

# MAKING THE BUSINESS CASE: GARMENT WORKER NUTRITION PROGRAMMES

A STUDY FROM BANGLADESH



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## ABOUT GAIN

The Global Alliance for Improved Nutrition (GAIN) is a Swiss-based foundation launched at the UN in 2002 to tackle the human suffering caused by malnutrition. Working with governments, businesses and civil society, we aim to transform food systems so that they deliver more nutritious food for all people, especially the most vulnerable.

## ABOUT NEWFORESIGHT

NewForesight is a strategy consulting firm dedicated to driving change. It partners with leading clients from the private, public and not-for-profit sectors who want to find structural solutions to some of the most critical sustainability challenges of our generation and turn them into market opportunities.

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This document is an annex to the aforementioned GAIN briefing paper.

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## SUMMARY

This study summarises the findings of research undertaken by GAIN and NewForesight to explore the business case for investing in and implementing nutrition programmes from the perspective of Lenny's Apparels Ltd (also known as Lenny Fashions), a garment producer, to set up a nutrition programme in its ready-made garment factory in Bangladesh. This paper also explores garment buyers' views of nutrition and sustainability programmes.

The study suggests that, although attracting buyers and being a sustainability frontrunner was the catalyst for starting the programme, the programme demonstrated a direct business case linked to increased quality of products, better productivity and decreased sick leave, and a direct impact on female workers' anaemia levels. As a result, Lenny Fashions will continue the programme.

## DEFINITIONS

- **A nutrition programme in value chains** uses existing channels to reach workers/farmers and their households, e.g. smallholder farmers in the cocoa sector, or factory workers in the garment sector.
- **The business case** is the overall sum of costs and benefits, financial or otherwise, for different stakeholders surrounding the nutrition programme (Figure 1).

## KEY FINDINGS

- **Positioning was a key motivation for Lenny Fashions initially.** The motivation to invest in the programme came from Lenny Fashions' desire to be a frontrunner in sustainability, positioning it well with buyers.
- **The nutrition programme demonstrated a direct financial return,** in the form of increased quality of products and productivity of line workers, a decline in sick leave and improved employee morale as reported by the company
- **The programme also reduced anaemia by up to 32 percentage points among female factory workers** through iron folic acid supplementation and more nutritious lunches which included iron-fortified rice (Hossain et al, 2019). In a challenging and competitive context, these tangible results made continuing the nutrition programme a smart investment for Lenny Fashions.
- **Internal champions were key:** a human resources manager and CEO who were sensitised to nutrition were instrumental in making the programme happen.
- **Integrating the nutrition programme into existing programmes is key to success.** Lenny Fashions integrated nutrition into their 'Her Health' programme, using existing structures, processes and trained staff, including peer educators. Similarly, structures like a canteen and food provision to staff made integrating nutrition easier.
- **There is a business case to be made to buyers.** Currently, buyers face competing priorities, such as environmental issues and safety. There is an opportunity to take buyers on a journey, highlighting the direct business case for nutrition programmes in garment factories.

## BACKGROUND

### The challenge

One in three people globally suffers from at least one type of malnutrition, a challenge reflected in the Sustainable Development Goal 2 target to end malnutrition in all its forms. In Bangladesh, the ready-made garment sector employs over 3.5 million workers, of which 60.8% are female and 39.2% are male (Moazzem et al, 2018). Among factory workers, anaemia is a concern, with estimates as high as 77% of female factor workers (Khatun et al. 2013), far above the national average of 42% (NIPORT, 2016). Factories located in the Export Processing Zones are required to provide lunch for workers, but food often lacks nutritional value, being very low in fruits and vegetables (Wanjek, 2005).

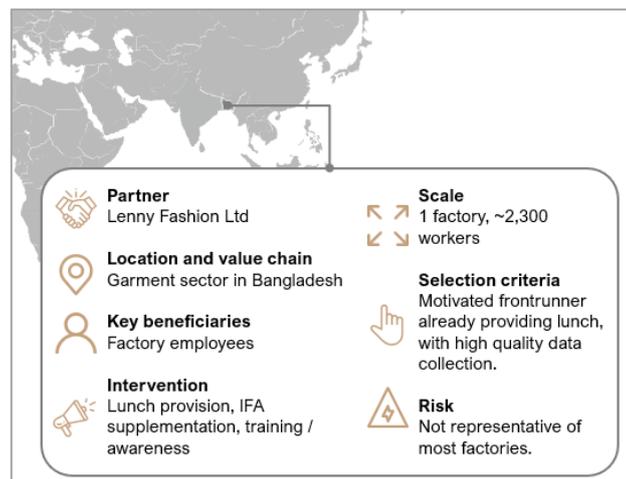
Robust evidence suggests that workforce nutrition programmes<sup>1</sup> bring benefits to employers, such as reduced absenteeism (Berry et al, 2010; Brown et al, 2016), enhanced productivity (Ibid) and returns on investment of up to 6:1 (Berry et al, 2010; Chapman et al, 2012)<sup>2</sup>. The value chain is an effective entry point as it is an established and organised delivery channel where similar services are already provided. GAIN's nutrition programmes in garment value chains focus on increasing access to and demand for healthy food, and communicating about nutrition.

### Lenny Fashion's nutrition programme in Bangladesh

Lenny Fashions is one of four garment factories owned by the Hong Kong-based MUST group, located in Dhaka's Export Processing Zones. Lenny Fashions has been providing lunch since the factory was established in 1995, and joined up with GAIN to pilot a nutrition programme from 2016 to 2017.

Lenny Fashions' nutrition programme aims to improve access to food and diverse diets among garment workers through:

- providing workers with a nutritious lunch, including rice fortified with iron, folic acid, vitamin A and B and zinc;
- providing Iron Folic Acid (IFA) supplementation to all workers weekly, and to pregnant women daily;



<sup>1</sup> Workforce nutrition programmes aim to improve the access and demand for healthier diets using existing business structures as entry point (workplaces or supply chains).

<sup>2</sup> Workforce Nutrition evidence briefs available at: <https://www.gainhealth.org/resources/reports-and-publications/evidence-workforce-nutrition-programmes>

- incorporating nutrition components into the existing HerHealth training programme;
- influencing behaviour change through training sessions and providing learning materials.

The pilot was embedded into the BSR (Business for Social Responsibility) HerHealth Project, a buyer-funded programme which included 6 training modules on different aspects of worker health, including nutrition.

## METHODOLOGY

NewForesight undertook structured interviews with Lenny Fashions employees and buyers, and carried out garment sector market research and an in-depth analysis to probe the companies' motivations for investing in nutrition programmes. The study extended the definition of 'business case' beyond financial returns on investment to cover a broad range of motivations that provide a compelling reason for companies to act (Figure 1).

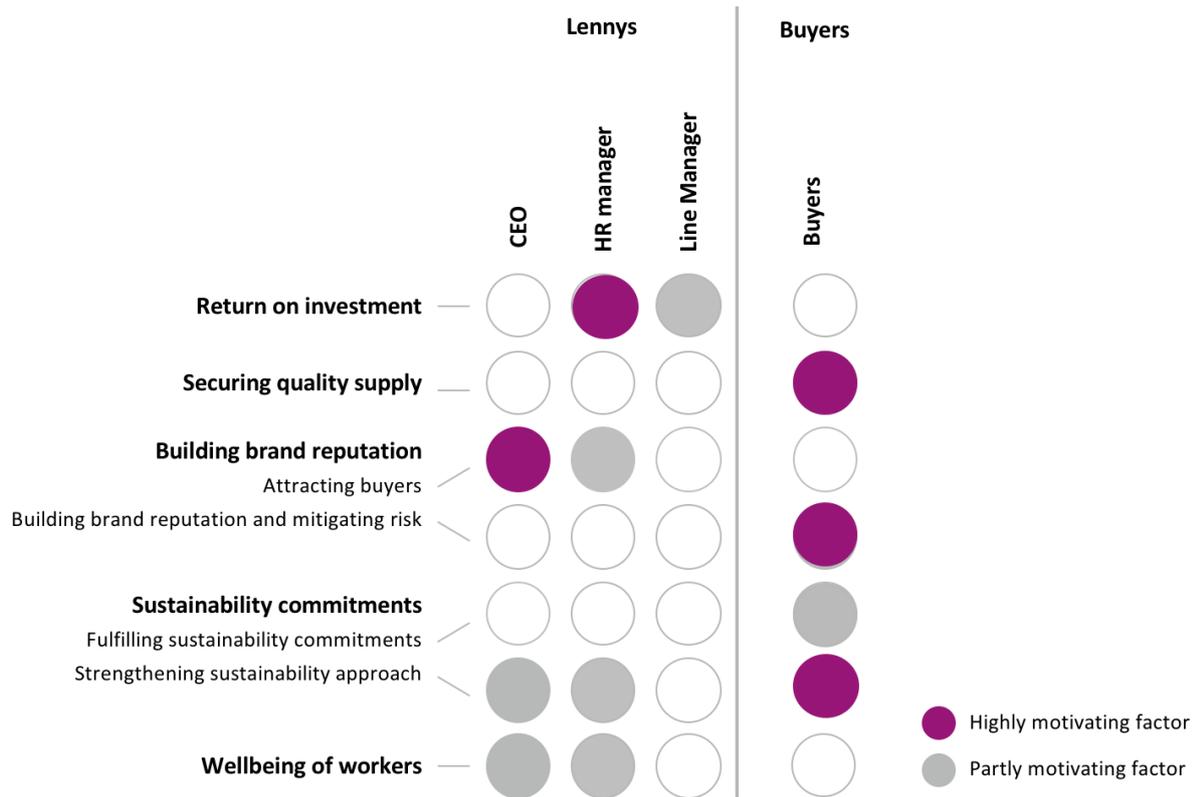
Figure 1: Business case motivation categories



## FINDINGS

Lenny Fashions' original motivation for starting a nutrition programme centred around being a frontrunner in sustainability, making them more attractive to buyers. However, the programme resulted in demonstrable financial benefits for the business, and measurable improvements in nutrition outcomes for female garment workers (Hossain et al, 2019).

Figure 2: Motivations for investing in nutrition programmes for workers in garment value chains.



**Although attracting buyers was the initial business case for Lenny Fashions, the nutrition programme demonstrated measurable returns. These tangible results have led Lenny Fashions to commit to continuing the programme, despite external funding coming to an end.** A request from a garment buyer catalysed Lenny Fashions' interest in a nutrition programme, but the programme demonstrated a decrease in costs through decreased absenteeism and decreased sickness reports. Lenny Fashions also believe that the programme contributed to increased revenue through an increase in quality and a subsequent reduction in final shipment rejections. The programme also demonstrated a 32-percentage point decrease in anaemia in female factory workers who received iron folic acid supplementation and lunches with fortified rice (Hossain et al, 2019).

**Integrating the nutrition programme into existing approaches was key to its success.** For example, the fortified rice intervention was fully integrated into an existing lunch provision programme, and the training component was integrated into the HerHealth programme, which was already being implemented. For factories looking to start new programmes, the need for funding, expertise, training and access to strategic technical inputs is a significant barrier if nutrition interventions cannot be woven into existing approaches or structures, for example canteens.

**Supporting and fostering champions is key.** The CEO and HR Manager of Lenny Fashions were sensitised to the importance of nutrition, and this was critical to the success of the programme. Where extra effort was needed, for example for the implementation of the training programme, the personal commitment of the HR Manager was key.

**Buyers have competing priorities, but there is a business case to be made.** Buyers reported that worker safety, child labour and sustainable production are a priority for them. However, the strong direct financial business case, combined with the impact on workers' nutritional status, make a strong case for nutrition programmes as part of a sustainability package.

## CONCLUSIONS

For Lenny Fashions, the business case for nutrition programmes in their factories is clear, with a clear financial business case, indirect benefits, such as positioning itself as a sustainability front runner for buyers, and a reduction in anaemia in female garment factory workers (Hossain et al, 2019). However, the study suggests that nutrition programmes are most likely to be successful in factories where they can be woven into existing programmes or interventions, for example existing health programmes or lunch provision. For buyers, nutrition is currently a lower priority than worker safety or sustainability; given the strong results of this study, there is a case to be made for the integration of nutrition into worker wellbeing and sustainability programmes.

## FIND OUT MORE OR GET INVOLVED

[Find out more](http://www.gainhealth.org) about GAIN's workforce nutrition programme at: [www.gainhealth.org](http://www.gainhealth.org)

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