



ESMS Checklist & Guidelines for Tanneries

List of key Abbreviation:

Abbreviation	Description
BFLLFEA	Bangladesh Finished Leather, Leather Goods, and Footwear Exporters Association
BLF	Bangladesh Labour Foundation
BTAA	Bangladesh Tanners Association
CETP	Common Effluent Treatment Plant
EMS	Environmental Management System
ETI	Ethical Trading Initiative
ETP	Effluent Treatment Plant
LWG	Leather Working Group
MSDS	Material Safety Data Sheets
OSH	Occupational Safety & Health
PPE	Personal Protective Equipment
RS	Restricted Substance
SMEP	Sustainable Manufacturing and Environmental Pollution
SOP	Standard Operating Procedures
STIE	Savar Tannery Industrial Estate
VOC	Volatile Organic Compounds

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Welcome & How to Use This Toolkit and Guidance Document

Environmental and social responsibility are becoming increasingly important in today's global leather industry. Around the world, there are thousands of environmental and social codes and standards that set expectations for sustainable and ethical production. These codes define the rules and objectives but the real challenge lies in implementation.

An Environmental and Social Management System (ESMS) provides tanneries with a structured approach to integrate these standards into daily operations. Through a set of clearly defined and repeatable processes, an ESMS helps ensure that environmental protection, worker safety, and community wellbeing are part of the core business strategy rather than treated as separate or secondary concerns.

This toolkit is designed as a practical guide to help tanneries develop and implement an ESMS that enhances overall performance and sustainability. In today's competitive

market, tanneries face pressure to maintain productivity, control costs, and meet customer demands for ethically produced leather. As a result, new sustainability initiatives can sometimes be met with resistance, especially when staff are already managing heavy workloads. However, implementing an ESMS does not have to be complex, costly, or burdensome. The system should be scaled to fit the size and nature of each tannery's operations.

Our goal is to support tanneries move toward a path of - continuous improvement, benefiting not only the company itself but also its employees, communities, customers, and the wider environment.



Project Background and Context

Bangladesh's leather sector is the **second-largest export industry**, employing approximately **600,000 people directly** and another **300,000 indirectly**. The sector contributes **\$1.4 billion** to the national economy, representing **4% of total exports** and **0.5% of GDP** (EPB, Bangladesh Bank, 2023). Despite abundant raw materials, **leather exports remain underutilized**, primarily due to **incomplete Common Effluent Treatment Plant (CETP) facilities** and **limited compliance with Environmental, Social, and Governance (ESG) standards**. The relocation of tanneries from **Hazaribagh to Savar Leather Industrial Estate**, initiated in 2003, continues to face **environmental and operational challenges**.

The sector's **full potential remains untapped** because of:

- ▶ Inadequate working conditions
- ▶ Low environmental awareness
- ▶ Weak Environmental and Social Management Systems (ESMS)

Without addressing these issues, **tanneries risk missing global market opportunities and Leather Working Group (LWG) certification**.

In this connection, Ethical Trading Initiative (ETI), ETI Bangladesh, Bangladesh Labour Foundation (BLF), and Mondiaal FNV is

implementing a consortium project called "Improving Environmental and Social Conditions in the Savar Tannery Estate, Bangladesh." The project is funded by the Sustainable Manufacturing and Environmental Pollution (SMEP) programme, established by the Foreign, Commonwealth and Development Office (FCDO) in partnership with UN Trade and Development (UNCTAD). The project's goal is to reduce pollution and the environmental impact of the Savar Tannery Industrial Estate, fostering adherence to international standards, ethical practices, and environmental responsibilities. The project has partnered with 40 tanneries from the Estate for the implementation. With 40 tanneries, the project aims to achieve: (a) improved Occupational Health and Safety (OHS) standards and the promotion of decent working conditions; (b) the establishment of a Human Rights and Environmental Due Diligence (HREDD) framework, along with an Environmental and Social Management System (ESMS) to enhance resource efficiency and support eligibility for LWG certification; and (c) strengthened connections and business opportunities for tannery owners in both national and international markets. In collaboration with the Bangladesh Finished Leather, Leather Goods, and Footwear Exporters Association (BFLLEA) and the Bangladesh Tanners Association (BTA), the project has conducted a concise analytical study of 40 tanneries.

Goal of the Project

The project aims to:

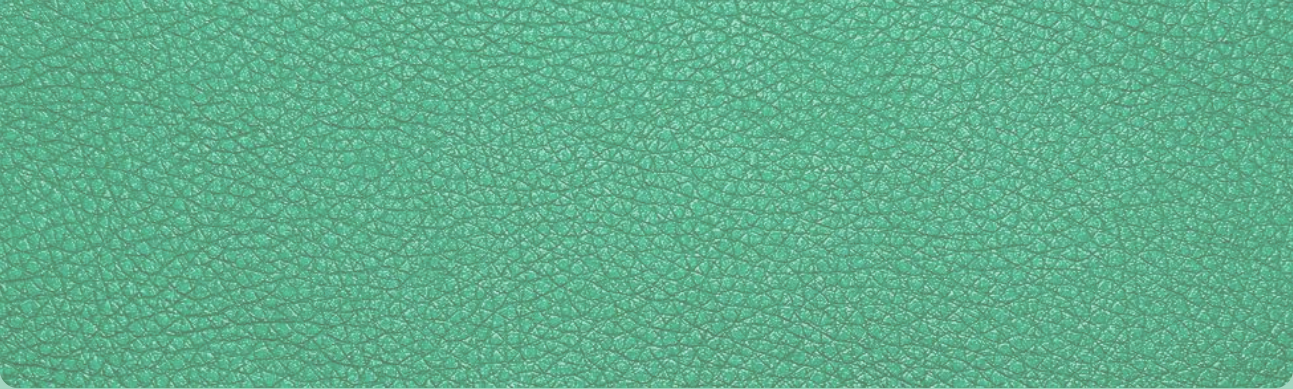
Reduce pollution
and
environmental
impact in the
Savar Tannery
Industrial Estate

Promote
adherence to
international
standards and
ethical practices

Enhance
environmental
responsibilities
across tanneries

As part of this initiative, **detailed checklists and guidelines** have been developed for tanneries. These are included in the following sections to support practical implementation.





Checklist for Environmental Management System

This checklist is used to verify whether an organization has proper environmental management practices in place. It reviews key areas such as legal compliance, waste management, chemical handling, resource use, workplace safety, emergency preparedness, documentation, monitoring, and corrective actions. Each item is marked “Yes” or “No” to assess current performance and identify gaps that need improvement.



Checklist Note

- If the response is “YES”, please go to the detail guidelines for validation.
- If the response is “NO”, please comply with the detail guidelines checkpoints.

#	Area of Concern	Query	Response	
			YES	NO
1	Regulatory Compliance & Classification	Do you have all approval, licenses and certifications for relevant compliance issues?		
2	Effluent Treatment & Discharge Standards	Do you have written SOP to treat effluents and discharge accordingly?		
3	Pollution Prevention	Are there measures in place to prevent or mitigate the following pollutions?		
	a) Air Emissions and Odor Control			
	b) Noise Pollution Control			
4	Solid & Hazardous Waste Management	Do you have written procedures for controlling waste and recycling programs in place?		
5	Water Usage & Conservation	Are water conservation measures implemented?		
6	Chemical Storage & Handling	Do you have a written procedure (SOP) for handling chemicals in place?		
7	Energy Consumption & Efficiency	Do you monitor and track various energy consumptions to reduce consumption?		
8	Emergency Preparedness & Response	Is there an Emergency Response Plan to address potential environmental incidents that you follow accordingly?		
9	Environmental Monitoring & Reporting	Have you developed EMS for your organization and to adapt the Climate change impacts?		
10	Human Resource management	Do you have a pool of trained current workers on various issues including safety, chemical handling, etc.?		
11	Data management system	Have you introduced a data management system to track instant data to compare baseline and the changes?		

Detail Guidelines for Environmental Management System

1 Regulatory Compliance and Classification

- ▶ Classify the tannery under the Red Category as per Schedule-1 of the Environment Conservation Rules, 2023.
- ▶ Obtain a Location Clearance Certificate before project initiation.
- ▶ Conduct an Environmental Impact Assessment (EIA) and secure DoE approval.
- ▶ Maintain a valid Environmental Clearance Certificate (ECC) and renew annually.
- ▶ Submit environmental monitoring reports to the Department of Environment (DoE) as required.
- ▶ Document procedures to ensure compliance with national environmental laws.
- ▶ Keep all necessary permits and licenses up to date.

2 Effluent Treatment and Discharge Standards (applicable for tanneries who installed ETP)

- ▶ Operate an on-site Effluent Treatment Plant (ETP) or use an external treatment facility.
- ▶ Segregate and pre-treat effluents before discharge to Central ETP.
- ▶ Conduct regular effluent quality tests and maintain records.
- ▶ Monitor parameters such as:

⇒ **pH:** 6–9

⇒ **Suspended Solids:** ≤150 mg/L

⇒ **BOD₅ at 20°C:** ≤100 mg/L

⇒ **Sulfide (as S):** ≤1 mg/L

⇒ **Total Chromium (as Cr):** ≤2 mg/L

⇒ **Oil & Grease:** ≤10 mg/L

⇒ **Total Dissolved Solids (TDS):** ≤2100 mg/L

⇒ **Wastewater Generation:** ≤30 m³ per ton of hide processed

3 Pollution Prevention

a) Air Emissions and Odor Control

- ▶ Conduct an **air emission inventory**.
- ▶ Monitor emissions for **VOCs, ammonia (NH₃), and hydrogen sulfide (H₂S)**.
- ▶ Install and maintain **air control systems** (scrubbers, filters).
- ▶ Implement **preventive maintenance and odor control** measures.
- ▶ Submit air quality reports to **DoE** as required.

b) Noise Pollution Control

- ▶ Record and review **community complaints** about noise.
- ▶ Monitor and maintain **noise levels within DoE limits**.
- ▶ Enclose or insulate noisy equipment and conduct **regular assessments**.

4 Solid & Hazardous Waste Management

- ▶ Measure and record all waste (e.g., fleshing, hair, trimming, sludge).
- ▶ Segregate **biodegradable, recyclable, and hazardous waste** appropriately.
- ▶ Dispose of hazardous waste per **DoE guidelines** through licensed vendors.
- ▶ Implement **waste minimization and recycling practices** where feasible.

5 Water Usage & Conservation

- ▶ Monitor and record **water consumption** from all sources.
- ▶ Implement **water-saving practices**, recycling, and reuse.
- ▶ Ensure water usage **does not negatively impact local water bodies**.

6 Chemical Storage & Handling

- ▶ Store **restricted chemicals separately** with proper labeling.
- ▶ Track chemicals using a **Restricted Substances List (RSL)**.
- ▶ Equip storage with **spill prevention systems** and provide **employee training**.
- ▶ Maintain **Material Safety Data Sheets (MSDS)** and display translated safety instructions.

7 Energy Consumption and Efficiency

- ▶ Track energy use (electricity, gas, diesel, etc.) and identify energy reduction opportunities.
- ▶ Implement energy-efficient technologies and develop an energy management plan.
- ▶ Measure and reduce carbon footprint/greenhouse gas emissions.

8 Emergency Preparedness & Response

- ▶ Develop and maintain an Emergency Response Plan.
- ▶ Maintain accurate floor plans showing exits and aisles.
- ▶ Train Emergency Response Team members and conduct periodic drills.
- ▶ Ensure availability of spill kits and firefighting equipment.

9 Environmental Monitoring & Reporting

- ▶ Establish an Environmental Management System (EMS).
- ▶ Conduct environmental audits and track performance indicators.
- ▶ Submit reports to DoE and implement continuous improvement.
- ▶ Develop strategies to adapt to climate change impacts.

10 Human Resource Management

- ▶ Build a trained workforce with documented skills in safety, chemical handling, and EMS.
- ▶ Conduct regular training and skill upgrades.

11 Data Management System

- ▶ Implement a data management system to track operational and environmental data.
- ▶ Encourage software-based solutions such as ERP for synchronized data management.

Checklist for Social Management System

This checklist evaluates whether an organization meets key compliance and management standards. It covers legal compliance, recruitment procedures, and adherence to labor laws—including child labor, working hours, wages, discrimination, and harassment prevention. It also reviews systems for employee health and safety, documentation and transparency, and mechanisms for engaging with the community and stakeholders. The checklist helps identify compliance gaps and strengthen overall environmental and social management practices.



Checklist Note

- If the response is “YES”, please go to the detail guidelines for validation.
- If the response is “NO”, please comply with the detail guidelines checkpoints.

#	Area of Concern	Query	Response	
			YES	NO
1	Legal Compliance	Do you comply with all national legal requirements?		
2	Recruitment Process	Do you have standard & documented recruitment/hiring process?		
3	Labor Practices	Do you maintain all legal compliances related to the following labor practices?		
	a) Child Labor			
	b) Forced and Bonded Labor			
	c) Working Hours			
	d) Wages and Benefits			
	e) Leave policy			
	f) Discrimination			
	g) Freedom of Association			
	h) Harassment and Abuse			
4	Health and Safety	Are there initiatives in place to support employee health and safety?		
5	Documentation & Transparency	Do you archive documents related to compliance & Human resource management?		
6	Community & Stakeholders Engagement	Is there any mechanism in place to engage, support & get feedback from the community?		



Detail Guidelines for Social Management System

1 Legal Compliance

- ▶ Maintain a valid business registration and operating license.
- ▶ Ensure full compliance with Bangladesh Labor Law 2006 (and amendments).
- ▶ Obtain and regularly renew a valid Environmental Clearance Certificate.
- ▶ Register the factory with the Department of Inspection for Factories & Establishments (DIFE).

2 Recruitment and Hiring

- ▶ Follow authorized recruitment rules and procedures.
- ▶ Define jobs clearly based on job type and required skills.
- ▶ Provide candidates with information on job categories during recruitment.
- ▶ Adhere to legal requirements for employee termination.

3 Labor Policy

a) Child Labor

- ▶ Ensure no workers below the minimum legal age (not less than 14 for non-hazardous, not less than 18 for hazardous work).
- ▶ Maintain proof of age documentation for all workers.
- ▶ Implement age verification procedures before employment.
- ▶ Companies shall develop or participate in and contribute to policies and programmes which provide for the transition of any child found to be performing child labour to enable her or him to attend and remain in quality education until no longer a child; "child" and "child labour" being defined in the appendices.

b) Forced and Bonded Labor/Employment is freely chosen

- ▶ Prohibit forced, bonded, or involuntary prison labor.
- ▶ Ensure no withholding of workers' ID documents or wages.

- ▶ Allow workers to resign freely with reasonable notice.

- ▶ Eliminate any recruitment fees charged to workers.

c) Working Hours

- ▶ Limit regular working hours to 48 hours/week.
- ▶ Ensure overtime is voluntary and ≤ 12 hours/week.
- ▶ Provide required rest periods during working hours.
- ▶ Guarantee at least one day off per 7-day period.
- ▶ Maintain an accurate time-keeping system.

d) Wages and Benefits

- ▶ Pay at least the legal minimum wage.
- ▶ Ensure on-time payment via documented slips or bank transfer.
- ▶ Provide detailed wage slips.
- ▶ Compensate overtime (OT) at legal rates and maintain an OT register.

- ▶ All overtime shall be voluntary. Overtime shall be used responsibly, taking into account all the following: the extent, frequency and hours worked by individual workers and the workforce as a whole. It shall not be used to replace regular employment. Overtime shall always be compensated at a premium rate, which is recommended to be not less than 125% of the regular rate of pay
- ▶ Provide two festival bonuses per year for workers with ≥ 1 year service.
- ▶ Ensure equal wages for female & physically challenged workers performing similar work.
- ▶ Allocate social security and benefits as per local law.
- ▶ Provide wages and benefits for a standard working week that meet, at a minimum, national legal or industry benchmark standards: whichever is higher, and ensure that these wages are sufficient to meet basic needs and provide some discretionary income. (If possible)

e) Leave Policy

- ▶ Follow legal requirements for casual, sick, and annual leave.
- ▶ Allow workers to cash in unused leave days.
- ▶ Compensate work on national holidays via proper compensation or alternate holiday.

f) Discrimination

- ▶ Prevent discrimination in hiring, compensation, access to training, promotion, termination or retirement based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation.
- ▶ Implement an equal opportunity policy for all employees.
- ▶ Follow local laws for pregnant workers' protections before and after childbirth.
- ▶ Provide legally approved maternity leave and benefits.

- ▶ Ensure workers have access to a complaint mechanism for discrimination claims.

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- ▶ Provide legally approved maternity leave and benefits.
- ▶ Ensure workers have access to a complaint mechanism for discrimination claims.

g) Freedom of Association

- ▶ Allow workers to form or join trade unions freely.
- ▶ Workers representatives are not discriminated against and have access to carry out their representative functions in the workplace.
- ▶ Ensure no retaliation for union activities.
- ▶ Recognize duly elected worker representatives.
- ▶ Conduct regular worker–management meetings.

h) Harassment and Abuse

- ▶ Physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation shall be prohibited.
- ▶ Enforce a zero-tolerance policy on oral, physical, and sexual abuse.
- ▶ Maintain confidential grievance mechanisms.
- ▶ Apply fair disciplinary procedures and document them clearly.

4 Health & Safety

- ▶ Provide adequate PPE for health and safety.
- ▶ Equip the factory with fire extinguishers, alarms, and evacuation plans.
- ▶ Conduct regular fire drills and maintain ventilation, lighting, and noise within safe limits.
- ▶ Ensure first aid kits and trained personnel are available.
- ▶ Practice safe chemical handling and storage with MSDS maintained.
- ▶ Provide Bangla Safety Data Sheet (SDS) in chemical process zone.
- ▶ Provide separate sanitation facilities for male and female workers.
- ▶ Maintain clean drinking water and hygiene facilities.
- ▶ Prevent workers from lifting goods beyond safe limits.
- ▶ Submit accident notifications to authorities.
- ▶ Provide free treatment for workplace injuries until full recovery.
- ▶ Establish a functional safety committee.
- ▶ Compensate workers for workplace accidents and OHS issues.
- ▶ Provide well-ventilated and illuminated dining facilities.
- ▶ Provide baby care facilities with trained female staff if >40 workers.
- ▶ Workers shall receive regular and recorded health and safety training, and such training shall be repeated for new or reassigned workers.

5 Documentation and Transparency

- ▶ Preserve and maintain personnel files.
- ▶ Keep duly signed contracts for all workers.
- ▶ Conduct regular social compliance audits.
- ▶ Engage a social compliance manager or responsible officer.

6 Community and Stakeholder Engagement

- ▶ Establish a grievance mechanism for community environmental concerns.
- ▶ Conduct community engagement and awareness programs.
- ▶ Align CSR initiatives with environmental sustainability goals.



Continuous Enhancement of ESMS Performance Using the PDCA Approach

The PDCA (Plan–Do–Check–Act) approach ensures continuous improvement of an ESMS by following a simple cycle: Plan by identifying key environmental and social risks and setting objectives; Do by implementing the planned actions; Check by monitoring results to see what worked; and Act by making adjustments and improving the system. This ongoing process strengthens sustainability, compliance, and overall performance.



↓ PLAN – Identify and Analyze Risks and Set Objectives

Purpose:

Determine what is most important for your organization in terms of environmental and social performance.

Key Questions:

- ▶ What are the main environmental and social risks in our operations?
- ▶ What objectives and targets should we set to manage these risks?
- ▶ What actions are needed to meet these objectives?

Outcome:

- ▶ A clear plan that defines priorities, responsibilities, and measurable goals.

↓ DO – Develop and Implement Solutions

Purpose:

Put your plan into action by implementing the defined processes, controls, and improvements.

Key Questions:

- ▶ What actions will be taken?
- ▶ Who is responsible?
- ▶ When and where will they be carried out?
- ▶ How will they be implemented effectively?

Outcome:

- ▶ Practical actions are executed, and staff are engaged in improving environmental and social performance.

↓ CHECK – Monitor and Evaluate Performance

Purpose:

Measure how effective the implemented actions have been in achieving the intended results.

Key Questions:

- ▶ Did we achieve the changes we expected?
- ▶ What evidence or data supports our evaluation?
- ▶ Are there gaps or areas for further improvement?

Outcome:

- ▶ Verified performance results and insights into what is working and what needs adjustment.

↓ ACT – Review and Improve Continuously

Purpose:

Use lessons learned to make necessary adjustments and strengthen the management system.

Key Questions:

- ▶ What should we change if the results are not as expected?
- ▶ How can we standardize successful practices?
- ▶ What new objectives or actions should be introduced for further improvement?

Outcome:

- ▶ A continuous cycle of improvement that enhances sustainability, compliance, and efficiency.

Typical Agenda for a Management Review



