

Martje Theuws

Leather from Bangladesh

## Indecent work and hidden supply chains

November 2022



## Colophon

### Leather from Bangladesh

## Indecent work and hidden supply chains

**Author** Martje Theuws

**With input from** Pauline Overeem  
and Meike Skolnik

**Text corrections** Miles Litvinoff

**Layout** Frans Schupp

**Photo's** BLF – The workers portrayed in the pictures used in this report did not participate in the interviews carried out for this study.



This paper was created with the financial support of the European Union and various other funders, including the Netherlands Enterprise Agency (Rijksdienst voor Ondernemend Nederland) and Mondiaal FNV. Its contents are the sole responsibility of the authors of the Decent Leather consortium and do not necessarily reflect the views of the European Union or the other funders.



### SOMO

SOMO investigates multinationals. Independent, factual, critical and with a clear goal: a fair and sustainable world, in which public interests outweigh corporate interests. We conduct action-oriented research to expose the impact and unprecedented power of multinationals and show the underlying structures that enable them. Cooperating with hundreds of organisations around the world, we ensure that our information arrives where it has the most impact: from communities and courtrooms to civil society organisations, media and politicians.



### Together for Decent Leather

Together for Decent Leather is a three-year programme, carried out by a European-Asian consortium of seven civil society organisations. The goal is to improve working conditions and to reduce labour rights abuses, focusing on production hubs for leather products in South Asia – in particular in the Vellore and Chennai districts in Tamil Nadu, India; in greater Karachi in Pakistan; and in the greater Dhaka region in Bangladesh.

Together for Decent Leather works to secure increased commitment from companies to fulfil their human rights due diligence obligations and governments to put in place safeguards and regulations to improve adherence to international labour standards. For more information, see [www.togetherfordecentleather.org](http://www.togetherfordecentleather.org)



## Contents

<b>1 Introduction</b> .....	4
Methodology .....	5
<b>2 Bangladesh's leather and leather goods industry</b> .....	7
Export .....	7
<b>3 Employment and working conditions</b> .....	9
Workers' background and demographics .....	9
Employment relations .....	11
Wages and working hours .....	11
Occupational health and safety .....	12
Unionisation .....	12
Relocation .....	13
<b>4 Tracing the leatherware supply chain</b> .....	14
Leather export destinations .....	15
Leather footwear exports .....	15
Buying companies .....	16
<b>5 Conclusions and recommendations</b> .....	22
Conclusions .....	22
Recommendations .....	23



Photocaption. ©BLF

# 1 Introduction

Leather is a major export earner for Bangladesh. The country exports finished and semi-finished leather and leather goods to China, Hong Kong, the EU, the UK, and the US.

Behind the scenes and away from the scrutiny of buyers, brands, and inspectors, Bangladesh's tannery workers toil for long hours of strenuous work in unhealthy conditions. Their wages are often below the legal minimum and far too little to cover basic daily needs.

Leather tanning involves toxic chemicals. Without proper protection, workers are at high risk of damage to their health.

Many of the country's tannery workers have never signed an employment contract and lack other employment documentation, leaving them vulnerable to exploitation. There are few opportunities for workers to express their grievances or to negotiate better conditions. Employers generally display a hostile attitude towards trade unions.

Due to lack of transparency, it is difficult to establish links between Bangladesh's leather producers, leatherware manufacturers, traders, and end-customers. We know that, although the European Union (EU) is not the most important export market for Bangladesh, leather from Bangladesh ends up in Europe via different routes and in different forms. Exports of finished and semi-finished leather from tanneries in Bangladesh directly reach European leather importers, particularly in Italy and Spain, and are traded on to European manufactures of a variety of leather products. ("Finished leather" refers to leather further prepared after tanning.)

In Bangladesh itself, Bangladeshi leather is also turned into end-products such as shoes, which find their way to the global market. Last but not least, Bangladesh leather exports reach third countries such as China as a basis for end-products that are then exported to various countries, including in the EU.

Most of the time it is impossible to trace Bangladesh leather used in end-products back to its origins.

In an effort to establish the different connections in the leatherware supply chain and to find out where leather produced in Bangladesh ends up, the Centre for Research on Multinational Corporations (SOMO) contacted leather traders and footwear brands and retailers with questions about their sourcing practices in Bangladesh. We contacted 27 companies in all, of which only six companies responded, and these provided answers to only a few of the questions SOMO had put to them.

Only four companies out of this group of 27 publicly provide some information about their supply chains. And only two of these disclose information about their suppliers beyond the end-manufacturing phase, such as leather manufacturers.

We can conclude that disclosure of supply chain data is still in its infancy in this segment of the global leather industry. Brands and retailers are hiding behind complex supply chains. With the current lack of transparency, it is impossible to determine the origin of leather used in branded end-products and to hold companies to account for labour rights violations in their supply chains.

When human rights or labour rights violations occur, or when there is a risk of this happening, workers, trade unions, and workers' support organisations need to know which corporate actors bear responsibility to address and/or remediate these violations and risks. Without such information, workers and the organisations representing or supporting them are left empty-handed when they seek to hold the relevant corporate actors to account for rights violations and risks in their supply chains.

There is an urgent need for greater supply chain transparency in the sector. Given that the majority of companies fail to disclose information about where their products are manufactured, it is high time for governments to introduce legislation that obliges companies to disclose supply chain information, as part of a broader set of legal obligations with regard to due diligence for responsible business conduct that companies should fulfil.



Male workers on their way to the tannery. ©BLF

## Methodology

SOMO is publishing this paper in the context of the [Together for Decent Leather](#) programme, drawing on earlier publications by the Decent Leather consortium.

The paper includes results and conclusions from new research. We sent short questionnaires to 27 companies that import leather and leather footwear from Bangladesh, with the aim of getting insights into their sourcing practices. Consistent with the industry's poor public supply chain transparency, the response rate was very low. Only six companies responded to SOMO's request: Artsana, Clarks, Decathlon, Deichmann, Dr Martens, and Zalando. Among the companies that failed to respond are Eram, Euro Shoe Group, Scapino, and Wortmann.<sup>1</sup>

This paper also summarises the main findings of the report [Employment and working conditions in Bangladesh's leather industry](#) published by Bangladesh Labour Foundation (BLF) and RAPID.<sup>1</sup> For their report, BLF and RAPID undertook interviews with 120 tannery workers at 26 tanneries in Savar, a suburb of Dhaka, Bangladesh.

---

<sup>1</sup> Wortmann, based in Germany, own several footwear brands, including Tamaris.

In addition, they conducted six key informant interviews with tannery workers, managers, and supervisors and held two focus group discussions with tannery workers. The interviews and focus groups took place in April and May 2022.

Quotes presented in the report come from video interviews conducted by BLF.

Our paper further uses information from reports previously published as part of the Together for Decent Leather programme, notably:

- **Leather products from Bangladesh:** Trends in production and trade, which collates information on the main leather products produced in Bangladesh and on important export markets for its leather and leather goods.<sup>2</sup> In Section 2 below we highlight the main findings of this fact sheet . Where relevant, figures have been updated.
- **Shine a light on leather:** supply chain disclosure practices of 100 companies in the leatherware industry, which analyses the current state of supply chain transparency in the leather-based apparel, footwear, and accessories industry.<sup>3</sup>

As noted above, we carried out additional **supply chain research** for this publication. Using information from trade databases Infodrive India and Globalwits, SOMO identified a number of companies that import finished and semi-finished leather and leather footwear from Bangladesh.<sup>4, 5</sup> We contacted these companies with questions about their leather sourcing practices in Bangladesh using two short questionnaires: one for leather importers, and the other for importers of leather footwear.

The questionnaire for footwear companies contained seven questions about the origin of leather used in their footwear, their systems to trace and verify the origin of their leather, and their policies and practices to identify and address social and environmental concerns in leather production. Leather importers received a set of three questions about their sourcing practices in Bangladesh and which clients they supply.

Before publication, we shared relevant parts of this paper with all companies that the paper mentions.<sup>ii</sup> We offered them the opportunity to notify SOMO of any factual mistakes. Six companies responded to the review request.

In the following sections, we present an overview of Bangladesh's leather and leather goods industry (Section 2). We then draw on the work of BLF and RAPID to provide a summary of employment and working conditions in this sector (Section 3). Section 4 assesses the lack of supply chain transparency of Chinese, Hong Kong, EU, UK, and US companies that source leather and leather goods from Bangladesh. Section 5 offers conclusions and recommendations.

---

ii SOMO made reasonable efforts to find contact details for all companies mentioned in the paper. However, we could not find contact information for five companies.

## 2 Bangladesh's leather and leather goods industry

Bangladesh produces leather, leather goods such as footwear, bags, trunks, cases, belts, and wallets, and to a minor extent leather apparel.

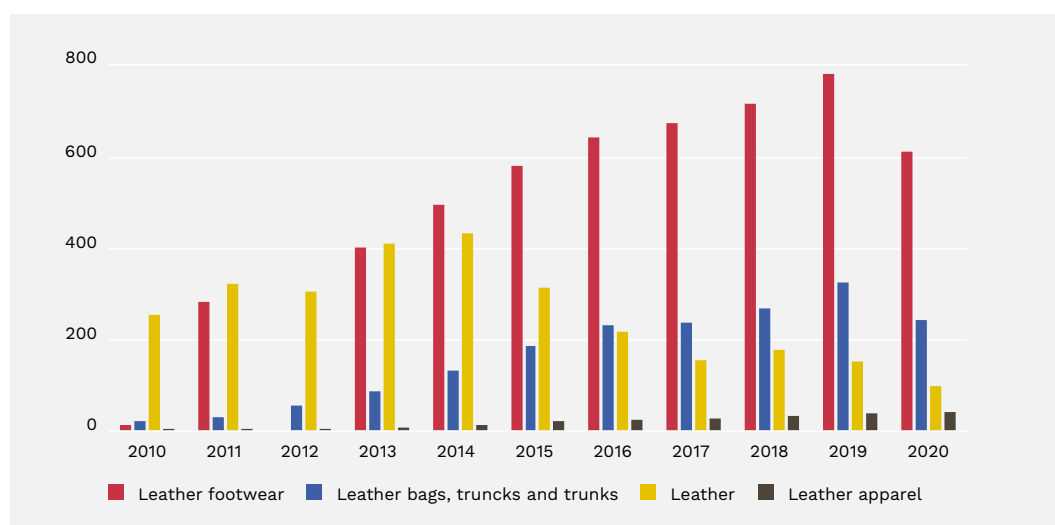
Leather production involves processing raw hides into semi-finished and finished leather. Production in Bangladesh takes place mainly in about 140 small and medium-sized tanneries. Most of these tanneries are independent, but some belong to businesses that combine leather production with leather goods manufacturing. The country's tanneries produce an estimated 350 million square feet of leather annually, mainly for export (75 to 80 per cent) but also for domestic manufacture (20 to 25 per cent).<sup>6</sup> The tanneries export both directly to foreign manufacturers and (especially smaller tanneries) via buying agents – an extra layer that adds to supply chain opacity.

Leather goods production for export generally occurs in large factories, whereas small and medium-sized workplaces in the main serve the domestic market.

### Export

Leather and leather goods are Bangladesh's third-largest export sector.<sup>7</sup> The country's exports of finished and semi-finished leather rose from 2010 to 2014 but then fell sharply,<sup>8</sup> with the resulting revenues in 2019 about 65 per cent less than in 2014 (Figure 1).<sup>iii</sup>

**Figure 1 Bangladesh's exports of leather and leather goods, 2013 to 2020 (in million US\$)<sup>iv</sup>**



Reversing this trend, production and export of leather goods (footwear, bags, trunks, and so on) have risen, except for a fall in exports in 2020 caused by Covid-19. The pandemic brought production to a halt and disrupted supply chains and international container shipping. Many brands and retailers cancelled orders.

III Calculations based on data in UN Comtrade Database, <https://comtrade.un.org/>.

IV Data used in Figure 1 is derived from UN Comtrade Database, <https://comtrade.un.org/>. We use brackets for “(leather) footwear” because our analysis refers to product group HS 6403 (on Harmonised System Codes, see US International Trade Administration, <https://www.trade.gov/harmonized-system-hs-codes>), which includes footwear with leather uppers but outer soles that may contain non-leather materials such as rubber and plastics.



Leather footwear is Bangladesh's leading leather export subsector and growing in importance.<sup>v</sup> Commentators see a shift from China to Bangladesh due to rising labour costs in China, and they expect Chinese companies to set up footwear manufacturing plants in Bangladesh.

Bangladesh's export of other leather goods is relatively minor.

### **Relocation of leather production to Savar**

Bangladesh's decline in leather exports has resulted partly from the relocation of the country's tanning industry to a purpose-built site in Savar on the outskirts of Dhaka. Previously nine-tenths of Bangladesh's tanneries were in Hazaribagh, southwest Dhaka. But the soil and groundwater of Hazaribagh and the Buriganga river that runs through it became highly polluted with toxic tannery wastewater. In 2003 the Bangladesh government decided to relocate the tanneries to a new site that was planned to be equipped with a common effluent treatment plant (CETP) in conformance with international environmental standards.

The relocation underwent severe delays and is still incomplete. By July 2022, 135 tanneries were in operation in Savar, but the effluent treatment plant is ill-functioning. Savar is becoming heavily polluted, and in March 2022 the governmental Department of Environment ordered the closure of seven tanneries for polluting the Dhaleshwari river by discharging untreated liquid effluents.<sup>9</sup> One of these is among the 26 tanneries where BLF and RAPID interviewed workers.



Leather worker carrying hides. ©BLF

<sup>v</sup> As stated in the preceding footnote, our analysis refers to product group HS 6403, which includes footwear with outer soles that may contain non-leather materials.



### 3 Employment and working conditions

#### Workers' background and demographics

BLF and RAPID interviewed 120 tannery workers.<sup>10</sup> These interviewees worked for 26 tanneries at the new site in Savar, about 24 kilometres northwest of Dhaka city. The tanneries are predominantly small and medium sized, employing 20 to 100 workers each.

Many leather workers have migrated to Dhaka from poverty-stricken rural areas. Some workers mentioned *climate change* impacts as a reason to migrate. Ninety-three per cent of respondents had migrated from other districts.<sup>VI</sup>

Tannery workers often have low educational qualifications, which they cite as a reason for accepting work in the leather industry; lack of education makes it difficult to find work in other sectors. Only two of the 120 workers interviewed had attended high school.

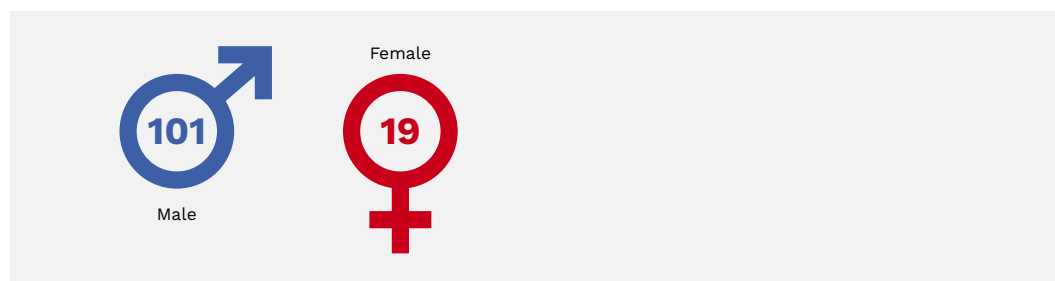
*Our house got demolished by the river ... I came to Dhaka to find work. I wanted to work in garments but they told me I am too old. They are also not giving jobs to people with no education. I am working in a tannery because there are no other options for me. – Female tannery worker (working as a cutter)*

#### Gender

The tannery sector mainly employs men. Workers participating in BLF's focus group discussions mentioned that tannery owners do not want to hire women. Owners see women as less likely to endure long hours of heavy manual work and, workers believed, disapprove of maternity leave. In line with male overrepresentation in this sector, the research respondents were also predominantly men (Figure 2). Women who work in tanneries often work as cutters.

*I started working in a tannery in Hazaribagh in 2012. When the tannery moved to Savar in 2020, I also moved ... and continued my work for the tannery ... I continued working until I was eight months pregnant. I went to the management to request maternity leave but they refused ... When my son was three months old I wanted to come back to work but they didn't allow me to ... I am very desperate. I have a right to maternity leave. I submitted all the papers but they didn't give me anything ... they won't ... even give my job back. – Former female tannery worker*

**Figure 2 Gender of workers interviewed by BLF and RAPID**

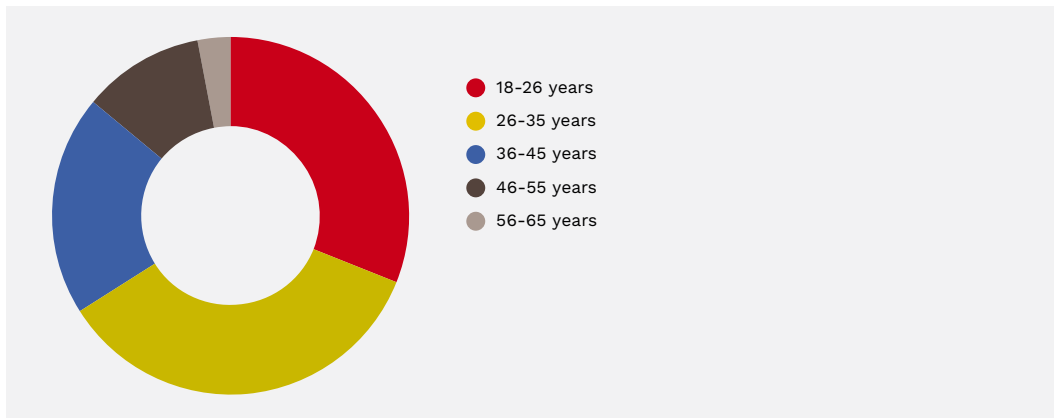


VI Interviewed workers came from the following districts: Barisal, Bogura, Brahmanbaria, Chandpur, Cumilla, Dhaka, Dinajpur, Faridpur, Feni, Gaibandha, Jamalpur, Jinaidaha, Khulna, Kishoreganj, Lakshimpur, Manikganj, Mymensingh, Nilphamari, Noakhali, Patuakhali, Rangpur, Satkhira, Sylhet, and Tangail.

## Age

Two-thirds of interviewees were aged between 18 and 35 (Figure 3). While none of the workers were below the age of 18, about one-third had been under 18 when they started working in the industry, often many years ago. This indicates there was a risk of child labour in the sector.

**Figure 3 Age of workers interviewed by BLF and RAPID**



### Box 1 Child labour in Bangladesh's leather industry<sup>vii</sup>

A study published by the UK-based CLARISSA consortium and the Institute of Development Studies found evidence of child labour in almost all processes in the leather supply chain, from animal slaughter and flaying to tanning and manufacturing.<sup>11</sup> Most of these children worked 12 to 14 hours a day, six days a week, exposed to dangerous chemicals and using heavy tools and machinery.

CLARISSA found children as young as 8 performing highly hazardous labour. Very few children attended school. They had migrated to Dhaka with their families out of poverty, and some were helping repay large family loans.

Most children worked in small informal businesses of fewer than 10 workers. Such workshops often operate as subcontractors for larger businesses, mainly supplying processed or unprocessed leather.

*I have been working for this tannery for 21 years. I was very young when I started. Now I am an adult ... but I have only grown in height. Doing this work, there is no development of the mind. – Tannery worker*

### Living conditions

The majority of interviewed workers lived in rented houses (79 per cent). Many had come to Dhaka alone or with their spouse but without their children or other relatives. They often shared accommodation (46 per cent). A minority (14 per cent) lived at the tannery in employer-provided housing.

<sup>vii</sup> The ILO Minimum Age Convention (1973) sets a general minimum age for work at 15 years and the minimum age for hazardous work at 18 years: [https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100\\_ILO\\_CODE:C138](https://www.ilo.org/dyn/normlex/en/f?p=NORMLEXPUB:12100:0::NO::P12100_ILO_CODE:C138).

Many interviewed workers mentioned high and increasing rent prices and spent a large share of their pay on rent.

*My wife and I have four kids. The six of us are living together in one room. It is tough to live in a city like Dhaka with this salary. – Male tannery worker*

### **Employment relations**

BLF and RAPID's research found very few tannery workers had a written employment contract, corroborating other reports.<sup>12</sup> The vast majority had started work without a signed contract (95 per cent), and none had received an appointment letter. Most (60 per cent) lacked an employee identity card.

Nearly all interviewed workers (93 per cent) received their wages in cash, and none had had a pay slip.

Although many tannery workers have worked in the sector for many consecutive years, often for the same tannery, for the vast majority there is no formal or permanent employment relationship. Workers are usually hired as daily labourers or through contractors.

Tannery workers often find work through informal channels, such as relatives, neighbours, or friends. Focus group participants said that, when a tannery owner or manager is looking for workers, current workers bring in their friends or acquaintances. Forty-seven per cent of respondents had been hired through such informal channels. The remainder had been appointed by the owner or manager (47 per cent) or by labour contractors (6 per cent).

*I asked the security guy if they needed workers. He told me to come back on the third day of the month. I came back and then they gave me a job to cut the leather. – Female tannery worker*

*My cousin was already working here ... I went to the tannery with my cousin ... they accepted me and gave me the job. – Male worker*

Without contracts, appointment letters, or employee identity cards, workers lack information about their employment terms and proof of employment. Without pay slips they cannot know how the owner or manager determines their pay and any deductions (lawful or unlawful).

### **Wages and working hours**

The legal minimum monthly wage for tannery workers is BDT (Bangladeshi taka) 13,500 (EUR 143).<sup>VIII</sup> More than half the interviewed workers (56 per cent) received less than this legal minimum. Thirteen per cent earned less than BDT 8,000 (EUR 82). The average wage of interviewed male workers was BDT 12,800 (EUR 132); women's average pay was significantly lower at BDT 8,600 (EUR 89).

According to BLF, because many workers do not have a formal employment relationship and are not formally registered, tannery owners can evade paying the legal minimum wage. Two-thirds of interviewed workers were unaware of the legal minimum.

Seven workers indicated their underage children were in paid work to supplement the family income.

---

VIII All exchange rates calculated in July and August 2022. Source: [www.xe.com](http://www.xe.com).



*I get 8,400 taka in a month. It's not enough. My salary has not increased in four years ... My husband and I both work to take care of our family but we have a crisis at home. We have to pay rent. We have to pay for my daughter's school; we have to pay for a gas cylinder. We have no savings. – Female tannery worker (working as a cutter)*

*When the tannery shut down [because of Covid-19] they only gave us half of the salary. I didn't have money to buy food. My sister helped me. I also needed to ask my son for money. Now, there is hardly any work. The tannery might close. They sent some of the workers home with one month's salary. – Tannery worker*

### **Working hours**

Half the interviewed workers worked seven days a week and had no weekly day off as mandated by law. Sixteen of the 26 tanneries in the research violated Bangladesh working hours regulations by requiring workers to regularly work more than 60 hours a week. Half the interviewed workers reported regularly working more than 60 hours a week, and more than a quarter (27 per cent) mentioned working more than 80 hours.

*We work under a contractor. There is no trade union here; our contractor arranges everything. If we have a complaint, we need to go to the contractor and he will talk to the company. – Tannery worker*

### **Occupational health and safety**

Tanning uses a range of chemicals, some of which cause severe health risks without proper safety precautions. Some workers come into direct contact with chemicals, touching them without protective gloves, aprons, or boots, or inhaling them in poorly ventilated spaces without face masks.

In BLF's survey 79 per cent of interviewed workers had no training in working safely with chemicals. Sixty-eight per cent indicated that they had not received information about the health risks. Only 25 per cent had access to sufficient protective gear.

Prevalent health problems reported included skin diseases, shortness of breath, stomach ailments, and headaches.

*Due to chemicals, we suffer a lot. When the tannery was closed during the lockdown, my hands became beautiful and soft. Since I started working again, my hands are covered with eczema. – Female tannery worker*

*I am working with harmful chemicals. I am just 37 years old but I cannot see properly because the chemicals damaged my eyes. – Male tannery worker*

In the event of illness or a workplace accident, a quarter of surveyed workers reported no treatment support from employers, while half reported partial support. Forty-eight per cent said their sick leave was unpaid.

Eighty per cent of workers reported that their tanneries did not have a fire alarm system; 62 per cent mentioned the absence of an emergency exit. Two-thirds said their workplace had no first-aid facilities.

*The work we do is dangerous. A few days ago, my older brother got a head injury while working. We are afraid of the machines. – Male tannery worker*

### **Unionisation**

Seven of the 26 researched tanneries were unionised, and 32 (27%) of the 120 interviewed workers were members of the Tannery Workers' Union.

Most interviewees (63%) who had not joined a union explained that their employer would oppose this. Eleven per cent indicated they did not know what a trade union was. Other reasons workers cited for not joining a union included unions' political affiliations, high membership fees, and the belief that membership would not be useful.

*I am a member of the Tannery Workers' Union. Because of the union we are getting a salary of 15,000 taka ... many other companies do not follow [the minimum wage].*  
– Tannery worker

Overall, BLF and RAPID's research found tanneries with union members performed slightly better, although it is unclear whether the difference can be attributed to union involvement.

The few interviewed workers with a permanent contract, who also all had a weekly day off work, worked in unionised tanneries. All the workers who reported working seven days a week were in non-unionised tanneries. Workers at unionised tanneries also worked fewer hours of overtime than those at other tanneries.

### **Grievance handling**

Eighty-two per cent of workers had never filed a workplace complaint. Workers mostly spoke with supervisors (61 per cent) or the management (38 per cent) when they had a workplace issue. Only a few mentioned a workers' committee or a trade union as sources of support during a complaint.

### **Relocation**

Seventy per cent of workers had previously worked in Hazaribagh. Although 60 per cent believed that occupational health and safety in Savar were better than in Hazaribagh, they saw few other benefits from the relocation. Workers faced difficulties because living costs were higher in Savar. There was a lack of facilities, often requiring payment for transport to get to medical facilities or schools. The lack of canteens in Savar meant having to buy food at higher cost elsewhere. Workers' monthly expenditure had consequently increased, which for some meant having to take their children out of school.

*We hoped for better conditions at the new site ... When we were in Hazaribagh, there were facilities close by. Here, there is nothing ... if I have an illness and I need to buy medicines, instead of walking to the nearest pharmacy, I have to pay 10 taka for a rickshaw but my salary did not increase accordingly.* – Male tannery worker



Pollution near a tannery. ©BLF

## 4 Tracing the leatherware supply chain

This section focuses on links between the Bangladeshi leather industry, Chinese and Hong Kong leather goods manufacturers, and the European and US markets for leather garments, footwear, and accessories, and on current levels of supply chain transparency.

SOMO has tried to determine which international leather brands and retailers use leather produced in Bangladesh. However, due to the complexity of the leather goods supply chain and the current lack of corporate transparency, this is extremely difficult.

### **Box 2 A complex and non-transparent supply chain**

The leather goods supply chain is long, often spanning more than one country, and complex, involving many different production stages and producers, with a high level of subcontracting and outsourcing. Little public information is currently available about the origin of the hides and leathers used in branded end-products.

Only a limited number of brands and retailers disclose information about their suppliers at present. And such disclosure is usually limited to manufacturers of end-products, with only a handful of companies publishing information about their leather suppliers.

This lack of transparency makes it difficult to know which end-products contain leather produced in Bangladesh.

For more information, see our Analysis of supply chain transparency in the leather-based garment, footwear, and accessories industry: [Shine a light on leather: supply chain disclosure practices of 100 companies in the leatherware industry.](#)

Leather produced in Bangladesh may end up on the European market, for example, in different forms: as semi-finished leather that undergoes further treatment before it is used for the production of a variety of leather goods; as finished leather used for the production of leather goods; or in the form of finished leather goods produced either in Bangladesh or in third countries such as China.

We used information from the trade databases Infodrive India and Globalwits to identify companies that import leather and leather footwear from Bangladesh.<sup>13</sup>

We drew up two sets of questions: one set of three questions for importers of leather from Bangladesh and a second set of seven questions for importers of leather footwear. We asked footwear importers about the origin of leather used in the footwear products they source from Bangladesh and, more specifically, if leather used in these products comes from Bangladesh. We asked leather importers about their clientele. We also included questions about how companies trace and verify the origin of leather and the systems they use to identify and address social and environmental concerns at the leather manufacturing stage.

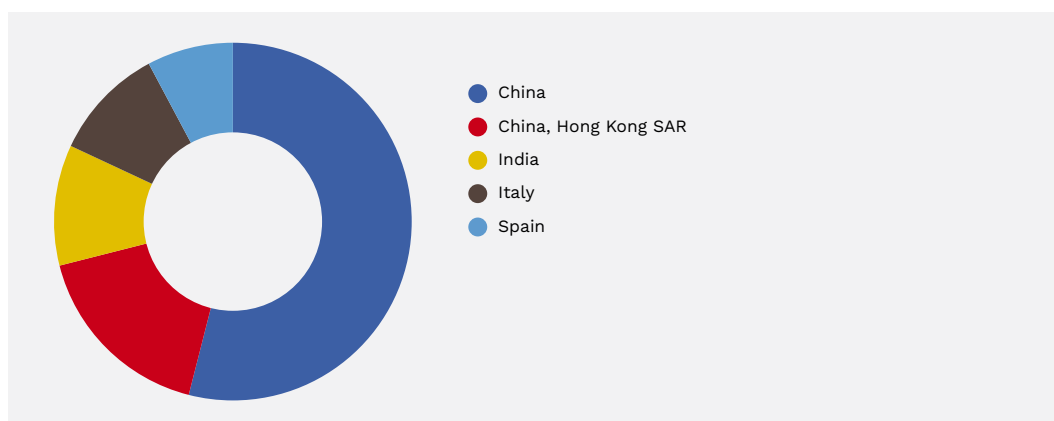


## Leather export destinations

Most leather produced in Bangladesh – roughly 70 to 75 per cent according to a 2019 report – is exported.<sup>14</sup> The remaining 25 to 30 per cent is used for leather goods production in Bangladesh before entering local or international markets. It is virtually impossible currently to establish links between tanneries, factories, and final customers.

The main export destinations of Bangladeshi leather are *China* and *Hong Kong*, accounting for more than half (57 per cent) of Bangladesh’s leather export revenues (Figure 4).

**Figure 4 Bangladesh’s leather exports 2020, showing China by far the most important export destination followed by Hong Kong, India, Italy, and Spain<sup>15</sup>**



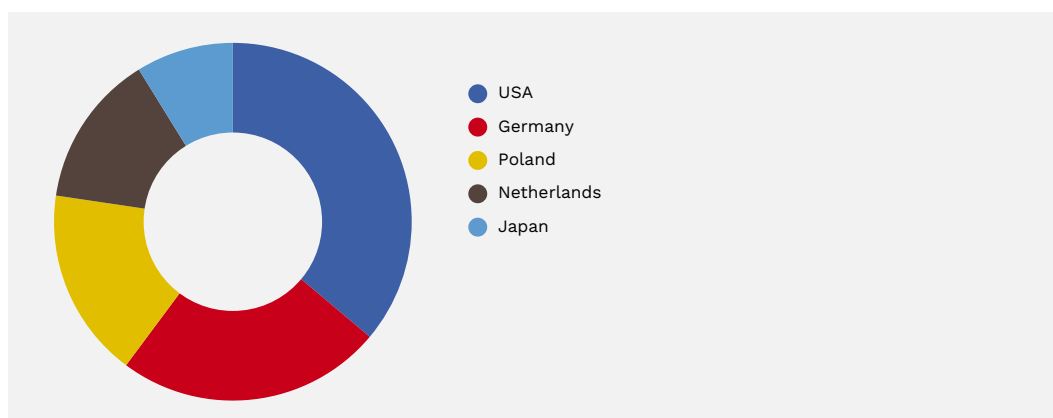
The leather is processed in China and Hong Kong into leather products, such as footwear, bags, trunks, and cases. China is both an important consumer country for leather goods and the world’s largest exporter of leather footwear and largest supplier of leather footwear, bags, trunks, and cases to the EU.<sup>16</sup>

*Italy* and *Spain* are respectively the fourth and fifth largest export markets for Bangladeshi leather. Fourteen per cent of Bangladesh’s total leather export value in 2020 went to these two countries. Italy is the world’s largest exporter of finished leather and leather apparel, second largest exporter of leather footwear, and third largest exporter of leather bags, trunks, and cases.<sup>17</sup>

## Leather footwear exports

As noted previously, leather footwear is Bangladesh’s most important leather export subsector by revenue. The US is the country’s largest single leather footwear export destination, followed by Germany, Poland, the Netherlands, and Japan (Figure 5). All the EU’s member states together imported half of Bangladesh’s leather footwear exports in 2020.<sup>18</sup>

**Figure 5 Bangladesh's footwear exports 2020<sup>19</sup>**



### Buying companies

The following subsections focus on, first, companies that import finished and semi-finished leather from Bangladesh and, second, with more detailed discussion, those that import leather footwear from Bangladesh.

### Leather importers

Using the databases Infodrive India and Globalwits, SOMO established links between Bangladesh tanneries and some of their clients in China, Hong Kong, Italy and Spain. Table 1 lists some of the main importers.

SOMO contacted these companies with a number of questions, including about which companies they supply.<sup>IX</sup> Not one of these companies responded to our questions.

**Table 1 Selected leather importers, China, Hong Kong, Italy, and Spain<sup>20</sup>**

Company name * denotes companies for which SOMO could not find contact details	Country	Response to SOMO questionnaire	Public supplier list	Leather Working Group (LWG) membership <sup>21</sup>
Caponi Pellami <sup>22</sup>	Italy	No	No	No
China National Light Industrial Products Imp. & Exp. Technical Service	China	No	No	No
Conceria Tirrena <sup>23</sup>	Italy	No	No	Yes
Dongguan Hongxin Trading*	China	No	No	No
Dongguan Jiakuan Leather*	China	No	No	No
Famaz International <sup>24</sup>	Italy	No	No	Yes
FISAP <sup>25</sup>	Italy	No	No	No
Foderami Testatonda	Italy	No	No	No
Foshan Zhiyilangfu Import & Export*	China	No	No	No
Lixian Pinxin Import & Export Trade*	China		No	No
Pies Cuadrados Leather	Spain	No	No	No
PIG Trade <sup>26</sup>	Spain	No	No	Yes
Rizzi Pellami <sup>27</sup>	Italy	No	No	Yes
Widegrowth International Group*	Hong Kong (China)	No	No	No

IX SOMO put reasonable effort into contacting these companies. However, contact details of five companies could not be found.

## Footwear importers

Again using the Infodrive India and Globalwits databases, SOMO identified a number of brands and retailers that source leather-based footwear from Bangladesh.

SOMO contacted these companies with a short questionnaire. We asked the companies whether the leather-based footwear they import from Bangladesh is manufactured using Bangladeshi leather, how the companies trace the origin of their leather, and if and how they monitor and address labour rights issues at the leather production stage.

We sent the questionnaire to 13 selected European and US companies that source leather footwear from Bangladesh (Table 2).<sup>28</sup> Only four companies responded: Clarks, Decathlon, Deichmann, and Zalando. Artsana, Decathlon, Dr Martens and Zalando completed the questionnaire. Deichmann and Clarks provided some information by email.

**Table 2 Selected leather-based footwear importers<sup>29</sup>**

Company name	Country	Response to SOMO questionnaire	Public supplier list	LWG membership <sup>30</sup>	Sourcing leather from Bangladesh?
Artsana	Italy	Yes	No	No	All leather used for footwear sourced from Bangladesh is produced in Bangladesh
CCC	Poland	No	No	No	Not known
Clarks	UK	Yes	Yes (only manufacturers of end-products) <sup>31</sup>	Yes	The company did not give clarity about whether it uses leather from Bangladesh
Decathlon	France	Yes	No	No	The company stated it does not use leather from Bangladesh
Deichmann Group (Deichmann, Van Haren, Dosenbach/Ochsner Shoes/Ochsner Sport, Rack Room Shoes/Off Broadway, MyShoes, SNIPES)	Germany	Yes	No	Yes	The company stated it does not use leather from Hazaribagh and Savar but leather could come from other areas in Bangladesh
Dr Martens	UK	Yes	Yes (only manufacturers of end-products) <sup>32</sup>	Yes	The company stated it does not use leather from Bangladesh
Eram	France	No	No	No	Not known
Euro Shoe Group (Bristol)	NL	No	No	No	Not known
Scapino	NL	No	No	No	Not known



Company name	Country	Response to SOMO questionnaire	Public supplier list	LWG membership <sup>30</sup>	Sourcing leather from Bangladesh?
Timberland	US	No	Yes (also deeper in the supply chain, including leather suppliers) <sup>33</sup>	Yes	Timberland's supplier list includes 48 leather suppliers. While the company is a major importer of footwear produced in Bangladesh, its leather suppliers are all located elsewhere, suggesting that the company uses leather from third countries for the production of footwear in Bangladesh
Wolverine Worldwide	US	No	No	Yes	Not known
Wortmann Group (Tamaris, S. Oliver, Marco Tozzi, Jana, Caprice)	Germany	No Wortmann emailed saying its policy is not to respond to questionnaires	No	Yes	Not known
Zalando	Germany	Yes	Yes (also deeper in the supply chain, including leather suppliers) <sup>34</sup>	Yes	Sources leather from two tanneries in Bangladesh (located in another area than where BLF and RAPID carried out worker interviews)

### Origin of leather used for imported footwear

Leather footwear made in Bangladesh does not necessarily use Bangladeshi leather. For environmental and social reasons, several international footwear brands and retailers that import from Bangladesh say they do not allow the use of Bangladesh leather in their products.<sup>x</sup> Others have no such policy.

Among the leather-based footwear importers that responded to SOMO's questionnaire (Table 2), **Artsana** said that leather from Bangladesh is used for all leather footwear that it sources from the country.

**Decathlon** said in response to our questionnaire that 30 per cent of its footwear is sourced from Bangladesh but without using Bangladeshi leather.<sup>xi</sup>

**Deichmann** indicated that it purposely does not use leather from Hazaribagh and Savar, but that it accepts leather produced in other places in Bangladesh, provided the tanneries are Leather Working Group (LWG) certified.

X For instance, H&M's written policy states that it does not allow use of Bangladeshi leather because of "poor tannery processes in the country": *H&M Group Animal Welfare & Material Ethics Policy*, December 2018, <https://about.hm.com/content/dam/hmgroup/groupsite/documents/masterlanguage/CSR/Policies/HM%20Group%20Animal%20Welfare%20and%20Material%20Ethics%20policy%20-%20April%202019.pdf>.

XI Decathlon indicated the leather used in its products originates from China, Italy, Portugal, Spain, Taiwan, Thailand, Tunisia, and Vietnam.



Tannery worker at her house. ©BLF

**Dr Martens** indicated that no leather from Bangladesh is used for the production of footwear sourced from the country. The company added that it sources leather from China, Italy, Thailand, and Vietnam.

**Zalando** sources from two footwear factories in Bangladesh whose footwear for Zalando uses mainly Bangladeshi leather (60 per cent and 99 per cent respectively). The remainder comes from China, Pakistan, and Taiwan. Zalando indicated that it sources leather from two Bangladeshi tanneries: Apex Tannery and Riff Leather.<sup>xii</sup> Strangely, only one of these two tanneries is included in Zalando’s public supplier list.<sup>35</sup>

Complementing the little information SOMO received from the selected companies, we also looked at information the companies publicly disclose, including whether the companies disclose a list of production locations.

Only four of the 13 footwear-importing companies we contacted publicly disclose information about their supplier base: **Clarks**, **Dr Martens**, **Timberland**, and **Zalando**. Clarks and Dr Martens disclose only first-tier suppliers (manufacturers of end-products). Timberland and Zalando disclose some information about suppliers beyond first-tier manufacturing units, including tanneries.

### **Traceability systems**

In terms of systems to trace the origin of leather, the few footwear-importing companies that responded to SOMO’s questions shared little information.

**Artsana** said it has “Manufacturing & Supply agreements with finished product (tier 1) suppliers”, adding that Artsana audits suppliers’ quality management systems, including “management of purchasing process and traceability system on raw materials and production flow”.

**Decathlon** wrote that the shoe factories it works with purchase the leather for its products and that its suppliers’ “commitment letter” certifies the origin of the leather as not from areas subject to deforestation. The company also said it is working on improving its leather’s traceability.

XII Both tanneries are located in different areas from where BLF and RAPID interviewed tannery workers.

*Deichmann* said it requests footwear suppliers to provide information about where they source their leather.

*Dr Martens* stated it has “longstanding relationships with our tannery supply base, who share with us information on the raw material country of origin per leather”. *Dr Martens* mentioned that currently 85 per cent of the leather it uses is traceable to the level of the slaughterhouse and that it has set a target to achieve 100 per cent traceability in its leather supply chain by 2024. It is working on a system to monitor leather traceability further down the supply chain, with the ambition to monitor at cattle farm level.

*Zalando* indicated that “incoming material traceability” is part of the LWG audit.<sup>36</sup>

### **Addressing labour rights issues in leather production**

While most footwear-importing companies limit their social compliance audits and monitoring to the factories that make their end-products, some are moving deeper into the supply chain.

*Artsana* wrote that the company is working to extend its risk-based assessments to second-tier suppliers including tanneries. It provided no information on when this will happen or the form it will take.

*Clarks* indicated it monitors working conditions at leather suppliers, without detailing the percentage of suppliers covered.

*Decathlon* said it carries out social audits at 90 per cent of its leather suppliers.

*Deichmann* said it sources only from LWG-certified tanneries and conducts Business Social Compliance Initiative (BSCI) audits additionally to LWG certification at tanneries in risk countries.<sup>37</sup> The company did not indicate which countries it considers to be risk countries.

*Dr Martens* informed SOMO that it carries out third-party “CSR [corporate social responsibility] audits” at its key second-tier suppliers including tanneries. The company did not specify what percentage of suppliers it considers “key suppliers”. It further said that all the leather it sources comes from LWG-certified tanneries.



Tannery worker cutting the leather. ©BLF



Zalando said the tanneries it works with undergo LWG audits.

### Box 3. Leather Working Group<sup>38</sup>

Established in 2005, the Leather Working Group (LWG) is a leather industry initiative and certification scheme to advance sustainability. The LWG certifies leather manufacturers and leather traders. Its membership base also includes brands, retailers, and industry suppliers such as chemicals producers and machinery suppliers.

Other than an annual fee, there are no membership requirements.

Of the 27 companies mentioned in this report, 11 are LWG members: 4 leather traders/importers and 7 footwear importers (brands and retailers).

LWG certification covers environmental standards but currently excludes core labour rights issues such as freedom of association, precarious employment, working hours, wages, or discrimination.<sup>39</sup> These latter are key issues that recent field research found to be widespread in the leather sectors in Bangladesh, India, and Pakistan.<sup>40</sup>

While labour rights issues (except for occupational health and safety) are not part of the LWG audit, LWG expects certified tanneries to undergo a social audit by a recognised third-party social auditing scheme such as SA8000, amfori BSCI or SMETA.<sup>41</sup> It is currently a “non-critical scoring section – meaning it contributes to the overall score of the audit, but it is not an essential requirement to pass”. LWG intends to make it a crucial section in the next version of its protocol<sup>42</sup>.



Tannery machinery. ©BLF

## 5 Conclusions and recommendations

### Conclusions

As Section 3 of this paper describes, poor working conditions and precarious jobs are pervasive in Bangladesh's tannery industry, together with poor environmental standards. Bangladesh leather workers experience multiple vulnerabilities in employment including migrant status, low educational background, poverty, and debt. Adding to this vulnerability are the absence of formal employment relationships and the lack of trade union representation, leaving workers with no other option than to accept poor wages and substandard conditions.

Leather produced in Bangladesh enters the European market via various routes:

- through direct exports of finished and semi-finished leather from Bangladeshi tanneries to European leather traders, particularly in Italy and Spain;
- in the form of finished leather goods produced either in Bangladesh or in third countries such as China and Hong Kong.

According to the UN Guiding Principles on Business and Human Rights<sup>43</sup> and the OECD Guidelines for Multinational Enterprises,<sup>44</sup> companies have a responsibility to respect human rights, including labour rights, throughout their supply chains. However, due to a lack of supply chain transparency it is not currently possible to determine conclusively which brands and retailers use leather produced in Bangladesh. It is therefore not possible to directly call on such companies to take responsibility to address the labour rights and environmental concerns raised in this publication.

Brands, retailers, and importers that source from an intricate web of suppliers and subcontractors effectively hide behind these complex supply chains. Out of the 27 companies mentioned in this report, only six responded to SOMO's questions. Just four companies provided an answer to the question of whether they use leather produced in Bangladesh, and only one company would name tanneries in Bangladesh that are part of its supply chain. Only four companies out of the 27 publish a supplier list, and only two include leather manufacturers in their supplier list.

All the importers mentioned in this report source leather from Bangladesh. Not one of these companies, however, has responded to SOMO's questions about their sourcing practices in Bangladesh. Given the widespread labour rights problems in Bangladeshi tanneries, it is highly likely that they are linked to tanneries where workers' rights are violated.

The 13 footwear brands and retailers that source footwear from Bangladesh may use leather produced in Bangladesh and therefore run the risk of being linked to exploitative labour practices. However, most of these companies do not allow any insight into their supply chains – neither publicly nor in response to SOMO's questions. Such non-disclosure obstructs accountability.

## Recommendations

### To governments<sup>XIII</sup>

Governments of countries where global garment, footwear, and accessories companies are headquartered, stock listed, incorporated, and/or raise finance should:

- Develop and adopt legislation at national level and in the European Union and other regional and international settings to oblige companies to conduct human rights due diligence. The UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises should serve as the threshold, representing the lowest common denominator.
- Develop, adopt, and implement national, EU, and/or other regional- and international-level legislation requiring comprehensive corporate supply chain disclosure. Such legislation could be part of overarching mandatory human rights due diligence laws or stand-alone legislation.
- In the EU, actively support efforts towards amending current customs regulations to allow public disclosure of imports and exports, including names and addresses of importing and exporting companies.

### To companies

International buying companies, brands, retailers, and importers should:

- Conduct due diligence for responsible business conduct throughout the supply chain, in line with the UN Guiding Principles on Business and Human Rights and the OECD Due Diligence Guidance for Responsible Business Conduct.<sup>45</sup> This should include:
  - Tracing and publicly disclosing the full extended supply chain:<sup>XIV</sup> all supplier facilities at all tiers, covering all processing and all inputs, including raw materials.
  - Carrying out risk assessments including assessing and addressing risks beyond end-manufacturing units (first-tier suppliers), that is, suppliers in upper supply chain tiers such as tanneries.
  - Where needed, implementing remediation and/or mitigation measures.
  - Engaging meaningfully with local and international trade unions, civil society organisations, and other stakeholders.
  - Adhering to responsible purchasing practices that enable those involved at all supply chain tiers to be decent employers, offer employment contracts, and pay a living wage to workers. It is not acceptable for buyers to pressure suppliers to meet human and labour rights standards without providing them with the means to do so.

---

XIII Although this report focuses on the leather-based garment, footwear, and accessories industry, the regulations and policies we recommend should apply to all garment, footwear, and accessories companies sourcing internationally (whether leather or non-leather) and also to companies active in other industries.

XIV SOMO presents its views on what detailed supply chain transparency should look like in the discussion paper *Shine a light on leather – Discussion paper: on transparency in the leatherware supply chain*, October 2022 <https://www.somo.nl/shine-a-light-on-leather-discussion>.

## Eindnoten

- 1 BLF and RAPID, *Employment and working conditions in Bangladesh's leather industry*, September 2022, <https://togetherfordecentleather.org/wp-content/uploads/2022/09/Report-Conditions-in-Bangladeshs-leather-industry-final.pdf>.
- 2 SOMO and Together for Decent Leather, *Trends in production and trade: Leather products from Bangladesh*, July 2021, [https://togetherfordecentleather.org/wp-content/uploads/2021/08/Leather-products-from-Bangladesh\\_final.pdf](https://togetherfordecentleather.org/wp-content/uploads/2021/08/Leather-products-from-Bangladesh_final.pdf).
- 3 SOMO, *Shine a light on leather- Analysis: supply chain disclosure practices of 100 companies*, October 2022, <https://www.somo.nl/shine-a-light-on-leather/>.
- 4 Infodrive India, <https://www.infodriveindia.com>.
- 5 Globalwits, <http://globalwits.com/en/index.php>.
- 6 EBL Securities, *Bangladesh Tannery & Footwear Industry Review*, 2019, [http://www.eblsecurities.com/AM\\_Resources/AM\\_ResearchReports/SectorReport/Bangladesh%20Tannery%20&%20Footwear%20Industry%20Review.pdf](http://www.eblsecurities.com/AM_Resources/AM_ResearchReports/SectorReport/Bangladesh%20Tannery%20&%20Footwear%20Industry%20Review.pdf).
- 7 *Dhaka Tribune*, "Leather, leather goods slip from 2nd highest export earner to 3rd", 6 July 2020, <https://archive.dhakatribune.com/business/economy/2020/07/06/leather-leather-goods-slip-from-2nd-highest-export-earner-to-3rd>.
- 8 SOMO and Together for Decent Leather, *Leather products from Bangladesh: Trends in production and trade*, July 2021, [https://togetherfordecentleather.org/wp-content/uploads/2021/08/Leather-products-from-Bangladesh\\_final.pdf](https://togetherfordecentleather.org/wp-content/uploads/2021/08/Leather-products-from-Bangladesh_final.pdf).
- 9 *Dhaka Tribune*, "Seven tanneries shut down in Savar for polluting river", 1 March 2022, <https://www.dhakatribune.com/nation/2022/03/01/seven-tanneries-shut-down-in-savar-for-polluting-river>.
- 10 BLF and RAPID, *Employment and working conditions in Bangladesh's leather industry: Evidence from a survey of tannery workers, september 2022*, <https://togetherfordecentleather.org/wp-content/uploads/2022/09/Report-Conditions-in-Bangladeshs-leather-industry-final.pdf>.
- 11 Gorman, C., *Exposing the Worst Forms of Child Labour in Bangladesh's Leather Sector*, Child Labour Action-Research-Innovation in South and South Eastern Asia (CLARISSA) and Institute of Development Studies, February 2021, <https://clarissa.global/resource/exposing-the-worst-forms-of-child-labour-in-bangladeshs-leather-sector/>.
- 12 E.g. Transparentem, *Pandemic Pushes Struggling Tannery Workers to the Brink*, December 2020, <https://www.transparentem.com/wp-content/uploads/2020/12/Transparentem-Bangladesh-December-2020-Survey.pdf>.
- 13 Infodrive India, <https://infodriveindia.in/>; Globalwits, <http://globalwits.com/en/index.php>.
- 14 EBL Securities, *Bangladesh Tannery & Footwear Industry Review*, 2019, [http://www.eblsecurities.com/AM\\_Resources/AM\\_ResearchReports/SectorReport/Bangladesh%20Tannery%20&%20Footwear%20Industry%20Review.pdf](http://www.eblsecurities.com/AM_Resources/AM_ResearchReports/SectorReport/Bangladesh%20Tannery%20&%20Footwear%20Industry%20Review.pdf).
- 15 UN Comtrade Database, <https://comtrade.un.org/data>, HS code 41, year 2020.
- 16 UN Comtrade database, <https://comtrade.un.org/data>, exports of leather footwear with HS code 6403 and 4202, years 2020 and 2021.
- 17 UN Comtrade Database, <https://comtrade.un.org/data>, exports of leather apparel with HS code 4203; footwear with HS code 6403; exports of leather trunks, bags, and cases with HS code 4202, year 2021.
- 18 Based on trade value: UN Comtrade Database, <https://comtrade.un.org/data>, product group 6403.
- 19 Data source: UN Comtrade Database, <https://comtrade.un.org/data>, HS code 41, year 2020.
- 20 Source: Infodrive India, <https://infodriveindia.in/>, and Globalwits, <http://globalwits.com/en/index.php>, HS code 41. We selected companies on the basis of shipment value during the periods September 2021 to January 2022 and January to June 2022.
- 21 See Box 3.
- 22 Caponi Pellami, <https://www.caponipellami.it/en/pagepelli.html>.
- 23 Conceria Tirrena, <http://www.conceriatirrena.com/en/>.
- 24 Famaz International, <https://www.famazinternational.com>.
- 25 FISAP, <https://www.fisap.com/>.
- 26 PIG Trade: see <https://www.pusipiel.es/>.
- 27 Rizzi Pellami indicates that the leather it sources from Bangladesh is used for the production of furniture, shoes, and bags: <https://www.rizzipellami.com>.
- 28 We selected companies based on import value. In line with the interest of Together for Decent Leather consortium members, we have included a number German and Dutch companies in the selection.
- 29 Source: Infodrive India, <https://infodriveindia.in/>, and Globalwits, <http://globalwits.com/en/index.php>, HS code 6403. We selected companies on the basis of shipment value during the periods September 2021 to January 2022 and January to June 2022.
- 30 See Box 3.

- 31 Clarks, SS22 Footwear & Accessory Suppliers, <https://www.clarks.com/made-to-last/media/ClarksFootwearSuppliers.pdf>.
- 32 Dr Martens, Tier 1 Factory List, March 2022, [https://www.drmartensplc.com/download\\_file/view/199/](https://www.drmartensplc.com/download_file/view/199/).
- 33 Timberland, Factory List, Q2, 2022, <https://www.vfc.com/responsibility/governance/factory-list>.
- 34 Zalando, Our Private Label Suppliers, May 2022, <https://corporate.zalando.com/en/our-impact/our-private-label-suppliers>.
- 35 Zalando, Our private label suppliers, May 2022, <https://corporate.zalando.com/en/our-impact/our-private-label-suppliers>.
- 36 The LWG states that current traceability requirements under the LWG Leather Manufacturer Standard assess the ability of leather manufacturers to trace their incoming material to a specific slaughterhouse, group of slaughterhouses, or region of origin. (Regional traceability is applicable only to those sourcing raw material from informal, subsistence farming systems, where there is no formal slaughterhouse.) Source: LWG presentation for Together for Decent Leather, 20 June 2022.
- 37 BSCI: see <https://www.amfori.org/content/amfori-bsc>.
- 38 Leather Working Group, <https://www.leatherworkinggroup.com>.
- 39 Current LWG audit protocols include “Health, Safety, & Emergency Preparedness”.
- 40 BLF and RAPID, *Employment and working conditions in Bangladesh’s leather industry*, September 2022, <https://togetherfordecentleather.org/wp-content/uploads/2022/09/Report-Conditions-in-Bangladeshs-leather-industry-final.pdf>.
- 41 LWG website, Social Responsibility, no date, <https://www.leatherworkinggroup.com/our-impact/social-responsibility/>.
- 42 *ibid*
- 43 Office of the UN High Commissioner for Human Rights (OHCHR), *Guiding Principles on Business and Human Rights: Implementing the United Nations “Protect, Respect and Remedy” Framework*, 2011, [https://www.ohchr.org/sites/default/files/documents/publications/guidingprinciplesbusinesshr\\_en.pdf](https://www.ohchr.org/sites/default/files/documents/publications/guidingprinciplesbusinesshr_en.pdf).
- 44 *OECD Guidelines for Multinational Enterprises*, 2011, <http://mneguidelines.oecd.org/guidelines/>.
- 45 *OECD Due Diligence Guidance for Responsible Business Conduct*, 2018, <http://mneguidelines.oecd.org/OECD-Due-Diligence-Guidance-for-Responsible-Business-Conduct.pdf>.



Leather workers cutting the leather. ©BLF