



Turning Insights into Impact

Lessons from Implementing ESMS Action Plan in the Savar Tannery Estate

Sectoral Context

Leather is a sector in Bangladesh full of promise, potential and aspiration. The promise lies in the country's abundant supply of raw hides with a large volume of cattle being slaughtered throughout the year. The potential is echoed through the large and keen workforce this sector fosters with it creating around 850000 jobs¹ for Bangladeshi men and women. Yet, this promise and potential were capped at a small scale due to the poor social and environmental conditions in the birthplace of the country's tannery industry, Hazaribagh. Hazaribagh is a congested area in the middle of the country's capital Dhaka with zero infrastructural preparedness to accommodate an industry of such scale, and therefore it was close to impossible for the factories to meet minimum environmental and social compliance requirements there, let alone the global ones. And that is where the aspiration lies. It was a vision of reaching global standards that drove the shift of the tanneries from Hazaribagh to a dedicated industrial zone in Hemayetpur, Savar known to us as the Savar Tannery Estate back in 2017.

However, very little of the progress that was anticipated has been accomplished in the last nine years following the shift. In fact, some might even argue that the transition from Hazaribagh to Savar has rather been unfavourable for the industry. This concern is reflected in national export data, which shows that leather sector export earnings gradually declined for three consecutive fiscal years after the relocation, going down from \$1.23 billion² in FY 2016–17 to 797.6 million³ in FY 2019–20. Although leather export earnings are gradually recovering in recent years with the latest data showing a \$1.6 billion⁴ export earning in FY 2024–25, the sector's contribution to Bangladesh's total exports has remained largely unchanged at around 2.5%⁵ since the relocation to Savar, suggesting that the expected gains in competitiveness, productivity, and value addition are yet to be fully realised. As it turned out, only shifting operations of the tanneries to an industrial estate was not going to solve the problem.

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¹ <https://investbangladesh.gov.bd/investment-sector/leather-footwear>

² EPB, 2017

³ <https://www.textiletoday.com.bd/leather-leather-goods-exports-nosedive-22-fy20>

⁴ <https://lightcastlepartners.com/insights/2026/04/leather-footwear-next-export-frontier-bangladesh/>

⁵ <https://www.textiletoday.com.bd/bangladesh-accelerates-in-global-footwear-race-with-539m-combined-leather-and-non-leather-exports>



Background

The relocation of tanneries to Savar from the Hazaribagh area was designed to give the tannery industry the physical infrastructure it had always lacked in Hazaribagh, but infrastructure on its own could not guarantee compliance. A common effluent treatment plant, allocated land, and a dedicated industrial estate addressed the symptoms of an unplanned industrial cluster, but they did not automatically change how individual factories managed chemicals, water, waste, or their workforce day to day. The stagnant export performance and unchanged sectoral contribution to national exports after the move suggested that the gap between Bangladesh's tanneries and the environmental and social standards demanded by international buyers was not only a location problem. It was also a factory-level practice problem.

To help tanneries translate the promise of the Savar relocation into real, on-the-ground progress, the project team supported 39 factories in developing factory-specific ESMS action plans, each built on individual environmental assessments and a set of SMART KPIs covering waste, water, chemical management, worker engagement and more.

Global buyers and standards bodies, including the Leather Working Group (LWG), assess compliance at the factory level: how chemicals are stored and handled, how waste and effluent are managed, how transparent and traceable production processes are, and how factories engage with their workers on safety and grievance mechanisms. Without a structured, factory-specific roadmap, individual tanneries had little means of identifying exactly where they fell short of these standards or of translating that knowledge into a sequence of achievable improvements.

This is the gap the action plan process was designed to close. By starting with an independent environmental assessment benchmarked against LWG standards, the project gave each factory a concrete, individualised picture of its own gaps rather than a generic sector-wide diagnosis. Disseminating those findings to managers and worker representatives, and then turning them into SMART KPIs through participatory workshops, ensured that the resulting action plans were not just compliance documents imposed from outside, but practical commitments shaped by the people responsible for implementing them. In effect, the action plan was the mechanism through which the factories could take an initial step towards converting the unrealised promise of the Savar relocation into measurable, factory-level progress on the ground.



Mapping a Way Forward: How the Action Plan Took Shape

The development of the ESMS action plan began with an honest look at where each factory truly stood: its strengths, its gaps, and the areas most in need of attention.

What followed was not a one-off exercise, but a journey that unfolded over several months: individual assessments opened doors to have collective dialogue, dialogue further turned into inputs in the workshop on Green Social Dialogue (GSD) and Environmental & Social Management System (ESMS), and those inputs gradually took the shape of finalised, factory-specific action plans. Managers, supervisors, and worker representatives sat at the same table to figure out the gaps in their practice and what realistically could be changed.



At every stage, the process was shaped by three things: shared findings that gave everyone a common starting point, open conversation between workers and management that surfaced practical concerns, and continuous technical support from the project team that kept the process feasible and inclusive. The result was a set of action plans that were not simply handed down, but built collaboratively, with the people who would ultimately carry them forward.



- **Environmental Assessment:**

An environmental assessment was conducted across 40 factories following the LWG standards as a principle, with each receiving an individual, factory-specific report. These reports captured the current situation and key challenges within each factory, while offering targeted recommendations on resource use, waste management, chemical handling, and worker-management cooperation.

- **Dissemination of Findings:**

Individual reports were shared with each factory, and findings were disseminated to managers and worker representatives, with business associations also present to support feedback and shared understanding. Workers and management provided feedback on the findings, highlighting practical concerns and priorities for improvement. Recommendations mentioned in the report were shaped based on this feedback, focusing on key areas such as waste reduction, water efficiency, and alignment with Leather Working Group (LWG) standards.

- **Action Plan Drafting in ESMS and GSD Workshops:**

The project team organised six workshops in August, September, and October 2025 with participation from managers, supervisors, worker representatives, and general workers from 39 factories. During the workshop, they further reflected on the environmental assessment report and recommendations. During workshops, participants identified gaps between current practices and international sustainability standards.

- **Action Plan Drafting:**

Using assessment findings and identified gaps, participants drafted factory-specific action plans. Plans included SMART (Specific, Measurable, Achievable, Realistic, Time-bound) KPIs which emphasised on measurable improvements in waste management, water use, and compliance with LWG benchmarks.

- **Advisory Support:**

The project team provided technical and advisory support throughout the drafting process to ensure feasibility, effectiveness and inclusivity.

- **Feedback from Senior Management:**

Draft action plans were reviewed with input from senior management to align with organisational priorities and resource availability.

- **Finalising the Action Plan:**

The project team assisted factories in finalising the action plans, ensuring they were practical, inclusive, and aligned with sustainability goals. Most of the action plans were finalised within December of 2025

Turning Intention into Indicators: Detailed Action Plan and KPIs (Up to June 2026)

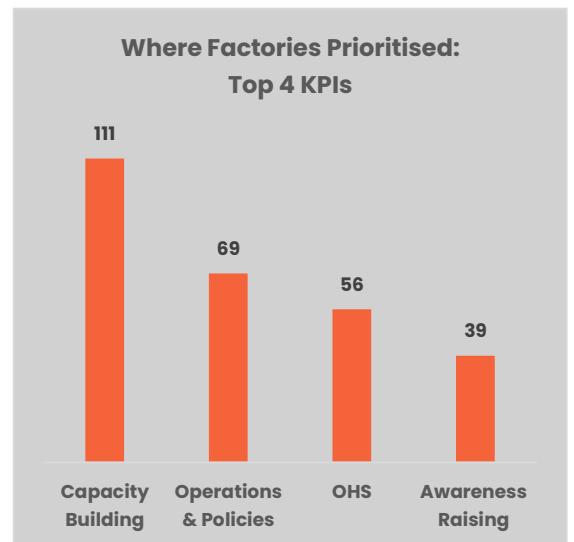
Every factory-specific action plan was built to do more than outline good intentions, it needed to show measurable progress. SMART KPIs became the backbone of this effort, anchoring improvements and guiding the factories in the right direction.

- Consolidated KPIs Set by Factories:**

| SL | Thematic Area | KPI | "# of factories planned for the KPI " | Finished KPI | Ongoing KPI | Work has not started |
|----|-----------------------------|---|---------------------------------------|--------------|-------------|----------------------|
| 1 | Water Management | Water meter installation | 13 | 8 | 4 | 1 |
| | | Pressure nozzle installation to save water consumption | 9 | 4 | 1 | 4 |
| | | New water tap installation to reduce water consumption | 2 | 2 | | 0 |
| | | Installing bulb sensor in the water reserve tank to prevent overflow | 1 | | | 1 |
| 2 | Pollution Reducton Measures | Air purifier installation | 1 | | | 1 |
| | | Various gas (hazzardous) detection devices | 2 | 1 | 1 | 0 |
| | | Purchasing more efficient machinary and equipments | 1 | | | 1 |
| | | Monitoring gas emission and noise level | 2 | 1 | 1 | 0 |
| 3 | Waste Mangement | Separate storage and disposal of generated waste | 4 | 2 | | 2 |
| | | Accurate measurement of factory-generated waste | 1 | 1 | | 0 |
| | | Rescuing chrome liquor | 2 | | | 2 |
| | | Constructing separate drain lines for waste and clean water | 6 | 6 | | 0 |
| 4 | Energy Efficiency | Air Nozzle installation in the air compressor | 15 | 1 | | 14 |
| | | Solar panel installation | 2 | 1 | | 1 |
| | | Meter installation | 2 | 1 | 1 | 0 |
| | | Functionalizing power factor improvement (PFI) unit | 1 | 1 | | 0 |
| | | Changing the layout of the boiler machine | 5 | 3 | 2 | 0 |
| 5 | Capacity Building | Train workers on technical topics (chemical, waste, water, OHS, housekeeping) | 31 | 23 | | 8 |
| | | Sensitize workers on correct usage of chemicals | 4 | 3 | | 1 |
| | | In-house training team development (factory-based resource persons /climate champion) | 38 | 33 | 2 | 3 |
| | | In-house training for the workforce | 38 | 33 | | 5 |
| 6 | Chemical Management | MSDS installation in Bangla | 22 | 7 | 2 | 13 |
| | | Separate chemical storage construction | 3 | 3 | | 0 |

| SL | Thematic Area | KPI | "# of factories planned for the KPI " | Finished KPI | Ongoing KPI | Work has not started |
|----|-------------------------------|--|---------------------------------------|--------------|-------------|----------------------|
| | | Ensuring proper chemical labeling | 1 | 1 | | 0 |
| 7 | Traceability of Raw Materials | Introduction of manual coding system | 19 | 8 | 2 | 9 |
| | | Geo mapping of raw hide suppliers | 4 | | | 4 |
| 8 | Operations & Policies | ESMS action plan development | 39 | 4 | 4 | 31 |
| | | SOP development | 21 | 7 | 3 | 11 |
| | | Maintaining registers for monitoring resource usage | 6 | 1 | | 5 |
| | | Maintaining the PDCA checklist | 2 | 1 | | 1 |
| | | Maintaining the DIFE authority register for LWG certification | 1 | | | 1 |
| 9 | Occupational Health & Safety | Functionalizing the safety committee | 31 | 11 | 12 | 8 |
| | | Provision of PPE for workers | 12 | 7 | | 5 |
| | | Ensuring emergency preparedness including floor plan and evacuation plan | 12 | 6 | 1 | 5 |
| | | Provision of safe drinking water for workers inside factory | 1 | | 1 | 0 |
| 10 | Gender & Incusion | Functionalizing Anti-harassment Committee | 12 | 6 | 3 | 3 |
| 11 | Housekeeping | Regular maintenance and cleanliness of machines, devices, tools and floors | 7 | 2 | | 5 |
| 12 | Awareness Raising | Displaying information message boards in factory premises | 39 | 22 | 3 | 14 |

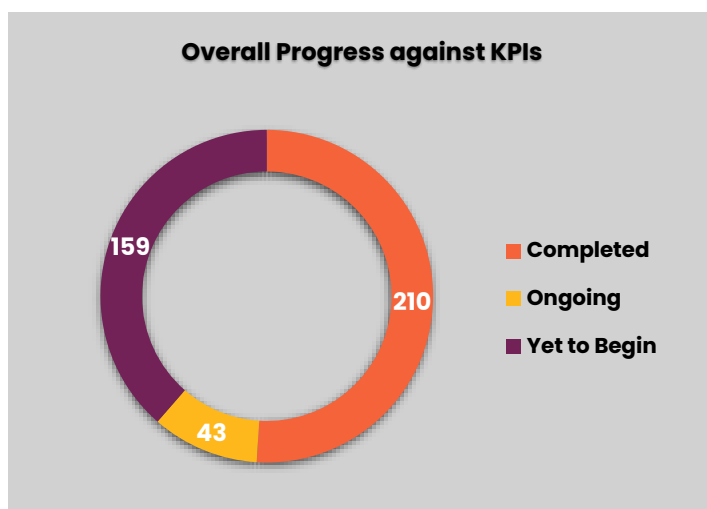
| Thematic Area | Number of KPIs |
|------------------------------|----------------|
| Waste Management | 13 |
| Water Management | 25 |
| Pollution Reduction Measures | 6 |
| Energy Efficiency | 25 |
| Capacity Building | 111 |
| Chemical Management | 26 |
| Traceability | 23 |
| OHS | 56 |
| Gender & Inclusion | 12 |
| Housekeeping | 7 |
| Awareness Raising | 39 |
| Total | 412 |





Progress in Numbers: Traction Made by Factories against the KPIS

Between December 2025 and May 2026, the project team visited 39 factories across the Savar Tannery Estate, factory by factory, over the course of six months. Each visit combined a review of KPI progress with hands-on advisory support, giving factory management and worker representatives a structured space to reflect on what had changed since the action plans were first drafted, what remained a challenge, and where attention needed to shift next. In many ways, these visits mirrored the same spirit of dialogue and shared ownership that had shaped the action plans themselves, progress was not simply measured from the outside, but reviewed and understood together with the people driving it.

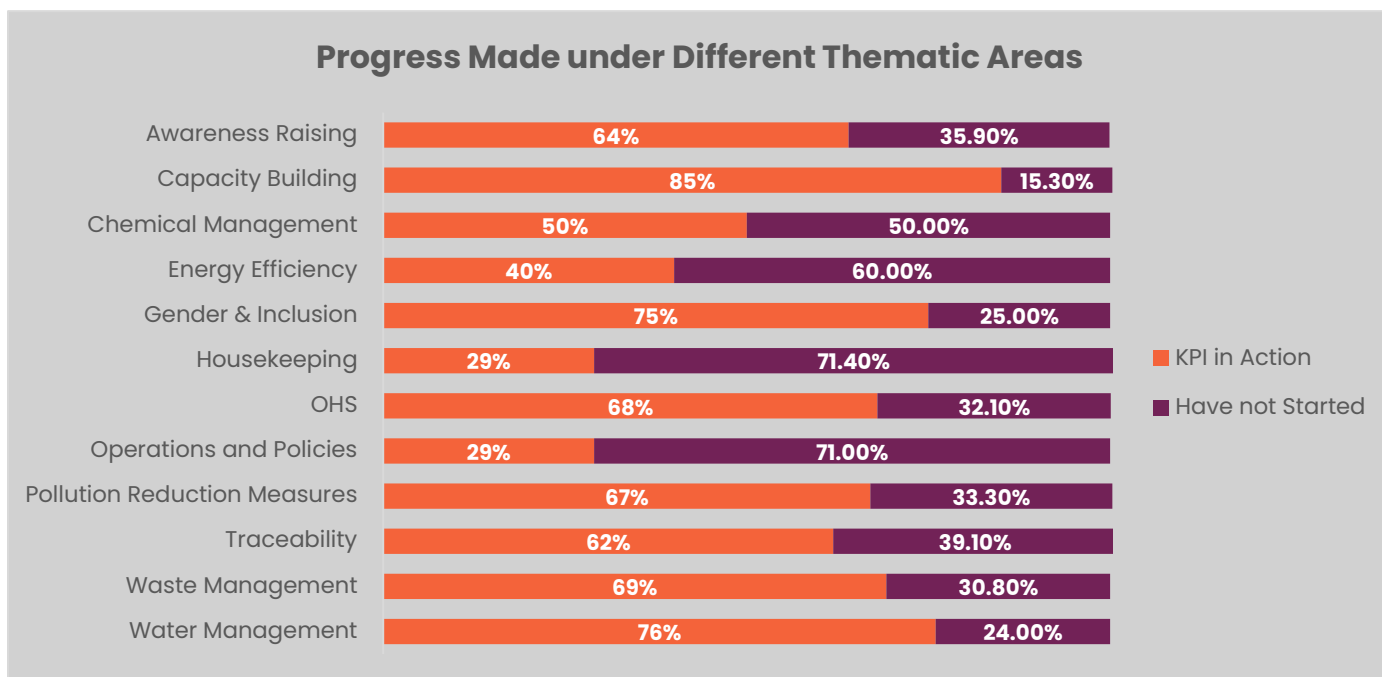


The picture that emerged by May 2026 was one of uneven, but real progress. Of the 412 total KPIS planned across 12 thematic areas, over half (51%) have already been completed. A further 10% are actively in progress, reflecting work that is underway but not yet finished, while the remaining 39% are yet to begin.

This distribution tells its own story. Factories moved fastest and most confidently in areas rooted in people, awareness, and practice: capacity building, awareness raising, and the development of in-house resource persons saw some of the strongest gains. These are the kinds of changes that depend less on capital investment and more on willingness, understanding, and consistent effort. By contrast, KPIS tied

to heavier technical or infrastructural interventions, such as water management, energy efficiency, and pollution reduction,

have moved more slowly. These areas typically demand greater financial investment, longer implementation timelines, and sometimes external technical expertise, making rapid progress inherently more difficult, even where the will to improve is present.



Behind these percentages lie tangible, on-the-ground changes, some visible on factory walls, others embedded quietly in daily practice. Across the estate, KPI targets have steadily translated into concrete action: awareness-raising boards installed where workers pass by each day, in-house resource persons trained to carry knowledge forward long after a workshop ends, and safety and anti-harassment committees beginning to take real shape within factories. These are not isolated wins, but early signs of a broader shift, one where compliance is becoming less about meeting a requirement, and more about building the everyday habits and structures that sustain it.

| | |
|--------------------------------------|--|
| Worker Committee | • 28 safety committee & 8 anti-harassment committee functionalised |
| Chemical Management | • MSDS developed and installed in 7 factories (in Bangla) |
| Resource Person Development | • 135+ climate resource persons developed in 38 factories |
| In-house Capacity Development | • 945+ workers trained and sensitised in-house on water, waste, chemical management, OHS & housekeeping |
| Awareness Raising | • Awareness-raising message boards installed in 22 factories |

These results tell a story of progress that is real but still unfolding. The progress made so far, in awareness, capacity, and worker voice, lay a strong foundation as the more technical work continues in the background. What stands out is not just what has been completed, but the direction in which factories are moving: toward greater ownership, more informed practices, and a growing willingness to engage with change rather than resist it. As factories continue this journey, sustaining the momentum already built will matter as much as closing the remaining gaps, ensuring that early wins in mindset and practice are matched, over time, by lasting change in systems and infrastructure.



Shared Ground, Shared Voice: Worker Engagement Throughout the Process

For most workers across the estate, factory improvement had long been something that happened to them, decisions made in offices they had no access to, plans drawn up without their input, and changes introduced without explanation. Their experience on the factory floor, often the most direct source of insight into what needed to change, rarely found its way into formal decision-making.

This process set out to change that. Rather than treating workers as passive beneficiaries of improvement, the process was built to actively involve them at every stage. Workers and worker representatives took part in Green Social Dialogue (GSD) and Environmental & Social Management System (ESMS) workshops alongside management, sitting in the same room, working through the same findings, and contributing to the same conversations about what needed to change and why.

This involvement extended directly into the action plan itself. Workers were not simply informed of the plan once it was finalized, they were part of drafting it. For each KPI, their specific role in implementation was clearly defined, turning broad commitments into shared responsibilities. In doing so, the action plan became less a document handed down from management, and more a shared commitment, one that workers had a genuine hand in shaping, and a clear stake in seeing through.



As someone who has worked in this sector for over 30 years, I have always felt that we, the workers, carry valuable insights and often the simplest solutions for improving our factories. Yet for most of that time, we had very little voice or say in the changes that took place around us. This action plan has truly changed that. It has moved us from a passive role to an active one, given us a real say, and built a genuine sense of ownership over the changes we are now part of.



- Md. Rahim, Worker Representative, Savar Tannery Estate



Stocking Insights: Lessons Learned Along the Way

Every phase of this journey, from the first environmental assessments to the challenges factories faced along the way, has offered its own set of lessons. Some confirmed what was already suspected: that lasting change rarely comes from compliance alone, but from genuine ownership. Others were less expected, surfacing only once factories began putting their action plans into practice, and encountering the gap between intention and implementation. Taken together, these lessons say less about what has already been achieved, and more about what will be needed to sustain it.

- **Low-cost Fixes Over Big Investments:**

Factories made faster progress towards achieving low-cost operational improvements and behavioural changes such as housekeeping, worker awareness, PPE compliance, chemical management, and waste segregation over capital-intensive investments.

- **Training as the Common Thread:**

Capacity building emerged as both a priority and a recurring solution across nearly every thematic area. Rather than treating training as a one-off activity, factories consistently relied on in-house capacity building to drive improvements in OHS, chemical management, water conservation, waste management, and housekeeping alike.

- **Leadership Buy-in Makes the Difference:**

Factories where owners and senior management actively engaged with the action plan saw substantially greater progress. Conversely, many delayed actions could be traced back to limited management interest or pending owner approval, underscoring how much leadership commitment shapes the pace of change.

- **The Role of Monitoring Progress and Continuous Follow-up:**

Our tracker indicates that the factories which made the most significant progress recorded incremental progress over successive visits, suggesting that regular advisory support and follow-up were important in translating action plans into practice.

- **Sustaining Behavioural Change:**

Factories reported that shifting worker behaviour required ongoing awareness-raising and reinforcement, not a single training session. Established habits, particularly around safety and chemical handling, took repeated engagement to change.

- **Worker Involvement Strengthens Ownership:**

Factories that actively engaged workers in identifying problems and shaping solutions saw stronger follow-through on action plans, reinforcing that change is more durable when it isn't designed for workers, but with them.

- **A Facilitative Approach Outperforms a Prescriptive One:**

The project played a supporting, advisory role rather than dictating solutions, and the sense of ownership drove the motivation of factories in showing greater initiative and confidence to continue improvements independently.

- **One-Size-Fits-All Does not Work:**

Given the wide variation in factory size, resources, and existing systems, the most effective action plans were those tailored to each factory's specific starting point and constraints, rather than applying uniform targets across all 40 factories.

- **Documentation Gaps Limit Long-Term Tracking:**

Several factories lacked baseline record-keeping systems (for chemical use, water consumption, grievance mechanism etc.) making it harder to measure progress accurately, suggesting that better internal documentation practices are themselves a prerequisite for sustained improvement.

- **The Influence of External Market Pressure:**

External market and business pressures shaped investment decisions, often leading factories to prioritize immediate operational needs over longer-term sustainability goals.





Conclusion

Nine years ago, a move to Savar promised to fix what Hazaribagh could not for the leather sector of Bangladesh. It did not — not because the estate failed, but because compliance was never really just about location. It was about habits: how a worker handles a chemical, whether a manager shows up to a safety meeting, whether a training sticks after the trainer leaves.

That is the story this action plan tries to tell. The factories that moved fastest were not always the ones with the most resources, they were the ones with an owner who cared, a team that kept showing up, and workers who were given a reason to change how they worked, not just told to. Half of the KPIs are done, plenty are still waiting on funding or approval, but this was never going to be a nine-month fix to a nine-year gap. It is rather the initial guiding step towards moving in the right direction, with a proper assessment and way forward plan in hand.

If there is one thing worth carrying forward, it is this: a plan on paper changes nothing on its own. A collaborative approach by the factory owners, management representatives and workers can often go miles ahead of large sum of infrastructural investment. The story of action plan implementation in the Savar Tannery Estate by the 39 factories reiterates that statement.