certified recycled- or otherwise more sustainable sources by FY30. This includes GRS or RCS certificates for recycled content, GOTS or OCS certificates for organic cotton.

Materials	2021%	2022%	2023%	2024 (Jan-June)
Organic	7%	0.2%	0.06%	0.3%
Recycle	6%	3%	1%	7.0%
BCI	64%	75%	80%	92.7%
Other	23%	21%	18%	0.0%
Total	100%	100%	100%	100.0%

Table 5: Category wise yarn procurement ratio of Aman Knittings Ltd. from 2021 to YTD

Aman continues to work with suppliers to find bio-based and recycled materials for fabric, mold cups and accessories Aman Knittings Ltd. are proactively sharing ideas for more sustainable options with our customers.

Aman Supply Chain Management:

AMAN has worked with total 296 suppliers in the FY-24. Among them Strategic suppliers are – 116.

Here is the breakdown,

Type	Total	Strategic
Fabric	85	15
Yarn	51	51
Accessories	160	50

Table 6: List of strategic suppliers

The focus for our supply chain sustainability efforts in FY23 was to enhance the performance evaluation tool for our top strategic suppliers and to focus on capacity building for suppliers with wet-processing units.

Findings:

Gradually customers are looking for garments made in sustainable item. They want their garments to be made with organic cotton or BCI Cotton as this is more environment friendly. All over the world, customers are looking for same items. So sustainable cotton procurement ratio is increasing day by day. For organic cotton supplier had to transfer the TC and for BCI cotton supplier have to share the BCCU unit in Aman Knittings Account BCCU account and for organic cotton suppliers need to share TC. For BCCU supplier share them easily. But suppliers fail to share the TC of organic cotton timely. During my practicum period I have found that, suppliers also failed to share TC because suppliers don't keep proper documentation which are related to organic cotton orders. I have also observed that, just before shipment the TC has to be uploaded in the system, but due to lack of responsibility and awareness sometimes suppliers failed to do so.

What is TC?

TC stands for Transaction Certificate. It is a document issued in the context of organic certification, primarily in the agricultural and textile industries. The TC verifies that a product, such as organic cotton, complies with organic farming and production standards at every stage of its supply chain. It ensures traceability, preventing fraud and mislabeling, and serves as proof of compliance with recognized organic standards. The TC is essential for international trade, as it may be required for customs clearance to confirm that the organic claims made about a product are legitimate. It is issued by accredited certifying bodies after a thorough audit and inspection. The Transaction Certificate (TC) plays a critical role in ensuring the traceability and transparency of the organic cotton supply chain, from production on organic cotton farms to textile processing and finished products. It guarantees that

products labeled as "organic cotton" are genuinely produced according to organic farming principles. Issued after a thorough audit by accredited certification bodies like GOTS, OCS, or USDA Organic, the TC serves as proof of compliance, verifying that all stages of production, from raw cotton to final textile products, meet organic standards.

Steps being followed regarding TC issues in Aman Knittngs:

TC is an essential document for international trade, required for customs clearance to validate that the cotton meets the importing country's organic standards. By preventing fraud and mislabeling, the TC ensures that only certified organic cotton is marketed as such. Certifying bodies, such as Control Union and ECOCERT, issue these certificates after verifying compliance with the relevant organic standards. To ensure the authenticity and validity of a Transaction Certificate (TC), Aman Knittngs follow several key steps throughout the organic cotton supply chain. First, the TC should be issued by an accredited certification body recognized by international organic standards such as GOTS (Global Organic Textile Standard), OCS (Organic Content Standard), or USDA Organic. While placing orders to suppliers, from Aman Knittngs side the procurement team ensures above which certificate buyers want and they place the order accordingly. These organizations conduct thorough audits and inspections to ensure compliance with organic farming and production standards. Additionally, the TC should verify that every stage of the supply chain, from the farm level to textile processing and the final product, adheres to these organic standards. Ensuring traceability is crucial; the certificate should include specific details such as batch numbers, lot numbers of yarn or identifiers that allow the product to be traced back to its origin. From Aman Knittngs, the sourcing and procurement department ensures the data and verifies the data which was shared by the suppliers. Furthermore, certifying bodies often offer online databases where you can cross-check the TC to verify its authenticity against their records. This helps ensure the information on the certificate matches the shipment or product being certified. From Aman Knittngs, both merchant team and technical team cross check the data in system after shipment. If the data wasn't found in the system, they push suppliers to upload necessary

data in system from their end. The TC should also contain comprehensive details, including product specifics, certifying body information, certification dates, and the standards under which the product was certified. From Aman Knittings side, the technical team checks and verifies the data. If any discrepancy found they share the information to sourcing and procurement department. After that, procurement department share the discrepancies to the suppliers and request them to solve the problems within timeline. Regular audits and inspections are essential for maintaining the validity of the certification over time, ensuring that the product consistently meets organic standards. In some cases, requesting a physical inspection of the product or facility may be necessary if there are concerns about the validity of the certificate. In Aman Knittings, both sourcing and technical department does this kind of audits. By following these steps, Aman Knittings ensures that the TC is legitimate and the product complies with organic standards.

Why suppliers fail to share TC?

Suppliers may fail to share Transaction Certificates (TC) for a variety of reasons, which can undermine the transparency and credibility of the supply chain. One common reason is the lack of proper documentation or failure to obtain certification from accredited bodies. In some cases, suppliers may not have completed the required audits or met the necessary organic standards, making it difficult for them to provide a valid TC. This could be due to inadequate internal processes, delays in certification, or non-compliance with organic or sustainability requirements. Marketing department from supplier's side don't share the internal issues but most of the time to grab the order they share false information. First, they say that, there will not be any issue regarding TC sharing but while its tie to share the TC they failed and shows several excuses. Initially marketing team don't share the internal issues so that they can grab the order. Another reason for not sharing the TC is concerns about confidentiality or fear of exposing weaknesses in their supply chain practices. Some suppliers may hesitate to disclose detailed information about their sourcing, processing, or production methods, especially if they are worried about competitors gaining access to sensitive business data or trade secrets. Additionally, there

might be instances where suppliers fail to provide a TC due to simple administrative errors, such as missing paperwork, delays in obtaining the certificate, or failure to update records. Furthermore, in certain cases, suppliers may intentionally withhold the TC to deceive customers or to pass off non-organic or substandard products as certified organic. This type of fraudulent behavior can occur in markets where the demand for organic or sustainable goods is high, and the supplier sees an opportunity to increase their profits by misrepresenting the quality of their products.

What Aman Knittings have done to prevent TC documentation issue?

In Aman Knittings, the sourcing department made a SOP [Standard Operating Process] to issues related TC documentation. Aman only procure organic cotton from those suppliers who follow below process. While placing order, the company's Supply Chain Team ensures the below criteria. After completing agreement, Aman place the order.

Stage	SOP
Development/Sampling	Need to check Stock details of organic yarn with yarn suppliers
	Collect Scope certificate and verify the certificate is valid or not.
Bulk Booking	Collect TC copy from Dyer which they got from Spinner.
	Take acknowledgement over mail from dyer for TC. (After yarn delivery, how many days they need to share TC)
Bulk Delivery	Inform the Dyer immediately after completing delivery.
	Collect draft copy of TC and verify.
	Collect Original TC from dyer.

Table 7: SOP for TC in Aman Knittings

Lead-time for Yarn TC:

Ginner to Spinner	7-15 days after delivery or ETA
Spinner to Dyer	7-15 days after delivery or ETA
Dyer to Knitter	7-15 days after delivery

Timeline for Yarn TC:

Timeline	Ginner	Spinner	Dyer	Knitter
Day-1	Fibre delivery complete			
Day-2		Apply for TC		
Day-15		TC collect from Spinner		
Day-45		Raw yarn delivery complete		
Day-46			Apply for TC	
Day-51			Get TC from Spinner	
Day-66			Complete dyed yarn delivery	
Day-67				Apply for TC
Day-82				Get TC from Dyer

This chapter presents the practicum findings on sustainable procurement and manufacturing at Aman Knittings Ltd., focusing on key drivers of sustainability in Bangladesh’s RMG industry. Aman Knittings is actively working towards its goal of sourcing 50% of its raw materials from sustainable sources by FY30, including BCI cotton, organic cotton (with GOTS/OCS certification), and recycled fibers.

A major issue identified is the failure of suppliers to provide Transaction Certificates (TCs) for organic cotton on time, often due to poor record-keeping, lack of awareness, or false assurances from marketing teams. TCs are critical documents that ensure traceability and compliance with organic standards. To resolve these issues, Aman Knittings has developed a detailed Standard Operating Procedure (SOP), covering every step from sampling to bulk delivery, including clear responsibilities for verifying certifications and tracking timelines. This structured approach has helped improve transparency, ensure compliance, and reduce the risk of delays or fraud in sustainable procurement.

Chapter 4: Conclusion and Recommendations

This report examined sustainable procurement practices within the RMG sector, with a specific focus on Aman Knittings Ltd., a prominent manufacturer in Bangladesh's garment industry. The study addressed the critical factors influencing sustainability in procurement and explored the role of supply chain management in promoting sustainable manufacturing practices.

Chapter 1 introduced the concept of sustainability within the global RMG industry, highlighting the growing importance of integrating environmental, social, and governance (ESG) standards into procurement processes. The RMG sector in Bangladesh, while economically vital, faces significant sustainability challenges such as environmental degradation and labor rights violations. Aman Knittings Ltd. was identified as a company actively working toward aligning its procurement practices with sustainability goals, despite facing obstacles like limited supplier transparency and cost constraints.

Chapter 2 provided an overview of the supply chain management at Aman Knittings Ltd. It highlighted the company's procurement processes, including its supplier evaluation system, which categorizes suppliers based on their sustainability performance. The company's careful selection of suppliers based on sustainable practices such as using organic cotton and recycled yarn, and its rigorous approach to ensuring the quality and timely delivery of materials, were key takeaways. This chapter also emphasized Aman Knittings Ltd.'s commitment to maintaining strong supplier relationships through clear communication and adherence to ethical standards.

Chapter 3 focused on the sustainable procurement processes and supply chain management for sustainable manufacturing in the Ready-Made Garment (RMG) industry, with particular emphasis on Aman Knittings Ltd. It discusses the key imperatives for sustainable manufacturing in Bangladesh's RMG sector and highlights the company's efforts to enhance sustainability in its supply chain.

Key Imperatives for Sustainable Manufacturing: The chapter begins by outlining the importance of sustainable procurement, with a focus on Environmental, Social, and Governance (ESG) goals.

Research by McKinsey highlights that strong ESG credentials can reduce costs and improve growth and valuation, emphasizing the importance of integrating sustainability into business practices.

Additionally, a robust ESG strategy can enhance brand value and make companies more attractive to both consumers and potential employees.

Supply Chain Management for Sustainable Manufacturing: Aman Knittings Ltd. has made significant strides toward sustainability by focusing on sustainable materials. The company aims to reduce reliance on virgin synthetic materials and agricultural crops through initiatives like textile fiber recycling in a closed-loop system. They have set ambitious goals for sourcing sustainable materials, such as organic cotton and recycled fabrics, and are working with suppliers to find bio-based and recycled alternatives.

The company works with a total of 296 suppliers, of which 116 are strategic suppliers. The chapter highlights the company's efforts to enhance supplier performance evaluation and capacity building, especially for suppliers with wet-processing units.

Challenges with Transaction Certificates (TC): One of the major challenges highlighted is the failure of suppliers to provide Transaction Certificates (TC) for organic cotton in a timely manner. The TC is crucial for verifying that the product complies with organic standards and ensuring transparency in the supply chain. While suppliers of BCI cotton provide the necessary documentation through the BCCU unit, organic cotton suppliers often face delays in sharing the TC. Several reasons for this delay include lack of proper documentation, delays in certification, concerns over confidentiality, and sometimes even fraudulent behavior by suppliers who misrepresent the quality of their products.

Recommendations for Improving TC Sharing: The chapter concludes with recommendations to

address these issues. Clear expectations should be set regarding TC sharing and compliance. Suppliers should undergo regular audits, and buyers should use digital traceability systems to verify TCs before shipments. Open communication and collaboration between suppliers and buyers can also help address issues early. Additionally, allowing buffer time for document processing and having contingency plans for disruptions in the supply chain can prevent delays. Finally, incentives for suppliers who consistently provide accurate documentation and penalties for non-compliance can motivate better adherence to sustainable practices.

In summary, the chapter provides an in-depth look at Aman Knittings Ltd.'s efforts to integrate sustainability into its manufacturing processes and supply chain management. It also highlights the challenges faced, particularly in obtaining timely TC documentation for organic cotton, and offers practical solutions to mitigate these issues and ensure smoother operations in the future.