



Study on

**Industry-wise Awareness Building Plan and
Training Needs Assessment for the Leather,
Leathergoods, and Leather & Non-leather
Footwear Sub- Sectors**

**Industry-wise Awareness Building Plan and Training Needs
Assessment for the Leather, Leather Goods, Leather & Non-leather
Footwear Sub-sectors**

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Table of Contents

LIST OF ACRONYMS AND ABBREVIATIONS	5
EXECUTIVE SUMMARY:	6
1. INTRODUCTION.....	7
1.1 Background of the Study	7
1.2 Objectives of the Study	8
1.3 Literature Review	8
1.4 Methodology of the Study	11
2. CURRENT SCENARIO OF THE LEATHER INDUSTRY IN BANGLADESH.....	14
3. NATIONAL AND INTERNATIONAL STANDARDS ON ESQ COMPLIANCE.....	19
4. GAP ANALYSIS BY COMPARING NATIONAL AND INTERNATIONAL REQUIREMENTS ON ESQ COMPLIANCES.....	44
5. TRAINING NEEDS ASSESSMENT ON ESQ COMPLIANCE	71
6. INDUSTRY-WIDE AND FIRM-LEVEL AWARENESS-BUILDING STRATEGY AND PLAN ON ESQ COMPLIANCE.....	82
7. ACTION PLAN:	98
ANNEX 1: QUESTIONNAIRE FOR LEATHER SUB-SECTOR	102
ANNEX 2: QUESTIONNAIRE FOR LEATHERGOODS SUB-SECTOR.....	114
ANNEX 3: QUESTIONNAIRE FOR FOOTWEAR SECTOR	126

List of Tables

Table-2.1: Export Scenario of Leather, Leather Goods and Leather & Non-leather Footwear Sub-sectors (Values in USD Million).....	16
Table 3. 1: Categories of tannery audit.....	20
Table 3. 2: A comparison of various environmental and social compliances.....	42
Table-4.1: Bangladesh leather (Tannery) sub-sector’s existing environmental compliance gaps with the nature of gaps and factors responsible	46
Table-4.2: Bangladesh leather (tannery) sub-sector’s existing social compliance gaps with the nature of nature of gaps and factors responsible	51
Table-4.3: Bangladesh leather sub-sector’s existing quality compliance gaps with the nature of gaps and factors responsible	58
Table-4.4: Bangladesh Leathergoods and Footwear Sector’s Existing Environmental Compliance Gaps with the Nature of Gaps and Factors Responsible	61
Table-4.5: Bangladesh Leathergoods and Footwear Sector’s Existing Social Compliance Gaps with the Nature of Gaps and Factors responsible	62
Table 4.6: Bangladesh Leathergoods and Footwear Sector’s Existing Quality Compliance Gaps with the Nature of Gaps and Factors Responsible	68
Table 4.7: Major quality problems in different stages and process of production of leathergoods and footwear	69
Table 5.1: Training needs assessment at the pre-tanning stage of leather sector.....	72
Table 5.1.2: Training needs assessment for environmental compliances of the leather sector in Bangladesh	72
Table-5.1.3: List of suggested training needs assessments for social compliances at all levels of the leather industry of Bangladesh	74
Table 5.1.4: Training Needs Assessment for Improvement of Quality Compliance of leather (Tannery) sub-sector.....	75
Table 5.2.1: Training needs assessment for environmental compliance of leather goods and footwear sub-sectors	76
Table 5.2.2: Training Needs Assessment for Social Compliance of Leathergoods and Footwear sub-sectors	78
Table 5.2.3: Training Needs Assessment for Quality Compliance of the Leathergoods and Footwear Sub-sectors	79
Table-6.1: List of strategies and activities to address information/knowledge gaps.....	84
Table-6.2: List of strategies and activities to address awareness gaps.....	86
Table-6.3: List of strategies and activities to address motivation gaps.....	88
Table-6.4: List of strategies and activities for leather sub-sector	90
Table-6.5: List of strategies and activities for leathergoods and footwear sub-sectors	92
Table-6.6: List of Policy-level facilitating strategies and activities.....	93
Table-6.7: List of promotional strategies and activities.....	94
Table-6.8: List of capacity-development strategies and activities	95
Table-6.9: List of probable modules for Mid-level managers	97
Table-6.10: List of probable modules for Workers.....	97

List of Acronyms and Abbreviations

ESQ	Environmental, Social and Quality
TNA	Training Needs Assessment
MoI	Ministry of Industries
BTA	Bangladesh Tanners Association
CETP	Central Effluent Treatment Plant
RMG	Ready-Made Garments
SCP	Sustainable Consumption and Production
LFMEAB	Leather Goods and Footwear Manufacturers & Exporters Association of Bangladesh
LWG	Leather Working Group
RSL	Restricted Substance List
ZDHC	Zero Discharge of Hazardous Chemicals
SVHC	Substances of High Concern
MSDS	Materials Safety Data Sheet
Sedex	Supplier Ethical Data Exchange
GMO	Genetically Modified Organisms
ETI	Ethical Trading Initiative
ILO	International Labour Organisation
FLA	Fair Labor Association
WRAP	Worldwide Responsible Accredited Production Code of Conduct
BSCI	Business Social Compliance Initiative Code of Conduct
MRSL	Manufacturing Restricted Substances List
PC	Participation Committee
EMS	Environmental Management System
PPE	Personal Protective Equipment
TPM	Total Productive Maintenance
SOP	Standard Operating Procedures
RPL	Recognition of Prior Learning

Executive Summary:

The leather, leathersgoods and footwear (leather and non-leather) sub-sectors of Bangladesh are important contributors to the national export earnings. With the good quality of domestic leather, the competitiveness of leathersgoods and footwear in terms of price and quality, these sub-sectors are being increasingly recognised in the international market. The government is also doing its part in facilitating the business for this sector.

As leather and its produces are considered as hazardous due to their toxic wastes and use of harmful chemicals in the production process, these sub-sectors require a serious attention on their environmental, social and quality (ESQ) compliances. Bangladesh is still lagging behind in terms of ensuring ESQ compliances in these areas mostly owing to the limited knowledge of the sub-sectors on their requirements. This is limiting the potentials of the sub-sectors and hindering access to many developed country markets.

The study conducted Under Component 1: Market Access Support Programme of the Export Competitiveness for Jobs (EC4J) Project, Ministry of Commerce, Government of Bangladesh, funded by the World Bank Group, is an initiative to chalk-out the areas on what kind of awareness, capacities and knowledge are required at all levels of each sub-sector. The study identifies the gaps in compliance and recommends actions to mitigate those.

From the firm-level interviews, consultations and through experts' opinions, the study has figured out the areas where gaps lie. Some of the major areas include:

- **Owners' and top-managers' knowledge, information and sensitivity towards compliance;**
- **Knowledge on hazardous chemicals and chemical combinations, Restricted Substance List (RSL), chemical sourcing, handling and management techniques;**
- **Segregation of wastes, both liquid and solid;**
- **Understanding of the quality of raw materials and finished products;**
- **Compulsory regulations of the labour law of Bangladesh for workers' welfare; and**
- **Operation of the latest technology and machinery.**

These major areas are to be focused in capacity-building and while implementing the strategies for developing ESQ Compliance. The study has developed Training Needs Assessment (TNA) and strategic plans for each sub-sector based on the identified gaps. With a time-bound action plan and coordinated approach involving the firms, associations, academia and policy-makers, the leather, leathersgoods and footwear sub-sectors can develop its compliance situation and can improve its international image resulting in improved export performance.

1. Introduction

1.1 Background of the Study

In order to enhance growth in international trade, export diversification is treated to be a key factor for the Government of Bangladesh. Diversification is expected to lead to export growth, creation of quality jobs for all and, hence, would contribute in alleviating the country's poverty situation. To ensure a sustainable socio-economic development of the country, diversifying exportable items and export markets, therefore, is very important.

Necessary compliances relating to environmental, social and quality (ESQ) issues are pre-requisites for accessing the developed country markets. The ESQ situation prevailing in Bangladesh does not, unfortunately, in many cases meet the international requirements and, hence, fails to capture such markets. The Export Competitiveness for Jobs (EC4J) is an initiative to improve the overall ESQ compliance situation of Bangladesh in its drive not only to improve its export figures by some selected sectors, but also to improve the overall quality of jobs in these sectors, namely Leather & Leather Goods, Footwear, both leather and non-leather, Plastics and Light Engineering. These sectors are believed to have the potential to contribute a lot to the export earnings of the country and, are, therefore, considered as priority sectors in different government policies. Despite various supports and incentives from the government, they are not proving able to play the desired role in export earnings, mainly due to their non-compliance with the ESQ issues.

Against this backdrop, under the *Component 1- Market Access Support Programme* of the Exports Competitiveness for Jobs (EC4J) project, the sub-component 1.1 Sector-level ESQ Awareness and readiness aims to directly address the importance of ESQ compliance in achieving international compliance certification and getting accesses to developed country markets. With this objective in mind, this study has been carried out to develop an industry-wise and firm-level awareness-building strategy, plan and training needs assessment (Gap Analysis, TNA) for the aforesaid sectors [Leather, Leather Goods, and Leather & Non-leather Footwear, Plastics and Light Engineering] in their ESQ compliance issues. It has been observed that only social or some labour standards alone cannot meet the compliance regulations required by international buyers. A combined approach to address all issues related to compliance, namely environmental, social, including labour and health and safety standards and, most importantly, quality parameters are needed. It has also been observed that although some studies have been done, particularly in some labour and environmental parameters with regard to attaining international best practices, quality compliance necessities and the position of Bangladesh in that respect have not been analysed properly for these sectors. This assignment, therefore, has the unique approach to look at the quality perspective in meeting international standard compliance issues for these sectors.

1.2 Objectives of the Study

The main objective of the assignment is to develop Industry-wise and firm-level awareness-building strategy, plan and training needs assessment (Gap Analysis, TNA) on ESQ Compliance issues for Leather & Leather Goods, Footwear, both leather and non-leather, Plastics and Light Engineering sectors.

To achieve this broad objective, the assignment has conduct the following tasks:

- To identify the present ESQ compliance gaps;
- To select and prioritise major ESQ issues that need to be addressed;
- To review the existing trainings conducted on ESQ Compliance issues;
- To identify specific training programmes, both basic and specialised, needed for top, mid-and operational-level managers, in order to develop their capacities to comply with international ESQ standards; and
- To develop an awareness-building strategy, plan on ESQ compliance.

1.3 Literature Review

Bangladesh, nowadays has been preparing herself to advance to the next level of economic development. Export diversification would be one of the keys to attain the desired development. In this case, leather sector of Bangladesh may play a crucial role as this sector has already proved its immense possibility of contributing to our economy. So now it is necessary to explore the pathways of further expansion of this sector. The major importers of Bangladeshi leather goods are the European Union, Japan, China etc.. These countries maintain some standards in terms of quality while importing. In today's world, due to the emerging concern about the climate, exporters have to fulfill some environmental and social requirements for entering into the European markets.

Ahamed (2014), in his study, observed some remarkable potentials of the leather industry of Bangladesh. It has been specified that leather industry of Bangladesh is directly responsible for producing a huge quantity of tannery wastes, both liquid and solid, since most of the tanneries lack the required technologies for waste disposal and converting these solid wastes into other value added products¹. The study considered the possibility of transforming the production process of the leather industry into a sustainable and cleaner production by relocating tannery from Hazaribagh to Savar and building a leather park at Savar. Moreover, that study was mainly based on the potentials of leather industry of Bangladesh and its hazardous environmental consequences, but said almost nothing about social and quality compliances.

A study by Human Rights Watch (2012) documented the environment pollutions along with the lack of waste disposal measures and the problematical working conditions in the tanneries of

¹ A Report on Leather and Leather Goods Industry of Bangladesh- JB Group Research Department, JBBC Department (<http://jbbc.co.jp/wp-content/uploads/2014/08/A-Report-on-Leather-Leather-Goods-Industry-of-Bangladesh.pdf>)

Hazaribagh, including health hazards suffered by workers and nearby residents, poor working conditions and child labour. This study found out that in Hazaribagh no tannery had any waste disposal plant. As a result, tanneries release an insane amount of effluent on a daily. The Central Effluent Treatment Plant (CEPT) at Savar is expected to resolve most of the environmental issues for the tanneries operating in Savar Tannery Estate. . But that has not been the case so far. Moreover, due to the repeated exposure to hazardous chemicals, tannery workers commonly face skin and respiratory diseases, including premature aging, aches, dizziness, nausea, asthma, disfigured limbs and itchy, peeling, acid-burned and rash-covered skin². Another alarming finding is that cancer rate among the tannery workers has increased because of their dealings with hazardous chemicals used for tannery processing. In most cases, tannery workers are deprived of sick leaves or any compensation when anyone gets hurt due to the absence of any written contract. The HRW study suggested taking immediate actions to ensure tannery workers' health and safety issue, sick leaves and injury compensations, the removal of child labour and to take effective waste disposal measures.

Another study by Al-Muti (2017) addressed that, because of the rising concern in international market of the detrimental environmental practices of Bangladesh's leather sector, it is now essential for the leather industry to ensure environmental compliances. Although the leather and leather goods industry have the potential to surpass the RMG industry in terms of exports, but if the environmental issues are not addressed immediately, this sector may not achieve any further growth. The leather industry is directly responsible for polluting Dhaka's one of the major water supply source, the Buriganga river which is creating water crisis for the people living in Dhaka. Moreover, because of having direct contact with the harmful substances, not only 50,000 workers, including children, are being affected, but also about 180,000 people living in nearby areas are facing health hazards³. In fact, Hazaribagh tannery area has become one of the worst places in the world in term of toxic. On the other hand, due to the poor infrastructure in Hazaribagh, lack of required facilities and high-tech machinery, the production base of leather and leather goods sector of Bangladesh is not expanding, which results in lower quality finished leather that cannot meet up the international standards. By relocating the tanneries from Hazaribagh to Savar, the environmental harm is expected to minimize through better and more efficient waste management system.

A study by Ensing (2009) particularly based on child labour condition of the leather sector of Bangladesh pointed out that despite the presence of adverse working condition, poor payment, health risk and other problems at the tanneries, a large number of children are employed in the

²Toxic Tanneries: The Health Repercussions of Bangladesh's Hazaribagh Leather- Human Rights Watch (<https://www.hrw.org/report/2012/10/08/toxic-tanneries/health-repercussions-bangladeshs-hazaribagh-leather>)

³Introducing Greening Strategies In Emerging Economies: Environmental compliance of Bangladesh leather industry and its influence on broader policy environment- The Asia Foundation (<https://asiafoundation.org/wp-content/uploads/2018/02/Introducing-Greening-Strategies-in-Emerging-Economies.pdf>)

leather and leather goods sectors in the country. Children working in tanneries are exposed to high risk of health hazards; they don't have any fixed working hours and mostly don't have any access to health or education services. But since the public attention of the involvement of children in tanneries happens to create negative image of Bangladesh in international market, now-a-days the export-oriented industries generally employ fewer number of child workers. Children are mostly involved in the low-scale informal enterprises that produce low quality products and they also lack safety measures and high-tech machines⁴. Large-scale and export-oriented enterprises do have some safety measures in place and they produce higher quality products.

Another study (Harris, 2016) on the leather sector reform pointed out that the lack of environment compliance stands as a significant barrier on the way of the leather sector's growth and the well-being of the people involved in this sector or the people who live nearby. It is evident that the location of the tanneries hinders the expansion of this sector, which inspired the Government of Bangladesh relocating the tanneries from Hazaribagh to Savar, though the relocation of the tanneries will not solve all the problems relating to this sector. For a more sustainable and efficient development, a complete transformation regarding the production process, working condition and enduring environmental compliances of the workers are required⁵.

Mia et al. (2017) conducted a study on waste management measures of the footwear industry of Bangladesh. The study mentioned that the footwear industry is responsible for causing environmental degradation, which occurs due to many reasons, including the use of toxic chemicals in processing raw materials and footwear production, air and water pollutions, disposal of a huge amount of liquid and solid wastes. But one of the major challenges is the landfill pollution that is caused by throwing the footwear in the landfill that are at the end-of-the-life phase⁶. Due to continuous pressure by the international buyers, the footwear industry of Bangladesh has taken significant measures over the past few years to improve the production procedure and remove its hazardous impacts on the environment. The most effective way of reducing this harmful impact on the environment is to minimise the waste level during the production phase and end-of-the-life phase, rather than building heavy and costly waste disposal mechanism. However, ensuring environmental compliance in the production process, reduced generation and management of waste are making the cost of production higher. Because of this, the country is losing its capability to compete at the global platform. This paper mainly focused on the waste management measure of the footwear industry of Bangladesh, but has nothing about social and quality compliance issues.

A study by ECOLEBAN (2017) on sustainable consumption and production (SCP) for the leather sector of Bangladesh pointed out that the footwear industry of Bangladesh generally uses various

⁴Hazardous Child Labour in the Leather Sector of Dhaka, Bangladesh-Foundation for International Research on Working Children (IREWOC) (http://www.crin.org/en/docs/Ensing_Leather_Bangladesh_2009.pdf)

⁴Leather Sector Reform In Bangladesh-The Asia Foundation (<https://asiafoundation.org/wp-content/uploads/2016/06/Leather-Sector-Reform-in-Bangladesh.pdf>)

⁵Leather Sector Reform In Bangladesh-The Asia Foundation (<https://asiafoundation.org/wp-content/uploads/2016/06/Leather-Sector-Reform-in-Bangladesh.pdf>)

⁶https://www.researchgate.net/publication/319873669_Waste_Management_Quality_Assessment_of_Footwear_Manufacturing_Industry_in_Bangladesh_An_Innovative_Approach

chemicals in its production process that are harming the environment. Moreover, the excessive use of these harmful substances also lowers the quality of the products and often fails to meet up the international standards. In this case, this study suggested to substitute the toxic chemicals and to reduce the production and consumption of these chemicals⁷. Also, most of the used shoes end up in the municipal streams or landfills causing severe pollution. For this reason, recycling of the used shoes has become one of the key recycling concerns now-a-days. This study also pointed out that the footwear production process requires a lot of electricity, so shifting to a more energy saving and energy efficient method can bring a significant change to the environment quality. On the other hand, most of the workers in this sector are deprived of a safe working environment. They have to deal with toxic chemicals everyday, which is causing serious harm to their health and the worst part is that they are not even fully aware about the extent of the pollution and harm. Most of them are not provided with any gloves, boots and aprons, as a result they often suffer from various skin diseases.

1.4 Methodology of the Study

A mixed method approach was employed for conducting the study. It primarily was based on qualitative approaches like interviews, surveys and stakeholders' consultation. In addition, a careful desk review was also carried out to assess and scrutinize information available in the form of secondary data, relevant policy and legal papers, and literature on the sector. Collected data were analyzed mostly using qualitative analysis techniques. An assessment of the training needs at both basic and specialised levels for the selected sector has been developed along with an awareness-building strategy for improving the overall ESQ standards of the sector to make it a more competitive one in terms of market access.

The following steps were followed before the collection of data:

- a) **Desk Review:** An in-depth desk review was undertaken to have a baseline idea on the issue of ESQ compliances, particularly on the leather and leather goods industry and how they are managed in Bangladesh. In addition, their international requirements and best practices were also identified through the desk review.
- b) **Development of Survey Questionnaire:** Based on the findings from the desk review and in reference to the Handbook on Social and Environmental Compliance in Bangladesh's Leather Industry developed by the Consulting Services International Ltd. and other recommended compliance materials, a structured questionnaire was developed for conducting the survey. Separate questionnaire for each sub-sector of the selected sectors were also prepared. The questionnaire included basic information on firms, specific questions on Environmental, Social

⁷Guidelines on best Sustainable Consumption and Production (SCP) practices for the leather sector in Bangladesh- (https://www.switchasia.eu/fileadmin/user_upload/Project%20news/Ecoleban/Guidelines_on_best_SCP_practices_FINAL.pdf)

and Quality Compliance requirements and current practices by the firms, questions on type and nature of existing training at different levels, if any and future need assessment for the firms to meet ever stringent compliance requirements for accessing global markets. The questionnaire was validated by sector experts and compliance specialists. In addition, a pilot survey was also conducted to finalise the draft questionnaire. Two broad categories of questionnaires were designed for the collection of data from two different sources. These were:

- **Questionnaire for Associations:** This questionnaire was developed for gathering information from the sub-sector-level associations on their knowledge on ESQ compliance issues, and to get an understanding on their existing on-the-job training facilities, if any and future needs assessments to improve firm and industry-level ESQ compliance capacities. It also tried to explore the roles of associations with other major stake-holders that can help the sector to improve its competitiveness.
 - **Questionnaire for Firms:** The questionnaire developed for collecting data from individual firms included questions on their knowledge and understanding on ESQ compliance issues, existing state of ESQ compliance policies followed by the firms, areas of further improvements, etc. It mainly targeted firms' views on the ESQ issues and how the standards can be developed to make the firms more competitive in the global market.
- c) **Data Collection:** The collection of survey data, as necessitated, involved the following two major sources:

I. Data Collection by the BFTI:

- **Interviews of the sub-sector associations:** Each of the sub-sector associations were interviewed by the interviewers from the BFTI.
- **Firm-level interviews:** Firm-level interviews were conducted by appointing specially trained enumerators by BFTI. For ensuring a representative sampling, the survey followed a policy of selecting at least three firms from each of the Micro, Small, Medium and Large-sized enterprises for the data collection purpose. Data collection involved face-to-face in person interviews with responsible officials/insiders to avoid any bias in data collection.

In order to get the workers'-perspectives, during the interview sessions, the data collectors separately talked with workers and noted their opinions, especially on the social compliance issues. It was made sure that the workers could talk freely without presence of their supervisors. Representatives from the Workers' Union were also invited and present during the consultations and the validations. The president of Workers' Union was, personally present in some of the consultations and validation and expressed their views. Those were also included at the report. They also opined their views in compliance issues relating to labour force and their expectations from the owners and policy-makers.

II. Data Collection through the Association:

The Three associations of Leather sub-sectors, namely Bangladesh Tanners' Association (BTA), Leather Goods and Footwear Manufacturers & Exporters Association of Bangladesh (LFMEAB) and Bangladesh Finished Leather, Leather Goods & Footwear Exporters' Association (BFLLEA) provided with the structured questionnaire for collecting data from their member firms on their existing practices of ESQ, their needs and requirements for making the firms ESQ compliant.

For this study, a total of 17 tanneries, 18 leathergoods and 18 leather and non-leather footwear firms were interviewed by the BFTI and through the respective associations.

- d) **Data Input:** Data collected through questionnaire surveys from firms and associations were given as input in MS Excel sheet. Once data input work was over, they were cleaned carefully to make them readily useable.
- e) **Consultation Meetings:** In addition to field data collected through surveys, two consultation meetings, one with the Leather processors and other for Leather Goods and Leather & Non-leather Footwear manufacturers, were also conducted. These included participants from relevant stakeholders, including firm-owners, top managers and sector experts, academicians and relevant government officials. These meetings were conducted aiming at collecting additional information on the existing ESQ practices, areas of further attention, need assessment, and identification of scopes and training requirements at different levels.
- f) **Data Analysis:** The data gathered from the interviews and other inputs collected through two consultation meetings were analysed to identify the ESQ gaps and to list the priority areas in ESQ compliance. This was done mostly by using descriptive quantitative analytical tools like measures of central values and dispersions. In addition, data were presented by using tables, graphs and flow-charts, wherever necessary to make them presentable. Based on the findings on the existing practices of the ESQ compliance by the selected sectors, gaps are identified by comparing them with the prescribed standards of ESQ compliance values. Finally, training needs were suggested on the basis of identified gaps on ESQ issues. These were suggested aiming to be implemented at different levels and thus categorised as basic and specialised training, top-level training, mid-level training and operational-level training for supervisors and managers.
- g) **Validation Workshop:** A validation workshop was organised to share the preliminary findings on the Leather, Leather Goods and Leather & Non-leather Footwear sub-sectors. The opinion of the experts, industry insiders and other stakeholders' on the draft outcomes have helped BFTI to finalise the outcomes of this study.

2. Current Scenario of the Leather Industry in Bangladesh

As Bangladesh prepares to step into the next level of economic development, export diversification is going to be the key to ensure the desired development. In this regard, all the sub-sectors of the leather sector of Bangladesh has to play a significant role since, being the second largest export sector of the country, the leather sector of Bangladesh has been greatly contributing to the overall economy through high quality and quantity of production, employment generation and product diversification. The sector was declared as the product of the year in 2017 by the Government of Bangladesh. It has also been given immense importance in several strategies and policies of the Government in order to achieve the mandate of diversification as the sector has tremendous prospects in producing and exporting high-value-added diversified products. Contributing around 1.1% to the GDP, total employment in the sector increased from 91,000 in 2013 to 129,000 in 2016. The sector also has potentials to create further employment opportunities for many more people in the years to come.

The leather sector of Bangladesh comprises tanned, crust and finished hides, footwear and various other leather products. Each sub-sector is contributing separately to achieve the targets set for the leather sector as a whole. The level of value addition also varies for each sub-sector. This section of the study will highlight the present scenario of all the sub-sectors in order to have a clear view of the overall leather sector as a whole.

According to the a report of Leather Goods and Footwear Manufacturers' & Exporters' Association of Bangladesh (LFMEAB), approximately 220 tanneries are operating in Bangladesh. Most of the tanneries, which were previously located in the Hazaribagh area, are now situated in the Tannery Estate at Savar. In addition, some tanneries are also located in Gazipur, Jashore and Khulna. About 10% of the demand for world's total leather markets is met by Bangladeshi leather.

The leather sub-sector has contributed USD 183.10 million to the overall export earning of Bangladesh during 2017-18, which is 21.28% less than the previous year's earning. Major export destinations for Bangladeshi crust and finished leather are Hong Kong, China, Italy, Spain, etc. Leather from Bangladesh is globally renowned for its high qualities of fine grain, uniform fibre structure, smooth feel and natural texture.

The most crucial hindrance on the growth path of the leather sub-sector of Bangladesh is its non-compliance, both in environmental and social indicators. Most of the workers, working in the Tanneries, are deprived of a safe and healthy working environment. They have to deal with toxic chemicals everyday causing serious harm to their health, and the worst part is that they are not even fully aware of the extent of the hazards associated with those works. Many of them are not provided with any gloves, boots or aprons; as a result, they suffer from various skin diseases and other health hazards. Moreover, despite having adverse working conditions and health hazards in the leather sector, their payment structure is not significantly different from that of other similar

sectors in the country. The workers usually don't have any certain working hours and mostly don't have any access to health or social services. This remains to be a serious concern for the country.

On the other hand, due to the poor infrastructure of tanneries and lack of required facilities and absence of modern machineries, the production base of leather sub-sector of the country is not expanding at the desired rate. This results in lower quality finished leather that cannot meet the international standards. Because of the rising concerns by international buyers on the detrimental environmental practices by the Bangladesh's leather sub-sector, it is now essential for the leather industry to ensure the environmental, social and quality compliances to reap the potential benefits. Moreover, the leather sector of Bangladesh generally uses various chemicals in its production process, which are harmful for the environment and human health. The excessive use of these harmful substances lowers the quality of the product and often fails to meet the international standards. In this context, substituting the usage of harmful substances is quite important.

Considering the huge prospect of the tannery industry, its potentials in export and to deal with the compliance issue, the government has taken several steps to protect and strengthen the industry. To achieve the export target of US\$5 billion for the leather industry, that is the leather, leathersgoods and leather footwear sub-sectors, the Government of Bangladesh has decided to transform the leather industry through a milestone step of relocation of the tanning sub-sector from its previous location in Hazaribagh, in the center of Dhaka, to a new industrial estate at Savar on the outskirts of the city. The Hazaribagh production base consisted of around 220 tanneries on about 50 acres of land. In contrast, the Savar estate has an area of 200 acres, with room for further expansion. The Savar estate also has plans to set up all the facilities required to ensure environmental compliance of the tanning sub-sector, including, most importantly, a Common Effluent Treatment Plant (CETP) for treating liquid waste before discharge them into the environment.

Tanneries of Bangladesh, nowadays, are passing a very crucial and transitional period due to the relocation from Hazaribagh to Savar Tannery Estate. Following the directives from the High Court Division, the tanneries were forced to shift their units. Till now, around 155 tanneries have got the allotment at Savar and only around 115 tanneries moved there and started production. As a result, many leather factories are failing to fulfill the buyers' demands and thus driving the buyers away causing a constant fall in export earnings. The delay in setting up a fully functional CETP and water treatment plants hampered production while the relocation process has put a huge financial burden on the tanners. In addition, the tannery estate project is yet to provide proper support to the linked sectors like chemical, raw leather suppliers, and casual workers and did not create any accommodation facilities for the huge number of workers who are, directly or indirectly, related to this sector. The tannery estate project doesn't have any hospital, proper roads or accomodation. It has also been observed that employment in the tannery sub-sector has substantially decreased from around 65,000 in Hazaribagh to 30,000 after relocating it to Savar.

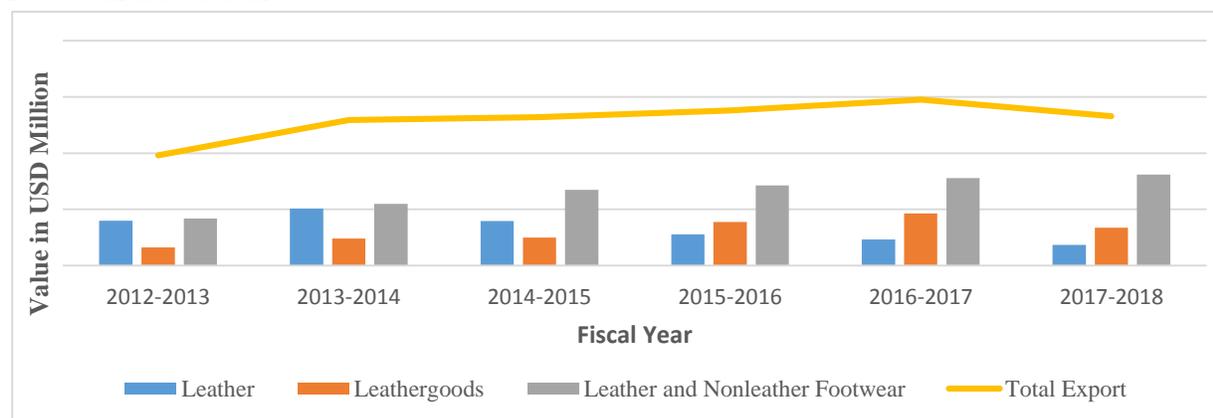
On the other hand, there are around 2,500 footwear manufacturing units, and 90 large firms are currently involved in making leather goods and footwear mainly for export purpose. During the FY 2017-18, export from leather goods was USD336.81 million with a declining growth rate of (-) 27.28%. Export of footwear sub-sector, including both leather and non-leather, was USD 809.69 million where share of leather and non-leather footwear was USD 565.60 million and USD 244.09 million, respectively. It should be noted that among the sub-sectors of the leather industry, only the leather footwear sector's export has shown a positive growth rate. Leathergoods and footwear are mostly exported to developed Countries like UK, Argentina, Austria, Australia, Belgium, Canada, Switzerland, Chile, Germany, Denmark, Italy, Spain, Finland and others as well as to some Asian and Middle Eastern countries like UAE, China, Japan, South Korea and others.

Table-2.1: Export Scenario of Leather, Leather Goods and Leather & Non-leather Footwear Sub-sectors (Values in USD Million)

Fiscal Year	Leather	Leather Goods	Leather and Non-leather Footwear	Total Export
2012-2013	399.73	161.62	419.32	980.67
2013-2014	505.54	240.09	550.11	1295.74
2014-2015	397.54	249.16	673.27	1319.97
2015-2016	277.9	388.22	714.01	1380.13
2016-2017	232.61	464.43	777.84	1474.88
2017-2018	183.1	336.81	809.69	1329.6

Source: Calculation Based on data from Export Promotion Bureau (EPB)

Figure 2.1: Year-wise Export Scenario of Leather, Leathergoods and Leather & Non-leather Footwear Sub-sector



Source: Depicted based on the data from Table-2.2

Bangladesh produces leathergoods and footwear for many of the renowned buyers of the world. Many units are being operated in Joint Venture. Also, some of the brands like Timberland, Coach,

MK, Macy also have production units in Bangladesh. These units, however, are not using Bangladeshi leather due to the non-compliance issue. Also, many of the brand products producing firms of Bangladesh are also sourcing finished leather from abroad to meet the buyer's compliance requirements. As a result, the export growth is higher but value addition is less. If we can address the compliance issues of Tanneries of Bangladesh, the country will be benefited in both ways, the brands would be encouraged to use the Bangladeshi leather and thus the foreign currencies would be saved due to reduction of leather import as well as the price of the Bangladeshi leather would be at least doubled.

Though the leathergoods and footwear industry is ahead of the tannery sub-sector in terms of production technique, quality of products and overall compliance, they are yet to reach their potential. Many of the firms are use outdated technologies in production and processing, which limit the quality of products. However, with the growing world demand of Bangladeshi leather products, newer technologies are being brought and used in producing leather goods, finished leather and footwear.

In the case of leathergoods and footwear sector, they also use high toxic chemicals in the production process. The major issue in the social compliance in this sector is the lack of awareness on the extent of the pollution and harm as a result of working with the toxic chemicals. Most of the firms operating in these sub-sectors are doing better in terms of chemical management if compared to the tanneries. However, due to the deteriorating image of the overall leather sector of Bangladesh, leathergoods and footwear sub-sectors are also suffering in getting market access and quality prices. Investment in leather goods and footwear sub-sectors has been increasing significantly. The biggest strength for the leathergoods and footwear units is the high quality domestic leather which is still not being utilised properly.

The leather, leathergoods, and leather and non-leather footwear sub-sectors, that is, the leather sector of the country has the potential to become the next big sector for Bangladesh and even can surpass the growth of RMG in the country. In order to achieve the targets, in addition to various projects that the government and the private sector have already been taking, initiatives are necessary to enhance competitiveness of the sectors, especially in the areas of environmental, social and quality (ESQ) compliances. Achieving ESQ compliance will not only lead to better market access, but also will ensure quality jobs for all.

3. National and International Standards on ESQ Compliance

Improvements in the compliance of the leather, leather goods and footwear industries in Bangladesh is expected to have positive contributes to branding Bangladesh as a reliable sourcing destination for leather, leather goods and footwear products. In order to capture foreign markets, the leather and footwear sectors in the country must follow strict environmental, social and quality compliances in different steps along their supply chains. There are several international certifying bodies that have ESQ compliance mandates that firms need to follow in order to get those certifications. to follow.

3.1 Leather Sector

3.1.1 Leather Working Group (LWG)

The Leather Working Group is a multi-stakeholder group which works as an online resource for all stakeholders in the leather industry including brands, manufacturers, suppliers, NGOs and end users.

The main aim of this group is to develop and maintain a protocol that analyses the environmental compliance and performance conditions of the tanners and leather producers. The LWG promotes sustainable and proper business practices within the leather industries and provides a guideline for their continuous improvement. The group engages all types of stakeholders including suppliers, brands, retailers, leading technical experts within the leather industry, NGOs and going up to the academic institutions and other stakeholder organisations. Brands like Adidas, Apex, Aldo, Atlas, Asiatan, Burberry etc. are its member.

Audit Mechanism

The LWG protocol provides tanners and leather producers with guidance on best environmental practices. It provides tanneries auditing protocol whose purpose is to analyse and evaluate the performance of tanneries. The audit is applicable to all relevant operations in the leather production processes, including cutting, effluent treatment operations, technical, maintenance and administrative activities. The audit is done on the most recent 12 months for which data are available; the last month should not be prior to more than three months of the date on which the audit is undertaken. LWG also focuses on the social and labour standard maintenance of a firm. In case of unacceptable behaviour, such as failure to maintain workers' safety and health, downgrading is given by the auditor.

The tannery under audit is required to provide the auditor with full information to confirm that the tannery is working in compliance with the operating permits. But the audit is not sufficient to fully analyse if a firm is compliant as a whole since it mainly focuses on the environmental aspects. Other issues related to health and occupational safety and quality are not addressed in the audit in

a detailed extent. In instances where information is incomplete or misleading, the entire audit will be categorized as “Automatic Audit Failure”.

The audit results are valid for 24 months. A firm will require recertification after 24 months. The LWG audit is implemented based on the following categories:

Table 3. 1: Categories of tannery audit

Code	Category
A	Raw hide/skin to tanned
B	Raw hide/skin to crust
C	Raw hide/skin to finished leather
D	Tanned hide/skin to finished leather
E	Crust hide/skin to finished leather
F	Tanned hide/skin to crust leather
G	Raw hide/skin to pickled/pre-tanned material

Source: Leather Working Group, 2018, Issue-: 6.5.3

Scoring

Scoring is a part of the LWG audit mechanism. Scoring is based on the 5R method, which has the following criteria:

- **Reduce** the amount of resource used (energy, water, chrome etc.);
- **Reuse** material for the same purpose without additional or minimal input (pallets, wastewater etc.);
- **Recycle** material that cannot be reused into other products;
- **Recover** raw material (for example heat energy from oils or solvents that cannot be recycled); and
- **Refuse** any material that can only be disposed of provided disposal is safe and legal.

Scoring for Awards

The firms being audited is require to fill out a questionnaire. Each question in the questionnaire has 5 options or answers from which a firm must choose the best possible answer. For a tannery, if any question has more than one appropriate answer, the auditor is required to assign a score on each option/answer. Each firm is required to go through a critical scoring for some sections of the questionnaire. In each section, a firm falls into ‘Gold’ award for a score of 85, ‘Silver’ (75 points) and ‘Bronze’ (65 points) from a maximum score of 100. A firm failing to score a minimum for each section will not receive any classification.

Sections of the questionnaire that requires a minimum score are as follows:

- *Operating permits*: ensures that the factory is operating in compliance with the appropriate local permits and licenses.
- *Tannery data*: analyses of the overall leather supply chain.
- *Environmental management system*: analyses of whether a firm has documented effective and active system for managing the environmental aspects of their business.
- *Restricted substances (RS)*: analyses of whether a firm manages, understands and implements the RS requirements of the buyers.
- *Energy consumption*: assesses the energy usage per unit area for specific production process
- *Water usage*: assesses the use of fresh water per unit area of a production process. This section includes rewards to a firm for water recycling.
- *Air & noise emissions*: assesses the management of a firm's air and noise emissions into the environment and require inventory, management and monitoring.
- *Waste management*: analyses management and control of solid waste generated by a firm. Emphasis is placed on the separation of waste and their proper disposal.
- *Effluent treatment*: analyses of the liquid waste management system of a firm and required legal discharge of waste water. Firms that can reach the target levels of water quality are given higher scores.
- *Emergency plans*: analyses of a firm's capacity to handle emergency, health and safety risks.⁸

3.1.2 Restricted Substance List (RSL)

In the leather production processes, tanning is an important step where the use of chemicals plays a crucial role as chemicals end up either in the final leather, as a by-product or in the waste stream. In this regard, tanneries must comply with regulations and specifications to ensure proper use of chemicals without causing harm to consumers and to the environment. Regulations restrict the use of hazardous and toxic chemicals. This has given rise to the Restricted Substance List (RSL) in the tanning industry which restricts the use of chemicals in the final leather products and the intermediate processes. The RSL lists are mainly defined by 2 regulatory instruments:

1. Legislations:

- National regulations and laws
- International agreements and regulations

2. Manufacturers/Brands, Eco-labels, NGOs and Consortiums (such as ZDHC):

- Eco-labels for consumer items
- Restricted Substance Lists (RSL) for consumer products like leather

⁸ LWG Environmental Audit Protocol Responses Report, Issue 6.5.3

- Restricted Substance Lists for chemical products (i.e. MRSL issued by ZDHC)

Some countries impose more stringent regulations in its RSL list than others. For example, EU countries have the strictest regulations in their RSL list commonly known as REACH. Any country interested in exporting leather and leather products to the EU must comply with the REACH restricted substance requirements for consumer goods. In addition, the Substances of High Concern (SVHC) [mentioned in *Annex XIV of REACH*], must be less than 0.1%.

3.1.3 Zero Discharge of Hazardous Chemicals (ZDHC) Programme

The ZDHC Foundation is a collaboration between Green Peace and global signatory brands and value chain associates whose objective is the reduction/elimination of the use of hazardous chemicals in the footwear supply chain. The ZDHC Programme focuses on regulating the use of chemicals from the beginning of the supply chain. It has formed a Material Restricted Substance List (MRSL) for leather chemicals.

3.2 Leather Goods and Leather & Non-leather Footwear

3.2.1 Business Social Compliance Initiative Code of Conduct – BSCI

The Business Social Compliance Initiative (BSCI) is a major supply chain management system that helps businesses improve social compliance and working conditions within factories. The BSCI defines a set of code of conduct to regulate and protect workers. The code refers to important international conventions, such as the Universal Declaration of Human Rights, the Children's Rights and Business Principles, UN Guiding Principles for Business and Human Rights, OECD Guidelines, UN Global Compact and ILO Conventions and Recommendations relevant to improve the working conditions in the supply chain. The BSCI provides capacity building to develop skills and capacity of participants and their business partners to improve and implement social compliance in their operations.

Among the BSCI code of conducts, 76% of the indicators are social, 9% environmental and the rest are related to management and ethics. The social codes of conduct cover 4 indicators (with addressing several compliances issues) namely, Human Rights and Local Communities (4 obligations); Labor Practices - Conditions of Work and Social Protection (31 obligations); Labour Practices - Employment and Employment Relationships (46 obligations); Labour Practices - Human Development and Social Dialogue (14 obligations).

The environmental codes of conduct include compliances/obligations related to 3 indicators, namely- inputs, waste, and water. The indicator 'inputs' has obligations related to:

- *Chemicals and related materials*: To assess significant environmental impact of the use of any chemical in order to avoid environmental degradation.
- *Chemicals storage and labelling*: This includes labelling of harmful and hazardous chemicals, and maintaining MSDS datasheet.
- *Chemicals-selective and targeted application*: This ensures that only authorised workers have access to chemical substances and the use of chemicals are recorded properly.
- *Training on chemicals handling and exposure*: This involves different trainings for proper handling of chemicals.
- *Chemical substances storage/disposal/waste/labelling*: This is to ensure that there are systems in place to detect, assess, avoid and respond to potential threats to the health and safety of workers.

The indicator ‘Waste’ includes the following obligations/compliances:

- *Waste management*: The general principle revolves around checking how a factory manages its waste, including packaging materials, contaminated industrial water and hazardous waste. Factories are required to have specific waste handling systems in place.
- *Criteria related to waste separation*: Requirement to separate hazardous and non-hazardous waste.
- *Waste disposal* (including solid waste, non-solid waste, excluding hazardous waste): This puts regulations on segregation and proper management of hazardous wastes.
- *Waste elimination through the use of fire*: Despite the absence of national regulations a business/factory is prohibited from dumping waste into the natural environments or burn it in open fires.
- *Waste landfilling*: Avoidance of uncontrolled waste landfilling.

The indicator ‘Water’ includes only the following obligation:

- *Water use and management*: This requires factories to have mechanisms in place to promote water conservation and water waste reduction.

3.2.2 Supplier Ethical Data Exchange–Sedex

Sedex is a non-profit membership organisation which is dedicated to providing and managing information related to labour standards, health and safety, environment and business ethics to its members. In addition, Sedex provides various supports such as arranging training sessions to help members use the Sedex system, risk assessment, code of conduct acceptance programme, supplier pre-screening, audit management, customised reporting, providing publications and others to its members.

Among the Sedex Codes, 29% are environmental indicators, 48% are social indicators, 14% are management indicators, 8% are ethical indicators and 1% is quality indicator⁹. The environmental codes of conduct covers 7 indicators which are as follows:

- **Soil:** There are 6 obligations under this indicator named as general principle on soil management, management strategies for the prevention of soil erosion, processes to determine soil quality, processes to determine the level of soil nutrients, minerals and organic matter, soil preparation for specific crops, processes and practices to maintain or improve soil fertility and organic matter content.
- **Inputs:** There are 14 obligations under this indicator which relate to chemical storage and labelling, storage and cleaning procedures for chemical equipment and containers, use of agro-chemical, training on proper chemical handling, maintenance of chemical waste, management of genetically modified organisms (GMOs) and others.
- **Biodiversity:** This indicator consists of 3 obligations in total relating to general principals of biodiversity and wildlife, processes in place to ensure sustainable management and use of natural resources.
- **Waste:** Under this indicator, there are 14 obligations. Some relate to the treatment of solid and non-solid waste, monitoring the waste volume and policies to reduce them, waste separation, air, noise, odour and other pollutions, environmentally-friendly purchasing policy, risk management and record keeping and others.
- **Water:** There are 7 obligations under this indicator named as management plan for water use and quality, reusing/recycling water in order to reduce water use, wastewater management and record keeping, water contamination/pollution, etc.
- **Energy:** This indicator consists of 4 obligations in total related to the use of renewable and non-renewable energies, general principle on renewable energy usage and requirements related to the reduction in use of energy resources.
- **Climate–Carbon:** Under this indicator, there are 4 obligations, namely general principle on carbon policies, criteria on (non-energy) greenhouse gas emissions, requirements for the reduction of greenhouse gas (GHG) emissions, and criteria on specific climate adaptation activities.

Furthermore, the social codes of conduct covers 4 indicators namely, Human Rights and Local Communities (3 obligations), Labour Practices- Conditions of Work and Social Protection (27 obligations), Labour Practices- Employment and Employment Relationships (37 obligations), Labour Practices- Human Development and Social Dialogue (19 obligations). On the other hand, the quality code of conduct consists of one indicator named as food/feed management systems, which is about the criteria on chemical storage to avoid contamination in the food production system in order to minimize risks.

⁹ITC Sustainability Map

3.2.3 Ethical Trading Initiative– ETI

The Ethical Trading Initiative (ETI) Base Code is a code of labour practices, which is derived from the ILO's Convention. The Base Code is generally applied for maintaining labour practices in international supply chains and is applicable for any type of company, all over the world. Among the ETI codes of conduct, 82% are social, 12% are management and 6% are ethical indicators¹⁰. The social code of conduct comprises of 4 indicators. Those are as follows:

- **Human Rights and Local Communities:** There are 3 obligations under this indicator, titled as basic principle of human rights and local communities, promotion/enhancement of housing and sanitary facilities and impact assessment on health, safety and security of local activities.
- **Labour Practices– Working Conditions and Social Protection:** There are in total 17 obligations under this indicator. Example of key obligation include: general principle of working condition; sexual exploitation/harassment; workplace safety; buildings safety; fire safety (drills, equipment, signs); training on safety issues; occupational health and safety; healthy work conditions; safe drinking water and decent sanitary facilities for workers; dormitories and canteens; healthcare facilities at production site; prohibition of physical violence and intimidation; record keeping of disciplinary measures; and prohibition on child labour (ILO 182).
- **Labour Practices- Employment and Employment Relationships:** This indicator consists of 28 obligations in total relating to worker hiring practices, payroll records and providing pay slips, providing leaves workers, pensions and social security benefits, child labour, hiring young/adolescent workers, gender equality, working hours, prohibition on forced labour, overtime payment, written working contacts, rights of subcontracted workers and others.
- **Labour Practices- Human Development and Social Dialogue:** Under this indicator, there are 15 obligations. Examples of key obligations include: freedom of association and bargaining power of association, workers' joint committees and unions, workplace inequality, workers' access to training programs, awareness building programmes for workers, rights of female workers, maternity leaves, women empowerment programmes, etc.

Similar to the ETI, another code of conduct called Fair Wear Foundation (FWF) has similar indicators with 90% social indicators, 4% ethical indicators and the remaining 6% management indicators. The indicators and obligations under the social codes of conduct of FWF are similar to that of the ETI.

3.2.4 Fair Labour Association (FLA)

¹⁰ ITC Sustainability Map

Fair Labour Association's (FLA) standards are aligned with the UN Guiding Principles on Business and Human Rights and based on international conventions of the International Labour Organization (ILO). The FLA monitors the compliance condition of the affiliated firms through a comparison of firms' adopted compliance standards to compliance benchmarks and the principles of monitoring and expects affiliated firms to make improvements when code standards are not met and to develop sustainable mechanisms to ensure ongoing compliance. FLA codes of conducts consists of 9% environmental indicators, 78% social indicators, 10% management indicators and the remaining 3% are ethical indicators¹¹.

The environmental code of conducts covers 3 indicators, namely **Inputs**, which has 3 obligations referring to chemical labeling, maintaining MSDS, and training on safe chemical handling; **Biodiversity**, which is about the importance of developing and maintaining written health, safety and environmental policies with a view to complying with the global standards, while the last indicator of environmental code of conducts is **Waste**, which has 6 obligations and mostly about the proper maintenance, measurement and disposal process of solid and liquid waste and one obligation is related to air pollution.

The social code of conduct covers 4 indicators namely, Human Rights and Local Communities (1 obligation), Labour Practices- Conditions of Work and Social Protection (31 obligations), Labour Practices- Employment and Employment Relationships (39 obligations), Labour Practices- Human Development and Social Dialogue (16 obligations).

3.2.5 Worldwide Responsible Accredited Production Code of Conduct– WRAP

The WRAP is a certification program whose objective is to independently monitor and certify compliance within a factory, to ensure that products are being produced under lawful, humane and ethical conditions. WRAP stands for a standard-setting body in the field of social and environmental compliance. It issues three types of certification that are valid for six months to two years based on a business' compliance with WRAP 12 principles¹².

The WRAP Principles are based on generally accepted international workplace standards, local laws, workplace regulations, and relevant conventions of the International Labour Organization (ILO)¹³. The WRAP 12 principles are provided below:

- Compliance with Laws and Workplace Regulations;
- Prohibition of Forced Labour;
- Prohibition of Child Labour;
- Prohibition of Harassment or Abuse;

¹¹ITC Sustainability Map

¹² What does WRAP do? (Source: <http://www.wrapcompliance.org/en/about-wrap>)

¹³WRAP's 12 Principles (Source: <http://www.wrapcompliance.org/en/12-principles>)

- Compensation and Benefits;
- Hours of Work;
- Prohibition of Discrimination;
- Health and Safety;
- Freedom of Association and Collective Bargaining;
- Environment;
- Customs Compliance; and
- Security.

Codes of conduct under WRAP are 70% social, 16% environmental, 7% management and the remaining 6% relate to ethics issues.¹⁴ The social codes of conduct cover 4 indicators (with several compliances under them) namely, Human Rights and Local Communities (1 obligation); Labour Practices- Conditions of Work and Social Protection (26 obligations); Labour Practices- Employment and Employment Relationships (29 obligations); Labour Practices- Human Development and Social Dialogue (12 obligations).

The environmental codes of conduct include compliances/obligations related to 3 indicators, namely- Inputs (7 obligations), Waste (8 obligations), and Water (1 obligation).

The ‘Waste’ indicator includes the following obligations/compliances.

- *Treatment and use of solid waste*: which covers proper solid waste management to prevent and control harmful releases of industrial waste into the environment
- *Run-off of waste chemicals, mineral and organic substances*: It includes measures that should be taken to avoid run-off of waste chemicals, mineral and organic substances into waterways.
- *Disposal of hazardous waste*: Refers to disposing and handling hazardous wastes so it doesn't pollute environment.
- *Pollution incident mitigation*: Refers to the procedures for risks monitoring and record keeping of pollution incidents.

3.2.6 HIGG Index

The HIGG index is considered as a tool to measure the social and environmental performance of apparel and footwear sector. The HIGG index provides a holistic overview to protect the well-being of factory worker, local community, and the environment. It measures the environmental impacts in terms of

¹⁴ ITC standard Map (Source: <https://sustainabilitymap.org/standard-details/119>)

- *energy gas emissions;*
- *waste water treatment;*
- *air emissions; and*
- *social impacts* across the lifecycle of a footwear product.

The HIGG index covers the three basic tools by

- *HIGG product tool,*
- *HIGG facility tool and*
- *HIGG brand & retail tool*¹⁵.

HIGG Product Index: HIGG product index is applied to the design phase of production for understanding its impact on environment. This tool also offer manufacturers information to make the choice better at different stages of product development. Three different HIGG product tolls are available by MSI contributor, *the HIGG Material Sustainability Index (MSI) and the HIGG Design & Development Module (DDM)*. The HIGG Material Sustainability Index (MSI) provides access to a large amount of information about the impacts of material production used in footwear industries. It is also possible to get a clear understanding about the different types of material impacts and how to reduce those impacts for better production process. The manufacturers should use the HIGG Design & Development Module (DDM) tool to control the 80% of a product's environmental impact. To reduce the harmful effect on environment, the HIGG DDM tool enable the designers to receive the design score and how to improve the sustainability of the product.

HIGG Facility Tool: The HIGG facility tool measure the social and environmental impacts at individual factory level. Under this tool, the assessment took place once a year and these assessment are then verified by on-site assessors. This tool also create facility for open conservation among the value chain partners so that they can perform better.

HIGG Brand & Retail Tool: Different business entities use the HIGG brand & retail tool to understand the social and environmental impacts of their operation. This tool also support the users to for sharing sustainability information with major stakeholders. It also assess the product lifecycle structure from sourcing material to the end level of production.

The HIGG index online platform allows the users to share the standardised performance scores with supply chain partners. It also provide a common baseline for footwear supply chain partner to collaborate for improving the industry's environmental and social record. The main purpose is to support companies for improving their environmental and social performance by detecting existing gaps in sustainability management system.

The Implementation stages of HIGG Index:

¹⁵ The Higg Index (Source: <https://apparelcoalition.org/the-higg-index/>)

Step 1: To decide on the scope of the assessment

The HIGG index starts operation targeting at brand assessment and factory assessment. Brand assessment covers the issues that are covered by the brand, not by the individual factory. It also analyzes issues about materials used, packaging, manufacturing and supply chain management, transport and logistics, product management for improving its lifespan, facilitating recycling and community impacts observance. On the other hand, the factory module will go through more depth about environmental management and management practices.

Step 2: Run the assessment from data at hand

After choosing the module, it is divided into an environmental and social questionnaire. The assessment is very detail, where the environment and social questionnaire module comprises large number of indicators. The factory management need to play a major and productive role, with sufficient knowledge background to complete the assessment. The assessment is formed and structured according to the level of how extensively the factory manage the issue. Each module is also required to provide with documentation for validating the issues on environmental and social indicator.

Step 3: Review results and prioritize action

The HIGG index is designed to assist the factories to identify sustainability management issues and to form best environmental practices in addressing environmental and social challenges. Each individual indicator represents a weight and score that detect the best industry practices. The assessment also bring about the overall scores of the company's social and environment management issues. After the completion of review process of overall sections, the least score obtained from the overall band will help to identify practices to implement in areas where sustainability management is mostly required.

3.3 International Quality Standards for Leather, Leathergoods and Footwear:

3.3.1 ISO (the International Organization for Standardization)

The International Organisation for Standards (ISO), has in total 26 published standards for leather industry (ISO/TC 120). Among them, 18 published standards, including 2 amendments, for raw hides and skins (ISO/TC 120/SC 1), 8 published standards for tanned leather industry (ISO/TC 120/SC 2) and 80 published standards for footwear industry (ISO/TC 216).

For raw hides and skins industries:

- **ISO 2820:1974:** Applicable to all cattle and horse raw hides, obtained after slaughtering and flaying, intended for the tanning industries.

- **ISO 2822-1:1998:** This standard describes the possible defects on raw cattle hides and calf skins intended for tanning. It is applicable to fresh and cured raw cattle hides and calf skins, but not to casualty hides and skins.
- **ISO/TR 2822-2:2017:** This standard provides guidelines for grading cattle hides and calf skins on the basis of mass and lists the practices followed in those countries that produce cattle hides and calf skins.
- **ISO/TR 2822-3:2017:** This provides guidelines for the grading of raw cattle hides and calf skins based on visible defects, such as, fallen hide, pritch hole, healed warble, flay mark, knife mark, ground drying, trimming, ripping, pattern, latent defect, curing preservation.
- **ISO 7482-1:1998:** This International Standard describes the defects which may occur on raw goat skins, applicable to fresh and cured (air dried, wet salted or dry salted) goat skins. Certain defects, which are not defined in this standard, may appear only during or after the tanning process, without there being any indication of their presence on the raw skin.
- **ISO 7482-2:1999:** This part prescribes guidelines for grading raw goat skins in the fresh and the cured (including sun-dried) condition on the basis of their mass and size.
- **ISO 7482-3:2005:** This prescribes guidelines for the classification of raw or cured, trimmed goat skins on the basis of visually apparent defects.
- **ISO 28499-1:2009:** This describes the defects which can occur on buffalo hides and buffalo calf skins intended for tanning and applies to water-buffalo hides and water-buffalo calf skins and not to those of wild buffalo and American bison (Bison bison).
- **ISO 28499-2:2009:** This provides guidance on the classification of raw, wet-salted, dry-salted and dried buffalo hides and buffalo calf skins intended for tanning and applies to water-buffalo hides and water-buffalo calf skins and not to those of wild buffalo and American bison (Bison bison).
- **ISO 28499-3:2009:** This provides guidance on the classification of raw or cured, trimmed buffalo hides and buffalo calf skins, intended for tanning, on the basis of visually apparent defects and applies to water-buffalo hides and water-buffalo calf skins and not to those of wild buffalo and American bison (Bison bison).

For Tanned leather industry:

- **ISO 5431:2013:** This specifies requirements, methods of sampling and methods of test for wet blue leather produced from goat skins tanned without hair and with the use of basic chromium sulfate as the primary tanning agent.

- **ISO 5433:2013:** This specifies requirements, methods of sampling and methods of test for wet blue leather produced from bovine hides and parts of bovine hides tanned without hair and with the use of basic chromium sulfate as the primary tanning agent.
- **ISO 11457:2018:** This standard provides guidance for grading wet blue goat and sheep skins on the basis of their defects.
- **ISO 14930:2012:** This specifies the requirements, sampling and methods of testing for chrome and chrome-alum tanned leather used for the manufacture of dress gloves. This does not apply to chamois and alum tanned (tawed) leather or to leather for safety or sports gloves.
- **ISO 14931:2015:** This gives recommended values and related test methods for apparel leather excluding furs. It also specifies the sampling and conditioning procedures of laboratory samples.
- **ISO 16131:2012:** This specifies sampling and test methods, and gives recommended values for, upholstery leather for furniture.
- **ISO 20942:2019:** This document specifies requirements, methods of test and methods of sampling for full chrome upper leather. This document is applicable to upper leather which is used in general purpose sports footwear, school footwear, casual footwear, men's town footwear, women's town footwear, cold weather footwear, fashion footwear, infants' footwear and indoor footwear.

For Footwear industry:

- **ISO/TR 16178:2012:** This establishes a list of critical chemical substances potentially present in footwear and footwear components and describes the critical chemical substances, their potential risks, the materials in which they can be found and the test method(s) which can be used to quantify them.
- **ISO 16187:2013:** This specifies quantitative test methods to evaluate the antibacterial activity of footwear and components. It is applicable to all types of footwear and components employing non-diffusing antibacterial treatments.
- **ISO 17693:2004:** It specifies a test method to determine the longevity of uppers or complete upper assemblies, irrespective of the material used, in order to assess suitability for end use.
- **ISO 17702:2003:** This specifies a test method for determining the resistance of footwear upper material to water penetration on flexing, in order to assess the suitability for the end use.

- **ISO 20150:2019:** This specifies quantitative challenge test methods for evaluating the antifungal activity of footwear and footwear components and applicable only to footwear and components that claim to have antifungal (antimycotic) properties or antimicrobial properties.
- **ISO 17701:2016:** This specifies the discoloration of another material when stored in close contact. This method is applicable to all materials which are used in intimate contact to adhesives which are used to bond them.
- **ISO/TR 20572:2007:** This establishes the performance requirements for accessories (laces and eyelets, metal components and touch and close fasteners) for footwear (not for finished footwear), in order to assess the suitability for the end use. It also establishes the test methods to be used to evaluate the compliance with the requirements. This applies to accessories (laces and eyelets, metal components and touch and close fasteners) for various kinds of footwear.
- **ISO 20872:2018:** specifies a method for the determination of the tear strength of outsoles, irrespective of the material, using trouser test pieces.
- **ISO 22650:2018:** This specifies a method for the determination of the heel attachment of footwear. It applies to woman's medium and high heeled footwear.

3.3.2 Quality management principles:

This is an International Standard based on the quality management principles described in the ISO 9000. The standard is based on some principles. In the standard, the benefits of these principles are described along with the method of applying those standards. The main aim of the standard is to enhance the ability of an organisation to provide products that are satisfactory to the customers, maintaining the applicable statutory and regulatory requirements. All the requirements of this International Standard are generic and are applicable to any organization irrespective of its size and products produced.

The quality management principles mainly focus on:

- Customer focus;
- Leadership;
- Engagement of people;
- Process approach;
- Improvement;
- Evidence-based decision making;
- Relationship management;
- Support System;
- Operation;
- Performance evaluation;

- Improvement.

Quality management system and its processes:

The quality management system emphasises on maintenance and retention of a well-documented system to document different operations of an organisation.

Leadership and commitment:

The top management of each organisation has to showcase its leadership and commitment to the quality management system through ensuring –

- accountability for the effectiveness of the system;
- formation of consistent and compatible quality policy and objectives;
- integration of the quality management system requirements into business processes.

Customer focus:

Leadership and commitment can also be shown by ensuring that-

- customer and other regulatory requirements are well determined and consistently met;
- ability to satisfy customers is enhanced;
- risks affecting conformity of products are addressed.

Actions to address risks and opportunities

In order to formulate a quality management system, firms need to determine certain risks and opportunities, to make sure that the system is fruitful. The firm will make an action plan to address these risks and opportunities and incorporate them in its quality management system processes.

Quality objectives and planning to achieve them:

To ensure quality management system, firms are required to establish quality objectives consistent with the quality policy. The objectives should be measurable, monitored and updated as required.

To achieve the quality objectives, firms need to identify resources, persons responsible, ensure completion of the objectives and their evaluation.

Planning of changes:

In time of need for changing the quality management system, the changes should be brought in a planned way. While making the plan for changes, firms should take into consideration the purpose, consequences of the changes, the available resources,

Support System:

Considering the capacities and constraints of existing internal resources and the need to obtain external resources, the organization will determine and supply the resources which will in turn help to establish, implement, maintain and improve the quality management system. The resources include,

- People:

The persons necessary for the operation, control and effective implementation of its quality management system should be determined and supplied by the organization.

- Infrastructure:

The organization will provide infrastructure resources cover buildings and related utilities; software and hardware equipment; transportation resources; information and communication technology which are necessary for operating its processes properly and achieving uniformity of products and services

- Environment for the operation of processes:

The organization shall determine, supply and maintain the social, physical and psychological environment necessary for the operation of its processes and to achieve of products and services.

- Monitoring and measuring resources:

The conformity of products and services to requirements are verified by proper monitoring or measuring and the organization shall identify and provide the resources essential for ensuring valid and trustworthy results.

- Measurement traceability:

Measurement traceability is considered to be an essential part of providing confidence in the validity of measurement results and the organization shall identify the validity of previous measurement results. If there is adverse effect or the measuring equipment is found to be unfit for its intended purpose, the organization shall take necessary actions.

- Organizational knowledge:

The knowledge necessary for the operation of its processes and to achieve conformity of products and services shall be identified by the organization and when there is a change in needs and trends, any necessary additional knowledge and required updates shall be determined.

- Competence:

The organization shall determine the competence of the responsible person(s) of the quality management system, based on his/her education, appropriate training and experience. If necessary, the organization shall take required steps to attain desired competence and all the evidence of competence should be documented.

- Awareness:

The organization shall ensure that the responsible persons are aware of the quality policy, objectives, their contribution to the quality management system and the effects of not complying with the quality control requirements.

- Communication:

The organization shall ensure the efficient internal and external communications relating to the quality management system.

- **Documentation:**

The organization should keep documentation of necessary information and update those on a regular basis. The documents should be available to use whenever needed and should be well-protected.

Operation:

The organization shall plan and implement the processes needed to determine the product's and service's requirements and acceptance, resources needed to achieve uniformity to the product and service requirements and maintain documented information. The organization shall control planned changes and review the results of unintended changes, and will take action if necessary.

- **Customer communication:**

The organization should ensure proper communication with customers which include providing information about products and services, getting customer feedback, taking actions based on customer requirements if necessary.

- **Determining and reviewing the requirements for products and services:**
The organization shall determine the requirements for the products and services to be offered to customers. The ability to meet the requirements for products and services shall be reviewed by the organization before committing to supply products and services to a customer. The responsible persons are needed made aware of any change in the requirements for products and services are changed.

- **Design and development planning:**

The organization shall determine for the specific types of products and services to be designed and developed and ensure that the results are as same as the requirement through reviewing, verification and validation. The documented information on design and development outputs shall be retained by the organization. In order to ensure that there is no adverse impact on conformity to requirements, the organization shall identify, review and control changes made during, or after, the design and development of products and services.

- **Identification and traceability:**

When it is required to ensure the conformity of products and services, the organization shall identify the status of outputs through monitoring and measurement requirements throughout production and service provision.

- **Post-delivery activities:**

The organization should consider the regulatory requirements, possible risk associated with the product or services, product's expected lifetime, customer feedback and requirements.

➤ Release of products and services:

The organization shall ensure that the products and services are not released until the planned arrangements have been satisfactorily completed, unless otherwise approved by a relevant authority and, as applicable, by the customer. The documents of the product's release shall be retained by the organization.

Performance evaluation:

The organization shall determine the components that are needed to be monitored and measured, the method and time of monitoring, when and how the results from the monitoring and measurement will be analyzed and method of retaining all the relevant documents.

➤ Customer satisfaction:

The organization shall monitor customers' views on the products or services and their needs and expectations. The organization shall determine the methods for obtaining, monitoring and reviewing this information.

➤ Analysis and evaluation:

The retained and appropriate data and information arising from monitoring and measurement will be analyzed and evaluated by the organization. The data analysis will help the organization to know the degree of customer satisfaction, the effectiveness and scope of improvements of quality management system and the effectiveness of the actions taken to address the possible risks.

➤ Internal audit:

The organization shall conduct internal audits at regular and planned intervals to provide information on whether the quality management system is operating effectively. Taking into account the results of previous audits, the importance of the processes concerned, changes affecting the organization, the organization shall plan, establish and maintain an audit programme(s).

➤ Management review:

Top management shall review the organization's quality management system, at regular intervals, in order to ensure its compatibility, capacity and effectiveness with the strategic goals of the organization. The review shall also include the improvement scope of the quality management system and any type resources needed to enhance the capacity of it.

Improvement:

The organization shall determine and identify the opportunities for improvement and implement any necessary actions to meet customer requirements and enhance customer satisfaction.

➤ Nonconformity and corrective action:

When any kind of nonconformity occurs, the organization shall professionally react to the nonconformity, take action to control and correct it and deal with the consequences.

➤ **Continual improvement:**

The organization shall continually improve the compatibility, capacity and effectiveness of the quality management system. As part of continual improvement considering the results of analysis and evaluation, and the outputs from management review, the organization shall determine any possible needs or opportunities that shall be addressed.

3.3.3 Guidelines of European Commission for leather goods:

The European Union has set guidelines and quality requirements to be followed by the exporters for exporting leather, leathergoods and footwear to the EU. These parameters are to be followed during and after production, along with the other international social and environmental standards. The EU guideline includes,

a. Product Safety:

The product safety guidelines are defined in the general product safety directive which states that a product is safe if it meets all safety requirements under European or national law.

b. Chemicals – restricted substances

The EU restricts use of a number of chemicals as they can pose a hazard to people or the environment. Restrictions are listed under the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) regulation. Buyers often provide their suppliers with a ‘Restricted Substances List’ (RSL). However, some buyers pose stricter regulations and restrictions.

- *Azo dyes*: For dyed leather, should not contain any azo dyes that release any of the 22 aromatic amines which are prohibited.
- *Chromium VI* (leather): the use of Chromium VI is restricted in Europe since May 1, 2015. The limit of using chromium in leather products to max. 3 ppm.
- *Organostannic compounds* (especially parts made of polyvinyl chloride, or PVC): for PVC used products, organotin compounds are also restricted.
- PVC also contains other chemicals for stabilising or plasticising purposes, such as *lead* or *phthalates* which are often subject to restrictions.
- Metal parts and accessories (such as zippers or buttons) coming into direct and prolonged contact with the skin should not release more 0.5 µg/cm² *nickel per week*.

- *Perfluorooctane sulphonate (PFOS)* used to make leather resistant to water and dirt, which is a persistent organic pollutant (POP) is restricted in Europe. The maximum limit for PFOS is 1 µg/sqm.

c. Labelling of footwear

All footwear must have labels giving information on the main materials used in the shoe. The labelling must describe the materials of the three main parts of the footwear (the upper, the lining and sock, and the outer sole). the label must indicate the materials like “leather”, “coated leather”, “textile” or “other”.

3.4 National Standards for Environmental, Social and Quality Compliance:

3.4.1 Environmental Compliance Regulations in Bangladesh:

The environmental standards and compliances in Bangladesh are regulated under the Environmental Conservation Act 1995 and Rules 1997. The Act has been amended in 2010. The Act and other environment-related laws mainly focus on environment, ecology and ecosystem. There are seventeen clauses in the Environment Conservation Rules, 1997, covers pollution, certificate issuance, instructions related to importation etc. Among seventeen clauses, clause seven, eight and fourteen are related to industrial production.

The Environment Conservation Rules 1997 classify the production of leather goods and footwear as Orange B and tanneries fall under category Red. Environmental Clearance Certificate has been made mandatory for both the categories.

Obtaining environmental clearance certificate for orange B category requires General information on the industrial unit or project, description of the manufactured product and raw materials, “No Objection Certificate” from the local authority. For red category industries, additional documentation are required. Additional document include planned industrial unit, feasibility report and an Initial Environmental Examination (IEE) report, including Process Flow Diagram, Layout Plan, showing ETP and diagram of ETP; Environmental Management Plan (EMP), Pollution Effect Abatement Plan along with Emergency Plan for adverse environmental impact.

There is also a National Environmental Policy (NEP) was framed with the aim of providing protection and sustainable management of the environment. The objectives of the Policy include:

- Maintaining the ecological balance and overall development through protection and improvement of the environment;
- Identifying and regulate polluting and environmentally degrading activities;
- Ensuring environmentally sound development;
- Ensuring sustainable and environmentally sound use of all natural resources; and

- Actively remain associated with all international environmental initiatives

3.3.2 Social Compliance Regulations in Bangladesh:

The labour issue in Bangladesh are regulated and governed by the Bangladesh Labour Act, 2006 (amended in 2013) and the Bangladesh Labour Rules, 2015. These legislation not only protect the rights and power of the labour force, but also sets rules for their occupational health and safety while in the factory premise.

The proposed Bangladesh Labour (Amendment) Act, 2018, has widen the coverage area for workers. It has also included better maternity facilities, post- retirement facilities, benefits for workers' families etc.

The labour act and rules are developed in line with the international standards and the ILO conventions. The issues and areas that the Bangladesh Labour Act, 2006 cover include,

- Conditions of employment and service
- Employment of adolescent worker
- Maternity benefit
- Health and hygiene
- Safety
- Special provisions relating to health, hygiene and safety
- Welfare measures
- Working hour and leave
- Wages and payment
- Compensation for injury caused by accident
- Trade unions and industrial relations
- Settlement of dispute, labour court, labour appellate tribunal, legal proceedings etc.

3.3.3 National Quality Standards

Bangladesh Standards and Testing Institution (BSTI) is the only National Standards body of Bangladesh. It is not recognised by the international buyers due to lack of transparency, integrity and service quality.

BSTI has some standards set for leather, leathergoods and footwear. Some of them include,

- BDS 340:2012 Sole leather (vegetable tanned) (2nd Rev.) This standard prescribes requirements and their methods of sampling and tests for vegetable tanned leather.
- BDS 351:1963 Leather lining, vegetable tanned and chrome retanned (Reaffirmed 2012) Describes requirements for leather lining manufactured from fresh, green salted or dry salted sheep and goat skins vegetable tanned or chrome retanned.

- BDS 352:1963 Leather belting vegetable tanned (Reaffirmed 2012) Specifies vegetable tanned leather belting with regard to raw materials, tanning, curving and making up of the belt
- BDS 389:1990 Glossary of terms relating to hides, skins, and leather (First Revision) This glossary defines terms which are widely used in leather trade and industries.
- BDS 390:1990 Method of chemical testing of leather (First Revision) Covers chemical methods of testing.
- BDS 486:1964 Leather footwear (Reaffirmed 2012) Intended for leather footwear prepared for home export markets and includes only commercial shoes both machine and hand closed
- BDS 487: 2002 Sizes and fitting of footwear (First Revision) Prescribes sizes and fitting of footwear which are manufactured from leather.
- BDS 586:1990 Methods of sampling for leather (First Revision) Prescribes the methods of sampling for non-fabricated leather in the form of whole hides of skins, sides, butts, bends, bellies or shoulders.
- BDS 590:1990 Conditioning of leather for physical tests (First Revision) Deals with physical testing of leather
- BDS 993:1981 Method for sampling of leather footwear Covers, terminology, scale of sampling, method for selecting footwear, criteria for conformity and classification of defects of leather footwear.
- BDS 1057:1983 Chrome retained upper leather Prescribes requirements for footwear leather uppers. commercially known as chrome retained upper leather, tanned with basic chromium salts initially followed by ratanage/vegetable and/or syntans. Besides, giving a general guideline with regard to raw material, tanning and finishing, it includes essential chemical and physical requirements like total ash, free fats oils, chromium, pH, water absorption, tensile strength, grain strength, and a method for assessing the resistance to mould growth.
- BDS 1312:1990 Methods of microbiological colour fastness and microscopic tests for leather This standard prescribes various microbiological test methods in Section I, colour fastness test methods in section II and test methods for the preparation of microscopical slides for assessment of leather, hides and skin in section III
- BDS 1481:2014 Leather sandals for men (First Revision) This standard prescribes the requirements, methods of sampling and test for leather sandals for men. This standard does not cover sandals made entirely from plastics or rubber.
- BDS ISO 2417:2009 Leather – Physical and mechanical tests Determination of the static absorption of water This International Standard specifies a method for determining the water absorption of leather under static conditions. The method is applicable to all leather, particularly heavy leather.
- BDS ISO 2419:2009 Leather- Physical and mechanical tests- Sample preparation and conditioning This International Standard specifies the preparation of leather test pieces for

physical and mechanical testing together with two standard atmospheres for conditioning and testing. It is applicable to all types of dry leather.

- BDS ISO 2589:2008 Leather- Physical and mechanical tests
Determination of thickness
This International Standard specifies a method for determining the thickness of leather. The method is applicable to all types of leather of any tannage. The measurement is valid for both the whole leather and a test sample.

3.4. OECD Due Diligence Guidance for Responsible Supply Chains in the Garment and Footwear Sector

The OECD Due Diligence Guidance for Responsible Supply Chains in the Garment and Footwear Sector is for enterprises and aims to address the potential negative impacts of their activities and supply chains. This Guidance is to facilitate enterprises to implement the due diligence recommendations of the UN Guiding Principles on Business and Human Rights and also in line with the International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work, relevant ILO Conventions and Recommendations and the ILO Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy.

This Guidance is relevant for all enterprises operating in the garment and footwear supply chain seeking to implement the OECD Guidelines. This includes but is not limited to raw material and fibre producers, material manufacturers and processors, components manufacturers, footwear and garment manufacturers, brands, retailers and their intermediaries.

Core Due Diligence Guidance for the Garment and Footwear Sector:

- Embed responsible business conduct in enterprise policy and management systems
 1. Adopt a policy on responsible business conduct that articulates the enterprise's commitments to responsible business conduct in its own operations and in its supply chain
 2. Strengthen management systems in order to conduct due diligence on risks of harm in the enterprise's own operations and in its supply chain
- Identify actual and potential harms in the enterprise's own operations and in its supply chain
 1. Scope the risks of harm in the enterprise's own operations and in its supply chain
 2. Conduct a self-assessment of the enterprise's own operations
 3. Assess suppliers associated with higher-risk for harms at the site level
 4. Assess the enterprise's relationship to impacts
- Cease, prevent or mitigate harm in the enterprise's own operations and in its supply chain
 1. Cease, prevent or mitigate harm in the enterprise's own operations
 2. Seek to prevent or mitigate harm in the enterprise's supply chain
- Track

1. Verify, monitor and validate progress on due diligence and its effectiveness in the enterprise's own operations
 2. Verify, monitor and validate progress on due diligence and its effectiveness in the enterprise's supply chain
- Communicate
 1. Communicate publicly on the enterprise's due diligence process, including how the enterprise has addressed potential and actual harms
 2. Communicate with affected stakeholders
 - Provide for or co-operate in remediation when appropriate
 1. Establish processes to enable remediation in the enterprise's own operations
 2. Commit to hearing and addressing complaints raised through legitimate processes
 - Determine the appropriate form of remedy

3.5 Comparison of Major Environmental and Social Standards:

Among all the codes of conducts mentioned above, only BSCI, Sedex and WRAP cover environmental and social compliances and other codes of conducts partially cover certain indicators. Since the present study is focused on the ESQ compliances, a comparison among the BSCI, Sedex and WRAP standards are made to understand the state of their indicators and compliances. The comparison is presented as table below:

Table 3. 2: A comparison of various environmental and social compliances

Compliance	Indicators	Number of Obligations		
		BSCI	Sedex	WRAP
Environmental Compliance	Inputs	5	14	7
	Waste	5	14	8
	Water	1	7	1
	Soil	0	6	0
	Biodiversity	0	3	0
	Energy	0	4	0
	Climate-Carbon	0	4	0
Social Compliance	Human Rights And Local Communities	4	3	1
	Labour Practices - Conditions Of Work And Social Protection	31	27	26
	Labour Practices - Employment And Employment Relationships	46	37	29
	Labour Practices - Human Development And Social Dialogue	14	19	12

From the comparison presented in the above table-3.2, it is very clear that Sedex has the highest number of indications and obligations under the environmental compliance and it mostly covers all the obligations mentioned in BSCI and WRAP. Since Sedex has the complete guideline on environmental and social compliances, it can be used as an ideal standard for the leather sector in Bangladesh and thus is expected to be helpful in expanding the export of this sector by gaining interest of newer buyers.

4. Gap Analysis by Comparing National and International Requirements on ESQ Compliances

One major objective of the study is to analyze gaps between existing practices followed by firms in terms of compliance indicators against required international standards and best practices. The gap analysis identifies the gaps and causes associated with the gap, and appropriate initiatives and interventions to respond effectively to these gaps. The gap analysis is, therefore, a diagnostic which service as a basis for future strategic plan and training needs. The present study on ESQ compliance issues for the leather, leather goods and leather & non-leather footwear was carried out to identify possible gaps that exists in these sectors with an aim to undertake necessary actions to make the sectors globally more competitive. It is expected that by making these sectors ESQ compliant and thus more competitive, is expected to help increase the country's export earnings and also contribute to creating more descent and quality jobs.

Against this backdrop, the present study collected data through questionnaire surveys conducted from leather, leather goods and footwear firms and their associations. In addition, two consultation meetings involving all major stakeholders were conducted to identify existing gaps and associated solutions. The major findings from the surveys and consultation meetings are presented in this section. Findings contrast the recommended standards against existing practices to identify gaps in ESQ compliance. Furthermore, the analysis identifies the nature of each gap and possible causes behind each gap. The ESQ compliance gaps are classified into three broad headings on the basis of the findings from surveys and consultation meetings i.e. *major*, moderate and *minor* gap. These categories are based on the number of firms that are not compliant with international standards.

- *Major Gap*: Major levels of gaps are identified where most of the firms interviewed have shown non-complying practices. This is based on the number of firms and not severity of the non-compliance. E.g., the gaps are identified as major if 60% or more firms of total interviewed firms are found non-compliant in a specific ESQ compliance indicator.
- *Moderate Gap*: This category is attached when a moderate number of firms are following the national & international ESQ compliance standards for the indicators at their factories, some of the firms are lacking in that regard. E.g., the gaps are identified as moderate if less than 40% firms of total interviewed firms are found non-compliant in a specific ESQ compliance indicator
- *Minor Gap*: It implies that most of the firms are following the national and international ESQ compliance requirements and a very minimum level of interventions are required to make the sub-sectors fully ESQ complaint in those indicators. E.g., the gaps are identified as minor if only a few firms (less than 15% of total interviewed) are found non-compliant in some parameters and rest are compliant.

The gaps have also been categorized as firm-level, sector-level or regulatory level. The firm level gaps reflect that the owners or top-level management of individual firms are responsible to address

the gaps. In general, lower level of awareness or initiatives of the owner or top-level management have caused non-compliance in the parameters. On the other hand, the association-level gaps are suggest that the sub-sector-level associations have failed to provide proper guidance or information to the firms to facilitate their compliance. Regulatory-level gaps are the ones where a state or policy-level interventions are lacking in order to achieve compliance.

In addition to these, to identifying the Social compliance gaps, workers' perspectives were given focus, especially in terms of their health and safety issues. It was also observed that the workers in many cases are not well aware of the facilities they are entitled to have within the factory premise and are in many cases reluctant in ensuring their own safety by properly using PPE. Therefore, while identifying the gaps, a combination of both managerial and worker's level perspective were considered in the related issues.

The level of Gaps were also identified and distinguished according to the size of the firms, as some of the compliance requirements are not mandatory for small-sized firms. The gap analysis template has been developed based on the size of the firms as well as the level of gaps existing in each categories.

4.1 Leather Sub-Sector:

Despite being one of the oldest sectors in Bangladesh, the tannery sector poses the highest compliance gap. The environment-polluting sub-sector is slow to respond to mitigating environmental issues within the production process and thus exhibits the highest level of non-compliance among all the sub-sectors under review. As leather is the primary raw material for leather goods and leather footwear, non-compliance of the tannery sector results in any value added product sourcing leather from local tanneries be classified as non-compliant and will be rejected by most major international markets.

Observations during the structured interview and the consultation sessions suggest that most tanneries and crust and finished leather producers are generally unaware of compliance parameters and do not follow international best practices in their production techniques. Therefore, addressing ESQ compliance gaps found in tanneries is pivotal to the development of the entire leather industry in Bangladesh.

Table-4.1: Bangladesh leather (Tannery) sub-sector's existing environmental compliance gaps with the nature of gaps and factors responsible

Indicator	Reference Standard	Existing Practice	Nature of Gap (Firm/ Association/ regulatory-level)	Factors Responsible for the Gap
Contracts with supplier	Contract with suppliers that supply pesticide free hide and skins	Most factories do not have such contracts with the suppliers	Major (Firm and Association)	Limited information; Lack of awareness by the owners; Limited price motivation provided by buyers; Lack of initiatives by firms; weak regulatory mechanism
De-liming	No use of ammonia compounds in de-liming	Ammonia compounds are often used	Major (Firm and Association)	Lack of initiatives by firms, lack of scientific knowledge, weak regulatory mechanism
Pickling	Salt-free pickling systems	Salt pickling system is widely used	Major (Firm)	Lack of initiatives by firms, lack of scientific knowledge, weak regulatory mechanism
Chromium tanning	Short floats for chromium tanning	Mostly long floats are used	Major (firm)	Limited technology used; Lack of knowledge and awareness regarding results; Higher prices of upgraded technology; Limited availability of technology
Chromium recovery	Establishment of chromium recovery unit	Almost no chromium recovery unit exists	Major (Association, Firm and regulatory level)	Inadequate infrastructural facilities; Limited understanding of the consequences; Lack of scientific knowledge, weak regulatory mechanism
Penetrating agent	No use of ammonium as a penetrating agent	Ammonium is used as penetrating agent	Major (Firm)	Lack of knowledge on technical expertise and international standards; Lack of initiatives by firms, Lack of knowledge on environmental impact; Limited price motivation from the buyers
Coating Agents	Use of water-based coating agents	Organic solvent-based coating agents are used	Major (Firm)	Lack of knowledge regarding environmental impact of solvent-based agents;

				Lack of chemical and technical experts at firm; Lack of initiatives by firms, lack of technical knowhow
Dyes	Use of liquid dye	Powdered dyes are often used	Major (Firm)	Lack of initiatives by firms, lack of scientific knowledge, lack of technical know-how; limited availability and higher prices)
Waste streams	Estimation of waste stream per unit of leather	Waste stream estimation mechanism is unavailable	Major (Firm, Sector and Regulatory)	Lack of awareness and initiatives by firms, Lack of technical expertise.
Hair separation	Separation of hairs from other waste	Separation of hair mostly not done	Major (Firm)	Lack of trained workers; Lack of awareness of environmental consequences
Function of CETP	Discharged effluents are treated in CETP	CETP not properly functioning	Major (Sector and Regulatory)	non-functioning CETP at Savar
Central Boiler	Use of central boiler	Use of central boilers is not universal as yet	Major (Sector and Regulatory)	Limited availability of technological support from the BSCIC authority
Use of Enzyme	Enzyme is suggested for removing protein	Most tanneries prefer salt over enzymes for this	Major (Firm)	Lack of initiatives by firms, lack of scientific knowledge, lack of technical knowhow, weak regulatory mechanism
Chromium leaching	Use of better dye fixation to prevent chromium leaching	Most firms do not ensure prevention of chromium leaching from leather	Major (Firm, Association)	Limited of technical knowledge; Lack of initiatives by firms, lack of technical know-how, weak regulatory mechanism
Dust extraction	Installation of dust extraction system	Most firms do not have dust extraction system	Major (Firm)	Lack of initiatives by firms, weak regulatory mechanism
Waste separation	Proper separation of hazardous wastes with use of separate properly marked containers	Most of the firms do not separate hazardous wastes from non-hazardous waste	Major (Firm, Association, Regulatory)	Lack of knowledge regarding waste separation methods; Regulatory mechanism on waste management not developed.
Safe transportation of chemicals	Safe transportation of chemicals must be ensured	Most firms do not ensure safe transportation of chemicals	Major (Firm, Regulatory)	Lack of central (BSCIC or other regulatory agencies) initiatives; Inadequate infrastructure; Limited focus on safe chemical transportation issues

Maintenance of MSDS	Safe storage of chemicals according to the Material Safety Data Sheet (MSDS)	Most firms do not follow MSDS	Major (Firm)	Lack of technical experts on chemical usage issues; Limited knowledge of firm owners and workers
Proper labelling of chemicals	Label all containers, with warning symbols indicating hazard level	Very few firms label chemicals as per guidelines	Major (Firm)	Lack of technical experts on chemical usage issues; Limited awareness by owners and top-level management
Proper disposal of chemicals	Maintaining a sustainable chemical storage, handling, transfer and disposal system	No available mechanism to ensure proper disposal of chemicals by tanneries	Major (Firm, Regulatory)	Lack of awareness on consequences of unsafe chemical disposal; Lack of infrastructural facilities.
Salting	Use of suggested amount of salt for preservation (30-50%)	Salt application varies from 3 to 45% of the hide's weight	Moderate (Firm)	No harmonized policies on salt use; Limited knowledge by traders, especially seasonal traders on efficient salting method
Safe sourcing of chemicals	Use certified/chemicals from safe sources	Chemicals imported from abroad with no mechanism to test	Moderate (Firm)	Lack of internationally accredited labs for tanneries; High cost of testing; Lack of regulatory mechanism

Source: Compiled from primary surveys and consultation meetings, 2019

Table-4.1 presents data on the existing gaps on environmental compliance for tanneries and the leather sub-sector compiled from all sources, including two surveys (i.e. firm-level surveys and survey through associations), two rounds of consultation meetings held at BFTI by involving all major stakeholders, including owners and top officials from tanneries, experts from the leather sub-sector, experts, policy makers, academicians, among others.

The table shows that the gaps existing in the tanneries sub-sector are major in nature as most of the firms interviewed are not addressing key environmental issues. Such gaps and differences are either ‘major’ or highly significant indicating a high number of non-compliant situation and points to an urgent need to solve them immediately. The reasons associated with such gaps also suggest that the firms are lacking the level of awareness required to meet environmental compliance indicators and, in some cases, do not have the policy-level and infrastructural facilities to comply. For instance, the issues of waste separation and waste management are not addressed by firms and they also lack adequate infrastructure to manage solid waste. At present, the Savar Tannery Estate does not have proper mechanisms in place to manage solid waste and is being dumped inside the industrial area, near the Dhaleshwari river, polluting the soil and water of the nearby area. As a results, firms located in the industrial estate are also not motivated to manage, separate and properly dispose of their waste and dumping untreated waste in the dump yard. In terms of treating the effluents, the CETP is not



Among 478 LWG certified tanneries of the world, Apex Footwear Ltd. (Tannery Unit) is the only Bangladeshi company to receive the recognition. The company received the LWG Bronze certification in 2015. Besides, the company also holds Alliance, Wrap, BSCI, Higg Index, LWG, ISO 14001:2015, ISO 9001:2015, BWB, SI.

Before receiving the LWG certification by the tannery unit, the Apex Footwear used to use imported LWG certified leather for its footwear production that were exported to the brand buyers of destinations like Europe, America etc. The LWG Certification has enabled the company to use leather from its tannery unit and has increased the level of value addition. Moreover, newer buyers are interested to source products from the Apex footwear as they are now able to provide LWG certified leather in their products. Exports in Taka Terms have increased by 15.44% in 2016-17 as compared to 2015-16. In pairage term the increase was 12.61%. Previously in 2015, there was a decreasing trend of 10.62% in export (in taka term).

While working to achieve the certification, Apex Footwear (Tannery Unit) had to make both financial and non-financial investments. Financial investment involved investing in compliance ensuring infrastructure, PPE, facilities for workers, compliant factory design etc. Some of the non-financial investment included awareness-programme within the factories, knowledge sharing, training of workers etc. these investments have rightly paid off and Apex is now a renowned brand name, not only in Bangladesh, but also in the international market. The brand is also contributing hugely to the overall export performance of the leather sector of Bangladesh.

Though Apex Footwear (Tannery Unit) does not directly export leather, it can generally be said that LWG certified leather could get higher international prices. The prices can rise from USD 1.5 to USD 3.5- USD 4 per sq. ft. Utilising the local high-quality leather in brand products can ensure domestic value addition of more than 80%. This would only be possible if leather are compliant and compliance certified.

fully functional and, therefore, tanneries are unable to comply with the international standards, despite discharging the liquid wastes to CETP. However, the primary treatment to be conducted at the firm-level as mandated by the higher court, are also not being followed by the tanneries due to their lack of interest, and motivation. Most tanneries also fail to focus on safe chemical transportation and disposal. Though most firms source chemicals from renowned sources, they do not test product qualities due to the absence of quality testing labs. Therefore, safe sourcing of chemicals are showing a moderate gaps as firms are focused on safe sourcing from quality providers.

It has been observed that the firms in most cases have never thought of addressing such compliance concerns by undertaking appropriate initiatives in the form of addressing their management, structural, resource use, technological and technical knowledge. On the other hand, a total institutional and regulatory-level unawareness of not taking enough regulatory measures have contributed to firms not being enough compliance-oriented.

Besides, there also remain cases where lack of technical expertise in the sub-sector from slaughtering of animals to raw hide management, tanning of hides to produce crust and finished leather make the sub-sector non-compliant. Interviews indicate that technically the sub-sector continues to lag behind than the other sectors in the country.

Table-4.2: Bangladesh leather (tannery) sub-sector's existing social compliance gaps with the nature of nature of gaps and factors responsible

Indicator	Reference Standard	Existing Practice	Nature of Gap(Firm/ Association/ regulatory-level)	Applicable to (S, M, L ¹⁶)	Factors Responsible for this Gap
Officials to implement social compliances	At least one official designated to implement & monitor social compliance standards	Most tanneries have no personnel assigned to implement social compliance standards	Major (Firm)	S,M,L	Limited knowledge regarding labour law; Lack of initiatives by the firms
Welfare Officer	To appoint at least one welfare officer in factories with more than 500 workers	Most factories with more than 500 workers have no Welfare Officer	Major (Firm)	L	Limited knowledge on labour law; Lack of initiatives by the firms
Health-safety committee	Formation of a health and safety committee	No health and safety committee	Major (Firm)	S(>50 empl oyees), M, L	Lack of initiatives by firms, weak regulatory mechanism
Group Insurance Policy	Group insurance for all staff from a recognized insurance company	In most factories no insurance coverage for individual staff and worker.	Major (Firm)	S,M,L	Lack of motivation by owners; lack of regulatory mechanism
Participation Committee (PC)	Allow valid and properly elected union or workers' Participation Committee	Union nor workers' PC are not available/allowed	Major (Association, Firm, Regulatory)	S(>50 empl oyees), M, L	Lack of awareness on labour law and labour issues; lack of implementation of regulations
Right to Organize and Collective Bargaining	To allow a union or workers' representative to bargain with the management and negotiate demands on behalf of the workers	Only 30 tanneries of the tannery estate have representation in the trade union	Major (Firm, Association, Regulatory)	S,M,L	Lack of knowledge of workers on their rights; Limited knowledge on labour laws; Limited interest of owners
Personal files	Maintain complete personal files each worker	Personal files are not available for all levels of workers and are not complete	Major (Firm)	S,M,L	Lack of initiatives by firms, Limited knowledge on labour laws;
Formal Work Contracts	Workers must be hired with formal work contract (by mentioning non-disclosure agreement; responsibilities of the employees,	Most factories do not maintain formal work contracts with is employees and hence none of the	Major (Firm)	S,M,L	Lack of initiatives by firms, lack of bargaining power by labours, weak regulatory mechanism

¹⁶ Small Firm: 31-120 employees; Medium Firm: 121-300 employees; Large Firm: more than 300 employees (as per National Industrial Policy, 2016)

	benefits, vacation and sick policy; ownership agreement; method for resolving disputes)	required files are maintained.			
Photo ID	Provide photo ID to all the employees	Most factories do not provide photo ID of workers	Major (Firm)	S,M,L	Lack of initiatives by firms, weak regulatory mechanism
Service book	Maintain a service book with information on current designation, wage/salary, increments, promotion and disciplinary records, etc.	Not all factories maintain a service book with required information	Major (Firm)	S,M,L	Lack of initiatives by firms, weak regulatory mechanism
Absent deduction	Make absent deduction on the basic salary only	Most firms deduct absent from gross salary	Major (Firm)	S,M,L	Poor labor standards by firms, weak regulatory mechanism
Time recording system	Workers' in and out time should be monitored by a proper time recording system	Most firms do not have proper time recording system to monitor workers' entry and exit time	Major (Firm)	S,M,L	Lack of initiatives by firms, Lack of awareness on labour issues
Overtime payment	Overtime payment should be twice the basic salary	Very few firms provide overtime payment as per the guideline	Moderate (Firm)	S,M,L	Limited knowledge on labour laws
Safe handling of chemicals	Ensure proper and safe handling of chemicals in order to avoid health hazards.	Most tanneries don't have any clearly defined method to ensure safe handling of chemicals.	Major (Firm, Association, Regulatory)	S,M,L	Lack of initiatives by firms, lack of technical knowhow, weak regulatory mechanism
Trained inventory manager	Hire inventory manager(s) with proper training.	Inventory managers are not properly trained	Major (Firm, Association)	S,M,L	Lack of initiatives by firms, not enough training provided, weak regulatory mechanism
Escape routes' marks	Existence of proper marks of escape routes	No marks of escape routes exist	Major (Association, Firm, Regulatory)	S,M,L	Lack of initiatives by firms, weak regulatory mechanism
Clearly visible exit signs	Install and maintain sufficient arrows and exit signs, which are indicating the direction of emergency exits	Most tanneries don't have visible and proper exit sign	Major (Firm, Regulatory)	S,M,L	Limited initiatives by firms, weak regulatory mechanism
Conduct fire evacuation drill	Conduct fire evacuation drills every six months	Almost no tannery conducts any fire drill	Major (Firm, Regulatory)	S,M,L	Lack of initiatives by firms, weak regulatory mechanism
Trained Fire Fighters	Increase numbers of trained fire fighters as per local legislations	Very few firms have trained fire fighters	Major (Firm, Regulatory)	S,M,L	Lack of initiatives by firms, limited professionals, weak regulatory mechanism

Emergency and evacuation plan	Existence of proper Emergency and Evacuation Plan	No proper Emergency and Evacuation Plan	Moderate (Firm, Regulatory)	S,M,L	Lack of initiatives by firms, weak regulatory mechanism
Fire alarm	Install sufficient fire alarm system.	No fire alarm system found	Moderate (Firm)	S,M,L	Lack of initiatives by firms, weak regulatory mechanism
Adequate number of fire extinguisher	Provide the necessary number of fire extinguishers and firefighting equipment as defined in the fire license.	Most firms don't have the sufficient number of fire extinguishers	Moderate (Firm, Regulatory)	S,M,L	Lack of investments made by firms, lack of technical knowhow, weak regulatory mechanism
Heat detection	Install sufficient heat detection system	Insufficient heat detection system	Major (Firm)	S,M,L	Limited availability of technology, limited initiative of firms, lack of technical knowhow, weak regulatory mechanism
Lighting system	Provide sufficient and ensure the use of natural light as much as possible	Some firms endure proper lighting system but there is a lack of natural light	Moderate (Firm)	S,M,L	Limited investment by firms, lack of technical knowhow, weak regulatory mechanism
Boiler	Boiler must be well protected and needs to be located at a separate building	Mostly boilers are not located in a separate building	Major (Firm, Regulatory)	S,M,L	Lack of initiatives by firms, lack of technical knowhow, weak regulatory mechanism
Generator	Obtain generator (captive power) operation license provided by BERC	No such licenses are found	Major (Firm, Regulatory)	S,M,L	Lack of initiatives by firms, lack of technical knowhow, weak regulatory mechanism
Formal training on the usage of PPE	Conduct trainings on the proper usage of PPE	No such trainings are conducted	Major (Firm)	S,M,L	Lack of initiatives by firms, weak regulatory mechanism
Thermometers	Installing thermometers in the working areas to monitor room temperature	No thermometer being used in most factories	Major (Firm)	S,M,L	Lack of initiatives by firms, lack of technical knowhow, weak regulatory mechanism
Chemical storage	No use of plastic bottles to store chemicals	Most use plastic bottles for chemical storage	Moderate (Firm, Regulatory)	S,M,L	Lack of initiatives by firms, lack of technical knowhow, weak regulatory mechanism
Noise management	Ensure proper noise management	Improper noise management	Minor (Firm)	S,M,L	Lack of initiatives by firms, lack of technical knowhow, weak regulatory mechanism

Noise-level measurement	Maintaining a noise-level measurement and documentation process	No such process exists in the firms	Major (Firm)	S,M,L	Lack of initiatives by firms, lack of technical knowhow, weak regulatory mechanism
Health examinations	Conduct health examinations of workers involved in dangerous and hazardous works	Health examinations are not conducted for all the workers	Major (Firm)	S,M,L	Lack of initiatives by firms, weak regulatory mechanism; limited price motivations
Equipped first-aid kits	Provide sufficient first aid kit for workers	Insufficient first aid kit	Major (Firm)	S,M,L	Lack of initiatives by firms, lack of health consciousness, weak regulatory mechanism
First aid provider	Ensure trained first aid provider	No trained first aid provider is found	Major (Firm)	S,M,L	Lack of initiatives by firms, lack of health consciousness, weak regulatory mechanism
Medical room	A medical room with adequate equipment	No medical room is found	Major (Firm)	L	Lack of initiatives by firms, lack of health consciousness, weak regulatory mechanism
Full-time doctor/ compounder/ assistant	Appoint full-time doctor/compounder/ assistant depending on firm size	No full-time doctor is appointed by firms	Major (Firm)	S,M,L	Lack of initiatives by firms, lack of health consciousness, weak regulatory mechanism
Training on health and safety	Conduct regular training on health and safety issues	No such training is arranged by firms	Major (Firm)	S,M,L	Lack of initiatives by firms, lack of health consciousness, weak regulatory mechanism
Monitoring of cleanliness	Ensure cleanliness at the entire factory compound, factory floors, all workplaces, rest areas, and facilities through a proper system	Most tanneries don't follow a proper system for ensuring cleanliness	Major (Firm)	S,M,L	Lack of initiatives by firms, limited awareness
Documentation of Cleanliness	The whole cleanliness system should be properly documented	There is no present system of tanneries to document cleanliness	Major (Firm)	S,M,L	Lack of initiatives by firms, weak regulatory mechanism
Appropriate safety guard for machines	Provide adequate and appropriate safety guards at all machines with rotating or moving parts	Some firms provide safety guard for rotating machines but most firms don't. And there is serious lack of monitoring	Major (Firm)	S,M,L	Lack of initiatives by firms, weak regulatory mechanism

Adequate Personal Protective Equipment	Provide adequate and appropriate PPE to all workers	Some firms provide PPE to the workers but it is not sufficient	Moderate (Firm)	S,M,L	Lack of initiatives by firms, lack of technical knowhow, weak regulatory mechanism
Monitoring mechanism to ensure use of PPE	Provide adequate and appropriate PPE to all workers and introduce a monitoring system to ensure that the workers are using appropriate PPE	Most firms provide PPE for the workers but is not sufficient and there is no monitoring system	Major (Firm)	S,M,L	Lack of initiatives by firms, weak regulatory mechanism, limited awareness of workers
Separate Toilets	Establish separate toilets for male and female workers and mark it clearly	Very few tanneries have separate toilets for male and female workers	Major (Firm)	S,M,L	Lack of initiatives by firms, weak regulatory mechanism, limited knowledge of workers on their rights,
Regular check-up of electrical machinery	A system to ensure electrical machineries are regularly checked and check-up procedures, processes and results should be documented	Some firms regularly check-up on conditions of electric machineries but no documentation is present	Moderate (Firm, Regulatory)	S,M,L	Lack of initiatives by firms, lack of technical knowhow, weak regulatory mechanism

Similar to environmental compliance, most firms operating under the leather sub-sector in Bangladesh are found to be highly non-compliant in terms of social issues. In many cases, these concerns are entrenched or have become common practice where firms often do not feel the need to undertake appropriate initiative to improve their existing situation. On the other hand, the country's regulatory mechanisms have numerous loopholes and lack strict implementation requirements resulting in widespread non-compliant behavior.

It is widely recognized that the development of country's leather sector, in and around the Hazaribagh area along the Buriganga River was unplanned and unorganized. The area also had minimal support from civic authorities that could have made it an organized industrial cluster. The unabated solid and liquid waste, often highly toxic and contaminated, dumping in the river has had profound impact on the river's ecosystem and also on the lives of millions of people. Further, the ecological consequences on the river caused from the leather industry has had profound social and economic impact.

The above table (table-4.2) presents the existing social compliance issues and their best practice scenarios as suggested by various national and international authorities for the tannery industry, which points to the existing gaps and the cause of these gaps. The table also points to possible factors that played a role in influencing firms' non-compliant practices. The analysis suggest that firms lack access to reference standards required for meeting compliance standards. Tracing the factors that may have contributed, one can easily identify factors such as lack of firm-level initiatives to reform their traditional bad practices like no formal working contracts while hiring labour, no service book, no clear payment structure for overtime work, etc. Firms also generally do not allow labours and employees in any bargaining and things are mostly imposed on them.

Table-4.2 also presents the overall situation of 'occupational health and safety' situation that currently prevails at the country's leather sub-sector. The indicators are included in the social compliance section as these are also related to social indicators. The indicators are mostly related to health and safety concerns, including their medical services, evacuation facilities in an emergency, insurance benefit, etc. These are some of the common concerns that an industry needs to address in any developing country to make its entry into international market in a more competitive manner.

The table (table-4.2) indicates that firms face a wide compliance gap. In most cases firms do not follow health-related issues associated with the use of chemicals, dangerous machinery and technology or the hazardous work environment that may seriously injure employees and workers, nor undertake any safety measures to prevent accidents or avoid unwanted incidence.

Absence of appropriate regulatory framework as well as weak implementation of rules and regulations by the law enforcing authorities are some of the major factors behind the non-compliance of leather sector. In addition, absence of incentives and motivation, such as higher

price from buyers, reward from the govt. for maintaining compliance are also behind the sector's entrepreneurs to be reluctant in maintaining the same non-compliant status.

Table-4.3: Bangladesh leather sub-sector's existing quality compliance gaps with the nature of gaps and factors responsible

Indicator	Reference Standard	Existing Practice	Nature of Gap	Factors Responsible for this Gap
Hides pulling mechanism	Hides to be machine-pulled	Hides are not machine-pulled. Due to manual ways, flay cuts in hides are created	Major (Association, Firms, Butchers)	Limited availability of technology, lack of trained professionals, limited use of technology among seasonal traders
Central slaughtering house	Use of central slaughtering house by butchers during <i>Eid-ul-Azha</i>	Butchers do not use central slaughtering house during <i>Eid-ul-Azha</i>	Major (Association, Regulatory)	Lack of policy decision, lack of regulatory measure; Limited capacity against huge number of slaughtering
Training of butchers	Butchers must be properly trained	Butchers mostly are untrained. Large number of unskilled seasonal butchers	Major (Association, Regulatory)	Lack of initiative by the authorities, limited resources
Traceability	Ensure traceability and earmark on hides	No traceability and earmark found	Major (Firms)	Lack of firm-level initiative, lack of regulatory measure
Cooling techniques	Use cooling techniques to preserve hides	Cooling techniques unavailable	Major (Firms)	Limited availability of upgraded technology, Lack of firm-level initiative, Lack of technical knowledge, lack of regulatory measure
Use of MRSL chemicals	Ensure use of Manufacturing Restricted Substances List (MRSL) chemicals	Use of MRSL is not found at most firms	Major (Association, Firms)	Lack of technical expertise, Lack of firm-level initiative, lack of regulatory measure
Use of chemicals	Ensure use of chemicals, with water-based adhesives	Chemicals with solvent-based adhesives are mostly used	Major (Firms, Regulatory)	Lack of firm-level initiative, lack of regulatory measure
Use of appropriate knife	Use appropriate knives to ensure higher grade of raw leather	Traditional and blunt knives are used in most cases	Major (Association, Butchers)	Limited knowledge on quality issues, lack of availability of proper equipment, Lack of firm-level initiative, lack of regulatory measure
Quality assurance team	Maintain a quality assurance team to meet quality standards set by buyers and relevant international organisations	Quality assurance team is not maintained by most factories	Major (Firms)	Lack of firm-level initiative, lack of regulatory measure

Non-harmonised grading system	Sort and grade hides in harmonisation with customer requirements	Sorting and grading of hides are non-harmonised	Major (Firms)	Lack of firm-level initiative, lack of regulatory measure
Inconsistent leather quality	To maintain homogenous and consistent quality of leather in a single consignment	Most firms do not maintain quality consistency in a single consignment	Major (Firms)	Lack of firm-level initiative, lack of regulatory measure
Leather testing facility	Ensure testing before starting production	Testing is not done at production level	Major (Regulatory, Association)	Lack of firm-level initiative, lack of regulatory measure
Prevention of chrome transformation	Using mechanism to restrict transformation of chrome	No such mechanism is found to be used by firms	Major (Firms)	Lack of firm-level initiative, lack of regulatory measure

Source: Compiled from primary surveys and consultation meetings, 2019

Quality compliance issues are equally important for any firm to make its products standard, safe, healthy and competitive in markets. In addition, meeting international and buyers'-specific quality compliance requirement is the pre-condition of exporting products in the export destinations. In addition. This means a firm needs to address this issue at all levels of its operations, from raw materials to packaging of final outputs and sending it to the doorsteps of consumers. This also includes the production process and technological supports, use of safe ingredients and chemicals, transportation services, storage facilities, among others, that meet required 'quality standards'.

Several factors, such as, lack of prior information regarding the quality standards and the lack of awareness among the Sector and the owner/top-level managements of the firms are mostly responsible behind the current Quality gaps existing in the leather sub-sectors of the country. In addition, absence of modern technologies, trained worker and professionals, efficient use of chemicals etc. are also responsible for the gaps.

The country's leather sub-sector has many areas of concerns that need to be addressed immediately to become globally competitive. Bangladesh has access to raw material in the form of raw hides that are available throughout the year and particularly during the Eid-ul-Azha festival, and has the potential to develop a quality leather industry that could enjoy access to developed country markets. This could improve the country's foreign currency earnings and help make Bangladesh a global brand. Moreover, competitive labour costs, combined with a less stringent environmental, social and regulatory framework is expected to work favourably for the industry.

4.2 . Leather Goods and Footwear Industry

Table-4.4: Bangladesh Leathergoods and Footwear Sector's Existing Environmental Compliance Gaps with the Nature of Gaps and Factors Responsible

Indicator	Reference Standard	Existing Practice	Nature of Gap (Firm/ Association/ Regulatory- level Gap)	Factors Responsible for this Gap
Traceability	Ensure traceability and earmark on hides	No traceability and earmark found	Major (Firm, Association,)	Lack of national mechanism and national traceability development plan
Dust extraction	Use of dust extraction system	Most factories do not have dust extraction system	Major (Firm)	Lack of initiatives by top-level factory management;
Computerized waste reduction mechanism	Use of computer aided cutting & design tools to ensure waste reduction mechanism	Such mechanism is not used in most factories	Major (Sector, Firm)	Absence of appropriate technology; lack of skilled manpower
Solid Waste Management	Effective management of solid waste generated by the Leathergoods and Footwear Factories	Most factories discharge and dumped their solid wastes directly in the surrounding environment; some factories sell their wastes to local traders which are later used or processed in an environment-unfriendly manner	Major (Firm, Regulatory)	Firms are not well aware of the effective management of solid waste; no monitoring or regulatory mechanism
Waste management policy	Maintain precise written guidelines for identifying, collecting, storing and disposing hazardous and non-hazardous solid waste	Most factories do not have waste management policy and guideline	Major (Firm, Regulatory)	Factory and Sector-level awareness gap; Lack of factory-owner level initiatives
Oil leakage from generator	Ensure mechanism to control oil leakage from generator	No such mechanism is available at most factories resulting in soil and water contamination	Major (Firm, Regulatory)	Factory-owner level awareness and initiative gaps; Lack of appropriate monitoring mechanism by mid-level management; absence of trained and certified technicians;
Use of Adhesives	Substitute solvent-based to water-based adhesives	Solvent-based adhesives are mostly used	Moderate (Firm, Sector)	Limited technical knowledge among the top, mid and supervisor level; lack of awareness and initiatives of top/owner level

Source: Compiled from primary surveys and consultation meetings, 2019

Table-4.5: Bangladesh Leathergoods and Footwear Sector's Existing Social Compliance Gaps with the Nature of Gaps and Factors responsible

Indicator	Reference Standard	Existing Standard	Nature of Gap(Firm/Sector/Regulatory)	Applicable to (S, M, L) ¹⁷	Factors Responsible for this Gap
Participation Committee (PC)	Allow valid and properly elected union or workers' Participation Committee	Properly elected union or workers' PC are not available/allowed in many cases	Moderate (Firm, Sector, Regulatory)	S,M,L	Lack of awareness among workers and supervisors on labour issues; Lack of interest of factory-owners
Formal work contracts	Each worker must be hired with formal work contract	Most factories provide formal work contract to their workers	Minor (Firm)	S,M,L	Sometimes awareness gap among workers
Service book	Maintain a service book with information on: current designation; wage/salary; increments; promotion; and disciplinary records of each workers	Not all factories maintain service book for maintaining the information	Minor (Firm)	S,M,L	Appropriate skill gap of mid-level managers; Awareness gap of top-level managements
Time recording system	To maintain time recording system for each individual worker to record the beginning and end of a workday	Not all factories maintain time recording system	Minor (Firm)	S,M,L	Lack of technical know-how; Lack of proper initiatives by the top-level managements
Working hours	Ensure proper working hours	Most factories have defined working hour and overtime schedule, however workers work more hours than regular times, at the period of shipments;	Minor (Firm)	S,M,L	Skill-gap of workers and supervisors level leads more time to do the task; Lack of regulatory measures
Minimum wage	Strictly follow minimum wage requirements	Only few firms were found to violate minimum wage requirements	Minor (Firm, Sector, Regulatory)	S,M,L	Lack of regulatory measure; Lack of Factory-owner level initiatives
Visible flashing-light alarm	Install visible flashing-light alarm in noisy areas where employees wear ear protection	No such flashing-light alarm in all the factories	Major (Firm)	S,M,L	Absence of awareness among the top and mid-level management;

¹⁷ Small Firm: 31-120 employees; Medium Firm: 121-300 employees; Large Firm: more than 300 employees (as per National Industrial Policy, 2016)

Certified Electrician	Electrical wirings and other accessories must be checked regularly by certified electricians	Electrical wirings are mostly checked by local technician with minimum technical knowledge	Major (Firm, Regulatory)	S,M,L	Lack of initiatives by the top-level management; Shortage of skilled and certified electricians;
Heat detection	Install sufficient heat detection system	Most factories do not have heat detection mechanism	Major (Firm)	S,M,L	Awareness gap among the top-level managements; Lack of initiatives by top-level management; Lack of regulatory measures
License for Generator	Obtain generator operation license by BERC	No such licenses are found at most factories	Major (Firm, Regulatory)	S,M,L	Awareness gap at the top and mid-level management, lack of regulatory measure
Medical room	Dedicated medical room with adequate equipment as per legal requirement	Most of the factories do not have medical room facility	Major (Firm)	L	Lack of awareness at the Top-level management; Awareness gap about health benefits among the top-level management and workers
Full-time doctor	Appoint full-time doctor for the health care of workers	Most factories do not employ a full-time doctor	Major (Firm)	L	Awareness gap about health benefits among the top-level management
Health safety training	Regular training on health and safety issues	Most factories do not provide such training	Major (Firm)	S,M,L	Lack of awareness at the top-level management; Awareness gap about health benefits among the top-level management and workers
Health safety committee	Formation of a health and safety committee at the factory premises	Most factories do not provide such trainings	Moderate (Firm, Regulatory)	S,M,L	Lack of awareness at the top-level management; Awareness gap about health benefits among the top & mid-level management and workers
Fire evacuation drill	Fire drills must be conducted in presence of appropriate Fire and Civil Defense Authority	Fire drills are not conducted on a regular-basis also as per the legal requirement	Moderate (Firm, Regulatory)	S,M,L	Absence of proper initiatives among the factory owners; Lack of technical knowledge of mid-level management and workers
Fire Fighters	Ensure adequate trained fire fighters through appropriate training	Some factories have no or few trained fire fighters	Moderate (Firm, Regulatory)	S,M,L	Lack of firm-level initiative, lack of regulatory measure, lack of technical knowhow

Firefighting equipment	Adequate and appropriate firefighting equipment must be available	Firefighting equipment are not adequate in some factories	Moderate (Firm, Regulatory)	S,M,L	Awareness gap of factory-owners and top-level managers, lack of regulatory measure
Health examinations	Conduct health examinations of workers involved in dangerous and hazardous works on a regular-basis	In most cases Health examinations are not conducted	Moderate (Firm)	S,M,L	Lack of awareness at the top-level management; Awareness gap about health benefits among the top-level management and workers
Drinking water test	Test quality of drinking water on a regular basis	Quality of the drinking water is not tested in all factories	Moderate (Firm, Regulatory)	S,M,L	Awareness gap among top-mid and workers level; lack of technical knowledge of top & mid-level management
Chemical handling	Proper handling of chemicals by maintaining MSDS	Chemicals are not handling following the MSDS	Moderate (Firm, Regulatory)	S,M,L	Lack of awareness among the top and mid-level management; information gap and absence of technical knowhow among the mid-level managers and workers; Lack of appropriate monitoring mechanism;
First Aid Box	Ensure availability of sufficient first aid box and emergency treatment facilities for the worker	Number of first aid boxes are limited and some cases absent at some factories	Moderate (Firm)	S,M,L	Lack of awareness among the top and mid-level management; lack of awareness about health benefits
First aid provider	Ensure availability of trained first aid provider at the factory premises	Not all factories have trained first aid provider	Moderate (Firm)	S,M,L	Lack of awareness among the top and mid-level management; lack of awareness about health benefits
Emergency and evacuation plan	Existence of proper emergency and evacuation plan with proper marking	Not all factories have proper emergency and evacuation plan	Minor (Firm, Regulatory)	S,M,L	Lack of awareness among the top and mid-level management; information gap and absence of technical knowhow among the mid-level managers
Monitoring of factory cleanliness	Ensure and monitor cleanliness at factory compound, factory floors, workplaces, etc.	Not all factories regularly monitor cleanliness of factory floor and workplace	Minor (Firm)	S,M,L	Awareness gap among the mid-level managers and worker; lack of proper monitoring and documentation procedures

Maintaining MSDS	Store chemicals by using the MSDS system	Few firms do not maintain the MSDS	Minor (Firm)	S,M,L	Lack of awareness among the top and mid-level management; information gap and absence of technical knowhow among the mid-level managers;
Chemical storage	Stop using plastic bottles to store chemicals	Some factories use plastic bottles for chemical storage	Minor (Firm, Regulatory)	S,M,L	Lack of awareness among the top and mid-level management; information gap and absence of technical knowhow among the mid-level managers

Source: Compiled from primary surveys and consultation meetings, 2019

Leather industry of Bangladesh is one of the large-scale industry of the country and the Leathergoods and Footwear sub-sectors are considered as a driver of growth. Initially leather sector in Bangladesh was making leather-based products such as garments, shoes, belts, bags, and jackets, suitcases, wallets, and other luxury items. However, along with the leather-based products, the sector, is also producing different non-leather items including non-leather footwear. Leathergoods and Footwear products are sold in both domestic and Foreign Markets. Bangladesh is exporting its high quality leathergoods and footwear to the EU markets, Japan, South Korea, China and several other countries. The sector is now facing difficulties meeting stringent compliance requirements set by markets in developed countries, which is restricting market access for Bangladesh products.

Table-4.5 presents the various common environmental indicators recommended to be compliant with foreign leather goods and footwear industries. Concerns like negative externalities produced by these sectors in the form of burning fossil fuels, using different types of resources and thus producing environmentally-hazardous waste and pollution (e.g. water, air and noise pollution, etc.). Environmental pollution can largely be connected with the absence of prior knowledge by factory-owners and top-level management regarding environmental compliances requirements as well as the lack of initiatives taken by individual firms and also by the state in the form of policy and regulatory enforcement measures.

The above mentioned table-4.5 highlights indicators regarding social compliance, where the Leathergoods and Footwear sub-sector in Bangladesh have gaps which are mostly moderate and minor, in nature. Which shows that the leathergoods and footwear sub-sectors are mostly well aware of social issues that need to be considered for achieving international compliance. The gaps are existing mostly in representation in participation committee, formal work contracts, maintaining service books for all workers, working hours and minimum wages, mostly due to the appropriate knowledge gap among factory-owners, lack of skilled and efficient mid-level management, and information and awareness gap in the worker-level.

Although the Leathergoods and Footwear sector of Bangladesh are more organised compared to the leather industry, occupational health and safety-related issues associated with the sector needs to be addressed before it can be considered as a globally accepted industry. Table-4.\6, also presents examples of gaps most of which are categorised as major and moderate e.g. visible flashing-light alarm, trained and certified electricians; heat detection mechanism; medical room, full time doctor facilities for large firms, adequate number of first aid boxes; regular health-checkup, handling and storage of chemicals; maintaining MSDS etc.

Environmental compliance requirements are increasing and consumer preferences are increasingly moving toward sourcing from compliant factories, which puts more pressure on brands to source their products from the compliant factories. In comparison with the leather tanning sub-sector (in table-4.5), Leathergoods and Footwear sector are more ESQ compliant. Some factories in the

Leathergoods and Footwear sector already have international compliance certification, like BSCI, WRAP, LEEDS certification by USGBC and SEDEX etc. Although most export-oriented factories of in the Leathergoods and Footwear sector in Bangladesh have successfully established environmental and social compliant facilities in their premises, immediate interventions and initiatives from both the sector-level (top/factory-owner level, mid-level management, supervisory and worker-level) and at the Government-level are necessary to address issues where gaps still exist, which will make the industry more competitive and economically-vibrant in the global market.

Table 4.6: Bangladesh Leathergoods and Footwear Sector's Existing Quality Compliance Gaps with the Nature of Gaps and Factors Responsible

Indicator	Existing Gap	Firm/Sector/ Regulatory- level Gap	Factors Responsible for the Gap
Quality of Materials	Leather and non-leather materials and chemicals are not tested before production	Sector, Regulatory	Lack of technical expertise in mid-level managers and supervisors; Lack of testing equipment and laboratory
Appropriate Machinery	Advanced and automated needle and metal detection machines are not present and detection is done manually	Firm	Absence of modern technology and machineries; Lack of skilled manpower, Lack of awareness of top-management level
Quality Tests	Looseness test, color fastness test are not conducted in appropriate manner; Mold/ fungus tests are not conducted	Firm, Regulatory	Absence of quality assurance department/ written quality guidelines and procedures; Lack of technical expertise in mid-level managers and supervisors; Lack of proper labs and testing facilities
Non-homogeneity of the final products	Color homogeneity not maintained For footwear, inconsistent coloration in same pair of shoes	Firm	Absence of quality assurance department/ written quality guidelines and procedures; Lack of technical expertise of supervisors; Shortage of skilled worker
Durability Tests	Products durability are not appropriately tested	Firm	Absence of quality assurance department/ written quality guidelines and procedures; Lack of technical expertise of supervisors; lack of quality labs
Quality Management System	Standard operating procedures not followed; quality managers are not properly trained; rejection records are not kept properly No action plan for reducing rejection	Firm	Awareness gap among factory-owners and top-level managements; Lack of technical expertise in mid-level managers and supervisors; skills gap of supervisors

Source: Compiled from primary surveys and through consultation meetings, 2019

Table 4.7: Major quality problems in different stages and process of production of leathersgoods and footwear

Indicator	Faults
Thickness of leather	Uneven thickness of leather
Leather quality	Optical appearance, fastness, finish, texture not properly checked
Marks and Spots on leather	Grain, pox, vein marks and crack on leather making faulty products
Quality of Knives	Knives not sharp enough
Cutting	Rough cutting due to rough cutting board and cutting die not checked against patter paper.
Splitting	Uneven splitting
Skiving	Faulty skiving
Thread tension	Erroneous thread tension and raw edges creating stitching problems
Stitching	Wrong stitch density and missing stitches, staggered stiches
Punching	Mis-positioning of punch
Shape	Wrong shape due to crimped upper, wrong temperature of molding machine,
Color Matching and consistency	Color does not match with sample
Edge coloring	Edge not properly colored
Emboss	Position and placement of emboss not correct
Label printing	Spelling and printing mistake in label
Faulty Zipper	Zipper faulty or not attached properly, not tight enough, footwear becomes crooked
Button wholes	Improper placement and sizes of button holes
Setting of accessories	Accessories not set as per sample
Stain of adhesives, machine oil	Stains while applying adhesive for attaching ornament in upper or oil stain from machine on product
Wrinkle	Wrinkle in top line and shoe counter
Velcro	Velcro not made for specific type of shoes
Placement of sole edge for footwear	Gaps in the upper quarter joint place and sole edge
Amount of moulds used	Excessive on upper affects the aesthetic beauty of the shoe
Water proof quality	Failure to ensure water-proof quality of leather
Lacing	Lacing distances are uneven
Sole pressing	Sole pressing not done in right pressure
Sole bonding	Weak sole bonding

In case of quality compliance, most footwear factories do not have metal detection machine to



Picard Bangladesh Limited was established as a joint venture Picard Lederwaren GmbH & Co. KG and its Bangladeshi counterpart and has been operating since 1997. With the motto of sustainable growth in production and quality, the company is successfully exporting leathergoods to European, Australian and American markets.

With a vision to contribute towards betterment of the workforce and to provide diversified quality products to the brand buyers, Picard Bangladesh has made efforts and achieved the compliant status in 2014 and since then ensuring environmentally compliant supply chain. The company has implemented a comprehensive corporate compliance program designed ensure workers welfare, professional standards, products quality and ethical standards. The company now holds international certifications like BSCI, SEDEX, ISO 14001:2015, ISO 9001:2015, OHSAS 18001:2007.

The main motivation for the company to invest in compliance was the requirement from buyers. Also, the owner was equally motivated and dedicated in making the company a model for other firms. Though the level of investment that had to be made to ensure compliance at the factory premise, return also came in the face of newer buyers with better prices. For instance, after ensuring compliance, the buyer MIMCO increased its sourcing from Picard Bangladesh by around 400%. The company exported products worth Taka 110 crore in 2018.

identify ferrous components or any metal nail in the products. Moreover, in many cases, they lack homogeneity, and color fastness. The leather used in many cases has looseness. In addition, the domestic producers of footwear cannot provide product guarantee in the local market. Moreover, lack of inventory management of raw materials and finished goods, product durability test, mold/fungus tests, quality control team, quality management system (QMS), standard operating procedures (SOP), use of excess glue cement contribute to the lack of quality compliance for leathergoods produce in Bangladesh. At the operation level, sometimes quality varies due to limited capacity in machine operations or production techniques at different stages like cutting, sewing, assembling etc. the major areas in the production process where faults and gaps exist are presented in table 4.7. These required capacities are detailed in the Training Needs Assessment Section.

5. Training Needs Assessment on ESQ Compliance

The previous chapter (chapter-4) of the present study has clearly identified the existing ESQ gaps that the leather tanning, Leathergoods and footwear sub-sectors are currently facing. This section will suggest some capacity-building programmes, i.e., trainings, workshops and seminars based on the findings from the interviews of individual firms, associations and the consultation meetings, they will help reduce the ESQ compliance gaps, increase product competitiveness and improve marketability of Leather and leather products manufactured in Bangladesh.

It has been observed, a notable number of training programmes are being conducted under various government and donor agency projects. For example, under the SEIP project of the Ministry of Finance, some technical trainings like machine operation, quality maintenance, etc. are being conducted for existing and potential workers of different sub-sectors of the leather sector. Besides, the Centre of Excellence in Leather Sector (COEL), the Leather Sector Business Promotion Council (LS-BPC) have also been conducting trainings and other capacity building workshops. These programmes are, however, carried out in an ad hoc basis and are not conducted regularly. A structured programme with quality modules is necessary to be conducted regularly, in order to build the ESQ Compliance capacity of the leather, leathergoods and footwear sectors. Also, the quality of training providers and experts should also be ensured for having effective training programmes. Different methods and mechanisms, hands-on activities, group works and other interactive methods should also be introduced in implementation of training to encourage and ensure participation and results.

The training programmes are tailored to the needs of different product segments, and labour categories.

- Sub-sector specific (separate programme for leather tannery, Leathergoods and Footwear sub-sectors);
- Separate programmes for top-, mid- and supervisor- levels and worker level

5.1 Leather Industry

5.1.1 Training Needs Assessment for Leather Tannery Sub-sector: Pre-tanning Stage

At the pre-tanning stage (i.e. from slaughtering of animals, use of knives that do not spoil hides, transportation and preservation of hides), it is important that hides are properly skinned from the carcasses, collected, transported and preserved using appropriate techniques. Using appropriate tools (i.e. appropriate knives) and techniques (use of salt on raw hides, storage, preservation and transportation) are very much necessary to ensure supply of better quality hides and skins. The table below (Table-5.1) suggests some of training programmes required for the pre-tanning stage of the raw hides and skins.

Table 5.1: Training needs assessment at the pre-tanning stage of leather sector

Training Title	Expected Outcome
Appropriate technique of slaughtering	Improved quality of raw hides
Training on flaying methods	
Training on pre-curing and curing methods	
Training on efficient use of salt for preservation	
Training on standard techniques for preservation	
Trainings/ workshops for seasonal raw hide traders on grading, inspection and pricing system	
Skin storage and transportation for middlemen, skin collectors and traders	

5.1.2 Environmental Compliance-related Training Needs for the Leather Industry

As stated earlier, consumers of leather products are well aware of the environmental compliance issues and prefer to purchase products from brands/shops that produce/source products from environmentally-compliant sources. The following table (table-5.1.2), suggests some training programmes needed to improve environmental compliance in the leather tannery sub-sector in Bangladesh.

Table 5.1.2: Training needs assessment for environmental compliances of the leather sector in Bangladesh

Level	Topic	Skills Covered	Expected Outcome	Duration
Top-level managers/ owners	Training/workshop on Environmental Management System (EMS)	Environmental concerns in the tanning sector and how market access could be improved with better environmental compliance	Minimise existing pollution levels; Increased awareness among top-level managers;	3- 5days
		Importance of pollution control for improved compliance		
		Sustainable production techniques		
		Green and environmental policies		
		Water and waste water management		

Level	Topic	Skills Covered	Expected Outcome	Duration
Mid-level managers	Procurement of hides	Identifying grades of hides efficiently before procurement	Ensured sourcing/supply of quality hides	1-3 day
	Training on ISO 14001 Environmental Management System (EMS)		Efficient Environment Management; Ensured Environmental Compliance	3-5 days
	Inventory Management	Chemical inventory management procedure	Efficient inventory management; Ensured chemical safety	5- 7 days
		Maintaining MSDS at the factory chemical inventory		
Identification of Restricted Substances List (RSL)				
Standards and quality parameters of chemicals to be checked (REACH and other international standard-levels)				
	Improving leather storage at tannery			
Workers	Tanning Process	Understanding of leather grading	Ensured efficient and Eco-friendly tanning procedures; less environmental pollution	7- 10 days
		Using modern tanning techniques		
	Chemical Management	Techniques to make tanning industry more eco- compatible	Safe management of chemical; sustainable waste management (both liquid and solid)	7-10 days
		Understanding of standard chemical combination for sustainable production		
		Chrome management and transformation		
Hazardous and non- hazardous Waste separation methods				
	Solid waste separation method (raw protein based, chemically contaminated fleshing, tanned waste)			
	Primary effluent treatment technique			

5.1.3 Social Compliance-related Training Needs for the Leather Industry

To reduce the social compliance-related gaps (identified at chapter-4) of the leather tannery sub-sector, analysis of collected data identified several areas where training is needed (shown in Table-5.1.3) to improve the social compliance situation at the tanneries of Bangladesh.

Table-5.1.3: List of suggested training needs assessments for social compliances at all levels of the leather industry of Bangladesh

Level	Training Title	Skills Covered	Expected Outcome	Duration
Top -Level Managers/Owners	Training/workshop on Labour Law implementation		Spread awareness levels on social and human rights of labour	3-5 days
	Training/ Workshop on Common Buyers' Code of Conduct	BSCI, LWG, WRAP, SEDEX, C-TPAT	Dissemination of knowledge on ensuring compliance	2-3 days
Mid-Level Managers	Training on maintenance of material safety data sheet (MSDS)		Effective maintenance of MSDS	2-4 days
	Occupational Health & Safety	Training on structure, role and responsibility of health and safety committee	Ensured OHS compliance; Efficient monitoring mechanism; safe working environment	3 -5 days
		Training on structure, role and responsibility of Workers' Welfare committee		
		Training on occupational health & safety for management		
		Training on effective monitoring mechanism of the use of PPE		
	Training on identification of hazards in the workplace			
	Training on social compliance audit and requirements		Prior knowledge on compliance audit and requirements	1-2 days
Workers/ Supervisors	Fire & Electric Safety Management	Machine & electric safety Uses of PPE and first aid Emergency exit plan, floor mark & escape route	Ensured workplace safety	2-3 days
	Process Management	Uses of chemicals and proper management Training on standard documentation methods of machine maintenance, electrical safety and maintenance, cleanliness of factory, productivity record etc.	Effective documentation of safety, productivity and factory cleanliness data	5-6 days
	Labour law	Workers rights, benefits to be enjoyed, bargaining power, wages and benefits, government regulations in favour of workers etc.	Improved awareness on labour rights	1-2 days

5.1.4 Quality Compliance-Related Trainings for the Leather Sub-sector in Bangladesh

In line with the training needs required to improve the environmental and social compliances, we also have identified some training needs to help meet the quality requirements in the leather tanning sub-sector in the country. Those are shown in the following table (Table-5.1.4):

Table 5.1.4: Training Needs Assessment for Improvement of Quality Compliance of leather (Tannery) sub-sector

Level	Training Title	Skills Covered	Expected Outcome	Duration
Top -Level Managers/Owners	Training on implementation of international standard- based compliance and quality management	Workshop on modernisation of production facilities Developing effective reporting and monitoring system Cost of compliance vs. cost of non-compliance Benefits of Compliance Importance of hiring educated ,technically sound supervisors, technicians, technologists and graduates of leather institutes for quality production	Improved awareness on benefits of ensuring compliances;	5-7 days
Mid-level managers	Training on Sustainable Tanning Process	Training on preservation of raw-hides for better quality	Upgraded tanning procedures; Improved quality of leather;	7-10 days
		Training on up-gradation of leather through tanning process		
		Training on method for thickness and looseness measurement/ identification for leather		
		Sample collection for laboratory testing		
		Advanced training on modern machine operation		
		Advanced training on efficient use of chemicals		
	Basic mechanical maintenance (oil replacement, greasing, vibration control, oil seals etc.)			
	Rejection documentation process		1-2 days	
Total Quality Management		Training on fundamentals of 5S method	Ensured the best quality of finished leather; Reduction of waste generation;	7-10 days
		Training on effective supply chain management		
		Training on quality assessment		
		Training on total quality management		

Training on root cause analysis				
Workers	Training on Tanning Process	Training on beam house operations (fleshing, drum operator, splitting and, shaving, softening/staking, toggling, de-dusting and plating, buffing, finishing)	Increased efficiency in tanning procedures; Increased productivity of the workers;	10-15 days
		Fundamental training on production process (machine operation, chemical usages, tanning process etc.)		

5.2 Leather Goods and Footwear Sub-Sectors

5.2.1 Environmental compliance-related trainings suggested for leather goods and footwear industry in Bangladesh

Compared to the leather tannery sub-sector, the leathergoods and footwear sector in Bangladesh are more environment-friendly, due to its nature of production. Generally, the production process for Leathergoods and footwear sub-sector begin from finished leather, which involves limited chemical use and thus less pollution to the environment. The study however, has identified some factors, which calls for immediate attention through training interventions to address environmental challenges facing the Leathergoods and footwear sub-sectors.

Table 5.2.1: Training needs assessment for environmental compliance of leather goods and footwear sub-sectors

Level	Training Title	Skills Covered	Expected Outcome	Duration
Top-Level Managers/ Owners	Environmental Management	Importance of firm-level environmental management	Prior knowledge on Environmental Compliance and its importance on business	1-2 day
		Importance of pollution control for improved compliance		
		Sustainable production techniques		
		Green and environmental policies and regulations		
Mid-Level Managers	Chemical Management	Maintaining MSDS at factory chemical inventory	Ensured MSDS; Efficient chemical management	3-5 days
		Workshop on identification of restricted substances list (RSL)		
		Training on standards and quality parameters of chemicals to be checked (REACH and other international standard-levels)		

		Understanding standard chemical combination for sustainable production		
	Waste Management	Training on waste disposal technique	Effective management of waste	1-3 days
	Training on ISO 14001 Environmental Management System (EMS)		Efficient environment management; Ensured environmental compliance	7-10 days
Workers	Waste Segregation	Training on how to segregate waste	Improved waste management at production level	2-3 days

From the above table (Table-5.2.1), we find that for the top-level management/owner of the firms, training/workshop programme on green and sustainable production techniques, implication of pollution control are necessary, as they are basically the decision-makers for the firms. On the other hand, effective chemical management, handling of hazardous inputs and management of waste etc. are considered more appropriate training programmes for mid-level managers/supervisors for the Leathergoods and Footwear sub-sector of Bangladesh.

5.2.2 Social Compliance-Related Trainings suggested for the leather goods and footwear sectors of Bangladesh

The study in chapter 4, recommends that the leathergoods and footwear industry in Bangladesh improve their compliance in the country. As most of the export-oriented firms in the leathergoods and footwear sub-sectors are exporting their products to developed countries like the EU, Japan, Australia etc., and have already implemented some good social practices to improve their factory compliances. Moreover, some factories in the leathergoods and footwear sub-sectors already have international certifications like BSCI, WRAP, SEDEX etc. However, the study has identified some additional gaps which will require intervention, in terms of training and other capacity- and awareness-building programmes. The following table (Table-5.2.2) has identified some of the capacity-building programmes:

Table 5.2.2: Training Needs Assessment for Social Compliance of Leathergoods and Footwear sub-sectors

Level	Training Title	Skills Covered	Expected Outcome	Duration
Top-level Managers/ Owners	Labour Law	Labour law implementation	Prior knowledge on labour-related rules and regulations;	1-2 days
	Training on Standards and Buyers and CoC	Workshop on familiarisation with international standards and practices Awareness-building session on relationship between social compliance and productivity	Enhanced knowledge on international compliance-related CoC and requirements;	2-3 days
Mid-level Managers/supervisors	Chemical Management	Training on maintenance of material safety data sheet (MSDS)	Ensured MSDS	2-3 days
	Social Compliance	Structure, role and responsibility of health and safety committee	Improved OHS; efficient monitoring mechanism; appropriate use of PPE; safe working environment	5-7 days
		Structure, role and responsibility of workers' welfare committee		
		Training on occupational health & safety for management		
Machine Safety	Social compliance audit and requirements	Ensured machine and other electrical safety	2-5 days	
	Identification of hazards in workplace Effective monitoring mechanism on use the of PPE			
Workers	Fire & Electric Safety Management	Standard documentation methods of machine maintenance, electrical safety and maintenance, cleanliness of factory, etc.	Ensured workplace safety	2-5 days
		Machine safety and operation		
		Machine & electric safety Uses of PPE and first aid Emergency exit plan, floor mark & escape route		
	Process Management	Uses and handling of chemicals Training on standard documentation methods of machine maintenance, electrical safety and maintenance, cleanliness of factory, productivity record etc.	Effective documentation of safety, productivity and factory cleanliness data	7-10 days
	Labour law	Workers' rights, benefits to be enjoyed, bargaining power, labour union issues, wages and benefits, government regulations in favour of workers etc.	Improved awareness on labour rights	1-2 days

Gender sensitivity and female friendly workforce	Gender-based workplaces, where to handle	violence at complaint, how to handle	Improved working conditions for female labour force	1-2 days
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5.2.3 Quality Compliance-Related Trainings for Leather Goods and Footwear Industries of Bangladesh

Ensuring quality compliance is an important pillar for businesses as well as for exporting products produced by the Leathergoods and Footwear sub-sector as failure to meet the suggested quality requirements from the buyers often leads to rejection of export orders. In such cases, factories incur huge loss of business and sometimes are forced to shutdown the business. To effectively meet global demand, the leather products produced in Bangladesh need to meet quality compliance requirements of buyers. The study has identified some quality compliance gaps for the Leathergoods and Footwear sub-sectors and suggested training programmes to improve the quality compliance situation of the sector. These programmes will also help enhance the skill as well as the productivity of the workers, which will ultimately improve the quality compliance of the leathergoods and footwear sector. The following table shows the suggested training programmes to meet the quality compliance requirement for the leathergoods and footwear sector.

Table 5.2.3: Training Needs Assessment for Quality Compliance of the Leathergoods and Footwear Sub-sectors

Level	Training Title	Skills Covered	Expected Outcome	Duration
Top Level Managers/ Owners	Training on material sourcing	Sourcing of good quality finished leather	Enhanced knowledge on supply of safe and quality raw materials; role of SOP on quality compliance	2- 5 days
		Identifying defects in finished leather before procurement		
		Importance of following standard operating procedures		
Mid-Level Managers/ Supervisors	Training on understanding of leather fabric (Quality, Grade etc.)		Enhanced knowledge on leather fabric	2-3 days
	Material Sourcing	Defect handling techniques	Efficient sourcing of rawmaterials;	2-5 days
		Efficient sourcing methods and management		
		Selection of materials for production		
	Training on product and sample development	Advance machine adjustments	Enhanced productivity; Product diversification	7- 10 days
Training on quality control	How to conduct quality testing like looseness test, even dying,	Ensured better quality of the product;	7-10 days	

		softness test, colour & light fastness test, resistance of product, heat ageing, metal detection, testing for hazardous content in product etc.		
		Ensuring standard operating procedures at all stages of production		
		Checking products against specification/sample training on preparation		
		Root cause analysis and rejection documentation		
Workers	Machine maintenance	Basic machine adjustments; maintenance of the machinery	Efficient management of machines	5-7 days
	Training on pattern making	Advanced CAD design & pattern making	Enhanced productivity of the workers	10- 15 days
		Developing products from sample		
	Training on sewing machine operation	Training on stitching machine operation	Enhanced sewing and stitching quality of the workers; productivity enhancement	1-2 months
		Training on Sewing machine operation (Flat bed, Postbed Single, Postbed Double, Beating, Folding, Zigzag)		
		Training on skiving technique		
	Training on Setting and assembling	Training on stamping method	Efficient assembling techniques	15-20 days
		Edge Colouring		
Training on Cutting Machine Operation		Increased supply of skilled cutting machine operators	1-2 months	
Training on Total Productive Maintenance (TPM)		Enhance the productivity of workers	15- 20 days	

Considering the needs (identified by extensive analysis) of quality compliance, we have identified specific capacity-building programmes for all three categories (top-, mid- and worker-level) employees of the leathersgoods and footwear sector. For top-level management/factory owner, training programme on material sourcing has been suggested to enhanced knowledge on sourcing of safe and good quality raw materials to maintain the quality of the products. Training on quality control, training on product development, material sourcing has been suggested for the mid-level

and supervisors to enhance their skills to ensure product quality as well as the overall quality compliance situation. For worker level, hands-on training for machine operation, setting and assembling, pattern making, total productive maintenance (TPM) has been suggested to enhance their skills and productivity.

6. Industry-Wide and Firm-Level Awareness-Building Strategy and Plan on ESQ Compliance

6.1 Major Strategic Plans

This section of the study aims to shed light on the strategic needs of the leather, leather goods and footwear sectors in order to improve the overall compliance capacity, situation and understanding, especially regarding environmental, social and quality compliance at sub-sector levels. In addition to the training needs suggested in chapter 5, the study provides tailor-made interventions through area-specific strategic plans. The objectives of the suggested programmes and activities are to improve specific and targeted knowledge, skill and attitude towards ESQ to be performed by all levels of professionals and policy makers.

While analyzing the gaps at factory-level, three types of gaps have been. These gaps are:

1. **Information/Knowledge Gap:** where firms have limited knowledge and ideas regarding compliance issues, and how to meet the compliance requirements to gain international recognition.
2. **Awareness Gap:** in this case, firms have the information and knowledge on compliance parameters and requirements, but firms, their managers and workers are not concerned regarding the issues or are not aware of the consequences of not following the compliance requirements.
3. **Motivation Gap:** In this type of gap firm-owners do have the knowledge and are aware of the non-compliance consequences in some cases but are not motivated to invest in compliance within the factory. They are either happy with their existing level of export and export destinations and do not have any plan to go beyond that, or they find that the associated costs are higher than the expected benefits.

The study has categorized all strategic plans in these three levels. The following color codes are

 Information/ Knowledge Gap

 Awareness Gap

 Motivation Gap

The strategies are designed to mitigate different levels of gaps. The strategies also consider other areas to develop the ESQ situation in the leather, leather goods and footwear sectors. The following tables elaborate on areas of interventions, specific objectives for each intervention, activities to be taken to achieve these objectives along with their expected outcome. The activities have also been prioritised.

6.1.1 Strategies to Address the Information/Knowledge Gaps:

These strategies focus on enhancing the knowledge levels on ESQ compliance issues. The target stakeholders are not limited to firms in this regard and also included associations, government agencies, policy-makers and firms themselves. The strategies include a wide range of programmes from database to information dissemination, awareness and dialogue programmes.

Table-6.1: List of strategies and activities to address information/knowledge gaps

Objective	Activity	Priority	Expected Outcome
Ensure availability updated information on compliance	<ul style="list-style-type: none"> Establish a database with detailed information on compliance requirements on ESQ issues. The database should be managed by the associations/related government agencies (e.g. LSBPC) 	High	Information on buyers' requirements and compliance parameters easily available.
Develop mechanism for dissemination of compliance-related information	<ul style="list-style-type: none"> Associations should disseminate updated information to their member-factories 	High	Improved access and understanding of compliance information
	<ul style="list-style-type: none"> Establish compliance cell/compliance help desk in each association 	Medium	
	<ul style="list-style-type: none"> Establish a compliance hot line number for the leather sectors with dedicated officials/desk to respond to calls 	Medium	
	<ul style="list-style-type: none"> Develop manuals/ handbooks/online materials/ leaflets on ESQ Compliance issues and parameters 	High	
	<ul style="list-style-type: none"> Disseminate knowledge on internationally restricted substances list (RSL), chrome content (how chrome (3) may develop to chrome (6)), REACH etc. to tanneries, leather goods and footwear industry through separate checklist, handbooks etc. 	High	
	<ul style="list-style-type: none"> Organize workshops on the importance of following standard operating procedures (SOP) for owners and top-level managers 	High	

Improve workers knowledge on labour issues	<ul style="list-style-type: none"> Develop audio visuals/ charts etc. for workers for easily available and understandable information regarding their rights, health and safety issues 		Informed labour force
Develop alternative knowledge sharing platform	Create easily accessible social networking platform for knowledge sharing on ESQ issues	Medium	Improved knowledge on ESQ Compliance
To Develop Monitoring mechanism ESQ Compliance	<ul style="list-style-type: none"> Establish a regular monitoring mechanism by associations to strictly monitor compliance situation and for suggesting improvement strategies to member-firms. 	High	Firm and sector-level ESQ Compliance situation improved.
	<ul style="list-style-type: none"> Establishment of a central co-ordination and monitoring mechanism/ committee including all three leather-sector associations, Leather Sector Business Promotion Council, Ministry of Commerce, Department of Environment and other concerned ministries and stakeholders for improving compliance in the overall supply chain; The Leather Sector Business Promotion Council can take the leading role 	Medium	
	<ul style="list-style-type: none"> Provide technical support to develop traceability mechanism 	Medium	
To make the Institutions more Strengthened	<p>Strengthening the Leather-Sector Business Promotion Council</p> <ul style="list-style-type: none"> Employ leather sector technical expert (machinery, technology, chemicals etc.) Employ leather sector compliance expert 	High	Services provided by the institutions and agencies improved; firms' getting higher benefits.
To establish Industry-Academia Collaboration	<ul style="list-style-type: none"> Develop internship/tie-in programme for ILET graduates in firms Academia-industry joint platform so research findings and latest updates on ESQ compliance issues can be shared with the industry 	Medium (Medium – long term strategy)	Academic knowledge utilised for development of the sector

	<ul style="list-style-type: none"> • Introduce placement programme for graduates of ILET or other technical institutes 		
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6.1.2 Strategies to Address Awareness-Gaps:

This part of the strategies aims to improve the understanding of importance of ESQ compliance. This also includes learning platforms and making the firms aware of the consequences of being non-compliant. The strategies largely target the SME firms who mostly lack the awareness.

Table-6.2: List of strategies and activities to address awareness gaps

Objective	Activity	Priority	Expected Outcome
Support and Increase Technical expertise within the sub-sectors	<ul style="list-style-type: none"> • Provide information and supports to receive certification like BSCI, Sedex, etc. 	High	Technical expertise on compliance issues improved
	<ul style="list-style-type: none"> • Support to get international certifications like LWG, ICEC etc. 	High	
	<ul style="list-style-type: none"> • Appoint quality production experts to work with the mid-level managers to create a pool of quality mid-level managers for improving overall quality of products. 	Medium	
Improve firm-level awareness on compliance	Organise pre-production/co-ordination meeting with each section of workers separately on a regular basis to raise awareness of their individual roles in achieving compliance.	Medium	

Develop firm-level codes of conduct	Display factory discipline and codes of conduct at production area and other factory premises <ul style="list-style-type: none"> - non-discriminatory behavior - non-smoking and other notices - Visions and targets - Production Policy - Action plan (if any) <i>The manual should be distributed to the sub-contracting parties as well</i>	Medium	Improved firm-level compliance management
	Develop checklist for internal compliance audit to be conducted by managers.	High	Firm-level compliance monitoring improved
Ensure compliance throughout the full supply chain	<ul style="list-style-type: none"> • Run campaign activities throughout the supply chain of leather, leather goods and footwear. 	High	Compliance in supply chain improved
	<ul style="list-style-type: none"> • Initiate special (specially designed as per need) and higher support mechanisms (both financial and technical) for SME firms to improve their compliance situation. 	High	
Improve knowledge of workers on OHS	Organise awareness programmes and regular group discussion meeting with factory workers on the consequences of not using PPE while working	High	Awareness among workers on health and safety improved
	Organise awareness programmes on personal health and hygiene within the factory	High	

6.1.3 Strategies to Address the Motivation Gap:

Motivational strategies are designed to encourage the firm-owners to invest in compliance issues at their factory premises. This involves experience sharing, studies and research findings dissemination, financial support and provisions for awards and recognitions.

Table-6.3: List of strategies and activities to address motivation gaps

Objective	Activity	Priority	Expected Outcome
Make the owners understand the benefits of compliance	Run campaign to increase firm's level of understanding of the benefits of compliance vs. cost of non-compliance	High	Interest of owners to make firms compliance increased
Utilitse existing knowledge within the sub-sectors	Organise visits/study tours, especially for SMEs to top compliant tanneries/factories both nationally and internationally	High	Improved knowledge of owners on compliance benefits
Increase motivation of firms to invest in compliance	Provide technical assistance to firms to encourage and ensure sustainable production with efficient uses of resources	High	Firms' motivation to invest in compliance improved
	Provide financial assistance to factories requiring remediation for meeting compliance standard	High	
	Provide awards to champion factories who meet compliance requirement and who show significant progress in implementing compliance measures.	Medium	
Increase motivation of workers to use PPE and other safety measures	Provide special incentives to workers who use PPE properly	High	Motivation of workers improved; safety of workers ensured.
Encourage Female employment (leathergoods and footwear sub-sectors)	Encourage female participation at higher level of production through specialised and customized training programmes	High	Increased participation of female labour force
	Establish day-care and other female-friendly facilities to motivate female workers	High	

6.2 Strategic Plans for Sub-sectors:

Apart from the generalised strategies covering all the sub-sectors, there are some sub-sector level strategies that need to be taken. The strategies cover areas like improving market access and visibilities, product development, productivity and competitiveness, etc.

6.2.1 Leather Sub-sector (Tanneries and Pre-tanning stage):

Table-6.4: List of strategies and activities for leather sub-sector

Objective	Activity	Priority	Expected outcome
Improve slaughtering methods	Establish district-level slaughter-houses with adequate equipment and trained butcher applying modern slaughtering techniques	Medium	Improved quality of raw hides
	Provide training on slaughtering techniques to seasonal butchers/assistant butchers who work as professionals during <i>Eid-ul-Azha</i> season.	High	
	Support production of quality and appropriate kinds of knives and ensure their distribution throughout the country, especially during <i>Eid-ul Azha</i>	High	
	Develop poster/ banners/ boards etc. with visual and easily understandable information and highlights on slaughtering techniques and display at slaughterhouses	High	
Establish infrastructure for raw-hide preservation	Establish cold chain for hides preservation and transportation	High	Improved quality of raw hides
Increase Awareness among top- and – mid-level managers	Country-wise dialogue with established and seasonal raw hides traders on standard harmonised preservation technique	High	Improved knowledge of seasonal traders on compliance and quality
	Develop promotional materials like audio-visualse, posters, leaflets on proper techniques of slaughtering and preservation	High	
	Training/Workshop for owners/ top-level managers who source leather during <i>Eid-ul-Azha</i> on leather grades and qualities	High	

Improve co-ordination between suppliers and firms	Dialogue between firms/ cluster of firms with their suppliers on compliance issues	Medium	Co-ordination throughout the supply-chain improved
Improve chemical management system of firms	Training on chemical handling, storage and disposal techniques (refer TNA point)	High	Chemicals are safely sourced, handled and disposed.
Ensure proper waste management system	Conduct awareness programme (workshop, seminars etc. for top- and mid- level managers on directives regarding waste management <ul style="list-style-type: none"> - Importance of separating waste (hazardous and non-hazardous) - Importance of separating waste (solid and effluent) - Importance of primary treatment at tanneries - Importance of Chrome recovery unit and their benefits 	High	Reduced environmental pollution through wastes.
	Display information on 5s method at production area		
Establish lab for chemical testing and other technical infrastructure in tannery clusters	Establish an international-standard and accredited lab at the tannery estate	High	Raw material and product quality checking mechanism improved
	Support existing labs to get international accreditation and mutual recognition	High	
	Establish a technology center equipped with modern/upgraded/latest machinery and technology <ul style="list-style-type: none"> • Provide financial and technical support in establishing modern tanning process at tanneries 	High	

6.2.2 Leather Goods and Footwear Sub-sectors:

Table-6.5: List of strategies and activities for leathergoods and footwear sub-sectors

Objective	Activity	Priority	Expected Outcome
Produce quality products meeting world demand	Establish design centre with latest technologies and services to improve local designs and develop skilled local designers	High	Product quality and design improved; higher value addition
Develop special capacities and forward linkages	Conduct workshop/ training programmes on understanding quality (minimum level of substances) of accessories like zipper, button etc. especially that have direct contact with the skin	Medium	Domestic value addition increased
Rejection Remediation	Document major error/ rejection issues and corrective measures	High	Number of rejected products reduced
	Set a time-bound action plan to implement corrective measures ensure compliance	Medium	Production efficiency increased
	Take a zero defect/ zero rejection policy	Medium	

6.3 Policy-level compliance facilitating strategies:

Besides strategies to improve the levels of knowledge, awareness and motivations, and for improving the sectoral capacities in handling compliances, some policy-level interventions required to develop the overall ESQ situation of the leather, leathergoods and footwear sector. These strategies will help create an enabling environment for effective implementation of strategies taken by the firms or associations. The strategies include some infrastructure upgrading, policy-level incentives etc.

Table-6.6: List of Policy-level facilitating strategies and activities

Objective	Activity	Priority	Expected Outcome
Make CETP fully Functional	Conduct stock-taking study on operation of CETP to understand what else needs to be done to make it fully operational; Make CETP fully functional with all four modules functioning	High	Environmental compliance situation of tanneries improved
Improve Infrastructure at Savar Tannery Estate	Establish proper roads, hospital, accommodation facilities, schools, markets and other infrastructures around Savar Tannery Estate area	High	Social compliance situation of leather sub-sector improved
Improve co-ordination	Establish a stakeholder's platform to conduct dialogue and improve co-ordination with firms, associations, government agencies, NGOs and any other organization working in the sector.	Medium	Co-ordination among leather sub-sectors and government agencies improved
Provide Policy Incentive	Suggest higher incentives (Cash incentive, tax brackets etc.) in policies for firms maintaining compliance	Medium	Motivation of firms improved
Utilise Learning from the RMG	<p>Replicate the learnings, experience and strategies taken by the RMG industry for improving and encouraging compliance</p> <ul style="list-style-type: none"> Follow corrective action plans/guidelines set by Accord/Alliance where applicable <p>Factory inspection/audit should be conducted/monitored by relevant government agencies in collaboration with donor organization</p> <ul style="list-style-type: none"> Categorize firms on their level of compliance Develop national-level corrective action plan 	High	Overall export scenario of the sub-sectors improved

6.4 Promotional Strategies:

These strategies look into the overall branding and market access situation of the sub-sectors. This includes branding, exposure of the compliance situation of the sectors and international meet-ups. The focus of these publicity strategies would be to highlight the compliance present in the sector and to highlight the compliant factories in the global leather market.

Table-6.7: List of promotional strategies and activities

Objective	Activity	Priority	Expected Outcome
Improve the brand value of Bangladeshi leather and leather products	<ul style="list-style-type: none"> Develop a database with information on compliant ESQ factories showcasing their products Develop publicity materials, audio visuals, documentary etc. on Leather,Leathergoods and Footwear industry to be showcased in international trade fairs 	Medium	Branding improved
Improve marketing strategies of products internationally	Assist firms financially, especially SMEs to participate in international sourcing fairs, trade fairs, expo etc. with quality products	High	Product and brand visibilities improved
Establish international networking	Establish liaison of compliant factories with brand buyers with own design products	Medium	Market access improved
Build the image of the sector through different means	Publish articles on Bangladesh’s leather sector and its prospects on internationally renowned leather-related journals, magazines and other publications.	Medium	Image of the sector improved
Increase participation in international events	Provide support both in terms of monetary and policy-level to organise buyers-sellers meet-up events/trade fair with international buyers and investors to showcase products and sectors potentials	high	Potentials of export increased

6.5 Capacity Development Strategies:

Capacity development is of utmost importance for improving compliance, especially for quality compliance. Moreover, the SME firms also need knowledge and skills for every level, in maintaining and ensuring social and environmental compliance. Strategies are necessary in order to ensure implementation of suggested training programme. Strategies should be developed in a manner where long-term benefits are accrued.

Table-6.8: List of capacity-development strategies and activities

Objective	Activity	Priorities	Expected Outcome
Development of Training Module	<ul style="list-style-type: none"> Develop detailed reference training modules on ESQ issues including inputs from international standards Modules can be clustered based on issues and their relevance. The modules should mostly include graphical representations, where required for easy understanding of the trainees. Possible modules may include: 	High	Reference information for future uses developed
Develop international-level professionals	<ul style="list-style-type: none"> Introduce Collaboration with World renowned design centers/institutions (Identify possible options for establishing joint training facilities at home and abroad; study exchange programme etc.) 	High	Quality of the workforce improved
	<ul style="list-style-type: none"> Hire international-level technical experts for firms (cluster-basis) to work directly with the firms, staying inside the firms to develop compliance, especially the quality compliance. Cost may be subsidized by the government/donor-funded projects or shared by the beneficiary firms. - SME firms should be given priority while designing the programmes High 	High	

Develop an alternative learning platform	Develop and offer online courses/ certificate programme on compliance for mid-level managers and supervisors which could be accessed free and throughout the year for development of capacity. Possibility of industry-academic cooperation can also be explored in this regard.	Medium	Improved knowledge of mid-level managers on compliance issues
Training for Trainers	<ul style="list-style-type: none"> • Training programmes should be carried out for trainers to create a pool of experts and master trainers in the related issues. The trainers would later provide trainings at factory ends or at trainings organised by the associations. The objective is to disseminate the knowledge to a larger group of beneficiaries. • International experts should be involved to create quality expert pools. 	High	Improved quality of workforce
Improve firm-level capacity	<ul style="list-style-type: none"> • Individual arrangement should be developed to conduct training programmes at a firm-level. • Trainings could be provided by the associations, the Leather Sector Business Promotion Council (LSBPC) or COEL. 	High	Production quality improved
Making capacity-building programmes work for the industry	<p>Introduce job placement-based training programmes to motivate and encouraged skill enhancement and for recognition of prior learning (RPL)</p> <ul style="list-style-type: none"> • Initiate pilot-based placement programmes 	Medium	Quality of labour force improved

6.5.1 Possible Modules for Training for Trainers:

In order to create a pool of expert in the top-, mid-, and worker-level on compliance and related issues, conducting training for trainers could be one strategy as suggested by the plan. The trainers may then be hired by factories, associations or by government agencies in order to disseminate the knowledge, when or where necessary. The suggested modules for the ToT are:

Table-6.9: List of probable modules for Mid-level managers

Module 1	ISO 14001, Environmental Management System (EMS) and other standards
Module 2	Raw hides, leather and non-leather fabric Grading and quality checking
Module 3	Restricted chemicals, compliant chemical composition and Chemical Management
Module 4	International Codes of Conduct: BSCI, WRAP, Sedex
Module 5	Different types of documents and documentation in production, safety and maintenance
Module 6	Quality Management and Sustainable production
Module 7	Machine operation techniques

Table-6.10: List of probable modules for Workers

Module 1	Slaughtering and Preservation Process of Raw Hides
Module 2	Use of PPE and handling of hazardous materials (Chemicals, machinery)
Module 3	Waste Segregation method
Module 4	Roles and responsibilities of different workers committees and welfare officials
Module 5	Basics of Occupational Health and safety
Module 6	Production Process: a. tannery procedures b. cutting & sewing c. assembling
Module 7	Labour Law of Bangladesh and the Rights of workers

7. Action Plan:

The Action plan covers programmes that could be taken during the first two years for leather, leathersgoods and Footwear sub-sectors. The actions are divided into quarters also indicate the responsible authorities who could take leads in implementing those.

Sl.	Activity	Responsible Authority	Y1Q1 ¹⁸	Y1Q2	Y1Q3	Y2Q1	Y2Q2	Y2Q3
1.	Development of Training Modules for Workers and Mid-level Managers	PIU, Associations						
2.	Organise awareness-building Workshops for Top-level managers and owners on benefits of compliance	PIU, Associations, BPC						
3.	Organise awareness building programmes for seasonal raw-hide traders on preservation and transportation of raw hides	PIU, BPC, BTA						
4.	Conduct training for seasonal butchers on slaughtering and flaying	PIU, BTA						
5.	Facilitate production and distribution of proper knives	PIU, BTA						
6.	Publish Handbook/ leaflets/ brochures on: <ul style="list-style-type: none"> Restricted chemical lists and internationally accepted chemical compounds for leather sector 	PIU, Associations						
7.	Implementation of Training for Trainers based on module	PIU, BPC, Association						
8.	Awareness-programme for workers on labour and social issues	PIU, Associations, Firms						
9.	Development of online certificate course for mid-level managers	PIU, Associations, BPC						
10.	Establish ESQ Database	PIU, Association, BPC						

¹⁸ Y and Q are Year and Quarters respectively

11.	Introduce mentorship programme with international technical experts on product design and quality	PIU, Associations						
12.	Establish compliance monitoring cell in each sub-sector-level association (Recruit technical experts)	PIU, Association						
13.	Conduct orientation programme for association officers on compliance guidelines	PIU, Associations						
14.	Organise policy-level dialogue programme for encouraging compliance at- a national-level (award/ recognition/ incentives)	MoC, PIU, Association						
15.	Conduct Technical assessment of CETP at Savar	PIU, BSCIC						
16.	Make the CETP fully Functioning	PIU, Association, BSCIC						
17.	Establish a solid waste management plant	PIU, , BSCIC, Private sector						
18.	Establish dedicated accredited lab for testing chemicals and leather products	MoI, PIU, Associations						
19.	Establish design and technology center	PIU, Associations						
20.	Develop documentary showcasing compliant factories (leather, leathergoods and footwear)	PIU, Associations						
21.	Study tour at international compliant factories	PIU, Associations						
22.	Collaborated training programmes with international institutes on Quality Management of leather, leathergoods and footwear	PIU, Associations, Academic Institutions						

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Annex 1: Questionnaire for Leather Sub-Sector

**Industry-wise Awareness-building Plan and Training Needs Assessment (Gap analysis) for
Environmental, Social and Quality (ESQ) Compliance
Under the Component 1: Market Access Support Programme of the Export
Competitiveness for Jobs (EC4J) Project of the World Bank Group
Ministry of Commerce, Government of Bangladesh**

Leather Sector

A. General Information:

Name of the factory:	
Factory Address:	
Name of the Respondent:	Designation:
Phone number:	Email Address:
Operating Since:	Production Capacity:
	Actual Production:
Product type:	
Major Export Destinations:	
Are some of the similar products destined for home consumption also? :	
Any International Certification:	Membership in Association:
Signature of the Interviewer	Signature of the Interviewee

B. Environmental Compliance

SL	Compliance Requirements	Yes	No	Remarks
	Production of Raw Hides and Skins			
1.	Do you have any contract with the supplier that the hides and skins should be pesticide free?			
2.	Are the hides that you use machine pulled?			
	(if no)			
	a) Do the butchers use central slaughtering house during Eid-ul-Azha?			
	b) Are your butchers permanently employed?			
	c) Do you think the butchers are properly trained?			

SL	Compliance Requirements	Yes	No	Remarks
3.	Do the hides that you use have traceability and contain earmark including the following information? a) date of slaughter, b) the name of the slaughter-house, c) the name of the rearing farm, and d) the quality defects.			
Preservation of Raw Hides and Skins				
4.	Do you sort and grade the hides as per customer requirements?			
5.	Do you use cooling techniques to preserve hides?			
6.	What is the percentage of salt that is used for preservation of hides?			
7.	Do you shake off loose salt from hides a. mechanically or b. manually?			
8.	Do you carry out fleshing before going for processing?			
Storage				
9.	Do you have temperature-controlled transport system?			
10.	Do you prefer to use enzymes for storage instead of salt?			
11.	Do you use short float techniques for tanning?			
12.	Do you use organic sulfide compounds in un-haring bovine?			
13.	Do you use ammonia compound in de-liming process?			
14.	Do you tan hides using chromium (3)?			
15.	Do you use salt pickling method? If no, what other method do you use?			
16.	Do you use long floats for chromium tanning?			
17.	Do you have chromium recovery unit?			
18.	Do you carryout vegetable tanning?			
19.	What mechanisms do you have to check the formation of chromium (6)?			
20.	Do you use certified chemicals from safe sources?			
21.	Do you screen fine chrome fibers from the shaving operations with a wedge wire screen?			
22.	Do you use dyeing auxiliaries (e.g. ampho-teric polymers) to enhance dye intensity?			
23.	Do you ensure prevention of leaching out chromium from leather?			
24.	Do you discharge high amount of fatliquors to the wastewater?			
25.	Do you use Ammonium as a penetrating agent?			
26.	Do you use organic solvent-based coating agents?			
27.	Do you use recycled chromium for tanning?			
28.	Do you have any mechanism to test the PH level?			
29.	Which one do you use? • powder dye • liquid dye			
30.	Do you have dust extraction system? If yes, please give a brief description.			

SL	Compliance Requirements	Yes	No	Remarks
31.	Which one do you use?			
	a) Solvent-based adhesives			
	b) Water-based adhesives			
32.	Do you have any waste management policy?			
33.	Do you have any mechanism to calculate waste streams generated per unit of leather produced?			
34.	Do you segregate hazardous waste from non-hazardous materials?			
35.	Do you segregate hairs from other waste?			
36.	Describe your solid waste management/ dumping method.			
37.	Do you carry out primary treatment at the tanneries?			
38.	Do you discharge your effluents in ETP?			
	If not, then where?			
39.	Do you use an optimum amount of water?			
40.	Do you have central boiler?			
41.	Do you hold a valid ECC (Environmental Compliance Certificate)?			
	If no, they why?			
42.	Any other issue to be addressed?			

B1. Training Needs Assessment:

1. What training programmes do you conduct in order to improve the environmental compliance issues in your factory?

Basic	
Workers	Management

Specialised	
Worker	Management

2. What kind of training would you suggest to improve the Environmental Compliance in your factory?

Basic	
Workers	Management

Specialised	
Workers	Management

C. Social Compliance

C1. Labour Standards:

SL	Compliance Standard	Yes	No	Remarks												
	Labour Standard															
1.	What is the total number of employees in your factory? <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="2">Management</th> <th colspan="2">Worker</th> </tr> <tr> <th>Male</th> <th>Female</th> <th>Male</th> <th>Female</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>	Management		Worker		Male	Female	Male	Female							
Management		Worker														
Male	Female	Male	Female													
2.	Does your company/Factory follow any international Compliance Regulation/Code of Conduct? If yes, please mention the name (s).															
3.	Do you have any official dedicated to implement and monitor Social Compliance Standards or codes of conducts?															
4.	Do you have welfare officer(s)? (Applicable for factories with more than 500 employees)															
5.	Do you have fire licence covering all units/buildings/floors of your factory?															
6.	Is the factory layout/Floor Plan of your factory approved by the appropriate Government Authority (Rajuk/LGED/CDA)?															
7.	Do you hold a valid factory licence from the Department of Inspection for Factory and Establishment (DIFE)?															

SL	Compliance Standard	Yes	No	Remarks
8.	Do you have a valid Trade Licence issued by the appropriate Government Authority?			
9.	Do you have a group insurance covering each individual staff member and worker?			
Forced Labour:				
10.	Do you allow your employees to leave the factory compound at any time they want after work, irrespective of their targeted output?			
Freedom of Association and Right to Organise and Collective Bargaining				
11.	Do you have/allow properly elected union or workers' Participation Committee?			
	If yes, do you document the election process?			
12.	Is the participation committee established as per the Bangladesh Labour Rules 2015?			
13.	Does the union or workers' representatives (PC) have the right to negotiate with the factory management on their rights (e.g. wages, health and safety issues, etc.)?			
Equal Remuneration and Discrimination				
14.	Do you give equal remuneration to male and female workers for the same types of work?			
15.	Do you have any practice in place that can be humiliating for the workers?			
Minimum Age				
16.	Does your factory follow the minimum age requirement for employment?			
	If yes, do you maintain proper age verification process/ documentation (copy of the personal identification, NID, Birth Certificate; Passport) for workers?			
	If not, are the child workers involved in works that are considered dangerous/ hazardous (heavy loads, night work, heavy machinery) for them?			
17.	Do you have any arrangement for children below the minimum working age to have access to appropriate education (Technical and Vocational Education and training)?			
18.	Do you have provisions for special/ limited working hours (5 hours normal and max 1 hour overtime) for adolescent workers?			
29.	Do you engage adolescent workers in hazardous works (e.g. the use of chemicals, bonding upper to leather/rubber soles with solvent-based adhesives)?			
Regular Employment				
21.	Do you maintain personal files for all your workers?			
	If yes, which of the information do you document?			
	a. Photograph of the employee			
	b. Copy of working contract with worker's acknowledgement			
	c. Service book			
	d. Copy of photo ID card			
	e. Leave records			
	f. Fitness certificate including proof of age			
	g. Employment application			

SL	Compliance Standard	Yes	No	Remarks
	h. Résumé			
	i. Copy of certificates			
22.	Do you have formal working contracts with all employees?			
	If yes, Does your contract include the following information?			
	a) non-disclosure agreement;			
	b) responsibilities of the employees, benefits, vacation and sick day policies;			
	c) ownership agreement;			
	d) Method for resolving disputes.			
23.	Do you provide photo ID to all your employees?			
24.	Do you maintain a service book, including the following information?			
	a. Current designation			
	b. Wage/salary			
	c. Increments			
	d. Promotion			
	e. Disciplinary records			
25.	Do you take/ provide subcontract to other companies?			
	If yes, do you have any subcontracting monitoring mechanism?			
Working Hours				
26.	Do you have a time recording system (record of beginning and end of workday) for each individual worker?			
27.	What is the average working time of your workers per week including overtime? <input type="checkbox"/> 50 hrs - 60 hrs <input type="checkbox"/> 60-70 hrs <input type="checkbox"/> 70-80 hrs <input type="checkbox"/> more than 80 hrs			
28.	On average, do the workers get one day off after working for 6 consecutive days?			
29.	Do you employ female workers in night shifts?			
	If yes, do you ask for any written consent from each female worker for working in night shifts (10 pm and 6 am)			
30.	Do you ensure a safe way to and from work for female workers, who are working between 10 pm and 6 am?			
Wages and Benefits				
31.	What is the minimum wage of workers in your factory?			
32.	On average, within what time do you pay the wages?			
34.	Do you contribute to the statutory group insurance facilities for each employee?			
36.	Do you provide the pregnant female workers or new mothers with maternity leave and benefits as per the labour law?			
37.	Do you ensure overtime payment to workers?			
	If yes, what is the rate of overtime payment?			
38.	How is the absent deduction made? Based on gross salary/ based on basic salary?			

SL	Compliance Standard	Yes	No	Remarks
39.	Is the number of female workers limited in in your factory?			
	If yes, why do you think is this the case?			
40	Any other issue to be considered.			

C2. Occupational Health and Safety

SL	Compliance	Yes	No	Remarks
Health and Safety Committee				
1.	Do you have a health and safety committee in your factory?			
2.	Is the committee in charge of training as well as risk and safety management?			
3.	Is the committee formed following the legal requirements (Bangladesh Labour Rules 2015)?			
Emergency and Evacuation Plan				
4.	Does your factory have proper marks of escape routes?			
	a. Floor marking,			
	b. Arrows,			
	c. Exit signs indicating the direction of emergency exits.			
5.	What is the width of the escape route? ◀5 cm □-100 cm □100 cm			
6.	Do you train workers to keep the escape routes always free from obstruction?			
7.	Are your exit signs clear enough to be visible under extreme conditions like smoke?			
8.	Are your exit signs/ emergency lights/fire alarms connected with independent power supply or supported by individual battery?			
9.	Does your fire alarm include smoke sensors and alarm devices?			
10.	Is your fire alarm visible flashing-light alarm in noisy areas where employees wear ear protection?			
11.	Have you posted evacuation plans on every floor of your factory?			
12.	Do you keep your emergency doors unlocked and unobstructed?			
13.	Do your emergency doors open outwards?			
14.	Are your emergency staircases & exits are in good conditions & free from obstruction?			
15.	How regularly do you conduct fire drill?			
16.	How many trained fire fighters do you have?			
Health Examinations				
17.	Do you ensure health examinations of all workers who are involved in dangerous and hazardous works?			
18.	What is the interval between health check-ups?			
Lighting System				
19.	Do you use natural light in factories?			
20.	Do you have regular maintenance system for lamps and other sources of lights?			

SL	Compliance	Yes	No	Remarks
Housekeeping				
21.	Do you have any monitoring system to ensure that the a. production area, b. factory compound, c. factory floors, d. all workplaces, e. rest areas, and f. facility areas are cleaned on a regular basis?			
22.	Do you maintain a 5S method (sort, set in order, shine, standardise, sustain) to ensure clean production area?			
23.	Do you provide adequate and sufficient drinking water facilities for workers in suitable places?			
24.	Do you have provisions to test the quality of the drinking water (physical, chemical and bacteriological parameters) on a regular basis?			
	If yes, which institution conduct the testing?			
25.	Do you have a. sufficient and b. separate toilets at the factory premises both for male and female workers?			
Electrical Safety				
26.	Do you regularly check-up the conditions of distribution boards, fuse boxes, panels, outlets, wires, switches etc.?			
27.	Do you document the regular check-up procedures, processes and results?			
28.	Are electrical insulations and wires properly fixed on a regular basis?			
29.	Do you have high voltage/danger and warning signs posted at relevant working areas?			
30.	Do you have emergency switch-off devices installed which prevent hazards in case of equipment failure?			
	If yes, are they functional?			
31.	Do you ensure that only authorised and specially trained personnel work at high voltage/danger zones?			
32.	Do you have a certified electrician appointed at the factory?			
Fire Safety				
33.	Do you have adequate number of fire extinguishers and firefighting equipment as defined in the fire licence?			
34.	Do you properly mark the fire extinguishers?			
35.	Do you have adequate a. fire alarm and b. heat detection system?			
36.	Do you hold a valid fire insurance?			
Machine Safety				
37.	Do you provide adequate and appropriate safety guards at all machines with rotating or moving parts?			
38.	Is your steam boiler located in a separate building/ area?			
	If not, is your steam boiler well protected?			
39.	Do you have a valid boiler operation licence?			
40.	Is your operator sufficiently trained and certified by Department of Boiler under the Ministry of Industries?			
41.	Do you have a valid generator (captive power) operation licence provided by the Bangladesh Energy Regulatory Commission?			
Personal Protective Equipment (PPE)				
42.	Do you have adequate and appropriate personal protective equipment (PPE) for the workers?			

SL	Compliance	Yes	No	Remarks
43.	Do you have any monitoring mechanism to ensure workers are using PPE in the health hazardous working areas?			
44.	Do you conduct trainings on the proper usage of PPE?			
Ventilation				
45.	Do you have thermometres in the working areas to monitor the room temperature?			
46.	Do you have adequate exhaust fans to keep the room temperature at acceptable conditions?			
47.	Do you ensure a sufficient airflow to improve the ventilation in the production floor(s)?			
Chemical Management				
48.	Do you maintain a list of all chemicals in the inventory?			
49.	Do you store chemicals properly as per the instruction of Material Safety Data Sheet (MSDS)?			
50.	Do you keep incompatible chemicals separately?			
51.	Do you properly label chemicals containers?			
52.	Do you use plastic bottles to store chemicals?			
Noise Management				
53.	How do you manage noise at your factory?			
	a) Prevent noise generation at source			
	b) Maintain and replace old equipment			
	c) Change operating speeds to avoid resonances			
	d) Place as much distance as possible between the noise source and those likely to be affected by it.			
	e) Use adequate drives to prevent the transmission of vibration.			
	f) Install noise barriers.			
54.	Do you use an appropriate PPE if the noise level exceeds 80 dB?			
55.	Do you maintain a noise-level measurement and documentation process?			
First Aid				
56.	Do you provide fully-equipped, and with durable medicine, first-aid kit for your workers?			
57.	What is the ratio of first aid kit for workers?			
58.	Do you have any trained and certified First Provider to ensure the first aid medication to the worker?			
	If yes, have your first providers received a six-months training course on first aid medication from any recognised institution?			
59.	How many trained first provider do you have (one trained first provider for every 150 workers)?			
60.	Do you provide a medical room with adequate and appropriate equipment as per legal requirement (Employers employing 300 or more workers are legally required to provide a medical room)?			
61.	Do you have a			

SL	Compliance	Yes	No	Remarks
	a. full time doctor b. one trained compounder, c. medical assistant or nurse in the medical room?			
62.	Do you conduct systematic and regular training on health and safety issues?			
63.	Any other issues to be considered?			

C3. Training Needs Assessment

1. What training programmes do you conduct in order to improve the social compliance issues in your factory?

Basic	
Workers	Management

Specialised	
Workers	Management

2. What kind of training would you suggest to improve the Social Compliance in your factory?

Basic	
Workers	Management

Specialised	
Workers	Management

D. Quality Compliance

D1. Training Needs Assessment:

1. What training programmes do you conduct in order to improve the Quality compliance issues in your factory?

Basic	
Workers	Management

Specialised	
Workers	Management

2. What trainings would you suggest to improve the Quality Compliance in your factory?

Basic	
Workers	Management

Specialised	
Workers	Management

SL	Quality Standard	Yes	No	Remarks
1.	Do you track or record the following for raw hides/skin that comes in the tannery for processing:			
	a) Origin			
	b) Sex			
	c) Weight			
2.	d) Grade			
	Do you maintain the following data for general and specialty chemicals:			
3.	a) MSDSs			
	b) TDS(Technical Data Sheet)			
	Do you measure the following during de-liming			
4.	a. weight,			
	b. temperature			
	c. pH			
5.	Do you measure the following during bating?			
	a. weight,			
	b. temperature			
6.	c. pH			
	Do you use			
7.	a. pressure and			
	b. b. dewatering effect for sammying?			
8.	Do you measure thickness for splitting as per customer requirement?			
	Do you use uniform a. coating b. spraying with specific customer instruction?			
9.	Does the following comply in conformity with official quality standards:			
	a) Power			
	b) Steam			
10.	c) Compressed air sources			
	Do you control chrome content in the following:			
	a) Re-tanning float			
11.	b) Waters from Sammying			
	c) Wet blue/crust/finished leather			
12.	Do you use automatic cutting machine?			
13.	Do you assess number of customers' claims regularly compared against the (maximum) limit set?			
14.	Do you record all technical and delivery failures together with critical assessment of their causes orderly maintained?			
	Do you have a quality assurance team for			
	a. raw materials			
	b. Manufacturing Process			
	c. Looseness Test			
	d. Even dyeing			
	e. Softness test			
f. Colour and light fastness				
15.	g. Heat ageing			

Annex 2: Questionnaire for Leathergoods Sub-Sector

Questionnaire for
**Industry-wise Awareness-building Plan and Training Needs Assessment (Gap analysis) for
 Environmental, Social and Quality (ESQ) Compliance**
 Under the Component 1: Market Access Support Programme of the Export Competitiveness for
 Jobs (EC4J) Project of the World Bank Group
 Ministry of Commerce, Government of Bangladesh

Leathergoods Sector

B. General Information:

Name of the factory:	
Factory Address:	
Name of the Respondent:	Designation:
Phone number:	Email Address:
Operating Since:	Production Capacity:
	Actual Production:
Product type:	
Major Export Destinations:	
Are some of the similar products destined for home consumption also? :	
Any International Certification:	Membership in Association:
Signature of the Interviewer:	Signature of the Interviewee

C. Environmental Compliance

SL	Compliance Requirements	Yes	No	Remarks
43.	Do you use organic solvent-based coating agents?			
44.	Do you have any mechanism to test the pH level?			
45.	Do you have dust extraction system?			
	If yes, please give a brief description.			
46.	Which one do you use?			
	c) Solvent-based adhesives			
	d) Water-based adhesives			
47.	Are you aware of the environmental issues relating to adhesives?			

SL	Compliance Requirements	Yes	No	Remarks
48.	Do you use computer aided design tools?			
49.	Do you/ your officials have adequate idea on managing wastes properly?			
50.	Describe your solid waste management/ dumping/ other method.			
51.	Do you hold a valid Environmental Clearance Certificate (ECC)			
	If no, then why?			
52.	Any other issue to be addressed			

B1. Training Needs Assessment:

1. What training programmes do you conduct in order to ensure overall environmental compliance in your factory? (a. use of chemicals; b. reducing the affects of solvent-based chemicals; c. reducing wastes through automatic cutting and designing system etc.)

Basic	
Workers	Management

Specialised	
Worker	Management

2. What kind of training would you suggest to ensure overall environmental compliance in your factory? (a. use of chemicals; b. reducing the affects of solvent-based chemicals; c. reducing wastes through automatic cutting and designing system etc.)

Basic	
Workers	Management

Specialised	
Workers	Management

E. Social Compliance

C1. Labour Standards:

SL	Compliance Standard	Yes	No	Remarks												
17.	What is the total number of employees in your factory? <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="2">Management</th> <th colspan="2">Worker</th> </tr> <tr> <th>Male</th> <th>Female</th> <th>Male</th> <th>Female</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>	Management		Worker		Male	Female	Male	Female							
Management		Worker														
Male	Female	Male	Female													
18.	Does your company/Factory follow any international Compliance Regulation/Code of Conduct? If yes, please mention the name (s).															
19.	Do you have any official dedicated to implement and monitor Social Compliance Standards or codes of conducts?															
20.	Do you have welfare officer(s)? (Applicable for factories with more than 500 employees)															
21.	Do you have fire licence covering all units/buildings/floors of your factory?															
22.	Is the factory layout/Floor Plan of your factory approved by the appropriate Government Authority (Rajuk/LGED/CDA)?															
23.	Do you hold a valid factory licence from the Department of Inspection for Factory and Establishment (DIFE)?															
24.	Do you have a valid Trade Licence issued by the appropriate Government Authority?															
25.	Do you have a group insurance covering each individual staff member and worker?															
26.	Do you allow your employees to leave the factory compound at any time they want after work, irrespective of their targeted output?															
Freedom of Association and Right to Organise and Collective Bargaining																
27.	Are you aware of the provision of workers' union/ Participation Committee of the BLR 2015?															
	If yes, do you allow their function/ election process?															
28.	Is the participation committee established as per the Bangladesh Labour Rules 2015?															
29.	Does the union or workers' representatives (PC) have the right to negotiate with the factory management on their rights (e.g. wages, health and safety issues, etc.)?															
Remuneration and Discrimination																
30.	Do you give equal remuneration to male and female workers for the same types of work?															

SL	Compliance Standard	Yes	No	Remarks
31.	Do you have any practice in place that can be humiliating for the workers?			
	Minimum Age			
32.	Are you aware of the minimum age requirement for employment set by the BLR?			
	If yes, do you maintain proper age verification process/ documentation (copy of the personal identification, NID, Birth Certificate; Passport) for workers?			
	If not, are the child workers involved in works that are considered dangerous/ hazardous (heavy loads, night work, heavy machinery) for them?			
33.	Do you have any arrangement for children below the minimum working age to have access to appropriate education (Technical and Vocational Education and training)?			
34.	Do you have provisions for special/ limited working hours (5 hours normal and max 1 hour overtime) for adolescent workers?			
35.	Do you engage adolescent workers in hazardous works (e.g. the use of chemicals, bonding upper to leather/rubber soles with solvent-based adhesives)?			
36.	Any other special arrangement for child and adolescent workers?			
	Regular Employment			
37. .	Do you maintain personal files for all your workers?			
38.	If yes, which of the information do you document?			
	a. Photograph of the employee			
	b. Copy of working contract with worker's acknowledgement			
	c. Service book			
	d. Copy of photo ID card			
	e. Leave records			
	f. Fitness certificate including proof of age			
	g. Employment application			
	h. Résumé			
	i. Copy of certificates			
39.	Do you have formal working contracts with all employees? (Yes/No)			
40.	If yes, Does your contract include the following information?			
	e) non-disclosure agreement;			
	f) responsibilities of the employees, benefits, vacation and sick day policies;			
	g) Method for resolving disputes.			
41.	Do you provide photo ID to all your employees?			
42.	Do you maintain a service book, including the following information?			
	f. Current designation			
	g. Wage/salary			
	h. Increments			
	i. Promotion			
	j. Disciplinary records			
43. .	Do you take/ provide subcontract to other companies?			
	If yes, do you have any monitoring mechanism to ensure compliance at their end??			

SL	Compliance Standard	Yes	No	Remarks
	Working Hours			
44.	Do you maintain a time recording system (record of beginning and end of workday) for each individual worker a.			
45.	What is the average working time of your workers per week including overtime? <input type="checkbox"/> 50 hrs - 60 hrs <input type="checkbox"/> 60-70 hrs <input type="checkbox"/> 70-80 hrs <input type="checkbox"/> more than 80 hrs			
46.	On average, do the workers get one day off after working for 6 consecutive days?			
47.	Do you employ female workers in night shifts? If yes, do you ask for any written consent from each female worker for working in night shifts (10 pm and 6 am)			
48.	How do you ensure a safe way to and from work for female workers working in night shifts?			
	Wages and Benefits			
49.	Do you contribute to the statutory group insurance facilities for each employee?			
50.	Are you aware of the benefits that should be provided to the female workers or new mothers?			
51.	What benefit do you provide to pregnant female workers or new mothers (maternity leave, benefits as per labour policy etc.)			
52.	Any other special arrangement/programme for female workers.			
53.	Do you ensure overtime payment to workers? If yes, what is the rate of overtime payment?			
54.	How is the absent deduction made? Based on gross salary/ based on basic salary?			
	Others			
55.	Is the number of female workers limited in the managerial-level positions in your factory? If yes, why do you think is this the case?			
56.	Any other issues to be addressed			

C2. Occupational Health and Safety

SL	Compliance	Yes	No	Remarks
	Health and Safety Committee			
1.	Do you have a health and safety committee in your factory?			
2.	Is the committee in charge of training as well as risk and safety management?			
3.	Is the committee formed following the legal requirements (Bangladesh Labour Rules 2015)?			
	Emergency and Evacuation			
4.	Does your factory have proper marks of escape routes? d. Floor marking,			

SL	Compliance	Yes	No	Remarks
	e. Arrows,			
	f. Exit signs indicating the direction of emergency exits.			
5.	What is the width of the escape route? ☐ 5 cm ☐-100 cm ☐100 cm			
6.	Do you train workers to keep the escape routes always free from obstruction?			
7.	Are your exit signs clear enough to be visible under extreme conditions like smoke?			
8.	Are your exit signs/ emergency lights/fire alarms connected with independent power supply or supported by individual battery?			
9.	Does your fire alarm include smoke sensors and alarm devices?			
10.	Is your fire alarm visible flashing-light alarm in noisy areas where employees wear ear protection?			
11.	Have you posted evacuation plans on every floor of your factory?			
12.	Do you keep your emergency doors unlocked and unobstructed?			
13.	Do your emergency doors open outwards?			
14.	Are your emergency staircases & exits are in good conditions & free from obstruction?			
15.	Do you provide training to your workers on evacuation plan in case of emergency?			
16.	How regularly do you conduct fire drill?			
17.	How many trained fire fighters do you have?			
	Health Examination			
18.	How do you ensure health safety for all workers who are involved in dangerous and hazardous works?			
19.	Any special arrangement for female workers?			
	Lighting System			
20.	Do you use natural light in factories?			
21.	Do you have regular maintenance system for lamps and other sources of lights?			
	Housekeeping			
22.	How do you ensure cleanliness at your factory?			
23.	Do you have any monitoring system to ensure that the production area, factory compound, factory floors, all workplaces, rest areas, and facilities are cleaned on a regular basis?			
24.	Do you have dedicated staff with proper knowledge and training on cleaning up and disposal of chemicals?			
25.	Do you provide adequate and sufficient drinking water facilities for workers in suitable places?			
26.	Do you have provisions to test the quality of the drinking water (physical, chemical and bacteriological parameters) on a regular basis?			
	If yes, which institution conduct the testing?			

SL	Compliance	Yes	No	Remarks
27.	Do you have a. sufficient toilets at the factory premises b. separate toilets both for male and female workers?			
28.	Are you aware of providing proper sanitation facilities to women workers?			
	Electrical Safety			
29.	Do you regularly check-up the conditions of distribution boards, fuse boxes, panels, outlets, wires, switches etc.?			
30.	Do you document the regular check-up procedures, processes and results?			
31.	Are electrical insulations and wires properly fixed on a regular basis?			
32.	Do you have high voltage/danger and warning signs posted at relevant working areas?			
33.	Do you have emergency switch-off devices installed which prevent hazards in case of equipment failure?			
34.	Do you ensure that only authorised and specially trained personnel work at high voltage/danger zones?			
35.	Do you have a certified electrician appointed at the factory?			
	Fire Safety			
36.	Do you have adequate number of fire extinguishers and firefighting equipment as defined in the fire licence?			
37.	Do you properly mark the fire extinguishers?			
38.	a. Do you have adequate fire alarm?			
39.	b. Do you have adequate heat detection system?			
40.	Do you hold a valid fire insurance?			
	Machine Safety			
41.	Do you provide adequate and appropriate safety guards at all machines with rotating or moving parts?			
42.	Do you have a valid generator (captive power) operation licence provided by the Bangladesh Energy Regulatory Commission?			
	Personal Protective Equipment			
43.	Do you have adequate and appropriate personal protective equipment (PPE) for the workers? a. Eye Protection (Safety glasses, goggles and face shield) b. Hand protection (impervious gloves) c. Body protection (lab coat, apron, protective suit) d. Foot protection e. Appropriate respiratory protection (CSA/OSHA) available			
44.	How do you monitor that workers are using PPE in the health hazardous working areas?			
45.	Do you conduct trainings on the proper usage of PPE?			
	Ventilation			
46.	Do you have thermometres in the working areas to monitor the room temperature?			

SL	Compliance	Yes	No	Remarks
47.	Do you have adequate exhaust fans to keep the room temperature at acceptable conditions?			
48.	Do you ensure a sufficient airflow to improve the ventilation in the production floor(s)?			
	Chemical Management			
49.	What do you do to source/procure safe/compliant chemicals?			
50.	Do you ensure materials' safe transportation and proper handling?			
51.	Do you maintain a list of all chemicals in the inventory?			
52.	Are you aware of the Material Safety Data Sheet (MSDS)?			
53.	Do you store chemicals properly as per the instruction of Material Safety Data Sheet (MSDS)?			
54.	Do you keep incompatible chemicals separately?			
55.	Do you properly label chemicals containers?			
56.	Do you store chemicals in appropriate containers?			
57.	Do you properly dispose out-dated/ unusable chemicals?			
58.	Do you have officials with adequate knowledge on chemical inventory management?			
	First Aid			
59.	Do you provide fully-equipped, and with durable medicine, first-aid kit for your workers?			
60.	What is the ratio of first aid kit for workers?			
61.	Do you have any trained and certified First Provider to ensure the first aid medication to the worker?			
	If yes, have your first providers received a six-months training course on first aid medication from any recognised institution?			
62.	How many trained first aid provider do you have (one trained first provider for every 150 workers)?			
63.	Do you provide a medical room with adequate and appropriate equipment as per legal requirement (Employers employing 300 or more workers are legally required to provide a medical room)?			
64.	Do you have a full-time doctor and one trained compounder, medical assistant or nurse in the medical room?			
65.	Do you conduct systematic and regular training on health and safety issues?			
66.	Any other issues to be considered?			

C3. Training Needs Assessment

3. What training programmes do you conduct to improve the labour conditions, occupational health and safety and other labour-related issues in your factory?

Basic	Specialised

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4. What training programmes/ awareness campaign do you suggest to improve the social compliance related awareness in your factory? (a. Use of PPE; b. Emergency Evacuation; c. Occupational Health and Safety Management; d. Inventory Management/ MSDS; e. Maintaining factory cleanliness; f. Chemical handling;)

Workers	Mid-level Managers	Top-level managers

5. Do you have any special training/ programme for female workers?

6. Do you suggest any programme for the female workers to bring them upward in the production chain/ to involve them more on supervisory/ managerial jobs?

7. Do you recommend any programme for improving the knowledge and awareness level of top management on the social compliance issues?

F. Quality Compliance

SL	Quality Standard	Yes	No	Remarks
1.	What are the major rejection issues that you get before cutting leather: a) Cutting knife quality			

SL	Quality Standard	Yes	No	Remarks
	b) Colour of leather			
	c) Thickness of leather			
	d) Physical Appearance			
	e) Crack Resistance			
	f) Loose Leather			
	g) Tensile Strength			
2.	Do you a. change, and b. store the needles at regular intervals?			
3.	Do you document the intervals of needle breaking?			
4.	Do you take any measure for efficient use of needle?			
5.	Which error/ defaults do you get the most while checking for quality?			
	a) Skiving fault			
	b) Splitting fault			
	c) Assembling leather parts as per sample/ order sheet			
	d) Leather colour			
	e) Leather defect			
	f) Stitching fault			
	g) Colour matching			
	h) Emboss and its position			
	i) Edge drying			
	j) Wrapping paper quality			
	k) Price tag			
	l) Silica gel			
	m) Label			
	n) Packing box quality			
	o) Loose leather			
	p) Pin hole			
	q) Pox mark			
	r) Growth mark			
	s) Vain mark			
	t) Crack of leather			
	u) Colour bleeding			
	v) Unnecessary punch			
	w) Mis-positioning of punch			
	x) Splitting mistake			

SL	Quality Standard	Yes	No	Remarks
	y) Poor fusing			
	z) Crack due to upper crimp.			
	aa) Colour bleeding of printing			
	bb) Poor quality of embossing/ debossing			
	cc) Uneven stitch			
	dd) Open seams			
	ee) Faulty zippers,			
	ff) Irregular hemming,			
	gg) loose buttons,			
	hh) Improper button holes,			
	ii) Inappropriate trimming,			
	jj) Difference in leather colours.			
	kk) Pulled / loose yarn of lining			
	ll) Missing buttons			
	mm) Fabric defects			
	nn) Exposed raw edges			
	oo) Exposed notches			
	pp) Piping not straight			
	qq) Label is not placed in position or wrong placement.			
	rr) Material shrinkage			
	ss) Unexpected things in goods			
6.	Do you keep record of rejection/ error occurring due to aforementioned issues?			
7.	Do you have any review & action mechanism to reduce the number of rejection?			
8.	What measures to you take to improve the overall quality of your leathergoods?			
9.	Any other issues to be considered?			

D1. Training Needs Assessment

3. What training programmes are you conducting in order to improve the production quality footwear?

Basic

Workers	Management

Specialised	
Workers	Management

4. What trainings would you suggest to improve production quality of footwear?

Basic	
Workers	Management

Specialised	
Workers	Management

Annex 3: Questionnaire for Footwear Sector

Questionnaire for

Industry-wise Awareness-building Plan and Training Needs Assessment (Gap analysis) for Environmental, Social and Quality (ESQ) Compliance

Under the Component 1: Market Access Support Programme of the Export Competitiveness for
Jobs (EC4J) Project of the World Bank Group

Ministry of Commerce, Government of Bangladesh

Leather and Non-leather Footwear Sector

C. General Information:

Name of the factory:	
Factory Address:	
Name of the Respondent:	Designation:
Phone number:	Email Address:
Operating Since:	Production Capacity:
	Actual Production:
Product type:	
Major Export Destinations:	
Are some of the similar products destined for home consumption also? :	
Any International Certification:	Membership in Association:
Signature of the Interviewer:	Signature of the Interviewee:

D. Environmental Compliance

SL	Compliance Requirements	Yes	No	Remarks
53.	Do you use organic solvent-based coating agents?			
54.	Do you have any mechanism to test the pH level?			
55.	Do you have dust extraction system?			
	If yes, please give a brief description.			

SL	Compliance Requirements	Yes	No	Remarks
56.	Which one do you use?			
	e) Solvent-based adhesives			
	f) Water-based adhesives			
57.	Are you aware of the environmental issues relating to adhesives?			
58.	Do you use computer aided design tools?			
59.	Do you/ your officials have adequate idea on managing wastes properly?			
60.	Describe your solid waste management/ dumping/ other method.			
61.	Do you hold a valid Environmental Clearance Certificate (ECC)			
	If no, then why?			
62.	Any other issue to be addressed			

B1. Training Needs Assessment:

3. What training programmes do you conduct in order to ensure overall environmental compliance in your factory? (a. use of chemicals; b. reducing the affects of solvent-based chemicals; c. reducing wastes through automatic cutting and designing system etc.)

Basic	
Workers	Management

Specialised	
Worker	Management

4. What kind of training would you suggest to ensure overall environmental compliance in your factory? (a. use of chemicals; b. reducing the affects of solvent-based chemicals; c. reducing wastes through automatic cutting and designing system etc.)

Basic	
Workers	Management

Specialised	
Workers	Management

G. Social Compliance

C1. Labour Standards:

SL	Compliance Standard	Yes	No	Remarks	
57.	What is the total number of employees in your factory?				
	Management				Worker
	Male Female				Male Female
58.	Does your company/Factory follow any international Compliance Regulation/Code of Conduct? If yes, please mention the name (s).				
59.	Do you have any official dedicated to implement and monitor Social Compliance Standards or codes of conducts?				
60.	Do you have welfare officer(s)? (Applicable for factories with more than 500 employees)				
61.	Do you have fire licence covering all units/buildings/floors of your factory?				
62.	Is the factory layout/Floor Plan of your factory approved by the appropriate Government Authority (Rajuk/LGED/CDA)?				
63.	Do you hold a valid factory licence from the Department of Inspection for Factory and Establishment (DIFE)?				
64.	Do you have a valid Trade Licence issued by the appropriate Government Authority?				
65.	Do you have a group insurance covering each individual staff member and worker?				
66.	Do you allow your employees to leave the factory compound at any time they want after work, irrespective of their targeted output?				
	Freedom of Association and Right to Organise and Collective Bargaining				

SL	Compliance Standard	Yes	No	Remarks
67.	Are you aware of the provision of workers' union/ Participation Committee of the BLR 2015?			
	If yes, do you allow their function/ election process?			
68.	Is the participation committee established as per the Bangladesh Labour Rules 2015?			
69.	Does the union or workers' representatives (PC) have the right to negotiate with the factory management on their rights (e.g. wages, health and safety issues, etc.)?			
	Remuneration and Discrimination			
70.	Do you give equal remuneration to male and female workers for the same types of work?			
71.	Do you have any practice in place that can be humiliating for the workers?			
	Minimum Age			
72.	Are you aware of the minimum age requirement for employment set by the BLR?			
	If yes, do you maintain proper age verification process/ documentation (copy of the personal identification, NID, Birth Certificate; Passport) for workers?			
	If not, are the child workers involved in works that are considered dangerous/ hazardous (heavy loads, night work, heavy machinery) for them?			
73.	Do you have any arrangement for children below the minimum working age to have access to appropriate education (Technical and Vocational Education and training)?			
74.	Do you have provisions for special/ limited working hours (5 hours normal and max 1 hour overtime) for adolescent workers?			
75.	Do you engage adolescent workers in hazardous works (e.g. the use of chemicals, bonding upper to leather/rubber soles with solvent-based adhesives)?			
76.	Any other special arrangement for child and adolescent workers?			
	Regular Employment			
77. .	Do you maintain personal files for all your workers?			
78.	If yes, which of the information do you document?			
	a. Photograph of the employee			
	b. Copy of working contract with worker's acknowledgement			
	c. Service book			
	d. Copy of photo ID card			
	e. Leave records			
	f. Fitness certificate including proof of age			
	g. Employment application			
	h. Résumé			
	i. Copy of certificates			
79.	Do you have formal working contracts with all employees? (Yes/No)			
80.	If yes, Does your contract include the following information?			
	h) non-disclosure agreement;			
	i) responsibilities of the employees, benefits, vacation and sick day policies;			
	j) Method for resolving disputes.			

SL	Compliance Standard	Yes	No	Remarks
81.	Do you provide photo ID to all your employees?			
82.	Do you maintain a service book, including the following information?			
	k. Current designation			
	l. Wage/salary			
	m. Increments			
	n. Promotion			
	o. Disciplinary records			
83. .	Do you take/ provide subcontract to other companies?			
	If yes, do you have any monitoring mechanism to ensure compliance at their end??			
	Working Hours			
84.	Do you maintain a time recording system (record of beginning and end of workday) for each individual worker			
	b.			
85.	What is the average working time of your workers per week including overtime? <input type="checkbox"/> 50 hrs - 60 hrs <input type="checkbox"/> 60-70 hrs <input type="checkbox"/> 70-80 hrs <input type="checkbox"/> more than 80 hrs			
86.	On average, do the workers get one day off after working for 6 consecutive days?			
87.	Do you employ female workers in night shifts?			
	If yes, do you ask for any written consent from each female worker for working in night shifts (10 pm and 6 am)			
88.	How do you ensure a safe way to and from work for female workers working in night shifts?			
	Wages and Benefits			
89.	Do you contribute to the statutory group insurance facilities for each employee?			
90.	Are you aware of the benefits that should be provided to the female workers or new mothers?			
91.	What benefit do you provide to pregnant female workers or new mothers (maternity leave, benefits as per labour policy etc.)			
92.	Any other special arrangement/programme for female workers.			
93.	Do you ensure overtime payment to workers?			
	If yes, what is the rate of overtime payment?			
94.	How is the absent deduction made? Based on gross salary/ based on basic salary?			
	Others			
95.	Is the number of female workers limited in the managerial-level positions in your factory?			
	If yes, why do you think is this the case?			
96.	Any other issues to be addressed			

C2. Occupational Health and Safety

SL	Compliance	Yes	No	Remarks
Health and Safety Committee				
67.	Do you have a health and safety committee in your factory?			
68.	Is the committee in charge of training as well as risk and safety management?			
69.	Is the committee formed following the legal requirements (Bangladesh Labour Rules 2015)?			
Emergency and Evacuation				
70.	Does your factory have proper marks of escape routes?			
	g. Floor marking,			
	h. Arrows,			
	i. Exit signs indicating the direction of emergency exits.			
71.	What is the width of the escape route? <input type="checkbox"/> <5 cm <input type="checkbox"/> 5-10 cm <input type="checkbox"/> 10-15 cm			
72.	Do you train workers to keep the escape routes always free from obstruction?			
73.	Are your exit signs clear enough to be visible under extreme conditions like smoke?			
74.	Are your exit signs/ emergency lights/fire alarms connected with independent power supply or supported by individual battery?			
75.	Does your fire alarm include smoke sensors and alarm devices?			
76.	Is your fire alarm visible flashing-light alarm in noisy areas where employees wear ear protection?			
77.	Have you posted evacuation plans on every floor of your factory?			
78.	Do you keep your emergency doors unlocked and unobstructed?			
79.	Do your emergency doors open outwards?			
80.	Are your emergency staircases & exits are in good conditions & free from obstruction?			
81.	Do you provide training to your workers on evacuation plan in case of emergency?			
82.	How regularly do you conduct fire drill?			
83.	How many trained fire fighters do you have?			
Health Examination				
84.	How do you ensure health safety for all workers who are involved in dangerous and hazardous works?			
85.	Any special arrangement for female workers?			
Lighting System				
86.	Do you use natural light in factories?			
87.	Do you have regular maintenance system for lamps and other sources of lights?			
Housekeeping				
88.	How do you ensure cleanliness at your factory?			
89.	Do you have any monitoring system to ensure that the production area, factory compound, factory floors, all workplaces, rest areas, and facilities are cleaned on a regular basis?			

SL	Compliance	Yes	No	Remarks
90.	Do you have dedicated staff with proper knowledge and training on cleaning up and disposal of chemicals?			
91.	Do you provide adequate and sufficient drinking water facilities for workers in suitable places?			
92.	Do you have provisions to test the quality of the drinking water (physical, chemical and bacteriological parameters) on a regular basis?			
	If yes, which institution conduct the testing?			
93.	Do you have a. sufficient toilets at the factory premises			
	b. separate toilets both for male and female workers?			
94.	Are you aware of providing proper sanitation facilities to women workers?			
	Electrical Safety			
95.	Do you regularly check-up the conditions of distribution boards, fuse boxes, panels, outlets, wires, switches etc.?			
96.	Do you document the regular check-up procedures, processes and results?			
97.	Are electrical insulations and wires properly fixed on a regular basis?			
98.	Do you have high voltage/danger and warning signs posted at relevant working areas?			
99.	Do you have emergency switch-off devices installed which prevent hazards in case of equipment failure?			
100.	Do you ensure that only authorised and specially trained personnel work at high voltage/danger zones?			
101.	Do you have a certified electrician appointed at the factory?			
	Fire Safety			
102.	Do you have adequate number of fire extinguishers and firefighting equipment as defined in the fire licence?			
103.	Do you properly mark the fire extinguishers?			
104.	c. Do you have adequate fire alarm?			
105.	d. Do you have adequate heat detection system?			
106.	Do you hold a valid fire insurance?			
	Machine Safety			
107.	Do you provide adequate and appropriate safety guards at all machines with rotating or moving parts?			
108.	Do you have a valid generator (captive power) operation licence provided by the Bangladesh Energy Regulatory Commission?			
	Personal Protective Equipment			
109.	Do you have adequate and appropriate personal protective equipment (PPE) for the workers? f. Eye Protection (Safety glasses, goggles and face shield) g. Hand protection (impervious gloves) h. Body protection (lab coat, apron, protective suit) i. Foot protection j. Appropriate respiratory protection (CSA/OSHA) available			

SL	Compliance	Yes	No	Remarks
110	How do you monitor that workers are using PPE in the health hazardous working areas?			
111	Do you conduct trainings on the proper usage of PPE?			
	Ventilation			
112	Do you have thermometres in the working areas to monitor the room temperature?			
113	Do you have adequate exhaust fans to keep the room temperature at acceptable conditions?			
114	Do you ensure a sufficient airflow to improve the ventilation in the production floor(s)?			
	Chemical Management			
115	What do you do to source/procure safe/compliant chemicals?			
116	Do you ensure materials' safe transportation and proper handling?			
117	Do you maintain a list of all chemicals in the inventory?			
118	Are you aware of the Material Safety Data Sheet (MSDS)?			
119	Do you store chemicals properly as per the instruction of Material Safety Data Sheet (MSDS)?			
120	Do you keep incompatible chemicals separately?			
121	Do you properly label chemicals containers?			
122	Do you store chemicals in appropriate containers?			
123	Do you properly dispose out-dated/ unusable chemicals?			
124	Do you have officials with adequate knowledge on chemical inventory management?			
	First Aid			
125	Do you provide fully-equipped, and with durable medicine, first-aid kit for your workers?			
126	What is the ratio of first aid kit for workers?			
127	Do you have any trained and certified First Provider to ensure the first aid medication to the worker?			
	If yes, have your first providers received a six-months training course on first aid medication from any recognised institution?			
128	How many trained first aid provider do you have (one trained first provider for every 150 workers)?			
129	Do you provide a medical room with adequate and appropriate equipment as per legal requirement (Employers employing 300 or more workers are legally required to provide a medical room)?			
130	Do you have a full-time doctor and one trained compounder, medical assistant or nurse in the medical room?			
131	Do you conduct systematic and regular training on health and safety issues?			
132	Any other issues to be considered?			

SL	Compliance	Yes	No	Remarks

C3. Training Needs Assessment

8. What training programmes do you conduct to improve the labour conditions, occupational health and safety and other labour-related issues in your factory?

Basic	Specialised

9. What training programmes/ awareness campaign do you suggest to improve the social compliance related awareness in your factory? (a. Use of PPE; b. Emergency Evacuation; c. Occupational Health and Safety Management; d. Inventory Management/ MSDS; e. Maintaining factory cleanliness; f. Chemical handling;)

Workers	Mid-level Managers	Top-level managers

10. Do you have any special training/ programme for female workers?

11. Do you suggest any programme for the female workers to bring them upward in the production chain/ to involve them more on supervisory/ managerial jobs?

12. Do you recommend any programme for improving the knowledge and awareness level of top management on the social compliance issues?

D. Quality Compliance

DI. Department: Cutting

Sl	Quality Standard	Yes	No	Remarks
1.	What are the major rejection issues that you get before cutting leather material?:			
	a) Colour			
	b) Thickness			
	c) Visible Natural Defect			
	d) Loose leather			
	e) Color Fastness			
	f) Crackness of leather			
	g) Damage			
	h) Component Serial Number			
	i) Bad smell of leather			
2.	Do you follow a standard operating procedure for cutting?			
3.	Do you place cutting die in EVA padded rack?			
4.	Do you observe physically if cutting knife is sharp enough or not?			
5.	What are the major rejection issues in cutting department?			
	a. cutting die against the pattern paper			
	b. rough cutting due to rough surface on cutting board			
	c. upper materials thicker than the sample			
	d. uneven lacing distance			
	e. matching pattern for printed leather or crocodile leather			
	f. sock cut with wrong matching			
	g. open fibre in upper			
	h. impression of knife strengthener on the cutting item			
	i. weak tear strength in the upper leather			
	j. spray gun spot on leather			
	k. Skiving fault			
	l. splitting faults			
	m. grain appearance			
	n. assembling of leather parts as per sample shoe and order sheet			
6.	Do you keep record of rejection/ error occurring due to cutting defaults?			
7.	Do you have any review & action mechanism to reduce the number of rejection?			
8.	Any other issues to be considered			

D2. Department: Sewing

SL	Quality Standard	Yes	No	Remarks
1.	What are the major rejection issues in sewing department?			
	a) right reinforcement for the pattern used for upper			
	b) stains while applying adhesives for attachment of ornament in the upper			
	c) wrinkles in top line of the shoe, shoe counter			
	d) visible profile in lining beside the vamp			
	e) Needle Mark			
	f) top line heavy stitching become loose due to thin leather			
	g) Tightness of Zipper			
	h) specific sized Velcro made for specific shoe			
	i) glue stain in upper			
	j) elastic attachment			
	k) proper allowance in seams			
	l) oil stains from machine on lining			
	m) stitch density according to the sample			
	n) crooked fringe in the shoe			
	o) hammer impression in the lining			
	p) top line heavy stitching become loose due to thin leather			
	q) low standard double stitching with single needle			
	r) stitched label tearing off			
	s) excessive cement/mold used on upper			
	t) failure in water proof property of the shoe			
	u) sole bond delamination of the shoe			
3.	Do you face rejection due to the following parameters:			
	a) Optical Appearance			
	b) Colour			
	c) Softness			
	d) Dyeing			
	e) Finish			
	f) Edge Colouring			
	g) Tear Strength			
	h) Flexibility			
	i) Yellowing			
	j) Abrasions			
2.	Do you keep record of rejection/ error occurring due to sewing defaults?			
3.	Do you have any review & action mechanism to reduce the number of rejection?			

4.	Any other issues to be considered?	
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D3. Department: Setting & Assembling

Sl	Quality Standard	Yes	No	Remarks
1.	What are the Setting & Assembling related quality issues that you face?			
	a. Metal detector machine check to identify ferrous component			
	b. Clockwise brush application around the upper?			
	c. Glue application around insole			
	d. Mold temperature			
	e. correct temperature for toe activation			
	f. Crazeing of glued and attached edge, before grinding			
	g. uniformity of the roughing surface			
	v) Placement of sock			
	w) Bar code			
	x) Sole pressing			
	y) Strength of sole bonding			
	z) Dent on sole			
	aa) Scratch in wage heel			
	bb) Gap in sole wall			
	cc) Shank length			
	dd) Excess glue			
	ee) Change of shape due to wrong temperature of the moulding machine			
	ff) Cream in sole welt			
	gg) Wavy outsole			
	hh) Heel dent			
	ii) Gap in sole wall			
	jj) Shank length			
	kk) Excess glue			
	ll) Change of shape due to wrong temperature of the moulding machine			
	mm) Cream in sole welt			
	nn) Wavy outsole			
	oo) Heel dent			
	pp) mould grow in the shoe			
	qq) excess glue in feather of the shoe			
	rr) Wavy outsole			
	ss) Metal nail in the shoe			
1.	Do you keep record of rejection/ error occurring due to assembling defaults?			
2.	Do you have any review & action mechanism to reduce the number of rejection?			

3.	What measures to you take to improve the overall quality of your footwear?			
4.	Any other issues to be considered?			

D4. Training Needs Assessment:

5. What training programmes are you conducting in order to improve the production quality footwear?

Basic	
Workers	Management

Specialised	
Workers	Management

6. What trainings would you suggest to improve production quality of footwear?

Basic	
Workers	Management

Specialised	
Workers	Management
