Costs to cool Bangladesh garment factories can be recovered within four years: Study

Cooling investments at factories in Bangladesh, from reflective paint and roof insulation to airflow ventilation, are commercially viable and pay back within four years, researchers at Cornell University's Global Labor Institute found. The report urged brands to share the cost burden by easing prices for suppliers that invest to cool workers



Bangladesh’s RMG sector developed its support systems gradually as the industry grew and recurring problems were addressed. Photo: Rajib Dhar

Highlights:

- *Cooling investments at Bangladesh garment factories found to be commercially viable, research finds.*

- *Heat stress erased 4.1% of annual revenue on average at eight Dhaka factories.*
- *Report urges brands to ease prices for suppliers that invest to cool workers.*

Investing in cooling systems to reduce heat stress for garment factory workers makes financial sense for manufacturers and the brands they supply, A report showed on Sunday, as climate change poses growing risks to apparel production hubs.

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Temperatures inside factories often exceed those outdoors, with workers most exposed to extreme heat in ironing and finishing sections of the facilities, the authors found, citing temperature readings over A six-month period at eight factories in Dhaka. High heat stress erased 4.1% of these factories' annual revenue on average, posing financial risks for manufacturers and global brands.

The report "gives both buyers and suppliers A context for the scale of the intervention required," Jason Judd, executive director of the Global Labor Institute, told Reuters. "If you're contemplating cooling investments but you don't know how much is going out the door, it's very difficult."

In conversations with researchers over the past year, apparel brands have expressed interest in the payback period for heat adaptation spending at factories, Judd said. Brands have been "back and forth with their manufacturers over mitigation costs, hitting GHG (greenhouse gas) targets, identifying alternative energy sources," he added.

The latest findings follow research three years ago that showed heat and flooding could erase $65 billion in apparel export earnings from Bangladesh, Cambodia, Pakistan and Vietnam by 2030.

The apparel industry is increasingly recognising the risks posed by climate change throughout supply chains. But the extent to which global brands funnel resources into adaptation remains an open question.