

Report On  
**SUSTAINABLE PROCUREMENT AND SUPPLY CHAIN  
MANAGEMENT OF Ha-meem Group**

By

Muhammad Atiqur Rahman  
19282015

An internship report submitted to the BRAC Institute of Governance and Development (BIGD), BRAC University, in partial fulfillment of the requirements for the degree of 'Masters in Procurement and Supply ManaManagement

BRAC Institute of Governance and Development (BIGD)  
Brac University  
August, 2022

© 2022. Brac University  
All rights reserved.

## **Declaration**

It is hereby declared that

1. The internship report submitted is my very own original work while completing degree at Brac University.
2. 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.
3. The report doesn't contain material which has been accepted, or submitted, for the other degree or diploma at a university or other institution.
4. I have acknowledged my primary sources of assistance.

### **Student's Full Name & Signature:**

---

Muhammad Atiqur Rahman  
19282015

### **Supervisor's Full Name & Signature:**

---

Mr. Rajmoni Singha  
Sr. Manager - Academic and Training  
BRAC Institute of Governance & Development (BIGD)  
Brac University

## Letter of Transmittal

Mr. Rajmoni Singha  
Sr. Manager - Academic and Training  
BRAC Institute of Governance & Development (BIGD)  
Brac University  
66 Mohakhali, Dhaka-1212

Subject: Submission of PSM-665: Supply Chain Management in Practice-Report/Practicum.

Dear Sir / Madam,

I want to use this chance to submit my internship report, "SUSTAINABLE PROCUREMENT AND SUPPLY CHAIN MANAGEMENT of Ha-meem Group," in order to partially meet the MPSM requirement at BIGD, BRAC University.

I have made an effort to conclude the report with the most significant data and recommendations in the most concise and detailed manner possible. I think this report will fulfill the standard for an academic report in the best way feasible.

Sincerely yours,

---

Muhammad Atiqur Rahman  
19282015  
BRAC Institute of Governance & Development (BIGD)  
Brac University  
August 14, 2022

## **Non-Disclosure Agreement**

This agreement has been established and entered into by the Ha-Meem group, the First Party, and the undersigned student at the BRAC Institute of Governance and Development, BRAC University, the Second Party. The Master of Procurement and Supply Management requirements include a report on "SUSTAINABLE PROCUREMENT AND SUPPLY CHAIN MANAGEMENT," which the First Party has given the Second Party permission to create. The Second Party will have the chance to interact closely with the representatives of the organization and gain access to official information and statistics. The Second Party will create a report based on their professional experience, statistics, and information they have gathered. The second party will use any and all data and material for academic reasons, while safeguarding the interests of the First Party by not making it public.

### **Student's Full Name & Signature:**

---

Muhammad Atiqur Rahman  
19282015

### **Organizational Supervisor's Full Name and Signature**

---

Nitish Chandro Sikder  
DGM, Foreign Procurement  
Ha-Meem Group

## **Acknowledgment**

All praises go to the gracious Almighty, who has consistently blessed me, as well as my dear parents, who have served as my greatest sources of motivation and inspiration throughout this stage of earning my Masters in Procurement and Supply Management (MPSM) degree. It was also beyond words for me to thank my supervisor for all, Mr. Rajmoni Singha, Sr. Manager - Academic and Training, BIGD, BRAC University, for providing the greatest assistance and direction. He gave me explicit instructions for each step of producing this report.

Additionally, I want to express my sincere gratitude to my industry supervisor, Mr. Nitish Chandro Siker, Deputy General Manager, Foreign Procurement, Ha-Meem Group, for giving me the chance to complete this practicum and for his important advice throughout the period. Working and studying under his direction was a great privilege and pleasure. His professionalism, industry experience, knowledge, dynamism, vision, genuineness, and motivation have all tremendously impressed me. The MPSM program offered by BIGD, BRAC University, has provided me with many learning opportunities, and I would want to convey my sincere gratitude for that.

To my MPSM peers and coworkers, I would want to convey my gratitude for their unwavering support, tolerance, and inspiration. However, I would want to express my gratitude and humility to those who continuously helped me complete this report, whether it be the PSM-665: Supply Chain Management in Practice-Report/Practicum.

## **Executive Summary**

Bangladesh is the world's second-largest exporter of ready-made clothing (RMG) and Ha-Meem Group is proud to be the nation's top maker of RMGs. As on 2021, the “yearly turnover” of the industry was USD 550 with 26 operating factories. It operates its business from Corporate Office, 387 TML Building, South Tejgaon I/A, Dhaka-1208. Each month, the Ha-Meem Group manufactures 7 million pieces of woven clothes for men and women, ranging in age from infancy to adulthood. There are 26 garment industries there, as well as a unique denim mill, sweater factory, embroidery and printing business, carton factory, poly bag industry, label factory, jute mill, chemical formulation factory, tea gardens, a transport company, a news channel, and a national daily newspaper, Currently, Ha-Meem Group employs around 55,000 people. The company's international offices in Hong Kong and China offer the quickest assistance with the purchase of tissues and accessories. Every port in Bangladesh has a C&F office, giving it the advantage of quick clearing and help for forwarding.

The report comprises a brief overview of the SUSTAINABLE PROCUREMENT AND SUPPLY CHAIN MANAGEMENT of Ha-meem Group, along with the organogram, brief details, functions, and working procedure of the procurement department. The report also includes an analysis and evaluation of the procurement department and possible suggestions to improve the present status of the organization.

**Keywords:** Ready-made Garments (RMG); Procurement and Supply Management; Sustainable procurement;

# Table of Contents

<b>Declaration.....</b>	<b>ii</b>
<b>Letter of Transmittal .....</b>	<b>iii</b>
<b>Non-Disclosure Agreement .....</b>	<b>iv</b>
<b>Acknowledgement .....</b>	<b>v</b>
<b>Executive Summary .....</b>	<b>vi</b>
<b>Table of Contents .....</b>	<b>vii-viii</b>
<b>List of Tables .....</b>	<b>ix</b>
<b>List of Figures.....</b>	<b>x</b>
<b>List of Acronyms .....</b>	<b>xii</b>
<b>Chapter 1 [Overview of Hameem Group and Practicum objectives] .....</b>	<b>1</b>
1.1 [Introduction] .....	2
1.2 [Objectives].....	3
1.3 [Organization Overview] .....	3-15
<b>Chapter 2 [Sustainable Procurement and Supply Chain Management of Ha-Meem Group].....</b>	<b>16</b>
2.1 [Supply Chain Management] .....	17
2.2 [Physical flow] .....	17
2.3 [Information flow] .....	17
2.4 [Characteristic of Supply Chain Management].....	17
2.5 [Procurement Process] .....	18-19
2.6 [Sustainable Procurement] .....	19-22

2.7 [Importance of Sustainable Procurement] .....	23-25
2.8 [Supply chain Management Process of Hameem Group].....	26-28
2.9 [Sustainable procurement process of Ha-meem group].....	29-37
2.10 [Flow chart of Hameem Group’s Sustainable Procurement Process].....	38-40
<b>Chapter 3 [Practicum challenges and findings] .....</b>	<b>401</b>
3.1 [Procurement Challenges].....	42-43
3.2 [Findings].....	43
<b>Chapter 4 [Recommendation and Conclusion] .....</b>	<b>44</b>
4.1 [Recommendation].....	45
4.2 [Conclusion].....	46
<b>References .....</b>	<b>47</b>



## List of Tables

Table 1: Machines details of Ha-Meem Spinning Mills Ltd .....	8
Table 2: Product details of Ha-Meem Spinning Mills Ltd .....	13

## List of Figures

Figure 1: Woven garments.....	<b>Error! Bookmark not defined.</b>
Figure 2: Denim Mills.....	<b>Error! Bookmark not defined.</b>
Figure 3: Textile Mills .....	7
Figure 4: Blowroom.....	9
Figure 5: Carding .....	10
Figure 6: Drawing.....	10
Figure 7: Simplex.....	11
Figure 8: Ring frame.....	11
Figure 9: Winding.....	12
Figure 10: Bobbin Transport System.....	12
Figure 11: Washing plant.....	13
Figure 12: Stages of Procurement Process.....	19
Figure 13: Pillars of Sustainable Procurement.....	21
Figure 14: Importance of Sustainable Procurement.....	23
Figure 15: Organogram of Procurement & Development Department of Ha-Meem Group...	28
Figure 16: Cross functional view of thermolite fabric.....	35
Figure 17: Cross functional view of Recycle wicking yarn.....	36
Figure 18: Cross functional view of Recycle COCONA technology .....	37

## **List of Acronyms:**

<b>RMG</b>	Readymade garments
<b>C&amp;F</b>	Clearing and forwarding
<b>HSML</b>	Ha-Meem Spinning Mills Ltd
<b>HDL</b>	Ha-Meem Denim Mills Ltd
<b>HTL</b>	Ha-Meem Textiles Ltd
<b>PCW</b>	Pre/Post Consumer Waste.
<b>PSF</b>	Polyester Fiber
<b>DTY</b>	Drawn Textured Yarn

## **CHAPTER-1**

### **Overview of Hameem Group and Practicum**

**objectives:**

## **1.1 Introduction:**

In terms of foreign currency profits, Bangladesh's Ready Made Garments (RMG) industry is the most profitable sector. Bangladesh is the second-largest exporter of clothing in the world. Even though the garments industry generates a substantial portion of the revenue through export at approximately 80 percent of the total revenue of the country (you may re-write this). Bangladesh's ready-made clothing (RMG) industry is a success. The industry began in the late 1970s, saw significant growth in the 1980s, and experienced a peak in the 1990s. The use of less complex technology, low-cost, easy-to-use sewing machines, and a relatively cheap and abundant female workforce allowed the business to grow quickly. However, in the new century, the country's garment businesses have found themselves in a difficult position. The goal now is to provide high-quality, low-cost items in the quickest period feasible while still adhering to health, social, and environmental regulations in the face of fierce competition. According to supply chain experts, garment manufacturers should focus on good supply chain management to meet the difficulties since It will guarantee delivery of the appropriate good to the appropriate location at the appropriate time for the appropriate cost. Since it unifies the whole garment supply chain, effective supply chain management is the only method to provide high-quality, low-cost items with the lowest lead time.

## **1.2 Objectives:**

The dissertation has the following objectives:

- To understand the organizational overview of Ha-Meem Group.
- To know the Ha-Meem Group's method for procurement of raw materials.
- To understand the sustainable raw material procurement process of Ha-Meem Group.
- To understand the Ha-Meem group's supply chain operations.
- To understand the production process of sustainable raw materials.
- To understand the tracing process of sustainable raw materials.
- To understand the difficulty, the procurement department encountered when looking for raw materials.

## **1.3 Organization Overview:**

The Ha-Meem Group is a well-known manufacturer of wholesale clothing both inside and outside of Bangladesh. The company owns one of the largest and most inventive production facilities in Bangladesh and produces the hottest denim fabrics and apparel. Ha-Meem has collaborated with several prestigious international fashion houses. With a 30-year history in the textile sector, the company has grown into a conglomerate with a variety of businesses, including shipping, newspapers, and tea estates.

It all started in 1984 with the establishment of the Garment Company and the goal of two entrepreneurial individuals, Mr. A.K.Azad and Mr. Delwar, to break into the textile business and establish the Ha-Meem Group as a prominent wholesale apparel manufacturer in Bangladesh.

One of Bangladesh's biggest apparel companies, Ha-Meem Group, has been exporting to the United States and Europe for many years. They are one of the most admired and well-known Bangladeshi garment brands because of our success in working with the top buyers and consumers around the globe. Every month, the company manufactures 7 million pieces of woven apparel for men and women ranging in age from infancy to adulthood. A total of 26 garment factories, a unique denim mill, a sweater factory, an embroidery, and printing factory, a carton factory, a poly bag industry, a label factory, a jute mill, a chemical formulation factory, tea gardens, a transportation company, a news channel, and a national

daily newspaper are all operated by the Ha-Meem Group today, which employs about 50,000 people. (make into small letters). It has offices in Hong Kong and China that create the most expedient tissue and accessory purchase assistance. Every port in Bangladesh has its Clearing & forwarding agent office, which allows for quick clearing and forwarding. (Please write the full meaning of C& F)

### **1.3.1 Mission:**

The mission of Ha-Meem Group is to supply high-quality goods on schedule, eradicate poverty and unemployment, and of course, industrialize the world.

### **1.3.2 Vision:**

Achieve market leadership by empowering people to work honestly, efficiently, and creatively while producing innovative products.

### **1.3.3 Ha-Meem Groups Various Business Sectors include:**

- a. Sweater Factory
- b. Embroidery and Printing Factory
- c. Carton Factory
- d. Poly bag Factory
- e. Label Factory
- f. Jute Mill
- g. Chemical formulation plant
- h. Sourcing offices in Hong Kong & China
- i. Tea Garden
- j. Denim
- k. Woven
- l. Spinning
- m. Transport Company
- n. Own C&F office at each port in Bangladesh
- o. News Channel
- p. Widely read national daily newspaper

### **1.3.4 Units of HA-MEEM GROUP:**

#### **Woven garments:**

250 production lines are distributed among 26 weaving facilities in six different locations. A joint effort of about 30000 workers is being made to accomplish the target. All the lines are balanced utilizing auto trimmers and sophisticated equipment to transition production between complex tops and bottoms such as trousers, jeans, cargoes, skirts, shirts, jackets, women's outfits, etc. The ability to cut automatically increases cutting efficiency. Ha-Meem manufactures 40% non-denim fabric and 60% denim, with 70% of its output being bottoms and 30% being tops. At the plant level, all lines are sustaining 2.5 AQL.



**Fig no-1:Woven garments (Photo collected from [https://www.hameemgroup.net/.](https://www.hameemgroup.net/))**



### **Denim Mills:**

The Ha-Meem group's dream project, Denim Mills, is just one and a half hours' drive from the city and is situated in a tranquil setting of 100 acres of vegetation. It has all of the most modern equipment, including a finishing line from Morison USA, a German sucker muller slasher dye, and a Belgian Picanol Omni plus loom. It manufactures a variety of stretchy, premium denim, such as colored denim, coated fabric, dark denim, ring slub cross hatch, and sulphur dye. Currently, Ha-Meem uses its denim fabric for various products sold by Gap, JC Penny, KOHL'S, PVH, and NEXT.



**Fig no-02: Denim Mills-(Photo by Atiqur in July 20,2022)**

### **Woven Mills:**

Ha-Meem Textile (HTL), the latest addition in the Ha-Meem’s family has the capacity of 2.5 million yard/month. With the slogan “Weave the Dreams” of all our partners and stakeholders, HTL is poised to exhibit its excellence in woven fabrics and fashion to win over the heart and minds of its buyers.

Ha-Meem Textile’s exclusive facts in Textiles commerce are presented below:

- Advanced process labs equipped with European machinery.
- Enthusiastic product design and development unit powered by European technology.
- Unique Airo Finish technology that imparts extra softness to the fabric from Italy.
- The broad variety of yarn inventory in-house.
- Robust process regulator, guaranteeing optimum quality and reliable service.



**Fig no-03:Textile Mills(Photo by Atiqur in July 20,2022)**

**Spinning Mills:**

Capacity: 1100 Tons/Month

Revenue: 3.15 Million USD/Month

No. of Spindle: 51312

**Machine details:**

**Table Number: 1**

<b>Machine</b>	<b>Brand</b>	<b>Country of Origin</b>
Blow Room, Carding & Drawing	Rieter	Switzerland
Simplex	Toyota	Japan
Ring Frame	Zinser	Germany
Winding	Muratec	Japan
Bobbin Transport System	Electro Jet	Spain

Table Reference: <https://hameemtextiles.com/ha-meem-spinning/>



**Fig no-04: Blowroom (Photo by Atiqur in July 30,2022)**





**Fig no-05: Carding (Photo by Atiqur in July 30,2022)**



**Fig no-06: Drawing (Photo by Atiqur in July 30,2022)**



**Fig no-07: Simplex (Photo by Atiqur in July 30,2022)**

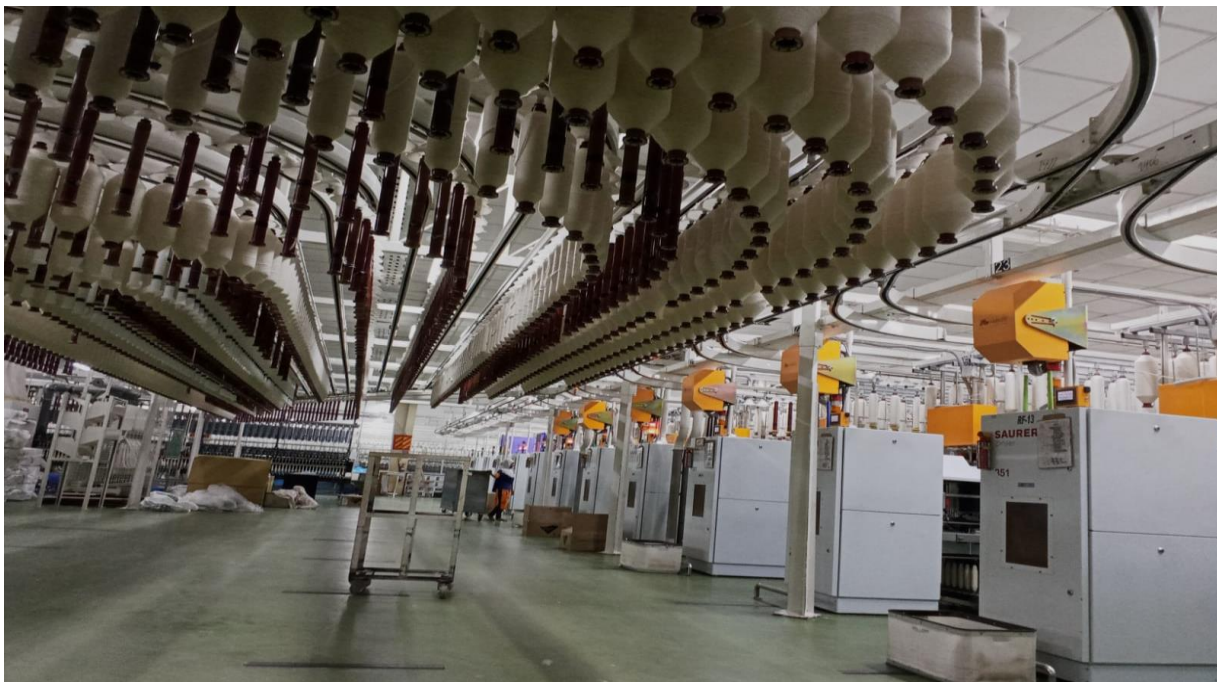


**Fig no-08: Ring frame (Photo by Atiqur in July 30, 2022)**





**Fig no-09: Winding (Photo by Atiqur in July 30,2022)**



**Fig no-10: Bobbin Transport System (Photo by Atiqur in July 30,2022)**

**Table Number: 02**

**Product details:**

Product	Count Range	Quantity (Tons/Month)
Denim Yarn	7Ne to 20Ne	440
Knit yarn	18Ne to 40Ne	330
PC/CVC/Mélange	18Ne to 40Ne	330

**Table Reference: <https://hameemtextiles.com/> & production breakdown collect from HSML production floor.**

**Washing Plant:**

Ha-Meem has six large washing machines that can wash 150,000 pieces of clothing every day. Any sort of fashion wash, including hand brushing and sandblasting, may be handled by any of the washing facilities because they are all outfitted with the requisite dry process capabilities. PP Spray ripping, grinding, oven curing, over-dying, tinting, and laser whisker, among other techniques, are all forms of whisker. The complete washing machine contains an ETP plant to clean chemically contaminated water and protect the environment.



**Fig no-11: Washing plant (Photo by Atiqur in August 1,2022)**



### **1.3.5 Core Products:**

There are some Major Products of Ha-Meem Group. They are given below:

- ❖ Every Style of Bottom and Top
- ❖ Critical Cargos
- ❖ Hi-Fashion Denim Jeans
- ❖ Basic and Hi-fashion Washes
- ❖ Wrinkle Free
- ❖ Laser Finish / 3dWhisker
- ❖ Men's Shirts
- ❖ Dress Pants
- ❖ Outwear / Jackets Facility

### **1.3.6 Buyers:**

Ha-Meem Group works with a number of elite buyers from the United States and Europe.

Those are:

- American Eagle
- Gap / Old Navy
- Levi's
- JC Penny
- PVH
- KOHL'S
- H&M etc.

### **1.3.7 Specialty:**

There are a few things that set this organization apart from others.

- They always deliver their product on time.
- They maintain their product quality so tight.
- They have modern machinery to fulfill their contract.
- They have well-trained workers
- The safety system is good enough.
- They always trained up their employees & workers so that they can easily adapt
- The working environment of Ha-Meem Group is good.

**Chapter 2**  
**[Sustainable Procurement and Supply Chain**  
**Management of Ha-Meem Group]**

## **2.1 Supply Chain Management:**

Supply chain management (SCM) is the dynamic management of store network activities to increase customer satisfaction and achieve a practical advantage. It indicates that retail network companies are making conscious efforts to build and manage supply chains in the most efficient manner possible. Exercises involving inventory networks include a wide variety of activities, including item sourcing, coordination, and advancement, additionally to the data structures needed to build up these exercises. Two important concepts form the foundation of supply chain management (SCM):

First, each item that reaches a consumer speaks to the combined effort of several associations. The production network is generally referred to as these associations.

Although supply chains have been around for a while, most firms have solely focused on what occurs within their four boundaries. Few companies witnessed, much less interacted with, the complete chain of events that finally resulted in the delivery of goods to the final client. Supply networks that were inconsistent and frequently deficient were the result. Physical flows and information flow "link" the organizations that comprise the production network.

## **2.2 Physical flow:**

The development, capacity, and modification of goods and materials are all examples of physical flows. They are the most noticeable element of the production network. Data streams are crucial in any situation.

## **2.3 Information flow:**

Information flows allow the various inventory network partners to manage the regular movement of materials and commodities throughout the retail network and support their long-term plans.

#### **2.4 Characteristic of Supply Chain Management:**

The characteristics of supply chain management are numerous. Below, I've attempted to highlight a few of those.

1. Think about the overall landed cost.
2. Information exchange and risks.
3. Assessment of progress.
4. Teamwork, joint planning of supply systems, and initiatives.

#### **2.5 Procurement Process:**

It is the path to obtaining the goods and services your business requires to carry out your action plan. Creating measurements of value, financing purchases, placing buy orders, organizing value, buying goods, controlling inventory, managing stock, and transferring waste materials like bundling are some of the tasks involved in the acquisition process. Once your company has ownership of the goods, the obtainment phase of the general production network process ends. The cost of purchasing your items must be less than the amount you can charge for them, less any costs related to packing and distribution, for you to make a profit.

To reiterate, the supply chain consists of everyone involved in delivering your product into the hands of a customer. People who obtain raw resources are included, the individuals who create them, the organizations that handle their transportation, the discount distribution facilities, the internal staff, the stock rooms, and the adolescent manning the register. It also covers the activities and skills necessary to move that product, such as key sourcing, statistical analysis, acquisition, and quality control. The supply chain may be compared to the entire chair using the illustration from earlier, although sourcing and procurement are just a few of its components

## Stages of a procurement process



***Fig 12: Stages of Procurement Process (Information collect from <https://kissflow.com/procurement/procurement-process/>)***

### **2.6 Sustainable Procurement:**

Supply chain management (SCM) is the control of the flow of goods and services from the first stages of product manufacturing to consumer consumption. An organization must have a network of suppliers to transfer the product through each stage of this process.

By demonstrating respect for the corporate methodology, effective supply chain management improves an organization's financial standing. Through the delivery of goods and services, supply chain management contributes significantly to customer satisfaction. Effective supply chain management is essential for reducing operating costs throughout the whole supply chain, from acquisition activities through operations and coordination capabilities. The management of an association's supply chain affects the scope of the benefit for expansive associations.

Finding and negotiating terms with an outside source to acquire products, services, or works is the process of procurement. This is typically done through a tendering or competitive bidding process. Making judgments about purchases when facing a shortage is a typical aspect of procurement.

A lot of elements, including delivery and handling, marginal benefit, and price changes, are taken into consideration while making purchases. Businesses that have embraced a corporate social responsibility approach are also more likely to demand that their purchase decisions take into account broader societal and ethical factors.

With the help of equity principles for sustainable development, organizations can meet their needs for goods, services, works, and utilities while achieving value for money throughout the product's life cycle, which benefits people and the environment over time and across geographic boundaries. A competitive bidding procedure or tendering is frequently used in procurement. When factors like quality, quantity, time, and location are compared, the process makes sure the buyer obtains the items, services, or work at the best price. When businesses go beyond this framework to satisfy their needs for goods, services, works, and utilities in a way that maximizes value for money and fosters favorable outcomes for the organization as a whole as well as for the economy, environment, and society as a whole, this is referred to as sustainable procurement.

To achieve the firm's long-term success and to solve sustainability challenges in business, purchasing and supply activities have assumed strategic importance. This has led to the development of sustainable supply chain management (SSCM).

Making the following system/practice in a business or organization mandatory is the most popular method of establishing sustainable procurement:

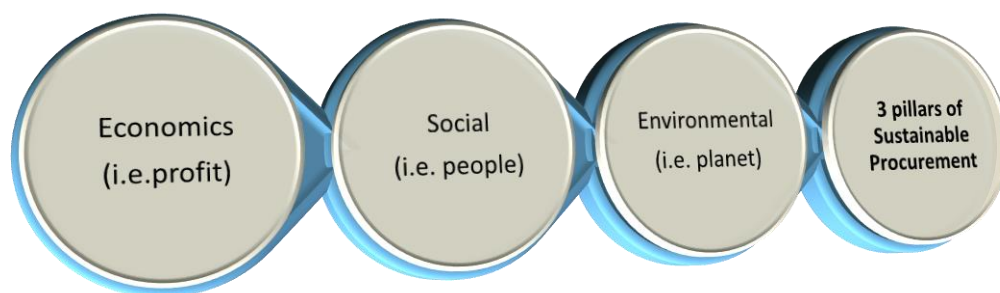
- Abide by environmental regulations and goals
- Removing unwanted and potentially dangerous products from the supply chain
- Ensure that the suppliers follow fair labor practices.

Long-term, sustainable procurement will benefit businesses by improving profitability, client retention, the health of their financial statements, and their prospects for the future.

### **The 3 Pillars of Sustainable Procurement:**

Sustainable development is supported by efficient sustainable procurement. As opposed to the one-dimensional, economics-focused approach, sustainable procurement adopts a three-dimensional life cycle perspective.

The sustainable procurement process will not always take three times as long or be three times as expensive because of the three-dimensional approach. Instead, it means that it works to achieve sustainable procurement by implementing the 3 pillars of sustainable development. Thus, these 3 pillars of sustainable procurement are:



**Fig:13 Pillars of Sustainable Procurement. (Created by Atiqur)**

### **Several instances of the economic pillars of sustainable procurement:**

- Economic Recovery
- Sustainable economic growth
- Growing Markets
- Development of SMEs
- Cost of ownership overall and life cycle costs
- Value for Money
- Reduction of poverty



### **Examples of Sustainable Procurement's Environmental Pillar:**

- Resource Management for the Environment
- Urban Planning
- Reducing CO2
- Management of Water
- Sustainable Farming

### **Various examples of the social pillar in sustainable procurement:**

- Rights of People
- Clean Water for Drinking
- Food Safety
- Fair Pay and Protections Under Labor Law
- Laws that prohibit child labor and forced labor

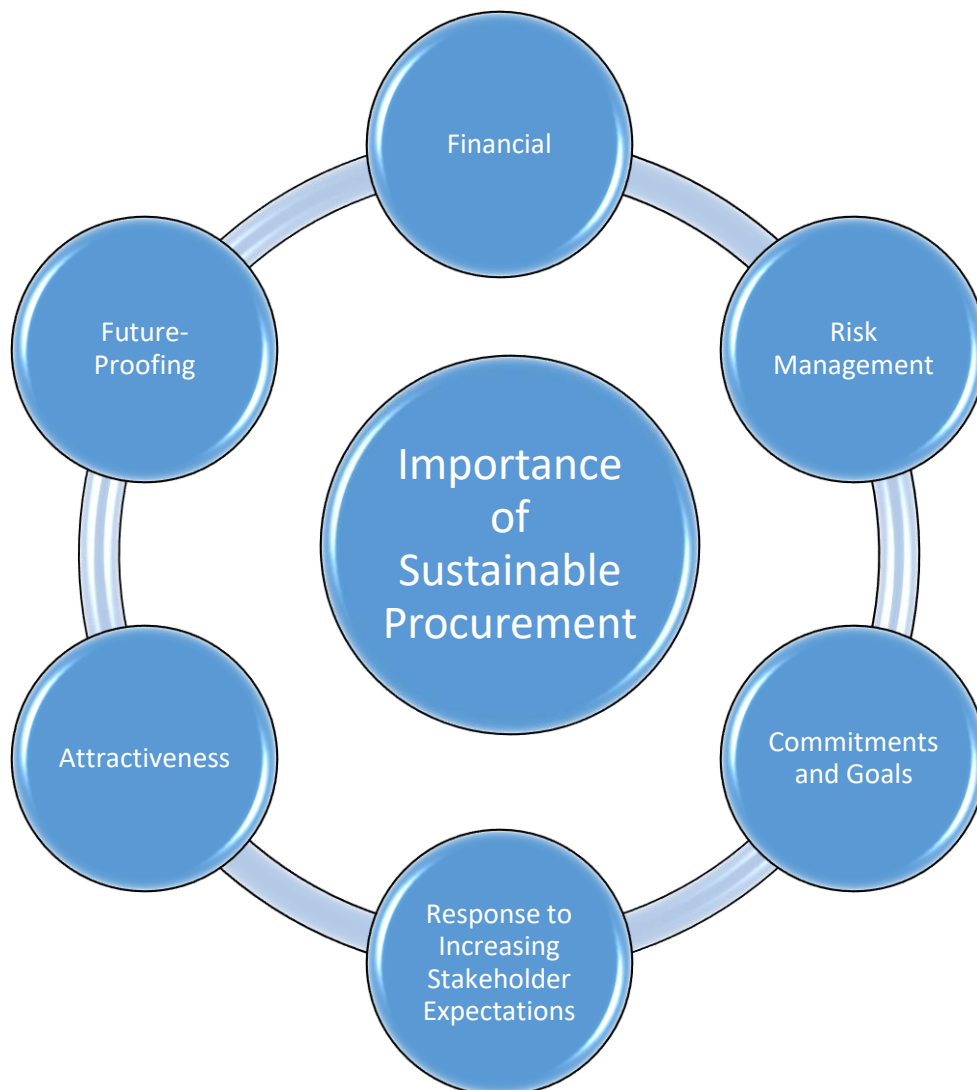
These principles of sustainable procurement are referred to as profit (= economic), planet (= environmental) and people (= social).

To deliver the developmental goals at the best possible price, sustainable procurement, therefore, integrates sustainability concerns throughout the procurement process. The best form of strategic procurement is sustainable procurement.

However, the borrower may choose to employ sustainable procurement and the criteria it has established for designating practices as sustainable.

## **2.7 Importance of Sustainable Procurement:**

The importance of effective sustainable procurement comes from the fact that it shows that you are adhering to your brand positioning statement. This aids in enhancing its credibility and gaining the partners' and consumers' confidence. A company must adhere to its aims of sustainable procurement if it wants to attract repeat clients and form relationships with the finest suppliers. These are the advantages of sustainable procurement:



**Fig:14 Importance of Sustainable Procurement. (Created by Atiqur)**

**Financial:**

Turning to sustainable procurement will reduce overall performance costs and, by acquiring more effective and eco-friendly products and services, increase operating income. The market's capacity to provide sustainable solutions will also contribute to the expansion of sustainable procurement. As a result, there will be greater demand for environmentally friendly solutions, which will boost market competition. Market competition will increase the winning side's profits.

**Risk Management:**

It will be able to map the challenges and opportunities to economic, legal, environmental, and social sustainability by including sustainable procurement methods. It will also be able to create methods for managing them.

**Commitments and Goals:**

By utilizing sustainable procurement practices and decisions, it will be feasible to reflect business ethics, values, and culture in accordance with applicable rules. Following the overall strategy of the nation, it will also be able to choose a sustainable procurement method.

This will assist in raising brand recognition, which will lead to greater sales. When a company's goals and objectives are applied in sustainable procurement processes, as stated in its policy, customers and suppliers will have faith in it. If any company uses sustainable procurement methods, it may potentially be eligible for government rewards. This can significantly improve the company's Cash flow equilibrium.

### **Response to Increasing Stakeholder Expectations:**

As times change and knowledge of sustainable development grows, stakeholders have begun supporting businesses that use sustainable buying methods. While meeting the bank's requirements, such as strong income from investments, a satisfactory income statement, and a positive cash flow statement, it's crucial to implement sustainable buying procedures.

### **Attractiveness:**

Potential customers and suppliers will be impacted by the company's accomplishments in terms of sustainability and social responsibility. A company will have an advantage over rivals if it ranks highly in social responsibility and sustainability. The use of sustainable procurement will also entice capital investors, stimulate labor markets, draw the finest businesses to submit bids, and advance development objectives.

### **Future-Proofing:**

Creating and executing sustainable procurement processes would be future-proofing against supply shortages and changes in social, economic, and environmental challenges.

## **2.8 Supply chain Management Process of Hameem Group:**

### **Responsibilities at work:**

Three distinct divisions have been made in the procurement and development department. Employees in these three divisions can choose from a variety of products. The obligations are listed below.

### **2.8.1 Areas of responsibility (machinery, spare parts, and heavy-duty utilities):**

1. Garment-making equipment and accessories
2. Parts for washing machines
3. New equipment for project growth
4. Equipment for accessories
5. Racking system, lift, laboratory, material handling equipment, etc.
6. Purchasing and routine upkeep of major power utilities (generator, motor, pump, inverter, lift, etc.).
7. To support plant production, internal machine, and spare part procurement.
8. Organization, management, business, manufacturing, suppliers, and shippers.
9. Accessories and spare parts for denim and spinning factories.
10. Processing imports and paperwork
11. Guaranteeing prompt delivery

### **2.8.2 Areas of responsibility (colors, chemicals, accessories):**

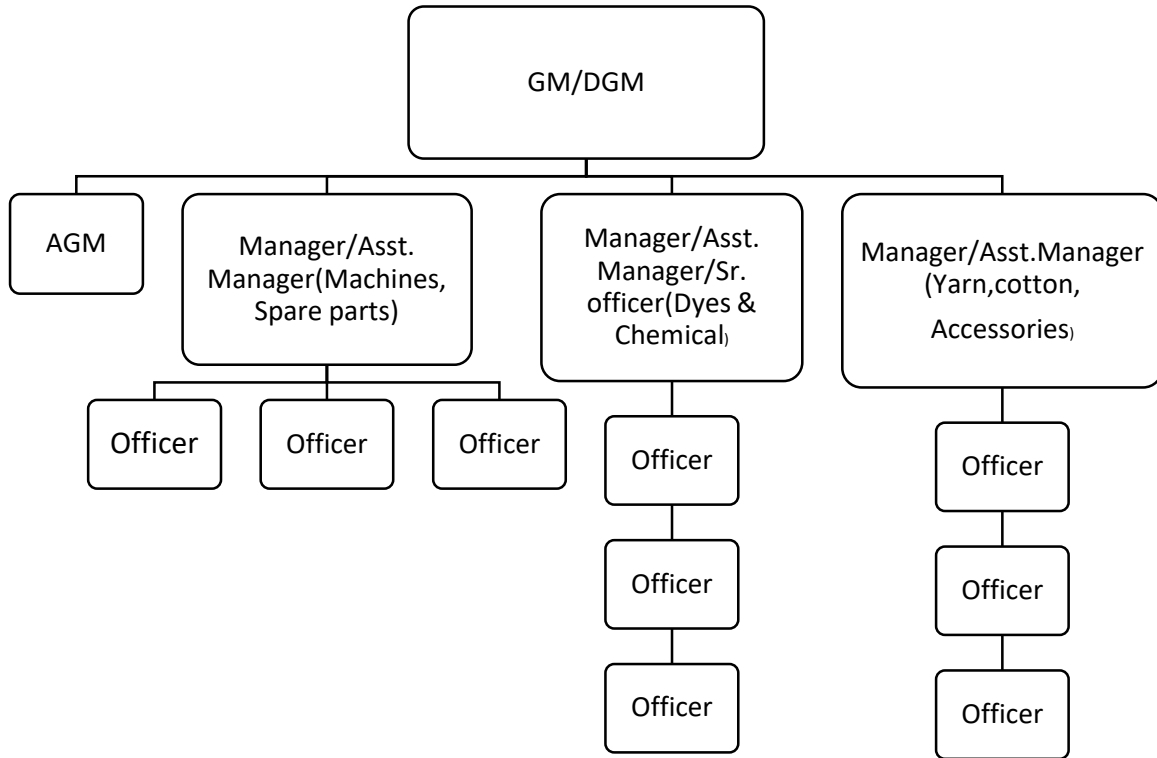
1. Color washing and chemical supplies
2. Colors and chemical development
3. Factories producing accessories' raw materials

4. Chemical product development and sourcing for denim
5. Acquisition and creation of clothing accessories
6. Organizing, business, management coordination, manufacturing, suppliers, and shippers.
7. More control over chemicals
8. Processing of invoices and paperwork
9. Guaranteeing prompt delivery.

**2.8.3 Areas of responsibility (cotton, thread and yarn):**

1. Planning cotton demand and maintaining the entire cotton supply chain.
2. Payments for insufficient amounts and follow-up with shippers
3. Polyester, spandex, viscose (all man-made fiber types)
4. Planning and acquiring the necessary yarn for development (local and foreign)
5. Quality assurance and claim of quality
6. Organization, management, business, manufacturing, suppliers, and shippers.
7. Successful delivery
8. Processing of invoices and paperwork
9. Guaranteeing prompt delivery.

**2.8.4 Organogram of Procurement & Development Department**



**Fig:15 Organogram of Procurement & Development Department of Ha-Meem Group**

**(Created by Atiqur).**

## **2.9 Sustainable Procurement Process of Hameem Group:**

### **2.9.1 Procured sustainable items are:**

- **Recycle Cotton (Pre Consumer waste & Post-Consumer waste).**
- **Recycle polyester fiber and recycle DTY yarn.**
- **Organic cotton yarn.**
- **BCI cotton yarn.**
- **PSCP cotton yarn.**
- **Lenzing Eco vero viscose yarn.**
- **Recycle viscose yarn.**
- **Liva Eco yarn.**
- **Recycle thermal yarn.**
- **Recycle wicking yarn.**
- **Ecomade Coolmax yarn (Recycle Coolmax).**
- **Recycle Cocona/Cotton.**

Ha-Meem group mostly procured recycled cotton, recycled polyester yarn, and BCI yarn. So we will describe recycle cotton, recycled polyester, and BCI yarn in detail.

#### **2.9.1.2: Recycle Cotton (Pre Consumer waste & Post-Consumer waste):**

The process of turning cotton recycling is the process of turning cotton fabric into cotton fiber that can be utilized in new textile goods. Other often used names for recycled cotton include shoddy, regenerated cotton, and reclaimed cotton. The notion of recycled content encompasses all second-hand, refurbished, and remade components.

There are two main sources for textile recycling:

1. Pre-consumer: includes leftover yarn and cloth from manufacturing processes
2. Post-consumer: contains reusable clothing, furniture, towels, and home products.



Pre-consumer waste like cutting scraps is used to make the majority of recovered cotton sources. Post-consumer waste is more difficult to filter through due to the range of color tints and fabric combinations, as well as the fact that it requires more work overall.

Benefits:

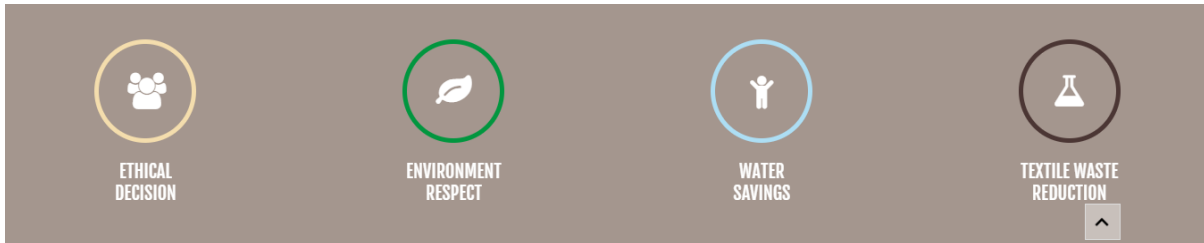
- ❖ Cotton waste can be used to make a variety of low-quality products, including insulation, mop heads, rags, and stuffing.
- ❖ Recycling could save a lot of waste from ending up in landfills. According to the Council for Textile Recycling, 25 billion pounds of textile waste are produced annually.
- ❖ Utilizing a product that has already been processed minimizes the energy, water, and color inputs. Savings are achieved by preventing the production of new materials. Since recycled cotton yarns are frequently created from pre-consumer textile remnants that have been sorted by color, the yarns are already colored.
- ❖ It is possible to partially offset the reductions in CO<sub>2</sub> and fossil fuel emissions by using current materials. However, the gathering, processing, and shipping of cotton scraps or clothing may counteract or lessen some of these cost advantages.

### **Why Use PCW?**

**Environmental aspects:**

- 63% of textile fibers are derived from petrochemical compounds, however, their manufacture results in significant carbon dioxide emissions (CO<sub>2</sub>). Therefore, utilizing natural fiber is always preferred.
- Conversely, cotton accounts for the vast bulk of the remaining 37%. However, to keep up with the population's rapid expansion, the percentage is declining every day.
- According to estimates, the textile industry discards one million tons of textiles per year.

- Textiles make approximately 3% of the garbage in a trash receptacle. This shows that there is enough garbage available for recycling, and that it is already being done so for future use.
- Recycled cotton fabrics use less virgin cotton and pre- and post-consumer waste.
- It lessens the negative effects of cotton growing, such as water use, CO2 emissions, and intensive land use, and it provides textile waste a new life.



**Economical Aspects:**

- Promoting the use of any kind of PCW can reduce the pressure on the consumption of virgin cotton. Which has a huge economic benefit.
- When compared to recycled cotton or pre/post-consumer waste, virgin cotton requires significantly more chemicals, water, and energy to process.
- 12.5% of all the major brands are committed to using recycled cotton. More brands are entering into this practice of sustainability.
- As more top brands are asking for PCW to be included in their products, PCW market is getting huge by days



### **2.9.1.2: Recycle polyester yarn and recycle DTY yarn:**

Green, Environment-friendly Product to boost Sustainability. Utilizing PET bottles instead of virgin polyester minimizes the amount of waste going to the landfill, which reduces air and water pollution as well as soil contamination.

Benefits:

- More recycled polyester is used, which lessens our reliance on petroleum for the basic material.
- Emitting fewer Green House gases, Conserving Water and Energy.
- Recycling has the potential to keep a lot of things out of landfills.

### **2.9.1.3 Organic cotton yarn:**

For environmental sustainability, organic cotton is farmed without the use of agricultural chemicals (pesticides).

Benefits:

- 100% Sustainable Product with Natural feel and comfort.
- Organic cotton clothing is health and environment friendly

### **2.9.1.4 BCI:**

The Better Cotton Initiative (BCI), a non-profit multi-stakeholder governance organization, strives to raise cotton farming practices and standards in 21 different countries. Better Cotton produces 14% of the cotton grown worldwide as of 2017. A record amount of better cotton with higher sustainability levels entered the global supply chain during the 2016–2017 cotton season thanks to the work of 1.3 million BCI Farmers have licensed 3.3 million metric tons of Better Cotton lint were produced by them.

Better Cotton is dedicated to monitoring sustainability improvements everywhere. Better Cotton is produced and assessing the Better Cotton Standard System's effects on the environment, society, and the economy.

#### **2.9.1.5 PSCP:**

Buyers track production for the Primark Sustainable Cotton Programme (PSCP) from the cotton field through garment manufacturing and sale. With this strategy, the buyer is assured of complete supply chain traceability at all times.

#### **2.9.1.6 Lenzing Eco vero viscose yarn:**

Derived from wood sources that have been verified as being renewable and were produced in a way that complied with strict environmental requirements. The sustainable lifestyle is tailored by ECOVERO™ fibers, which also help to preserve the environment.

Benefits:

- Compared to generic viscose, there are up to 50% fewer emissions and water impacts.
- Procurement of sustainable wood and pulp
- Transparency and EU Ecolabel-certified fiber
- A 100 percent sustainable product that is rejoicing comfortable, drapes easily against the body, has a soft feel, and is highly durable.

#### **2.9.1.7 Recycle viscose yarn:**

Viscose fibers are produced sustainably from used industrial fabric waste. Fiber is made from recycled fabric waste.

- Yarn Performance is similar to virgin viscose fiber.
- Recycling has the potential to keep a lot of things out of landfills.
- Certified sustainable, transparent, and traceable.
- No effect on a subsequent process.

### **2.9.1.8 Liva Eco yarn:**

Derived from wood sources that have been verified as being renewable and were produced in a way that complied with strict environmental requirements.

Liva Eco fibers are tailored to a sustainable way of living and help to create a more pristine environment.

Benefits:

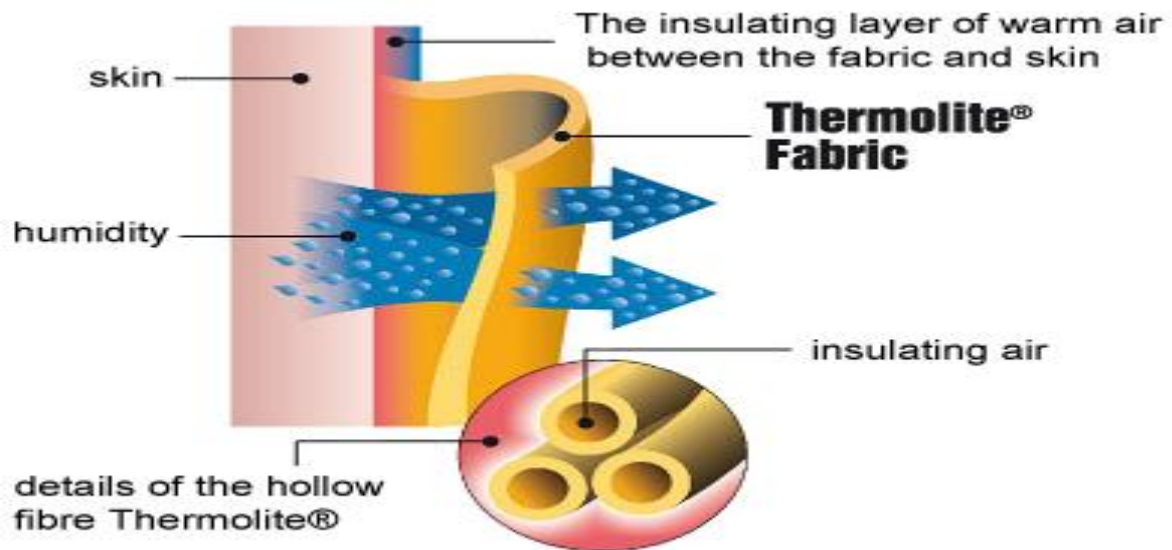
- Compared to generic viscose, there are up to 50% fewer emissions and water impacts.
- Procurement of sustainable wood and pulp
- Transparency and EU Ecolabel-certified fiber
- A 100 percent sustainable product that is rejoicing comfortable, drapes easily against the body, has a soft feel, and is highly durable.
- The journey of every Liva eco-tagged garment can be traced to its origin.

### **2.9.1.9 Recycle thermal yarn:**

Lightweight fabric with heavy-duty performance thanks to hollow-core designed fibers that trap air for better insulation.

Benefits:

- Functional fiber with a significant amount of core hollowness.
- increases thermal insulation by trapping air.
- small weight for heavy load performance attributes.
- even when wet, warmth and comfort without adding bulk.
- appropriate for light winter clothing.
- simple to wash and dry.



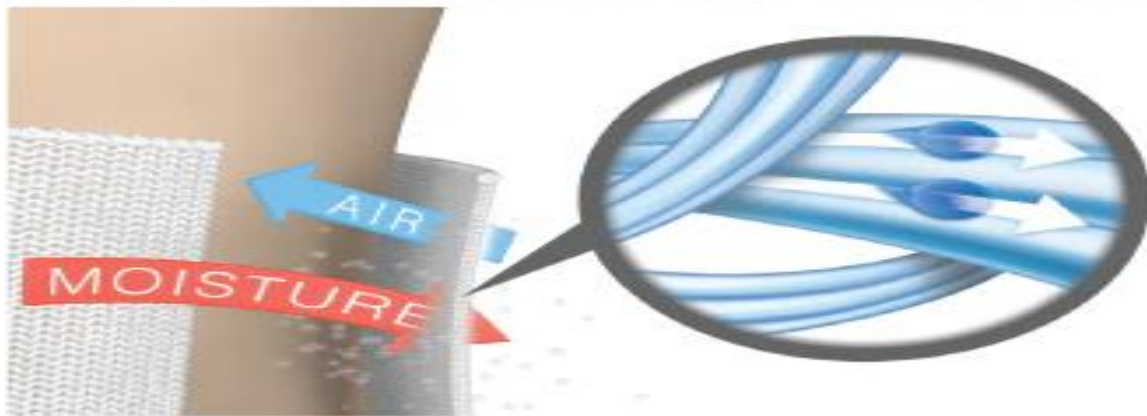
**Fig-16: Cross functional view of thermolite fabric.(Collected from Vardhaman textile's sustainable PPT)**

#### **2.9.1.10 Recycle wicking yarn:**

Transporting moisture away from your body, moisture management fiber technology keeps you cool and dry.

Benefits:

1. Moisture Management: By dissipating body heat into the atmosphere, this feature keeps the wearer dry and cool.
2. Fabric that has been blended with viscose is cozy, kind on the skin, and has great moisture absorption.
3. Fast Drying: Fabric dries more quickly than comparable Fabrics
4. The fabric is very soft and has good moisture absorption thanks to the cotton/viscose blend.
5. Comfort and the Khadi look are both provided to the wearer by the blending of Special Cotton.



**Fig-17: Cross functional view of Recycle wicking yarn: Fig-16: Cross functional view Recycle wicking yarn. (Collected from Vardhaman textile's sustainable PPT)**

#### **2.9.1.11 Ecomade Coolmax yarn (Recycle Coolmax):**

Coolmax fiber Technology Transports moisture away from your body and keeps cool and dry.

Benefits:

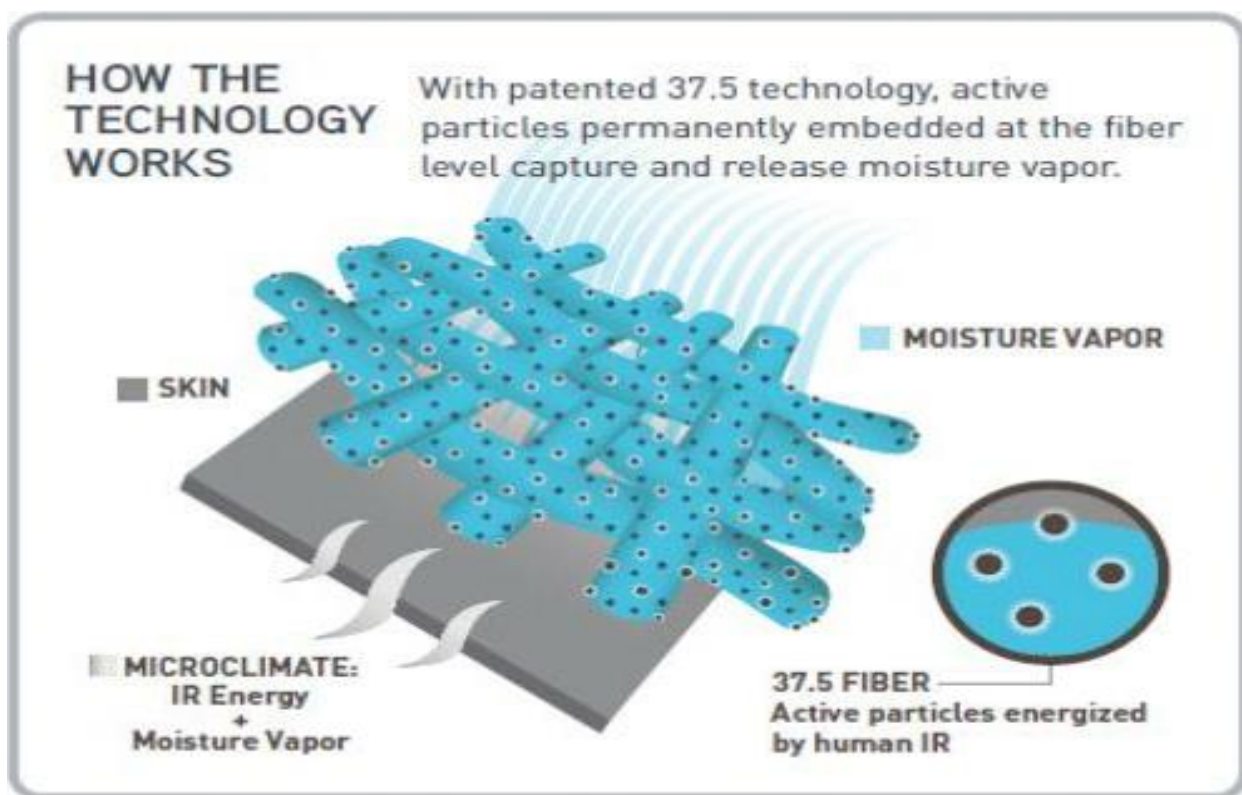
1. Moisture Management: By dissipating body heat into the atmosphere, this feature keeps the wearer dry and cool.
2. Fabric that has been blended with viscose is cozy, kind on the skin, and has great moisture absorption.
3. Fast Drying: Fabric dries more quickly than comparable Fabrics
4. The fabric is very soft and has good moisture absorption thanks to the cotton/viscose blend.
5. Comfort and the Khadi look are both provided to the wearer by the blending of Special Cotton.

### 2.9.1.12 Recycle Cocona/Cotton:

The active carbon found in coconut shells and volcanic sands, which is found in cocona fiber, helps sweat evaporate more quickly and aids in the body's ability to regulate temperature. When you are chilly, the same active particles capture energy to warm you.

Benefits:

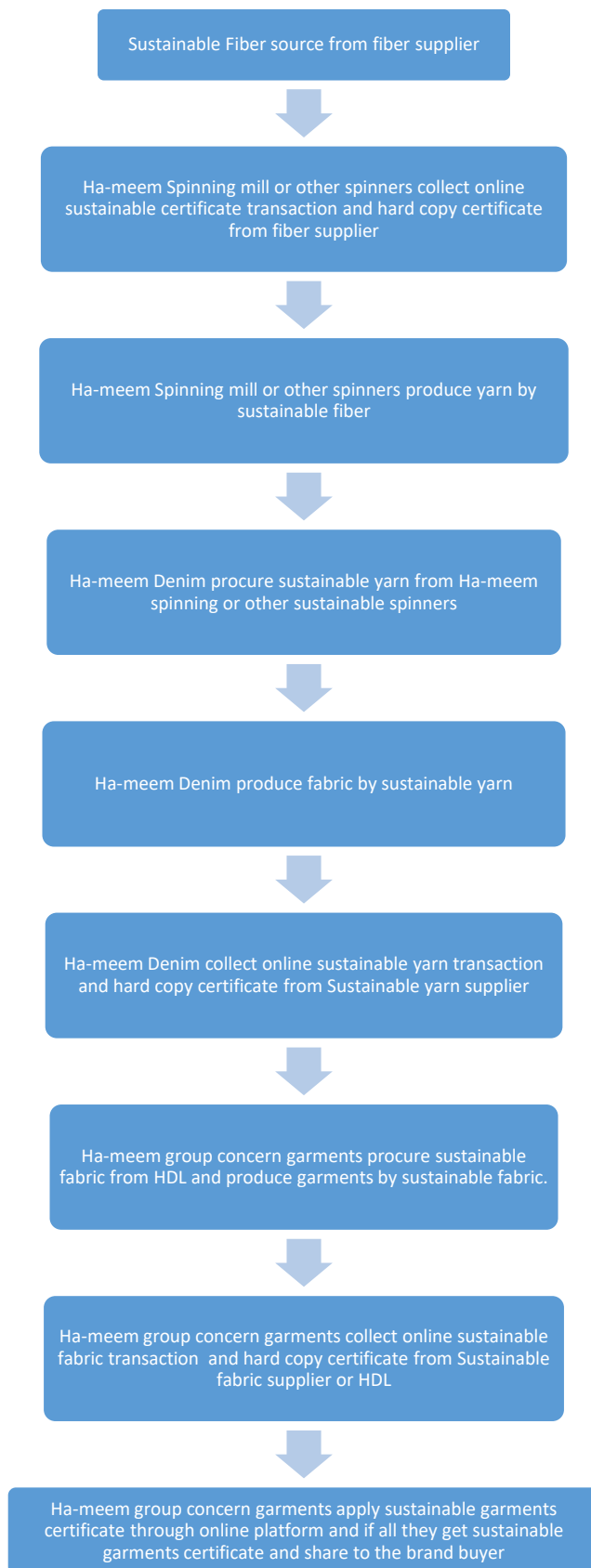
- Unmatched Comfort by maintaining body temperature @ 37.5Deg Centi.
- Enhanced Performance due to thermal regulation.
- Quick Drying: Fabric dries faster than similar Fabrics.




**Fig-18: Cross functional view of Recycle COCONA technology: (Collected from Vardhaman textile's sustainable PPT)**



## 2.10 Flow chart of Hameem Group's Sustainable Procurement Process:




## 2.10.1 Sustainable transaction certificate's sample:




**TRANSACTION CERTIFICATE (TC) FOR MATERIAL PROCESSED ACCORDING TO THE RECYCLED CLAIM STANDARD (RCS)**

<b>1. Body issuing the certificate:</b> CU Inspections & Certifications India Pvt. Ltd. 22nd Floor, Arihant Aura, TTC Industrial Area, Turbhe MIDC, Opposite Turbhe Station, 400705 Navi Mumbai Maharashtra India	<b>2a. Licensing code of the certification body:</b> RCS-CUC IN-11 <b>2b. Reference number of the certificate:</b> 808127/00321753
<b>3. Seller of the product(s):</b> Square Textiles Ltd. 48, Mohakhali C/A, 1212 Dhaka Bangladesh	<b>4. Inspection body:</b> CU Inspections & Certifications India Pvt. Ltd. 22nd Floor, Arihant Aura, TTC Industrial Area, Turbhe MIDC, Opposite Turbhe Station, 400705 Navi Mumbai Maharashtra India
<b>5. Last processor of the product(s):</b> Square Textile Ltd Saradaganj, Kashimpur, Gazipur Bangladesh	<b>6. Country of dispatch:</b> Bangladesh
<b>7. Buyer of the product(s):</b> Ha-Meem Denim Ltd. Mawna, Sreepur, Gazipur Bangladesh	<b>8. Consignee of the product:</b> Ha-Meem Denim Ltd. Mawna, Sreepur, Gazipur <b>9. Country of consignee:</b> Bangladesh
<b>10. Product and shipment information:</b> Information is presented in box 17 on page 2 of this TC	<b>11. Gross weight (kg):</b> 51385.00
<b>12. Net weight (kg):</b> 50000.00	<b>13. Commercial weight (kg):</b>
<b>14. Declaration of the body issuing the certificate:</b> This is to certify that, based on the relevant documentation provided by the seller named in box 3, the [recycled material name(s)] used for the products as further detailed / referred to in box 10 and quantified in box 11, 12 and 13 has been produced in accordance with the Recycled Claim Standard (RCS). Compliance with the standard is audited and monitored systematically under responsibility of the certification body named in box 1.	
<b>15. Additional declaration:</b> VEHICLE NO: DHAKA-METRO-RASHAU-11-1219, DHAKA-METRO-SHARWAO-11-1970. LC NO: BBCKDAK983687, PI NO: STXL/2019/3187.	
<b>16. Place and date of issue:</b> Navi Mumbai, 11 Feb 2020	




On behalf of the Managing Director  
Syeda Tabassum, Certifier

Stamp of the issuing body



Standard's Logo





Reference number of the certificate: 808127/00321753

### 17. Continuation of box 10

Sr. No	Product name	Trade name	Label grade	Packed in	Lot Nrs.	Gross weight (kg)	Net weight (kg)
1	Carded yarns - 9% Recycled Post-consumer Cotton + 91% Cotton	NE 9/1, (PCW) (GARNETTED STOCK) (O.E) (KWV)(AWS)	Recycled Claim Standard Blended	1000 BAGS	28PCWB	51385.0	50000.0

### Reference to documents

Doc type	Number	Date
Transport Document	STXL/2019/2795	2019-12-31
Invoice	STXL/2019/2795	2019-12-31
Other	PACKING LIST	
Other	QCS	

### 18. Place and date of issue:

Navi Mumbai, 11 Feb 2020

Stamp of the issuing body

Standard's Logo



On behalf of the Managing Director

Syeda Tabassum, Certifier

## **Chapter 3**

### **[Practicum challenges and findings]**



### **3.1 Procurement Challenges:**

Procurement managers handle a wide variety of tasks. The leaders of procurement are constantly worried about controlling corporate spending while enforcing appropriate procurement policies. Worse than, these problems are merely the beginning of the procurement dilemma. The landscape of procurement is being overrun by numerous operations, including supplier lifecycle management, contract management, purchase request management, and more. Procurement directors frequently lack the time during times of crisis to solve typical procurement issues.

The following are some typical procurement issues that affect businesses of all sizes:-

- **Reduction of risks:** A persistent issue in the purchasing process is supply risk. The most common risk kinds are market risks, potential fraud, cost, quality, and delivery threats. Furthermore, compliance concerns like adherence to policies, the prevention of corruption, and other difficulties keep your procurement directors up at night.
- **Long process cycle:** Most of the time, goods and services are bought on short notice and under duress. Because of this, actual lead times and procurement procedures typically take significantly longer than planned or anticipated.

The following is a list of typical causes of procurement process delays:

- The creation of technical requirements has been delayed.
  - Not paying attention to the procurement schedule.
  - Prolonging the deadline for submitting bids and proposals.
  - Not starting the evaluation procedure on schedule.
- **Inaccurate information:** To make informed procurement decisions, organizations require data that is accurate and trustworthy. Making purchases based on incorrect procurement data can result in inventory shortages, excess inventory, and other procurement difficulties that may have a direct impact on an organization's bottom line.

- **Strategic procurement:** Organizations are beginning to see the benefits of having a strong procurement strategy in place as the procurement process becomes more strategic and collaborative. But a major problem is figuring out how to implement each phase's strategic implications across all functional business units.
- **Supplier-related issues:** The management of suppliers is one of the biggest challenges in procurement. Selecting the best vendor, keeping track of that vendor's performance, and ensuring a steady supply of high-quality products are all challenging tasks.

### **3.2 Findings:**

- ❖ 70% of sustainable fiber and yarn are imported from foreign sources due to local sustainable suppliers' low capacity and also higher prices compared to foreign sources.
- ❖ It is difficult to achieve buyer quality due to recycling material.
- ❖ Lack of proper technology like ERP.
- ❖ Employee turnover intention is high.
- ❖ Procurement cycle time is not sufficient. Because 70% of sustainable raw materials need to import from foreign but buyers always provide short lead time orders.
- ❖ Brand H&M nominate fiber source for PCW but they don't nominate yarn source. Because of that, the procurement department is facing a problem.
- ❖ Brand buyers provide projections but sometimes they cancel the order without any prior notification. Because of that idle stock increases.
- ❖ Maintaining a consistent level of quality for sustainable raw materials is quite challenging for suppliers.

# **Chapter 4**

## **[Recommendation and Conclusion]**

#### **4.1 Recommendation:**

First of all, Ha-meem group has a reputation at home and abroad, and doing excellent performance in supplying products and services. There are, however, a lot of internal issues that the business should consider fixing.

- Without a doubt that one of the most essential sections of a company is **“the procurement and supply chain management”** department. However, I can argue that this department has been neglected in many respects because it is not as strong as other departments. Management must remain vigilant and meet all standards to ensure that this department runs efficiently.
- Only one or two employees have worked here for a long period, and the bulk of employees are new, according to the survey. Older personnel can perform much better than new ones since they have more experience and are more familiar with the business's operations. Management may take steps to retain these workers.
- In this day and age, technology is crucial for both business and daily tasks. Technology is used by the Ha-Meem business to make life easier for its employees., but the innovations they use aren't very cutting edge; they continue to use outdated computers, scanners, photocopiers, and other equipment that occasionally breaks down. Therefore, I strongly advise the government to look into this matter. A recent update is Ha-meem group has signed with SAP team to implement SAP software. It will help the procurement and supply chain department to perform efficiently.
- To avoid idle stock Ha-meem group's marketing team need proper communication with brand buyer, Ha-meem's planning and procurement team.
- It is very important to develop entrepreneur in sustainable fiber production sector. Positive news is that already Recover fiber, Tk group and Badsha group established production plant in Bangladesh. Ha-meem group also opened machines LC to establish a sustainable production plant.



#### **4.2 Conclusion:**

With no question, The Ha-meem Group is one of the leading garment factories at home and abroad. I am proud to work here since I have learned a lot that will benefit me for the rest of my life. Other garment industries are expanding quickly. Competing with them in the future will undoubtedly be a difficult challenge for the Ha-meem organization. But I think the Ha-meem group will get even bigger if they keep improving and work on their weaknesses. With the improvement of Ha-meem group, they can contribute to the development of Bangladesh directly or indirectly.

Many unemployed people will find work, and the success of the Ha-meem group will inspire other small businesses. The survey that I have conducted in Ha-meem group may help to understand the challenges and opportunities of the company.

## References

*Muhammad Helal, M. R. (2016, December 03). The Daily Star - Bangladesh Garments Factory. Retrieved from The Daily Star: <https://www.thedailystar.net/op-ed/bangladeshs-itindustry-1324174eferences>*

*About Ha-meem Group--Retrieved from <http://www.hameemgroup.net/>*

*Ha-meem Denim-- Retrieved from <http://www.hameemdenim.com/>*

*Ha-meem Textile- Retrieved from <http://www.hameemtextile.com/>*

*Ha-meem group's internal data(Marketing,Procurement and Planning department)*