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ESG CASE BOOK 2025 Bangladesh

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Where Bangladesh's Next Decade Of Business Leadership Begins



When a Nation Decides to Lead

Bangladesh's first-ever ESG Casebook marks a turning point, a moment when companies, regulators, and young professionals choose impact over inertia. Published for ESG Bootcamp 2025, this edition captures the ideas, leaders, and case studies shaping a more resilient economic future.

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Editorial Voices That Set the Stage



“This Time, the Language Belongs to Us”

Sadia Samira
Chairman,
ESG Institute Bangladesh

For years, sustainability arrived in Bangladesh in a language that was not ours.

It came with frameworks drafted elsewhere, benchmarks calibrated for different economies, and expectations that sometimes felt less like guidance and more like conditions. The result was a generation of professionals who understood ESG in theory but struggled to own it in practice. Reporting happened after decisions were made. Governance was something you prepared for audits. Social responsibility was the column in the annual report after the profit figures.

This casebook marks a break from that pattern.
What you are holding was not compiled to demonstrate that Bangladesh meets global standards. It was compiled to show what those standards look like when they are applied with genuine understanding of this country's industries, constraints, and ambitions.

The companies in these pages did not wait for perfect conditions. They moved with what they had, with the factories they built, the credit systems they inherited, the infrastructure that exists, and the workers whose livelihoods depend on getting this right.

Governance here is not paperwork. It is Interport refusing a bribe at a port desk and winning. Environmental responsibility is not a target. It is Panam Group finding millions in savings by refusing to waste heat. Social impact is not charity. It is Joyee putting capital in the hands of women who were never supposed to have it.

This is our ESG. Built here. For here.
It does not end the conversation. It finally makes it ours.

Bangladesh does not lack ambition. It does not lack policy. What it has lacked, until recently, is the institutional infrastructure to turn both into practice.

The gap between a Bangladesh Bank circular and what happens inside a credit committee is a capacity gap. The distance between a buyer's ESG questionnaire and a factory's ability to answer it credibly is a capacity gap. The space between a board committing to net zero and a sustainability team that knows how to build toward it is still, in too many organisations, a capacity gap.

This casebook exists at the intersection of those gaps.

Every company featured here made a decision to act before they had a perfect system. Apex redesigned products inside a supply chain not built for circularity. IPDC measured financed emissions before most of its peers understood the concept. MTB built ESDD discipline before regulators made it impossible to ignore. These are not stories of flawless execution. They are stories of institutional will meeting practical capability.

That combination is what Bangladesh now needs at scale.

The next phase of ESG in Bangladesh is not about awareness. Leaders are aware. It is not about frameworks. The frameworks exist. It is about building the professionals, the systems, and the governance structures that make ESG work as strategy rather than survive as compliance.

That is the work this casebook documents. And it is the work that remains ahead.



“The Capacity Gap Is the ESG Gap”

Shadman Sakib Anik
Executive Director,
ESG Institute Bangladesh

The publication of Bangladesh's first ESG Casebook marks a significant national milestone, and we are proud to partner with ESG Institute Bangladesh on this pioneering initiative.

At North South University's School of Business and Economics, we are committed to redefining business education in support of a sustainable Bangladesh. Within the BBA Programme, ESG and the United Nations Sustainable Development Goals are not peripheral themes; rather, they are embedded in our curriculum, pedagogy, and student engagement activities. Through regular seminars, workshops, and collaborative events, we actively cultivate a generation of graduates who are equipped not only to understand business but also to lead it responsibly.

Our involvement in this casebook reflects that commitment. As part of this collaboration, I had the privilege of organising and delivering ESG-focused workshops for the ESG Institute at our university, as well as contributing as one of the editors of this casebook. This engagement represents our broader effort to bridge academic insight with real-world ESG practice.

This casebook is more than a collection of cases; it is a platform where knowledge, practice, and leadership converge. We hope it will inspire current and future leaders to move beyond awareness and take meaningful action towards building a more resilient, inclusive, and sustainable Bangladesh.



"Redefining business education in support of a sustainable Bangladesh"

Dr Muhammad Faisol Chowdhury
Associate Professor & Director, BBA Programme
School of Business & Economics, **North South University**



"Bridging Academia and Industry for ESG Leadership"

Professor Nazlee Siddiqui, PhD
Director, MBA and EMBA Program
School of Business & Economics,
North South University

In the North South University (NSU) Master of Business Administration (MBA) and Executive MBA, ESG is not a standalone subject to teach, but it is woven into the vision of the programs. Since 1994, we have built meaningful collaborations with top universities across the globe and nurtured over 6,000 graduates. The education has shaped them as leaders who can drive sustainable economic and social values within the challenging local and global business communities. We champion ethical and inclusive leadership, innovation, globalization and sustainability, tying our academics, students and alumni to contemporary and core aspects of ESG.

The MBA and EMBA programs live the ethos of ESG with various initiatives. Our teaching pedagogy, the program curriculum and engagement with stakeholders inspire students to believe in the theory and practices of ESG. The team behind the programs- the academics, the administrators- are actively pursuing a journey towards ESG-conducive practices in day-to-day life.

The ESG Casebook 2025 showcases a proud success moment that NSU School of Business and Economics shares with ESG Institute Bangladesh and all case contributors. As we partner in presenting these cases, it materializes the belief that industry, regulators and academia can stand together for the compelling ESG agenda. This milestone is an inspiration to be resilient and collectively commit to addressing the ESG gap.


SEEK KNOWLEDGE
1992
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ESG Bootcamp Bangladesh 2025: The Event That Ignited a National Conversation


INTEGRITY

In a city accustomed to conferences and conventions, July 2025 felt unmistakably different. Inside a single venue in Dhaka, five of Bangladesh's most influential sectors - FMCG, RMG, pharmaceuticals, banking and financial institutions, and energy and infrastructure gathered for an experience the country had never seen before. This was not just another professional event. It was the **ESG Bootcamp Bangladesh 2025**, convened by **ESG Institute Bangladesh**, and it marked the first and largest corporate bootcamp on sustainability and ESG ever held in Bangladesh.

What made the bootcamp extraordinary was not only its scale but its design. For the first time, professionals from distinct sectors were trained separately through tailored, sector-specific ESG sessions each addressing its own risks, regulatory pressures, and operational realities while sharing the same space. Between sessions, walls dissolved. Leaders from factories, boardrooms, banks, and infrastructure projects exchanged ideas, compared challenges and discovered how deeply interconnected their ESG journeys truly were. Learning did not happen in isolation; it happened through dialogue.

The atmosphere was purposeful rather than ceremonial. Board members sat beside sustainability professionals, and policymakers listened closely to corporate concerns. Conversations were grounded in reality, global buyer expectations, sustainable finance requirements, climate exposure, labor standards, governance maturity, and the practical difficulty of embedding ESG into everyday business decisions. The bootcamp did not dilute these complexities. It gave them structure.

Guiding these conversations were voices that carried both global authority and local relevance. From a global standpoint, Joanne Flinn, a globally renowned sustainability expert and Chairperson of the ESG Institute of Singapore, offered a compelling perspective on how emerging economies like Bangladesh can embed ESG into growth strategies rather than treating it as an afterthought. Insights from **Chowdhury Liaqat Ali** reinforced how governance and sustainable finance are becoming inseparable, signaling a shift that corporate leaders can no longer ignore.

The bootcamp was further strengthened by its session partners, including **UN Global Compact Network Bangladesh**, **Swisscontact Bangladesh**, and **Dhaka Stock Exchange**. Their involvement underscored a powerful message, ESG in Bangladesh is no longer confined to corporate CSR teams, it is increasingly linked to capital markets, development priorities, and national competitiveness.

What resonated most with participants was the unmistakable shift in mindset. ESG stopped feeling like an external pressure imposed by buyers, lenders, or regulators and began to emerge as a strategic tool - one that strengthens governance, manages risk, improves credibility, and prepares organizations for a rapidly changing global economy. Sector-based learning created depth; cross-sector interaction created perspective.

By the time the bootcamp concluded, it was clear that something larger than training had taken place. Participants left with sharper questions, clearer frameworks, and new professional relationships that cut across industries. More importantly, they returned to their organizations equipped to initiate serious ESG conversations at leadership level.

The ESG Bootcamp Bangladesh 2025 will be remembered as a first-of-its-kind national platform where industries learned separately, connected collectively and began shaping a shared ESG language. In doing so, it marked a defining milestone, signaling that corporate Bangladesh is no longer asking whether ESG matters, but how to lead with it.



Voices From the Room



M. Mazedul Islam

Company secretary,
Bashundhara Paper Mills Limited

"We've gained extensive knowledge and insights on how to effectively implement ESG in our organization, aligning our common goals of society, governance, and environment to achieve our ultimate objectives. This has been undoubtedly valuable for us, and the ESG Institute did an excellent job organizing it. We believe that in the future, well be able to integrate these practices into our organizations effectively."



Mushfique Rahman Khan

Deputy Manager, Procurement & Inventory, Strategic Projects,
BSRM

"This bootcamp creates long-term reliability and sustainability in business for the stakeholders. Ms. Juliana inspired me the most because her subject (Anti-Corruption) is a real-life challenge and the contents and activities of her session were engaging and vibrant and related to real life case examples."

Zahir Uddin Mohammad Babur Khan

Deputy Director-Government Affairs,
Chevron Bangladesh

"The ESG Institute is helping the country prepare to meet future ESG requirements. I learned about the evolution from CSR to ESG to sustainability, how this journey has developed what the requirements are and how to meet them effectively. All of this will help companies in Bangladesh attract and sustain the investments we expect for future generations. I believe this is an emerging and very important role that the ESG Institute is playing."





Galib Nakib Rahman

Senior Executive,
Dhaka Stock Exchange

"This sort of program ensures a blend across industries, different mindsets of people and a proper framework regarding the establishment of ESG factors. This is something we must have in our country within the next five years, and the ESG Institute can seriously help us ensure that."

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The Big Ideas: Keynotes That Moved the Room

This is not about putting Bangladesh down. It is a country that faces significant challenges. However, the reality is that Bangladesh is behind several comparable countries, and that matters in today's global environment.

Bangladesh is effectively running in an international race. Any country can choose to close its borders and say that it does not care about the rest of the world and will focus only on itself. That option always exists. But Bangladesh has consistently shown an awareness that it is part of a much bigger world. Within that world, particularly in the Asian region, some countries are moving faster.

This has practical implications. Bangladeshi businesses that trade internationally, whether into other parts of Asia or into Europe, are likely to face greater competitive pressures in the coming years. Internally, this also translates into increased local pressure, as expectations continue to build incrementally.

The key point at this stage is that while this is not an ideal position, it is a position that can be addressed and moved beyond.



"The Global Relevance of Ethical Leadership"

Joanne Flinn
Chairman,
ESG Institute Singapore

If Bangladesh lives up to its global ESG potential, the picture becomes more balanced. When compared with nearby countries across different ESG indicators, Bangladesh is slightly ahead in some areas and slightly behind in others. That comparison itself creates opportunity.

For organizations and leaders in Bangladesh, this means being deliberate. Where Bangladesh is marginally ahead, the opportunity is to protect that position and maintain momentum. Interestingly, one of those areas is the social dimension.

At the same time, there are areas where Bangladesh is slightly behind. These gaps can affect competitiveness when countries are compared for investment, long-term business contracts, and more stable forms of economic engagement.

One of the important realizations that often emerges in this context is that ESG and CSR are fundamentally different. Treating them as the same undermines both. CSR is values-based and often focuses on visible actions such as cleaning a beach. These efforts are positive. But ESG looks more deeply at how organizations operate, including how production processes, supply chains, and governance structures contribute to environmental and social outcomes. It asks how organizations can reduce harm and create long-term value.

From experience, leadership teams tend to respond to ESG in distinct ways. Roughly one-third grasp it quickly and find that it aligns naturally with how they think. Another third needs more time and deeper engagement to understand it. A final third struggle because it does not align easily with their worldview. Recognizing these differences is important, as each group brings different strengths to an organization.

On a personal note, I am genuinely excited to be here. I have lived most of my life in Asia. Although I returned to Australia for university, Southeast Asia has been home since I was twelve. My perspective comes from this region, which I believe holds enormous human potential. I remember colleagues from Bangladesh whose passion and care for people left a lasting impression, and I very much look forward to reconnecting with that same energy.

What I hope to contribute through this engagement is clarity on how sustainability and business performance connect. Sustainability represents the broader picture. ESG is how that picture translates into business decisions, value creation, people, communities, and environmental resilience.

The impacts of climate risk are already visible. The focus now is on adaptation - how risks can be reduced and how systems can be strengthened to support long-term stability. From a business perspective, this also involves understanding how to value these choices so that decisions support not only sustainability, but prosperity.

This work is both values-driven and practical. It connects purpose with performance. It enables organizations to speak the language of international customers, investors, and financial institutions. It helps unlock capital, strengthen margins, and build resilience.

The objective is not simply to complete a programme, but to look ahead several years and see tangible progress. With 2030 approaching, time is limited. The real measure of success will be whether these efforts have moved the dial in ways that genuinely improve outcomes for businesses, communities, and the broader economy.

For decades, accessible energy, fair working hours, and inclusive systems haven't always been part of development. Progress has moved forward but not always for everyone. Basic workplace dignity is still treated as a luxury in many parts of the world. Shouldn't it be a standard for all?

The social responsibility of wealth and technology is simple: improve the lives of all humankind. But how do we approach this? First, we must understand how to use our abilities effectively.

History offers lessons. Some business leaders believed that prosperity should be shared. They dedicated portions of profits to support education, healthcare, and living standards for workers and their families. This wasn't charity; it was central to business. Profits followed naturally because empowered people performed better.

Lord Lever, for example, asked a fundamental question: how can benefits flow down the value chain? He didn't need to act this way, he chose to because he understood the link between social good and sustainable business. When women joined the workforce, he recognized that meeting their needs wasn't charity; it was enabling productivity. Inclusion improves efficiency, which benefits everyone.



"The Responsibility Imperative"

Kamran Bakr
Former Chairman and Managing Director,
Unilever Bangladesh

Consider Victorian London. The city we admire today was once ravaged by infectious diseases, poor sanitation, and weak public health systems. Louis Pasteur was still developing germ theory. Lord Lever saw an opportunity: improving public health wasn't just a social responsibility, it was a business opportunity. Lifebuoy soap promoted hygiene, saving lives while creating one of the fastest-growing markets of the time. Short-term investors resisted, but the long-term impact was undeniable: healthier communities and stronger business growth.

Modern initiatives mirror this approach. Brands focusing on health equity, reducing burdens, and enhancing livelihoods create sustainable impact. When systems empower people, everyone benefits: the company, the community, and society at large.

The lesson is clear: start with social responsibility. Build systems that empower, include, and support people. Business outcomes - profits, loyalty, and growth will follow naturally. In today's complex world, this approach is not optional. It is essential.







"Regulation for a Fairer Future"

Liaqat Ali Khan
Director, Sustainable Finance Department,
Bangladesh Bank

I would like to begin by reflecting on two important questions raised by our keynote speaker. First, what is our contribution to implementing ESG? And second, how should ESG be implemented in practice?

As a social bank and the regulator of the financial system, Bangladesh Bank has a clear responsibility in shaping and advancing the ESG agenda. Our journey in this space began as early as 2011, when we introduced a series of policies aimed at greening the financial system. This was well before ESG became a mainstream concept.

Over time, our focus expanded toward supporting the achievement of the Sustainable Development Goals (SDGs). While the government formulates the SDGs, the central bank's role is to provide the necessary policy and regulatory framework to support their implementation. As the regulator of the financial industry, our core responsibility is to mobilize private finance through the financial system into national priority areas. These priorities include sustainable development, green growth, and climate resilience.

In 2015, Bangladesh Bank introduced 55 green products to facilitate green financing across banks and financial institutions. At the same time, we mandated a minimum green lending quota of 5 percent, requiring all banks and financial institutions to allocate at least 5 percent of their total lending portfolio to green finance.

Building on this foundation, we moved toward a broader sustainable finance framework. In 2022, Bangladesh Bank issued a comprehensive Sustainable Finance Policy and disseminated it to all banks and financial institutions for implementation. This policy clearly defined sustainable finance and green finance, introduced formal taxonomies, and established exclusion lists. These exclusion lists specify activities and sectors that financial institutions should avoid financing due to their harmful impacts on the environment and human well-being.

In late 2023, we revised the Sustainable Finance Policy to align with the government's National Adaptation Plan. As we all know, Bangladesh is among the most climate-vulnerable countries in the world. The government estimates that approximately USD 230 billion will be required to implement nearly 100,000 adaptation-related projects, with an annual financing requirement of USD 8.5 billion. Around 20 percent of this funding is expected to be mobilized from private finance through the financial system. To support this objective, we incorporated a Climate Finance Taxonomy into our policy framework.

This evolution reflects our transition from green finance to a more comprehensive sustainable finance approach.

In parallel, to strengthen ESG integration in lending decisions, Bangladesh Bank issued the Environmental and Social Risk Management (ESRM) Guidelines in 2017. These guidelines introduced screening processes, eligibility criteria, and Environmental and Social Due Diligence checklists to assess ESG risks before financing decisions are made. Compliance with ESG requirements became mandatory for all banks and financial institutions.

Initially, a single generic ESG checklist was introduced. In 2022, the ESRM Guidelines were revised to include 10 sector-specific ESG checklists, in addition to the generic checklist, allowing for more targeted and effective risk assessment.

We continuously monitor implementation through structured regulatory reporting templates and regularly collect ESG-related data to track performance across the financial sector.

To further strengthen accountability, Bangladesh Bank introduced an annual Sustainability Rating for banks and financial institutions. This rating framework evaluates performance across five key components:

- Sustainable finance integration and core banking sustainability
- Banking service coverage
- Corporate Social Responsibility
- Green refinancing specifications
- Overall sustainability performance

In 2023, we also issued Guidelines on Sustainability and Climate-related Financial Disclosures. Under these guidelines, all banks and financial institutions are required to disclose sustainability and climate-related information in their annual reports. Implementation began in 2024, with full compliance targeted by 2027.

This phased approach was adopted because sustainability and climate-related disclosures are relatively new and complex, particularly following the consolidation of standards under the IFRS Foundation and the ISSB. We are therefore proceeding gradually to ensure effective adoption while maintaining regulatory consistency. Governance plays a critical role in this entire process. Several components of our framework directly address governance, underscoring its importance in embedding ESG into institutional decision-making.

This brings me to a fundamental question. Banks, corporate houses, and industries are ultimately profit-oriented. As our keynote speaker rightly emphasized, profit remains a central objective.

So how do we reconcile profitability with ESG?

If we look at this from a historical perspective, the role of regulation has always been to align private incentives with public good. ESG is not about replacing profit; it is about redefining how profit is pursued by internalizing environmental and social risks, strengthening governance, and ensuring long-term sustainability.

The government has already made significant progress in setting this direction. Our role, as the central bank, is to translate these national priorities into financial system behavior. Through policy, regulation, supervision, and disclosure, we are gradually embedding ESG into the core of financial decision-making.

In this way, ESG becomes not a constraint on growth, but a framework for resilient, inclusive, and sustainable economic development.






INDUSTRY INSIGHTS:
PANEL DISCUSSION ON
SUSTAINABILITY REPORTING
ESG institute
BOOTCAMP
2025 Bangladesh










Agenda





The Panel That Shifted the Narrative

Moderated by Juliana Awo Quist Lawson, Coordinator of Stakeholder Engagements, the discussion brought together three leaders representing diplomacy, large-scale enterprise and social business: Ole Rosenborg Justesen, Sector Counsellor for Labour Rights & Decent Work at the Embassy of Denmark; Zahidul Hassan, CEO of Shanta Holdings; and Dipesh Nag, Managing Director of Grameen Danone Foods Limited. Each offered a different lens on the same question: what will ESG mean for Bangladesh in the years ahead?



"ESG's Next Chapter in Bangladesh"

The final panel of ESG Bootcamp 2025 did not revisit definitions. It looked forward to it.

Dipesh Nag began from the perspective of embedded sustainability. At Grameen Danone, ESG is not treated as compliance or corporate responsibility layered on top of operations. It shapes the business model itself. The company focuses on affordable nutrition for children while activating the broader ecosystem around it. Milk is sourced directly from farmers, with more than half of suppliers being women small-scale dairy producers. Fair pricing, productivity support, and skill development are part of the system. A large share of products is sold to the base of the pyramid. Partnerships with development organizations strengthen impact across the value chain. In this model, ESG and the Sustainable Development Goals are not external benchmarks; they are internal drivers.

From the real estate sector, Zahidul Hassan challenged the idea that ESG is peripheral to construction and property development. At Shanta Holdings, sustainability is positioned as a competitive strategy. The company's identity "Setting Standards" reflects a deliberate choice to lead rather than follow. Environmental, social, and governance considerations are incorporated into business planning and project execution. Dedicated EHS, compliance, and quality assurance teams operate alongside welfare units focused on worker well-being. Investments in systems, culture, and long-term positioning aim to create resilience and differentiation. Rather than competing in crowded markets, Shanta seeks to build its own space by exceeding minimum expectations.

Ole Rosenborg Justesen offered an international perspective grounded in Denmark's sustainability journey. He cautioned against assuming that one model fits all. Denmark's small population, high institutional trust, and geographic advantages helped shape its renewable energy leadership. Yet certain principles are transferable: tax incentives, public investment in research and technology, and ambitious climate legislation with clear timelines. Denmark's targets—substantial emissions reductions by 2030 and carbon neutrality by 2045 are backed by policy instruments, including carbon taxation in sectors such as agriculture.

However, policy tools alone are insufficient. Ole emphasized the importance of a shared narrative. A meaningful green transition requires alignment among employers, workers, environmental stakeholders, and government. Without balance, progress becomes fragile. As Bangladesh prepares to graduate from LDC status, development financing structures will shift. Public-private partnerships and trade-based cooperation will play a larger role in sustaining ESG momentum.

The discussion then turned to action. What should participants take back to their organizations?

The consensus was clear: readiness cannot wait. Companies must build internal capacity, secure leadership buy-in, and integrate ESG into strategic planning. Those in leadership roles should engage proactively in shaping partnerships and policy environments, rather than reacting to external mandates. Those without formal authority still have influence through collaboration, cross-functional problem-solving, and internal advocacy.

Another recurring theme was competitiveness. Sustainability is increasingly linked to market access, investor confidence, and consumer loyalty. As global standards rise and younger, more conscious consumers shape demand, ESG will move from differentiation to expectation. Businesses that act early strengthen their position. Those that delay risk falling behind.

The panel closed without grand promises. Instead, it reinforced a practical truth: the future of ESG in Bangladesh will be defined not by isolated initiatives, but by integrated systems, collaborative partnerships, and leaders willing to align purpose with performance.

The direction is clear. The question is whether organizations are prepared to move with it.

The Leaders Behind the Change



"Beyond Compliance: Addressing Audit Fatigue and Advancing ESG Governance in the Garment Industry"

Monower Hossain

Industrial Sustainability Strategist, ESG Educator,
Head of Sustainability, **Team Group**

Over the past few decades, the global fashion industry has experienced a huge regulatory shift in environmental, social, human rights and workplace safety issues. Audits have significantly contributed to the improvement of compliance and governance of the factories, but growing proliferation of audit created a phenomenon termed as "audit fatigue". Different brands and certification bodies asking for same information in different format creating an unnecessary administrative burden and killing work hours which would have been used for developing factories sustainability standard.

Globally we can see the imperatives of sustainability is growing and being more internalized within the business strategies and operation. In recent times global business landscape has seen a massive transformation of the legislative frame of sustainability which is making it more legally binding than just soft compliance framework. HREDD, CSDDD, CSRD, ESPR, CBAM have many regulatory directives changing the ESG framework of the business world.

Global fashion industry represents one of the most globally interconnected manufacturing sectors, connecting production hubs in developing countries and consumer markets of the developed part of the world (Europe, UK, US, Canada). These fashion brands operate in a very complex value chain where the brands must take the responsibilities of smooth operation marketing, branding, stock market and so many other things. Countries like China, Bangladesh, Vietnam provides manufacturing facilities for them.

Over the past two decades, social compliance and environmental auditing have emerged as key governance mechanisms within apparel supply chains. Following heightened public scrutiny of labor conditions and workplace safety, brands introduced increasingly rigorous auditing systems designed to ensure adherence to labor rights, environmental regulations, and occupational safety standards.

Widely adopted auditing frameworks—including SMETA, BSCI, WRAP, and various brand-specific codes of conduct—have contributed to improvements in factory safety standards, labor rights monitoring, and environmental compliance.

However, the rapid expansion of compliance requirements has also produced unintended consequences. Supplier factories are frequently subjected to multiple audits each year, conducted by different brands and certification bodies applying varying reporting formats and methodologies. This proliferation of audits has created significant operational pressures on factory management teams.

Global sustainability landscape is experiencing an overwhelming shift. Global capital markets gradually depend on ESG metrics to assess corporate performance and long-term risk exposure. As a result, companies are expected to disclose standardized sustainability data in accordance with globally recognized reporting frameworks like GRI, SASB, TCFD, CDP etc.

This changing environment reveals a serious disconnect between compliance-based auditing systems and emerging ESG reporting requirements. While audits validate compliance with specific standards at distinct points, ESG reporting is focused on robust data collection, strong governance structures, and integrated sustainability management systems build on the national and international frameworks and stakeholder expectations. Let's explore how audit fatigue impacts ESG management within the garment sector and find a strategic ESG roadmap for addressing these structural challenges.

Audit Proliferation in fashion value chain

Compliance audits have traditionally served as the key governance mechanism for the fashion brands to inspect and evaluate supplier performances. Third-party audits monitor factory situations including labor standards, workplace safety, OHS, freedom of association, environmental management, water management and other ethical business practices.

It goes without saying that auditing frameworks have contributed significantly to improved transparency, accountability and

traceability, several fundamental limitations have become increasingly apparent.

Firstly, there is little or no harmonization across varied audit standards. Manufacturing factories often endure multiple audits evaluating same criteria but asking for different formats of documentation and data of different matrices, and more importantly different verification procedures which cost the manufacturers. A factory is not made to serve any brands or regions therefore same group of people must deal with multiple audits that make things difficult for them.

Secondly, audits follow periodic inspection systems. As a result, factories emphasize short-term compliance actions to pass audits rather than improving sustainability practices across operational processes.

Thirdly, audit systems focus mainly on Tier-1 manufacturing facilities who are the direct supplier of the brands, providing limited traceability into downstream value chain like fiber production, textile processing, dyeing, accessories and raw material sourcing. In the era of DPP (Digital Product Passport) where traceability is most significant audit system will not help. On top of that the regulations like HREDD (Human Rights and Environmental Due Diligence) risk assessment are key, not compliance.

Therefore, the effectiveness of auditing as a strategic tool for driving sustainability is very limited.

Operational Consequences of Audit Fatigue

Audit fatigue can be detrimental for process efficiency of a factory. Just to avoid NC (Non-Conformity) of certain audits operation can be hindered and/stopped, compliance teams may have to occupy themselves for preparing documents. Such administrative workloads not only reduce operational efficiencies it also shifts the focus from actual development to audit pass.

One major challenge of audit is to maintain data consistency across different audit frameworks and time horizons. Different audits ask for similar information in distinct formats, discrepancies in reported data become inevitable. These inconsistencies undermine the reliability of sustainability metrics and complicate efforts to generate standardized ESG disclosures.

Most importantly, audit focused approach reinforces a compliance-based culture, where sustainability initiatives become focused on passing inspections rather than building long-term environmental and social management capabilities.

As global stakeholders increasingly rely on ESG disclosures for investment decisions and regulatory oversight, these limitations raise concerns regarding the credibility of sustainability reporting within supplier industries.

ESG Expectations and global business landscape

Globally and nationally sustainability governance and reporting frameworks are being shaped by ESG reporting frameworks and regulatory directives.

Stakeholders, especially governments, institutional investors and financial institutions are asking companies for disclose comprehensive information about social, environmental and governance related information and impacts of the business.

Frameworks such as the Global Reporting Initiative (GRI), International Financial Reporting Standards (IFRS) and the directives on sustainability reporting from European Union, CSRD (Corporate Sustainability Reporting Directive) are driving toward globally comparable sustainability reporting metrics. In parallel, climate disclosure frameworks such as the Task Force on Climate-related Financial Disclosures (TCFD) emphasize the importance of transparent climate risk management and emissions reporting and CDP (Carbon Disclosure Project) focuses on emission reporting.

Regulatory directives transform these expectations to requirements. The European Union's Corporate Sustainability Reporting Directive, for example, requires companies to disclose detailed sustainability information across their operations and supply chains.

Data Integrity and Data Management System

One of the major drawbacks is the fragmentation of sustainability data across different operational departments. Environmental metrics such as carbon emission, energy consumption, water footprint, chemical safety data sheet, and waste management records are often maintained separately across maintenance, production, compliance, and procurement departments.

Such uneven data environment creates multiple risks, including inconsistent reporting across audits, limited capacity for emissions calculations, and difficulties verifying historical performance trends. Most importantly the risk of "GREEN Washing".

It is most important to have an integrated sustainability data management systems—can be linked with ERP system, HR software, BMS (Building Management System) and other digital data platforms and digital monitoring technologies— data accuracy and transparency is most important readiness for the very existence of the industry as transparency will be the major dealing points for business in the days to come.

Governance and Organizational Accountability

Effective ESG management requires clear governance structures, accountability and leadership. Sustainability and ESG are very cross cutting in nature in many factories, sustainability and ESG remain confined to sustainability/ compliance departments. However, robust ESG management requires executive-level oversight, cross-functional coordination, and clearly defined sustainability performance indicators across operational units. Embedding sustainability responsibilities within senior management structures enables organizations to integrate ESG considerations into strategic decision-making.

Alignment of materiality/material topics

In the current compliance culture, proliferation of sustainability indicators. Factories often attempt to address various requirements simultaneously without prioritizing issues based on their strategic significance or requirements of the stakeholders. Materiality assessments provide a structured method for identifying relevant sustainability issues to business operations and stakeholder expectations. Within the manufacturing sector, key material topics would be energy consumption, carbon emissions, water management, chemical safety, worker wellbeing, and supply chain traceability. Prioritizing these areas enables factories to allocate resources more effectively.

Strategic ESG Roadmap for RMG Factories

Reducing audit fatigue and adopting ESG based culture in the organization requires a shift from fragmented compliance systems toward integrated ESG management frameworks. A strategic ESG roadmap for garment manufacturers includes four key components.

Factories must develop integrated digital sustainability data management systems capable of collecting and verifying environmental social performance and governance data.

Organizations should institutionalize ESG governance structures that embed sustainability.

Sustainability initiatives should be guided by materiality-driven strategies that prioritize the most significant environmental and social risks.

Together, these measures can help reduce reliance on repetitive compliance audits while enabling factories to produce credible ESG disclosures.

Addressing audit fatigue requires a structural transition toward integrated ESG management systems capable of generating reliable sustainability data. By strengthening data integrity, governance frameworks, materiality alignment, and supply chain emissions reporting, garment manufacturers can improve both sustainability performance and ESG disclosure credibility.

For export-oriented garment industries such as Bangladesh, this transition represents not only a compliance necessity but also a strategic opportunity to reinforce global competitiveness in an increasingly sustainability-driven marketplace.





"Aligning Bangladesh's Green Finance Taxonomy for Credibility and Global Capital Access"

Karimul Tuhin
Green Finance Professional
and Adjunct Faculty

Green finance in Bangladesh's banking sector must no longer be viewed as a mere regulatory obligation. It represents a significant and largely untapped business opportunity—one that can reshape how financial institutions engage with clients, mobilize capital, and contribute to national climate goals. Traditionally, banks have approached sustainability through compliance, focusing on environmental and social risk management and adherence to guidelines issued by the Bangladesh Bank. While this has helped establish a baseline framework, it has not yet translated into meaningful loan product innovation. The next phase of evolution requires banks to move beyond risk mitigation and actively design financial instruments that reward sustainability performance.

One of the most promising innovations lies in ESG-linked or sustainability-linked loans. These products directly tie the cost of borrowing to a borrower's environmental performance. For example, if a client reduces greenhouse gas (GHG) emissions or achieves predefined sustainability targets, the interest rate on their loan is reduced. This creates a powerful incentive structure: borrowers are encouraged to adopt greener practices, while banks align their portfolios with climate objectives. In effect, it is a win-win model that simultaneously supports profitability and environmental responsibility.

However, the opportunity is not limited to the asset side of banking. The liability side offers equally significant potential. Green deposit products can play a crucial role in mobilizing funds specifically earmarked for environmentally sustainable projects. Despite multiple policy directives promoting sustainable finance, such products remain scarce in Bangladesh's banking landscape. Most banks have yet to develop deposit instruments that explicitly link customer savings to green lending portfolios. This gap restricts the creation of a dedicated funding base for climate-focused investments.

The lack of product innovation reflects a deeper structural issue: the shortage of skilled green finance professionals and limited strategic awareness at the senior management level. Designing ESG-linked financial products requires technical expertise in carbon accounting, climate risk assessment, sustainable finance frameworks, and international regulatory standards. While many professionals are familiar with ESG concepts at a theoretical level, few possess the practical skills needed to structure, price, and manage these instruments effectively.

To bridge this gap, banks must prioritize internal capacity building. This includes recruiting professionals with specialized expertise in sustainability and green finance, as well as investing in structured training programs for existing employees. Strategic partnerships with universities, training institutes, and international development organizations can further strengthen knowledge transfer and introduce global best practices into the local banking ecosystem.

Regulators and industry associations also have a critical role to play. Beyond issuing policy guidelines, they can actively encourage innovation through incentives, recognition programs, and knowledge-sharing platforms. Such measures would help shift the industry mindset from compliance-driven behavior to innovation-led leadership in green finance.

Bangladesh has already demonstrated strong policy commitment to sustainable development. However, policy intent alone is not sufficient. The real impact will come when financial institutions begin to design and scale products that actively support the transition to a low-carbon economy. In this context, green finance is not just a regulatory requirement, it is an untapped opportunity waiting to be realized.



"Maritime ESG 2.0: The Role of Technology, Digitization and Data – A South Asian and Bangladeshi Perspective"

Khan Muhammad Saqiful Alam, CSM, CMILT

Environmental, Social, and Governance (ESG) principles have moved from peripheral compliance boxes to the core of maritime strategy. Shipping carries roughly 80 percent of global trade and produces an estimated 2–3 percent of total CO_2 emissions enough to rank sixth if it were a nation (ICS, n.d.; IMO, 2025). Investors, charterers, and consumers now evaluate shipping companies on holistic ESG performance, not just fuel bills. Consequently, Maritime ESG 2.0 demands integrated thinking that bridges environmental stewardship, seafarer welfare, and transparent governance.

South Asia's hubs Chattogram, Mumbai, Colombo sit astride some of the world's busiest sea-lanes. Bangladesh is drafting a National Action Plan to align with the International Maritime Organization's revised greenhouse-gas strategy (IMO, 2025). Port expansions at Matarbari and the Bay Terminal are being master-planned with climate-resilient berths and on-site renewable power (Knowledge Ridge, 2025). Yet weaknesses persist. Aging feeder fleets, data gaps in emissions reporting, and hazardous ship-recycling practices have created reputational and regulatory headwinds (Thomson Reuters Foundation, 2025).

Key hurdles fall into three buckets:

Decarbonization cost – Dual-fuel engines, retrofits, and alternative fuels require capital that developing-country owners struggle to access.

Data credibility – Manual logs and siloed IT systems hinder timely, audit-ready ESG data. Without high-frequency data, operators risk accusations of greenwashing (DNV, n.d.).

Just transition – Over 470 workers have died in South Asian yards since 2009; any green upgrade must also upgrade worker safety and wages (Thomson Reuters Foundation, 2025).

Digitization is rapidly closing these gaps. Fuel-flow meters, IoT sensors, and satellite links feed cloud dashboards that let owners benchmark fleet emissions in real time. Tanker operator Frontline, for example, consolidated 1.2 billion data points into a single ESG cockpit, automating audits and investor reporting (DNV, n.d.). Artificial-intelligence route optimisation and 'just-in-time' arrivals can cut a vessel's annual fuel burn by 4–8 percent (Jin et al., 2024). Blockchain-based port community systems slash paperwork and corruption, strengthening the governance pillar.

Across South Asia, lighthouse projects signal momentum. India's Harit Sagar guidelines require major ports to source 60 percent renewable electricity by 2030 while installing green-hydrogen bunkering hubs (Ministry of Ports, 2023). Bangladesh's Akij Shipping secured an $80 million IFC package to renew its fleet with energy-efficient tonnage and to draft a decarbonisation roadmap (IFC, 2025). Ports at Mongla and Chattogram are piloting solar-powered reefer yards and automated gate systems that trim truck idling (Bose, 2023).

By 2030, analysts expect Bangladeshi terminals to leap from semi-automated to AI-driven operations, a shift that could raise berth productivity by 40 percent and lower per-box emissions (Knowledge Ridge, 2025). Crew-welfare apps, fatigue-tracking wearables, and digital labour-rights audits will embed the social 'S' into daily operations, while automated continuous emissions monitoring systems transmit compliance data directly to regulators and financiers.

Strategic Priorities for Bangladesh

- **Build digital infrastructure & skills** – Invest in port community platforms, sensor networks, and data analytics courses.
- **Accelerate fleet modernisation** – Offer tax breaks or green-corridor berthing priority for dual-fuel and zero-carbon ships.
- **Tighten and incentivise regulation** – Pair stricter enforcement with rebates for verified ESG improvements.
- **Guarantee a just transition** – Upgrade ship-recycling yards and seafarer welfare standards in tandem with decarbonisation.
- **Leverage international partnerships** – Scale pilot projects via IMO GreenVoyage2050 and private finance.

Maritime ESG 2.0 in South Asia will be data□led and technology-enabled. Bangladesh can move from fast follower to regional frontrunner if it links digitalisation with environmental ambition and social safeguards. In doing so, it will attract capital, future-proof trade, and set a precedent for emerging maritime nations navigating the same tide of transformation.

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"People at the Center of ESG"

Farah Sharmin

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Multinational companies often progress faster than local companies because they are able to replicate and implement global systems very efficiently across countries. Many of these practices can also be applied in Bangladesh, and there is a great deal we can learn from them.

Having worked with organisations like Nestlé and Coca-Cola, particularly in the sustainability and ESG space, I still see myself as a learner. None of us are experts, we are all learning continuously. What I have observed is how multinational companies think about sustainability across the entire value chain. They start from the backend supply chain, ensuring raw materials are sourced sustainably, then move through manufacturing, and finally to the customer whether that is a finished product, a service, or a digital solution. Sustainability is not treated as an add-on; it is built from the beginning and looped through to the end.

This is an important reflection for local companies. While many local organisations are as capable and ambitious as multinational companies, keeping pace with global expectations requires starting from the design stage of a product and embedding sustainability from the very beginning. That mindset shift is critical.

One challenge we currently face at the local level is that sustainability and ESG-related actions often feel too technical for consumers and even for some stakeholders. But we must recognise that the generation we are dealing with today, particularly Gen Z, is now a primary consumer group for many products and services. This generation is shaping the next phase of corporate behaviour. They care about how a product is made, how it is communicated, and what happens after it is used.

This is why lifecycle thinking matters. How is a product manufactured? How is it communicated to consumers? And once it has been used, what happens to the remaining materials?

From a regional perspective, Coca-Cola operates across countries such as Sri Lanka, Maldives, Nepal, India, and Bangladesh. Bangladesh was the first country in the region to launch recycled PET, or rPET. This was not an easy initiative. From a recycled plastic perspective, the technical challenges were significant from production processes to ensuring that the final packaging was safe for beverages. But the organisation chose to embrace new practices that were both safe and beneficial for the ecosystem. Experimentation, supported by data and evidence, ultimately strengthens both impact and credibility.

This brings me to communication, specifically, responsible communication. As someone who teaches communication, I place strong emphasis on this. Any message, particularly around sustainability and ESG, must be ethical, fact-based, and responsibly delivered. When we talk about brands and their relationships with consumers, trust is the foundation. If that foundation is not built proactively, it becomes extremely fragile.

Irresponsible communication can cause a brand to collapse within seconds. I have personally dealt with situations where misinformation or partial information created significant challenges. In those moments, the only way forward was transparency, clearly explaining what happened, why it happened, and how responsibility was being taken to correct it.

From an ESG perspective, there are a few capabilities that are absolutely critical. First is structured and systematic thinking. Second is data literacy, this is an area where many organisations still struggle. Third is ethical leadership. And finally, there is change management and crisis-handling capability.

ESG is not a one-time project; it is a journey. Change is inevitable. In six months, new parameters will emerge. In another six months, expectations will shift again. Agility is essential. Organisations cannot rely on a single plan created a year ago and expect it to remain relevant.

I am genuinely proud to be part of this initiative. This bootcamp marks the beginning of an important journey. Industry leaders will join us, not just because they are successful, but because they bring real experience and practical insights. This creates an opportunity for all of us to connect, learn from one another, and share knowledge openly.

This is a powerful initiative for ESG practitioners, advocates, and future leaders. I strongly encourage you to join us. It will help shape your organisation's future direction and equally, your participation will shape the dialogue itself. Each of you has a role to play in driving change, and together we can strengthen Bangladesh's ESG journey.



"Institutionalizing Trust in a Rising Bangladesh"

Juliana Lawson

Stakeholder Engagement and Partnership Coordinator,
UN Global Compact Network Bangladesh

Bangladesh's ambition is undeniable from export diversification to LDC graduation and global competitiveness. But ambition without integrity is volatility disguised as progress. As the ESG conversation matures, one truth is becoming clear: anti-corruption and governance are not peripheral concerns; they are the architecture of sustainable growth.

While environmental and social priorities increasingly shape boardroom agendas, governance often remains the quietest pillar of ESG. Yet governance is not a reporting formality, it is the operating system. Weak controls, opaque procurement, and fragile oversight structures are not minor compliance gaps; they are structural risks to credibility in a global market that prices governance into investment and sourcing decisions.

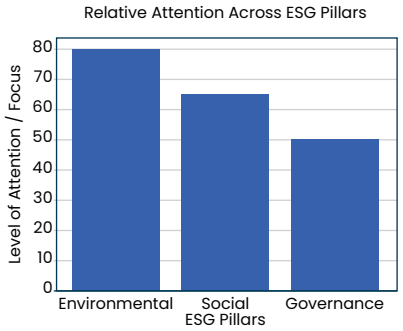


Figure 1: Relative Attention Across ESG Pillars

For Bangladeshi enterprises, anti-corruption is no longer just a moral obligation. It is a market access requirement. Global buyers and investors expect transparency, accountable boards, whistleblower protections, and robust internal controls. Integrity is becoming a prerequisite for participation in global value chains.

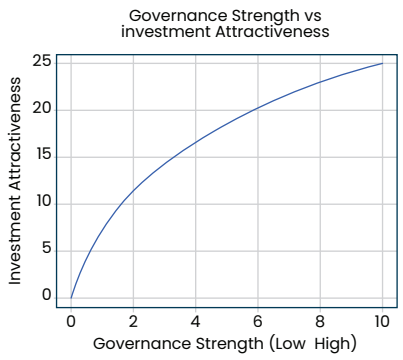


Figure 2: The Relationship Between Governance Strength and Investment Attractiveness

Stronger governance frameworks enhance investor confidence, reduce perceived risk, and improve access to capital and global value chains. (Conceptual illustration – Author's analysis).

As governance improves, investor confidence rises and the cost of capital decreases.

Encouragingly, a shift is underway. Forward-looking companies are moving from compliance as defense to governance as strategy. They recognize that trust lowers the cost of capital, strengthens partnerships, and builds long-term resilience. In a hyper-connected world, reputation compounds faster than revenue and governance failures can undo years of progress.

Again, as Bangladesh positions itself beyond cost competitiveness, the next chapter of growth will be driven by reliability, transparency, and institutional maturity. Governance is not the backdrop to development, it is its foundation. Anti-corruption is not a defensive stance; it is a strategic investment in credibility.

Through collective action platforms that bring together businesses, regulators, and academia, we are already seeing how shared commitment to integrity can translate into practical change. From the development of internal anti-corruption frameworks and whistleblower systems to the training of hundreds of private sector employees and the engagement of the next generation through university initiatives, a foundation is being built. These efforts demonstrate that when integrity is approached not in isolation but as a collective responsibility, it becomes scalable, sustainable, and impactful.

The path forward is clear. Institutionalising trust will require consistency, collaboration, and leadership across sectors. But the building blocks are already in place. The question is whether we will accelerate this momentum and embed integrity not just as policy but as practice or whether we are ready to treat it as the strategic lever it truly is.



"Why ESG Represents Framework for Sustainable Development"

Zahidul Hassan, Tasneem Zaman Labeeb and Khandaker Lutful Khaled

As Bangladesh prepares for graduation from Least Developed Country (LDC) status in 2026, the stakes are higher than ever. Graduation will mean the phasing out of preferential trade benefits and concessional financing that have long supported the country's growth.

To compete on a level playing field with stronger economies, Bangladesh must demonstrate that its private sector can meet the highest global standards of transparency, accountability and sustainability. Environmental, Social, and Governance (ESG) integration is, therefore, not a luxury; it is a strategic necessity.

This year in late July, Dhaka hosted a pivotal event in the country's corporate sustainability journey: the ESG Bootcamp 2025. Organized by ESG Institute Bangladesh in partnership with the Dhaka Stock Exchange, UN Global Compact Network Bangladesh and Swisscontact, the gathering brought together business leaders, policymakers, and sustainability professionals to reimagine how ESG principles can reshape Bangladesh's corporate landscape.

The message that emerged was unambiguous: ESG is no longer about ticking compliance boxes. It is about competitiveness, resilience, and leadership in a rapidly changing global economy.

The global investment landscape is rapidly shifting, with ESG factors now central to mainstream finance. ESG-driven investments reached a significant milestone in 2023, surpassing $40 trillion, and their rapid growth is projected to continue at an annual rate of 15–20%. This momentum is accelerating as major institutional investors and corporations increasingly tie capital flows to credible ESG performance, making sustainability a prerequisite for market access.

Countries that have embraced ESG standards such as India with its mandatory sustainability reporting are already attracting higher volumes of foreign direct investment, while firms with weak ESG credentials face mounting scrutiny and potential exclusion from global supply chains. Bangladesh, however, is still lagging in integrating ESG into its corporate and financial systems. To remain competitive and attract global capital, the government must prioritise ESG adoption, starting with mandatory ESG reporting, which can enhance investor confidence and position the country as a sustainable and resilient market.

Bangladesh has made significant strides in embedding sustainability into its financial and regulatory framework, yet notable gaps remain. The Bangladesh Bank (BB) has been at the forefront of this effort, launching the Green Banking Initiative in 2011 and introducing the Sustainable Finance Policy in 2020, which mandates that banks and non-bank financial institutions allocate at least 5% of term loans to green finance and 20% to sustainable finance.By September 2024, green financing had increased from 4.0% (2020) to 15.2%, while sustainable financing surged from 8.0% (2021) to 39.2%, reflecting growing momentum. BB has also issued disclosure guidelines aligned with IFRS S1 and S2, though effective implementation requires significant investment in training, compliance systems, and incentives to reduce adoption costs.

On the corporate governance front, the Bangladesh Securities and Exchange Commission (BSEC) has updated its guidelines in 2006, 2012 and 2018, but these remain heavily governance-focused, with limited attention to environmental and social dimensions. The Dhaka Stock Exchange (DSE) continues to have one of the lowest sustainability disclosure rates in South Asia - only 49 Bangladeshi companies published sustainability reports in 2020, and just 11 aligned with GRI standards, compared with India's 498 reports. This illustrates that while Bangladesh has established

important policy foundations, the lack of uniform reporting standards, comprehensive ESG regulations, and skilled professionals leaves a significant gap between policy intent and actual practice.

Bangladesh is also highly vulnerable to climate risks, ranking 9th in the World Risk Report 2024 (climate disaster risk) and 7th in the Global Climate Risk Index 2021. Between 2000 and 2019, the country suffered average annual GDP losses of 0.41% due to climate-related events. Strong ESG adoption, in alignment with environmental regulations, could help Bangladesh meet Paris Agreement targets, enhance its global climate advocacy, and safeguard future generations.

Bangladesh's private sector stands at an inflection point. Investors and global partners increasingly demand transparency, accountability, and sustainability.

For companies, integrating ESG into core business operations is not just about risk mitigation, it is a pathway to long-term value creation. Several leading firms including BSRM, APEX Footwear, Energypac, Chevron Bangladesh and Shanta Holdings are already showing the way, and their examples underscore a deeper truth: ESG is no longer confined to CSR departments or annual reports. It is shaping business strategy, influencing supply chains, and guiding investment decisions. Those who are becoming early adopters are also gaining business edge and making strides in future proofing their businesses.

Despite this progress, challenges remain. The absence of uniform reporting standards, limited access to ESG-specific financing, and low board-level awareness continue to slow adoption, particularly for mid-sized firms. Without significant capacity building and skilled ESG professionals, implementation risks being fragmented and inconsistent. Regulators like BB and DSE need to invest in training and capacity development initiatives with clear deadlines to develop professionals.

This is where policy and collaboration must step in. Regulators can catalyse adoption by offering incentives for ESG-compliant businesses, mandating credible disclosures, and curbing greenwashing. A multi-stakeholder ESG alliance, an idea floated during the bootcamp, could provide a platform for businesses to share standards, innovations, and lessons learned across sectors.

Equally critical is building a pipeline of ESG professionals. Universities and training institutes must create the next generation of sustainability leaders. Investors, both local and global, should reward companies that demonstrate measurable ESG progress rather than symbolic gestures. The bootcamp's real significance lies in the shift in mindset it revealed: corporate leaders are beginning to see ESG not as an externally imposed obligation, but as a source of competitive advantage. That shift is perhaps the most powerful outcome of all.

The ESG Bootcamp 2025 was a milestone, but it must be followed by sustained action: sector-specific guidelines, stronger accountability frameworks, and continuous policy support. The private sector has shown readiness to lead. The challenge now is whether regulators, investors, and institutions will provide the tools and incentives needed to sustain momentum. If Bangladesh seizes this moment, it can not only catch up with global ESG trends but also set new standards for sustainable growth in South Asia. ESG adoption is no longer about compliance, it is about competitiveness, climate resilience, and long-term national prosperity.



"ESG Professionalization in Emerging Markets - Practical Realities from Bangladesh's Apparel Sector"

ABM Faqrul Alam
Head of Sustainability Lead
Urmi Group

"In emerging markets, ESG success depends not on adopting global frameworks in theory, but on building institutional capacity to implement them under real-world constraints. The next generation of sustainability professionals must bridge finance, data, regulation, and factory-floor execution."

Global ESG Convergence Meets Local Reality

Environmental, Social, and Governance (ESG) standards are rapidly converging at the global level. Frameworks such as GRI, TCFD, SASB, and the EU's Corporate Sustainability Reporting Directive (CSRD) are redefining corporate disclosure, risk management, and capital access. For export-oriented economies like Bangladesh, these standards are not theoretical—they directly influence buyer decisions, trade access, and long-term competitiveness.

Bangladesh's apparel sector, one of the largest globally, illustrates how ESG transformation unfolds in practice. While global expectations accelerate, local industries must navigate infrastructural, financial, and capacity constraints.

Real-World Challenges Sustainability Professionals Face

In emerging markets like Bangladesh, ESG implementation involves navigating complex structural realities:

Data Gaps and Manual Systems: Many factories lack integrated ESG data platforms. Professionals often build carbon inventories or water baselines from fragmented spreadsheets and utility bills.

Scope 3 Complexity: Global buyers increasingly demand Scope 3 emissions data, requiring supply-chain coordination beyond direct factory control.

Capital Constraints: Renewable energy systems, wastewater recycling, and digital traceability tools require upfront investment that SMEs may struggle to finance.

Regulatory Translation: Interpreting CSRD, TCFD, or SBTi requirements and translating them into factory-level procedures demands cross-functional negotiation.

Workforce Engagement: Sustainability targets cannot succeed without training engineers, production managers, and floor supervisors to align operational practices.

From Compliance to Strategy: A Corporate Illustration

At Urmi Group, ESG integration demonstrates how structured governance transforms reporting into strategy. The publication of its fifth sustainability report, 'Navigator 5.0,' aligned with GRI 2021, UNGC Principles and SDG compass, reflects enterprise-wide integration. The company's SBTi-aligned Scope 1–3 commitments required cross-departmental coordination between energy management, procurement, logistics, and compliance teams.

In 2025 alone, Urmi recycled over 500 tonnes of traceable textile waste through structured circular systems, illustrating how ESG objectives translate into measurable industrial outcomes. Such initiatives required digital tracking systems (e.g. SATTVA), supplier collaboration, and executive-level commitment.

How ESG Professionals Can Enhance Their Careers

For professionals, particularly business graduates - career advancement in ESG requires strategic skill development:

- **Develop ESG Data Literacy:** Learn carbon accounting, lifecycle assessment, and ESG reporting software tools.
- **Understand Financial Linkages:** Master sustainability ROI, cost-benefit analysis, and sustainability-linked financing mechanisms.
- **Gain Regulatory Fluency:** Stay updated on CSRD, TCFD, SBTi, GRI, and evolving global disclosure requirements.
- **Build Cross-Functional Influence:** ESG success depends on influencing operations, finance, HR, and supply-chain teams.
- **Pursue Structured Education:** Certifications from ESG Institute Bangladesh, BRAC University's ESG Certificate Course, or DIU's PGD in ESG enhance credibility and global alignment.

The Evolving ESG Role in Emerging Economies

The ESG professional is no longer a compliance officer compiling reports at year-end. The role now resembles that of a strategic risk architect. Professionals must anticipate regulatory shifts, design internal governance systems, align sustainability with profitability, and integrate digital solutions into enterprise management.

Importantly, ESG is interdisciplinary. Professionals from science, engineering, business, economics, and even social sciences play complementary roles. As global markets increasingly evaluate suppliers on sustainability performance, ESG capability becomes a determinant of competitive advantage.

Strategic Outlook

Bangladesh's ESG transformation reflects a structural shift in global capitalism. Investors, governments, and buyers are embedding sustainability into valuation, procurement, and trade frameworks. For companies, ESG integration protects market access. For professionals, it offers one of the most dynamic and future-oriented career pathways in emerging markets.

ESG institute BANGLADESH

Apex

Footsteps dare to change

If you walk into Apex Footwear's factory at dawn, you'll hear the story before you see it. Machines hum, cutters glide, and on one quiet workstation sits a single pair of Derby shoes ordinary in appearance, revolutionary in intention.

They look classic. But they were built to disrupt.

Apex has never been afraid to lead. In 1996, they built Bangladesh's first private ETP, long before sustainability had a name. By 2012, they secured South Asia's first WRAP Gold-certified shoe factory; by 2017, the country's first LWG Gold-rated tannery. These weren't trophies, they were rehearsals.

So when global pressure mounted over carbon, water, chemicals, waste and traceability, Apex didn't flinch. They accelerated unveiling the 2025 CEB Model Derby, made with LWG-rated Bengal goat leather, recycled TPR, natural latex, FSC-certified packaging, and full digital traceability.

Circularity sounded elegant on paper. Reality wasn't.

Recycled materials were scarce and expensive. Local suppliers struggled to meet CSDDD-level transparency. Inside the factory, teams had to relearn everything - ZDHC chemicals, renewable energy, waste minimization, efficient cutting. And outside, buyers weren't sure consumers would pay for a greener shoe. Bangladesh had no national take-back system, no circularity policy, and limited recycled raw material infrastructure.

Apex was building a green model inside a system not designed for it.

But they did what leaders do. Brought everyone into the room. Suppliers helped redesign components. Workers trained across 20,000+ hours. Solar energy rose over rooftops. 64% leather traceability hit 100%. Recycled materials from toe puff to strobel became standard. The results soon spoke louder than slogans: 1298 MWh electricity saved, 1594 m^3 water saved, 1542 tons of CO_2 avoided annually, and 451 tons of recycled material used.

And this is just the beginning.

Apex is now designing shoes meant to be repaired, not replaced, building a future where footwear has a second life, a cleaner footprint, and a circular soul.

As Apex reinvents its shoes to cut waste in fashion and footwear, which part of your industry is ready for its own bold sustainable redesign?



Metrics Summary:

Metric	Achievement
Electricity saved	1,298 MWh annually
Water saved	1,594 m^3 annually
CO_2 avoided	1,542 tCO_2 annually
Recycled material used	451 tonnes
Worker training hours	20,000+
Leather traceability	100% (from 64%)

Milestone Timeline:

1996 → First private ETP in Bangladesh

2012 → South Asia's first WRAP Gold-certified shoe factory

2017 → Bangladesh's first LWG Gold-rated tannery

2025 → CEB Model Derby: first fully circular footwear product

Framework Callout:

Relevant Standards:
LWG (Leather Working Group)
ZDHC
CSDDD (EU)
FSC
GHG Protocol Scope 1 & 2

Discussion Questions:

- Apex built a circular product inside a national system that had no take-back infrastructure or circularity policy. What structural conditions would need to change in Bangladesh for this model to become industry-standard rather than exceptional?
- Apex's buyers were initially uncertain whether consumers would pay more for a sustainable product. How should a company communicate ESG-embedded product value to price-sensitive markets?
- Which of the three ESG pillars (E, S, G) does the CEB Model Derby primarily address, and where are the gaps?

Key Takeaways:

- ESG leadership in manufacturing often precedes national policy — Apex's ETP, WRAP, and LWG certifications each came before regulatory requirements.
- Circularity requires systemic redesign, not just material substitution — Apex had to retrain workers, renegotiate supplier relationships, and rebuild its production logic.
- Traceability is the entry requirement for premium global markets, not a differentiator.

ESG institute BANGLADESH

AgriDew Biochar Ltd.

Where Others Saw Ash, Agridew Saw Opportunity

The story doesn't begin in a boardroom, it begins in the smoky fields of Habiganj. Every harvest season, 4,600 MT of rice husk, jute sticks, straw, and sawdust are set on fire, turning the sky grey and releasing 423 tCO_2e straight into the air. Farmers earn nothing from this waste. The land loses fertility. The climate pays the price.

Agridew Biochar Ltd. looked at this crisis and asked a different question:

> "What if waste could become Bangladesh's next climate asset?"

Their answer is bold - Bangladesh's first 500 kg/hour pyrolysis biochar plant was successfully commissioned in March 2026. One machine, one shift, and one decision to stop burning and start transforming.

Instead of going up in smoke, the same 4,600 MT of residues will now become:

- 1,180 MT of biochar
- 900 MT of usable byproducts
- 3,000 tCO_2e of carbon permanently locked away, seven times the baseline emissions



Suddenly, a climate liability becomes a climate solution.

And the impact doesn't stop there. 50+ rural jobs emerge on day one - collectors, transporters, operators; people who once watched waste burn now get paid to save it. Farmers earn steady income from residues that used to have zero value, unlocking BDT 2.5 crore in new rural income.

To keep the solution credible, Agridew anchors everything in strong governance: transparent MRV aligned with Puro. Earth, a Board-level ESG committee, anti-corruption controls, and reporting aligned with GRI and preparing for TCFD. For a rural enterprise, this is not normal, it's transformational.

By replacing open burning with carbon sequestration, Agridew flips the script:

- The old system emitted 423 tCO_2e a year.
- The new system delivers 3,400 tCO_2e of annual climate benefit.

And this is only phase one. By 2027, the plant will scale from one shift to three, tripling biochar output and pushing climate benefits beyond 10,000 tCO2e per year. More farmers, more jobs, more carbon removed.

One plant. One district. A model ready to replicate nationwide.

Agridew isn't just producing biochar-

They're rewriting the economics of agricultural waste in Bangladesh.

If one plant in one district can turn smoke into income and waste into climate value, what's stopping the rest of Bangladesh's rural economy from doing the same?

Input	Output	Climate Value
4,600 MT agricultural waste	1,180 MT biochar	3,000 tCO_2e permanently sequestered
(rice husk, jute sticks, straw, sawdust)	900 MT usable byproducts	7× baseline emissions benefit
Previously open-burned	50+ rural jobs created	BDT 2.5 crore new rural income

Before/After Emissions:

Scenario	Annual Carbon Impact
Previous (open burning)	+423 tCO_2e emitted
New system (pyrolysis)	-3,400 tCO_2e net benefit
Net improvement	3,823 tCO_2e swing

Framework Callout:

Governance:
Puro.Earth MRV
Board-level ESG Committee
Anti-corruption controls
Reporting:
GRI Standards
TCFD preparation

Discussion Questions:

- Agridew is a rural enterprise adopting governance structures (board-level ESG committee, MRV, TCFD preparation) typically associated with large corporates. What is the strategic rationale for this, and what does it signal to investors and buyers?
- The business model turns an environmental liability (agricultural waste burning) into a revenue stream. What other waste streams in Bangladesh's economy could be similarly transformed?
- What are the replication barriers if this model is to be scaled to 20 districts by 2030?

Key Takeaways:

- Carbon sequestration can be a viable rural enterprise model, not only a large-scale industrial intervention.
- Governance credibility (MRV, board oversight) is what makes climate claims financeable — rural enterprises can and should build these structures early.
- A single plant model with replication logic is more investable than a single large facility.

Waste into Worth – TEL Plastics' Journey

In a country where plastic waste piles up in streets, rivers, and landfills, TEL Plastics dared to see opportunity where others saw refuse. Founded in 2012 under PRAN-RFL Group, TEL's thinking is simple but radical: "Resources are limited- Recycle and Reuse."

Inside TEL's facility, machines crush, wash, and recompose discarded plastics with precision. Scrap comes from buy-back programs, waste pickers, and 12 collection centers, soon to grow to 100 by 2030. Every day,

- 3,300 MT of waste 90% polypropylene
- 7% HDPE
- 3% LDPE flows through 26 recycling machines
- 114 injection molders
- and 8 blow molders

The output is astonishing: durable furniture, containers, flower tubs, and everyday household items, all reborn from what others discard.

TEL's impact is tangible. Over 43 million kg of CO_2 emissions are avoided annually, 32 million cubic meters of landfill space saved, and $41.6 million of raw plastic imports avoided. The model doesn't just recycle plastic, it recycles opportunity, providing 1,200 direct jobs and more than 10,000 indirect livelihoods. Beyond production, TEL sparks change through its "2 Tk Donation" Project, driving beach clean-ups, youth campaigns, and awareness programs like Green Dhaka and Say No to Polybags.

Yet challenges remain. While TEL meets international quality standards, 70–80% of Bangladeshi consumers still assume recycled products are inferior. To truly scale, TEL must pair innovation with education, marketing, and trust-building, proving that sustainable choices can be aspirational and profitable.

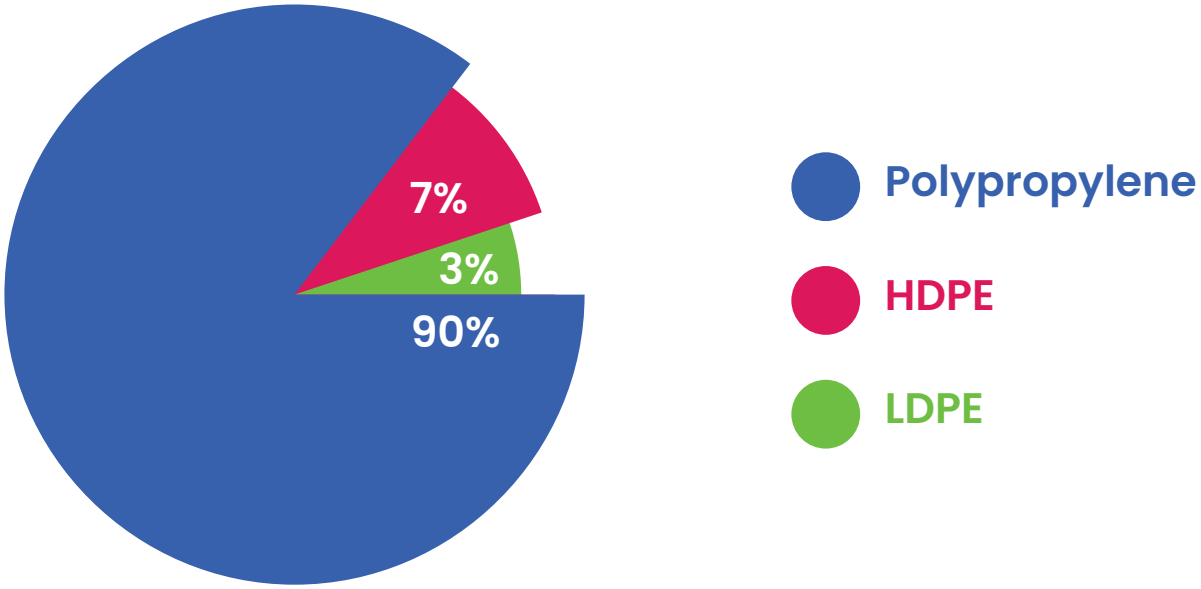
TEL Plastics is more than a factory, it's a movement toward a circular economy, showing that industrial growth and environmental stewardship can coexist.

If every industry in Bangladesh embraced TEL's 3R principles, the nation's waste and carbon footprint could be radically transformed.

Area	Improved Outcome
Annual recycling output	40,000 tonnes processed each year
Carbon impact	43 million kg CO2 reduced annually
Collection reach	12 centres expanding toward 100
Economic impact	Over USD 41 million saved each year



Plastic Waste Composition Processed: Material Input Breakdown



Impact Summary:

Metric	Annual Figure
Plastic waste processed	40,000 tonnes
CO_2 emissions avoided	43 million kg
Landfill space saved	32 million m^3
Raw plastic imports avoided	USD 41.6 million
Direct jobs created	1,200
Indirect livelihoods supported	10,000+
Collection centres (current)	12
Collection centres (target 2030)	100

Supply Chain Flow:

Waste pickers

↓

12 collection centres

↓

26 recycling machines + 114 injection molders

↓

finished products

↓

domestic market

Discussion Questions:

- TEL estimates 70–80% of Bangladeshi consumers assume recycled products are inferior. What marketing and communication strategy would you recommend to shift this perception while maintaining profitability?
- TEL is part of PRAN-RFL, one of Bangladesh's largest conglomerates. How does group ownership accelerate or constrain the ESG model compared to an independent recycler?
- The "2 Tk Donation" project funds community awareness. Is consumer-facing CSR a credible substitute for systemic extended producer responsibility (EPR) policy in Bangladesh?

Key Takeaways:

- Circular economy models can achieve industrial scale in Bangladesh without government EPR mandates — but scaling requires consumer trust, not just collection infrastructure.
- The economic case (USD 41.6M in avoided imports) is stronger than the environmental case for securing political and financial support.
- Informal waste picker networks are a critical upstream ESG dependency — their welfare and income is a material social risk for the model.

ESG institute BANGLADESH



Watts of Change – How Nilorn Bangladesh Lit Up Sustainability

In a country where factories depend on fossil-fuel electricity, Nilorn Bangladesh Ltd. decided to flip the switch on carbon emissions.

Nilorn Bangladesh Ltd., a leading manufacturer of garment accessories, has built its reputation on quality and reliability. But in Bangladesh's industrial landscape where electricity comes mostly from fossil fuels, the environmental footprint of operations loomed large. For Nilorn, reducing Scope 2 emissions became not just a responsibility, but a strategic move to meet global sustainability expectations while keeping the business competitive.

In 2023, Nilorn turned to International Renewable Energy Certificates (I-RECs), a market-based mechanism that verifies renewable electricity generation. By purchasing I-RECs equal to their full annual electricity consumption 792 MWh in 2024, they offset every megawatt-hour drawn from the grid. Each certificate represents one MWh of clean energy injected into the system, creating a fully verifiable link between Nilorn's electricity use and renewable generation.



The process began with meticulous tracking of electricity data, followed by careful procurement from a global I-REC provider, and rigorous GHG reporting using the market-based method in line with the GHG Protocol. Position Green software ensured emissions were accurately monitored and communicated to buyers and stakeholders. The results were immediate: Scope 2 emissions fell from 383.16 tCO_2e in 2022 to zero in 2023 and 2024, while renewable electricity coverage rose to 100 percent.



Beyond numbers, the initiative strengthened credibility with global buyers, ensured compliance with Higg FEM and SBTi requirements, and reinforced a culture of sustainability among employees. Workers took pride in seeing clean energy powering their factory, while leadership highlighted I-RECs as a fast, cost-effective climate action.

Nilorn's journey shows that meaningful environmental impact can begin without massive capital investment, using strategy, transparency, and commitment.

As Bangladesh's industries consider their own energy footprints, the question arises: how can small but smart moves spark a national shift toward clean energy?

Scope 2 Emissions Reduction:

Year	Scope 2 Emissions	Renewable Coverage
2022	383.16 tCO_2e	0%
2023	0 tCO_2e	100%
2024	0 tCO_2e	100% (792 MWh covered)

How I-RECs Work:

An International Renewable Energy Certificate (I-REC) represents 1 MWh of verified renewable electricity injected into the grid. Purchasing I-RECs equal to total electricity consumption allows a company to claim 100% renewable electricity under the GHG Protocol market-based method — without requiring on-site generation.

Framework Compliance:

Higg FEM (Facility Environmental Module)
SBTi (Science Based Targets)
GHG Protocol (market-based Scope 2)
Position Green software for monitoring

Discussion Questions:

- Nilorn achieved 100% renewable electricity coverage without any capital investment in on-site generation. Is this a genuine ESG advance or an accounting mechanism? Where does I-REC credibility begin and end?
- Nilorn is a garment accessories manufacturer — a Tier 2 supplier. How does its ESG performance affect its relationship with Tier 1 buyers and global brands?
- What would the next step in Nilorn's ESG journey need to be beyond Scope 2 — and what data would they need to collect?

Key Takeaways:

- Market-based emissions accounting tools (I-RECs) allow small and mid-sized manufacturers to achieve renewable energy claims without large capital expenditure.
- Buyer requirements (Higg FEM, SBTi) are the primary ESG driver for Tier 2 suppliers in Bangladesh — regulatory pressure is secondary.
- Scope 2 at zero does not mean the climate journey is complete: Scope 1 (direct emissions) and Scope 3 (supply chain) remain unaddressed.

Storing the Sun–Fakir Fashion Powers a Resilient RMG Future

Bangladesh's garment industry races against time, but even a flicker in the national grid can stop it in its tracks. Fakir Fashion Limited, a key player in the RMG sector, knew this all too well. As one of the country's leading garment exporters, the company drives employment, export earnings, and global brand recognition. Yet energy insecurity threatened both profits and sustainability commitments.

In March 2024, Fakir Fashion flipped the switch on Zero BESS, the nation's first large-scale lithium-ion battery energy storage system. This 1 MW smart storage ecosystem draws from both the national grid and rooftop solar panels, storing energy when supply exceeds demand and releasing it during outages or peak hours.

The challenge was steep. Diesel generators had long been the default, but they were costly, polluting, and misaligned with Bangladesh's renewable energy ambitions. Fakir Fashion had to integrate cutting-edge technology into a fast-moving factory, train teams on energy management, and adapt production schedules. The payoff was immediate: diesel consumption fell sharply, carbon emissions from backup power dropped to zero, and production floors ran uninterrupted during grid outages.

Zero BESS also enables smart solar energy use, cutting electricity costs while meeting international buyer expectations for sustainable manufacturing. The system is modular, with expansion plans already underway to enhance energy independence further.

Bangladesh's RMG sector has always been agile, but Fakir Fashion shows that the next leap isn't just faster lines, it's smarter, cleaner energy powering resilience.

How can other energy-intensive industries in Bangladesh adopt storage solutions to turn grid vulnerabilities into competitive advantages?

Explore renewable energy storage strategies to safeguard operations, reduce emissions, and lead the nation's industrial sustainability journey.





Performance Impact:

Metric	Before Zero BESS	After Zero BESS
Diesel backup consumption	High (primary backup source)	Eliminated
Carbon from backup power	Significant	0 tCO_2
Production loss from grid outages	Frequent	0 hours
Electricity cost trajectory	Rising	Reduced
Buyer compliance status	Partial	Met

How Zero BESS Works:

1 MW lithium-ion battery storage system draws from both national grid and rooftop solar. Stores energy when supply exceeds demand. Releases stored energy during grid outages or peak hours. Smart inverter manages load balancing in real time. Modular design allows capacity expansion.

Discussion Questions:

- Grid unreliability is one of Bangladesh's most persistent operational risks for manufacturers. Fakir Fashion chose battery storage over additional diesel generators. What does this decision signal about the changing economics of clean energy in Bangladesh?
- Zero BESS was the first large-scale lithium-ion storage system in Bangladeshi manufacturing. What are the risks of being a first mover in technology adoption for a factory operating on thin export margins?
- How should Fakir Fashion communicate this investment to global buyers, and what commercial advantage can it realistically claim?

Key Takeaways:

- Energy storage is emerging as a competitive infrastructure decision, not just an environmental one, in Bangladesh's power-insecure industrial landscape.
- Eliminating diesel backup removes both a direct emissions source and a variable cost driver.
- Bangladesh's RMG sector is increasingly competing on energy reliability and sustainability credentials alongside price and quality.

ESG institute BANGLADESH



When the Factory Learned to Breathe

At 6:30 a.m., the generators roar to life. Steam curls through pipes. Sewing lines hum like orchestras warming up. In most factories, that noise hides waste, heat vanishing into the sky, water disappearing into drains, money leaking quietly every hour.

At Panam Group, it became the start of a different story.

This case begins not with a policy, but with a question whispered inside a boiler room- What if we stopped letting value escape?

Panam Group isn't a boutique experiment. It is Bangladesh's industrial backbone in motion. With 25,000+ employees, exports to H&M, PVH (Tommy Hilfiger & Calvin Klein), GU, NEXT, and a monthly production capacity of 6.4 million garments, Panam sits squarely in the engine room of the country's economy.

From knitwear and dyeing to printing, embroidery, logistics, even bicycles. Panam has built an integrated ecosystem that global buyers depend on. Its factories carry a long list of certifications- LEED Gold, RSC, WRAP, BSCI, GOTS, OEKO-TEX, but compliance was never the finish line. Efficiency was. And efficiency, Panam learned, is an ESG story hiding in plain sight.

For years, Panam's generators released scorching exhaust into the air. 43% of input energy gone. At the same time, auxiliary boilers burned fresh natural gas to make steam. Two systems. Two bills. One mistake. So Panam installed Exhaust Gas Boilers (EGBs), first in 2012, scaled in 2018, expanded again in 2024. The exhaust that once vanished now produces steam. No extra fuel. No extra emissions.

The numbers read like a plot twist. 20% annual thermal energy reduction, over 3.6 million cubic metres of natural gas saved, nearly BDT 96 million in cost reductions, and 6,974 tons of GHG emissions avoided. Waste heat became a competitive advantage.

Next came a tougher decision. Panam's old generators were inefficient, unreliable, and non-compliant with tightening environmental norms. Fixing them was cheaper. Replacing them was smarter. Panam chose smarter.

Across Metro Units and Scandex, six outdated generators were replaced with advanced high-efficiency systems. Fuel consumption dropped from 0.41 nm^3/kWh to 0.23 nm^3/kWh, a 43% improvement.
The payoff?

Governance showed up not in paperwork but in capital allocation.

Not every ESG win was loud.

- Steam traps installed on ironing tables saved **272,770 m^3 of natural gas**, cut **515 tons of GHGs**, and paid back **BDT 7 million** by stopping steam from escaping unused.

- Servo motors replaced clutch motors across thousands of sewing machines. The needle now consumes power only when it moves. Across factories, this change delivered **30% energy savings, over 15,000 MWh of electricity reduction, and BDT 18.2 million BDT in financial savings**.

- Renewables followed. Rooftops once ignored became assets. Panam installed **2.763 MWp of rooftop solar**, generating over **4,900 MWh annually**, cutting **more than 3,000 tons of CO_2**, and enabling **net metering exports** to the national grid during holidays. In a country facing power stress, factories quietly became contributors, not just consumers.

- Lighting told the same story. Fluorescent tubes were hot, inefficient, and expensive to run. LEDs changed that. By replacing thousands of lights across production floors, Panam reduced lighting-related emissions by **up to 40%**, saving **nearly 4,800 MWh of electricity** and 56 millions of taka annually.

- Water, however, was the tougher battle. Dyeing is water-intensive by nature. Panam attacked the problem from every angle. **Cold Pad Batch (CPB) dyeing** eliminated steam use entirely for specific fabrics, cutting water use by **40% per kg** and saving **100% of thermal energy** in that process. Right-First-Time (RFT) programs reduced re-dyeing, cutting energy, water, and emissions by around 13% across wet processes. Low liquor ratio dyeing machines pushed water consumption down another 25%.

- Rainwater harvesting systems now collect hundreds of thousands of cubic metres annually, reducing 280000 m3 groundwater withdrawal. Treated water from ETPs and STPs, once discharged-now flows back into dyeing, gardening, printing, and toilet flushing, cutting freshwater demand by up to 50% in some units. Chemical auto-dosing systems reduced overdosing, improved fabric consistency, lowered effluent loads, and strengthened buyer confidence.

- At Panam's MBR-based Effluent Treatment Plants, treated wastewater stopped being a disposal problem and became a resource. Instead of sending it to drains, the company reused ETP water in deep-colour dyeing, printing, gardening, and chemical drum cleaning. In 2024 alone, Metro Unit-1 treated over 1.19 million cubic metres of wastewater, while Mercer recycled over 20% of its treated output. Across sites, this reduced freshwater withdrawal by 15–20% a year, while cutting pumping energy and improving buyer confidence.

- Even toilets were redesigned. At Metro Unit-2, STP-treated water now feeds flushing systems. In one year, nearly 17% of treated sewage water was reused, reducing domestic freshwater demand by around 50%, a reminder that water stewardship doesn't end on the factory floor.

- Inside dyeing halls, Panam tackled water and steam at the machine level. By installing low liquor ratio dyeing machines (1:6), water use fell from 80 litres per kg of fabric to 60 litres, while lowering energy and chemical consumption at the same time.

- Chemical management followed. Manual dosing- long blamed for waste, reprocessing, and quality variation was replaced with automated, recipe-based dosing systems. Chemical use dropped by at least 10%, water and effluent loads fell 30–50%, and Right-First-Time performance improved. Fewer reworks, safer handling, cleaner audits.

- The boilers were the first quiet fix. Manual blowdowns had been wasting heat and gas for years. In 2022, Panam installed automatic blowdown control systems with TDS sensors and motorised valves at Metro and Scandex. Blowdown rates dropped from 5% to just 1.5–2%, boiler efficiency improved from 78% to 82%, and daily gas use fell from 20,000 to 18,500 cubic metres. Over a year, that translated into 1.09 million cubic metres of natural gas saved, 2,055 tons of GHG avoided, and BDT 28.4 million cut from fuel and maintenance costs proof that smarter control beats bigger capacity.

- Even when grid electricity couldn't turn green fast enough, Panam acted. By purchasing I-REC certificates, the group aligned parts of its operations with 100% renewable electricity claims, offsetting hundreds of tons of CO_2 and meeting EU buyer decarbonisation requirements.

None of these changes made headlines on their own. Together, they reshaped how Panam thinks about efficiency. ESG here wasn't about one breakthrough, it was about refusing to accept everyday losses as normal.

This is why the case matters nationally. Bangladesh's RMG sector is often asked to prove sustainability. Panam shows how to build it inside boilers, sewing lines, dyeing floors, and rooftops.

Not perfect. Not finished. But undeniably real.

If one Bangladeshi manufacturer can unlock millions in savings by redesigning how energy and water flow through a factory-

what happens when an entire supply chain starts doing the same?





EGB Boiler

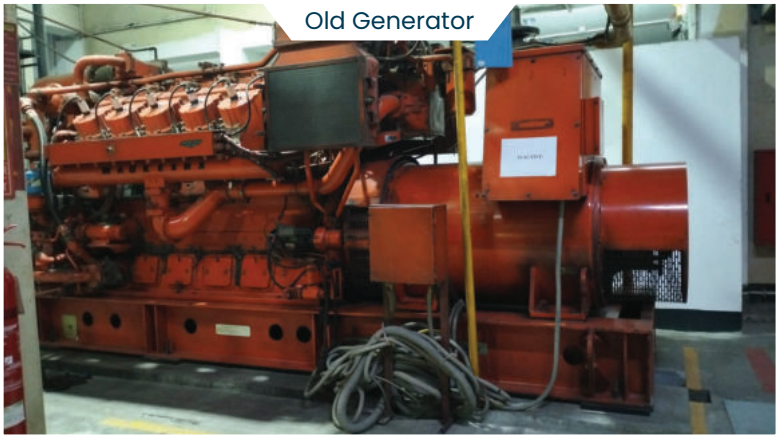


New Generator



Iron Trap

Old Generator





Solar



LED



Chemical Auto Dosing



CPB



Servo Motor



Rain Water Harvesting

Before/After Emissions:

Initiative	Resource Saved	GHG Avoided	Financial Saving
Exhaust Gas Boilers (EGB)	3.6M m^3 natural gas	6,974 tCO_2	BDT 96M
Generator upgrade	Fuel efficiency +43%	Significant	Operational savings
Steam traps	272,770 m^3 gas	515 tCO_2	BDT 7M
Servo motors	15,000+ MWh electricity	—	BDT 18.2M
Rooftop solar (2.763 MWp)	4,900+ MWh/year	3,000+ tCO_2	—
LED lighting	4,800 MWh/year	—	BDT 56M/year
Rainwater harvesting	280,000 m^3 groundwater	—	—
CPB dyeing	40% water reduction	100% thermal saving (process)	—
Auto boiler blowdown	1.09M m^3 gas	2,055 tCO_2	BDT 28.4M
I-RECs	—	Hundreds tCO_2	EU buyer compliance

Discussion Questions:

- None of Panam's individual initiatives were revolutionary. The scale of impact came from implementing many incremental improvements systematically. What organisational conditions make this kind of sustained operational improvement possible?
- Panam serves H&M, PVH, and NEXT — brands with aggressive public decarbonisation targets. How much of Panam's ESG investment is driven by commercial necessity versus genuine environmental strategy, and does the distinction matter?
- Panam's water strategy covers dyeing, ETP recycling, rainwater harvesting, and STP reuse. Map these interventions against GRI 303 (Water and Effluents). What would still need to be disclosed for full GRI alignment?

Key Takeaways:

- ESG in manufacturing is largely an efficiency story — most of Panam's environmental gains also delivered financial returns.
- Governance shows up in capital allocation decisions: choosing to replace generators rather than repair them is an ESG judgment, not just an engineering one.
- The aggregation of many small improvements — not a single transformation — is what makes this case nationally significant.

ESG institute BANGLADESH

MTB

The Bank That Changed the Way Bangladesh Screens Risk

A single decision inside a loan file can change the future of a community. Mutual Trust Bank PLC (MTB) learned this early, long before ESG became a national conversation.

MTB began its journey in 1999 as a modern, relationship-driven bank built for a growing Bangladesh. Over time, it realized something crucial: in a country shaped by factories, rivers, and fast industrial growth, financing without understanding environmental and social risks could place both people and portfolios in danger. Bangladesh's reality made the issue urgent. With climate threats intensifying and compliance expectations rising under Bangladesh Bank's Sustainable Finance Policy, the banking sector needed a new kind of discipline.

That is where MTB stepped forward.

Since 2017, its Sustainable Finance Department has worked with credit and business teams to weave Environmental and Social Due Diligence (ESDD) into every medium and large corporate loan. The shift began quietly. Every proposal was checked against an Exclusion List. Projects were categorized under Department of Environment guidelines. Then came the deeper work site visits, compliance reviews, analysis of community impact, and the preparation of Environmental and Social Action Plans for clients who needed corrective steps.

The "how" mattered. Staff received ESG training. Clients were guided through compliance upgrades rather than pushed abruptly. Reviews became systematic, documented, and visible across departments.

The results tell their own story. More than 75% of MTB's corporate loans now undergo full ESDD. The bank has recorded zero high-risk clients for nine consecutive quarters and reduced medium-risk clients to zero by Q2 2024, thanks to monitoring, stronger SOPs, and targeted client engagement. In 2023, over 10 medium-risk cases were corrected before financing, improving labour conditions and environmental compliance.

These outcomes are not isolated achievements. They reflect a financial institution choosing to influence safer industries, better governance, and stronger national resilience. MTB's journey shows how a bank can change behaviour across entire value chains by asking better questions before a loan is approved.

Before you turn the page, consider this: how much stronger could Bangladesh's industries become with this level of responsible screening?



Area of Improvement	Before MTB's ESDD Strengthening	After Improvements (Up to Q2 2024)
Risk Categorisation	Medium- and high-risk clients present across portfolio	0 high-risk clients for 9 consecutive quarters; 0 medium-risk clients by Q2 2024
Client Compliance	Limited corrective action; reactive compliance	10+ medium-risk cases corrected before financing; structured improvement plans
ESDD Coverage	Partial screening; inconsistent documentation	75%+ of corporate loans undergo full ESDD with documented reviews
Internal Capacit	Basic awareness of ESG risks	Regular staff training; stronger SOPs and cross-departmental coordination
Monitoring & Follow-Up	Ad-hoc monitoring	Systematic follow-up, site visits, and verifiable compliance tracking

ESDD Process:



Metric	Baseline (pre-2017)	Current (Q2 2024)
ESDD coverage of corporate loans	Partial, inconsistent	75%+ full coverage
High-risk clients	Present	0 (9 consecutive quarters)
Medium-risk clients	Present	0
Corrective cases resolved pre-financing	Ad hoc	10+ annually
Staff ESG training	Basic awareness	Regular, structured

Framework Callout:

Bangladesh Bank ESRM Guidelines (2017, revised 2022)
BB Sustainable Finance Policy 2020
10 Sector-specific ESG Checklists
BB Annual Sustainability Rating

Discussion Questions:

- MTB's ESDD process identifies and corrects medium-risk clients before financing rather than rejecting them. What is the business logic behind this approach, and what are the ethical implications?
- Bangladesh Bank's ESRM Guidelines made E&S due diligence mandatory for all banks. Does MTB's performance represent genuine ESG leadership, or compliance excellence? Where is the line?
- Banks in Bangladesh finance industries — RMG, construction, chemicals — that carry significant environmental and social risk. If MTB applies strict ESDD and a competitor does not, what market dynamics result?

Key Takeaways:

- Environmental and Social Due Diligence (ESDD) is now mandatory in Bangladesh banking, but quality of implementation varies dramatically — MTB demonstrates what best practice looks like.
- Zero high-risk clients for nine consecutive quarters is an outcome of systematic monitoring, not just initial screening.
- Banks that embed ESG into lending decisions influence the ESG behaviour of entire industries.

City Bank's ESG Revolution

City Bank, one of Bangladesh's largest private commercial banks, isn't just counting profits anymore. It's counting carbon. Screens flash real-time emissions data across branches. Every loan passes a sustainability filter. In a country where cyclones, rising temperatures, and financial shocks are constant threats, one of Bangladesh's largest banks decided that its future and the nation's depends on leading the green finance revolution.

This wasn't always the story.
City Bank spent years navigating sustainability the way most institutions did, CSR here, a few green loans there, some energy-efficient lights across branches. Compliance-driven. Fragmented. Necessary, but not transformative.

Then the world changed.

Global investors started asking hard questions. Development partners demanded climate risk disclosures. Regulators tightened sustainable finance rules. And Bangladesh, one of the most climate-vulnerable countries on Earth, kept facing cyclones, rising temperatures, and financial shocks that no traditional banking model could fully absorb.

City Bank realized something simple but powerful:

If Bangladesh wants climate-resilient growth, its financial system must lead the transition, not follow it.

That realization sparked a shift that feels, even now, like a turning point.

The transformation began with financing. Not slowly. Not cautiously. But at scale.

In four years, Sustainable Finance skyrocketed from BDT 4,919 Cr to 40,234 Cr. Green Finance jumped from 268 Cr to 3,336 Cr.

City Bank financed 192 MW of renewable energy, including Bangladesh's largest wind project at 60 MW of BDT 213 Cr. Solar systems now power 90+ branches, ATMs, and agent points. One head office building even achieved LEED Gold. They are proof that a bank can reinvent itself from a traditional lender to a climate powerhouse.

But numbers alone don't tell the whole story.

Culture changed. Priorities changed. The bank changed.

In 2022, City Bank became the first Bangladeshi bank to join the UN Net-Zero Banking Alliance - a commitment that placed the bank in the global climate conversation. Financed emissions are now tracked across high-impact sectors, and sector-specific decarbonization plans, unprecedented in Bangladesh, are already in motion.



And inclusion didn't take a back seat.

- Agent Banking expanded to 480 rural outlets.
- City Alo empowered 5,013 women entrepreneurs, disbursing BDT 6,470 million.
- The country's first Green Savings Account crossed 20,000 accounts mobilizing BDT 612.7 million in deposits, with each new customer triggering a tree planting.

Recognition followed.

- Ranked #1 in Bangladesh Bank's 2024 Sustainability Rating.
- Featured in Bloomberg ESG Ratings 2024.
- Awarded Most Sustainable Financial Institution of the Year.
- Five years of consistent national leadership.

Behind the scenes, governance became sharper.

- Zero cases of corruption or anti-competitive behavior in 2024.
- ESRM and Sustainable Finance Policies integrated into credit decisions.
- Women now make up 18.9% of the workforce, with over 1,100 promotions in a year.

But City Bank isn't slowing down.

More renewable investments. More ESG-linked loans. A stronger focus on electric mobility, green housing, climate-resilient agriculture, and transition finance. Sustainable Finance Help Desks for rural communities. Deeper operational decarbonization. Stronger disclosures. More transparency.

City Bank's leadership says it best:

> "Sustainability isn't a project, it's the way forward."

And in a country where finance will determine how fast industries, communities, and households adapt to climate change, this bank has already decided which side of history it wants to stand on.

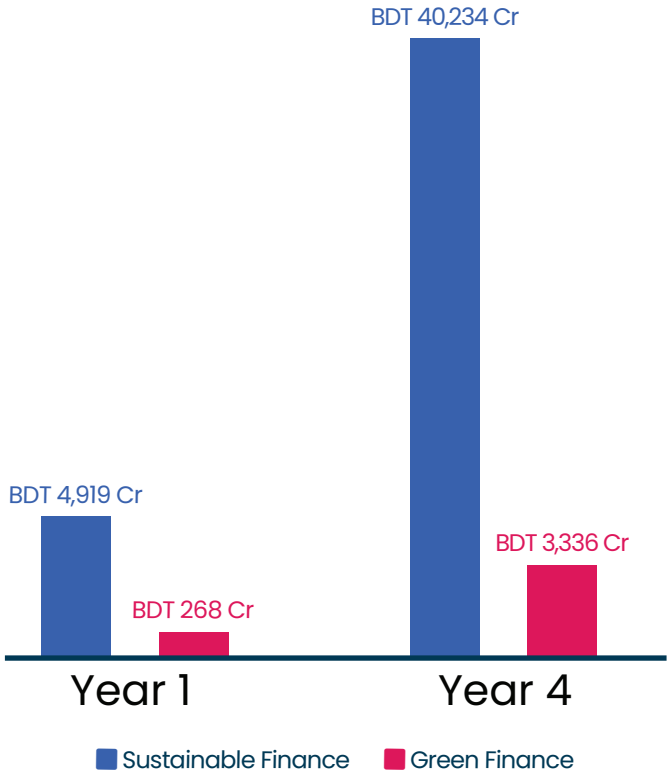
City Bank is no longer just financing growth.

> It's financing a greener future and inviting the rest of Bangladesh's financial sector to catch up.

Category	Key Number / Achievement
Climate-Smart Agriculture	BDT 1,238 Cr financing; 347,641 farmers reached
CSR Investment (Decade Total)	BDT 1,160.9 million

Impact Summary:

Metric	Annual Figure
Plastic waste processed	192 MW
Largest single project	60 MW wind, BDT 213 Cr
Sustainable Finance growth (4 years)	BDT 4,919 Cr → BDT 40,234 Cr
Green Finance growth (4 years)	BDT 268 Cr → BDT 3,336 Cr
Solar-powered branches/ATMs	90+
LEED Gold buildings	1 (head office)
Green Savings Account	20,000+ accounts, BDT 612.7M
Women entrepreneurs financed (City Alo)	5,013, BDT 6,470M
Agent Banking rural outlets	480
Climate-smart agriculture	BDT 1,238 Cr, 347,641 farmers
Women in workforce	18.9%
BB Sustainability Rating 2024	#1
Year joined UN Net-Zero Banking Alliance	2022 (first Bangladeshi bank)



Discussion Questions:

- City Bank tracks financed emissions across high-impact sectors and is building sector-specific decarbonisation plans. What data does a bank need to do this credibly, and what are the obstacles for Bangladeshi banks specifically?
- City Bank joined the UN Net-Zero Banking Alliance in 2022. What obligations does this commitment create, and how would you assess City Bank's current progress against those obligations?
- City Bank's "Green Savings Account" plants a tree per new account and has crossed 20,000 accounts. Is this a meaningful ESG product or primarily a marketing mechanism? How would you evaluate it?

Key Takeaways:

- Bangladesh's first bank to join the UN Net-Zero Banking Alliance demonstrates that global climate commitments are accessible to emerging market banks — not only those in high-income economies.
- Sustainable finance growth from BDT 4,919 Cr to BDT 40,234 Cr in four years shows that ESG-aligned products can drive commercial growth, not constrain it.
- The integration of financial inclusion (City Alo, rural banking) with environmental strategy (Green Savings, renewable energy) illustrates that the S and E of ESG can be commercially complementary.

The Finance Company That Realised Climate Risk Was Financial Risk

Bangladesh's climate crisis didn't knock on the door of finance, it walked straight in and refused to leave.

For IPDC Finance, founded in 1981 and built on a rare partnership between public trust and BRAC's grassroots reach, this moment felt personal. For decades, IPDC financed youth, women entrepreneurs, small businesses, and emerging industries that sit closest to climate risk. Rising seas, stronger cyclones, and worsening air quality were no longer distant threats. They were risks moving through balance sheets, supply chains, and communities.

Inside the boardroom, a quiet realization took hold. Climate change was no longer an environmental headline. It was a credit risk.

IPDC chose not to look away. Instead, it asked a hard question that many avoided: what does responsible finance look like in one of the world's most climate-vulnerable countries?

The answer became a board-approved Net Zero Strategy for 2050. But the real work happened far from slogans. Diesel-heavy operations were replaced with cleaner alternatives. High-emission cooling systems were phased out. Solar power began feeding offices. Vehicles shifted toward hybrid and electric. Staff learned to see the carbon cost behind everyday decisions.

Then the lending book changed. Using a PCAF-aligned Joint Impact Model, IPDC began measuring financed emissions, screening out high-emitting projects and steering capital toward cleaner manufacturing, climate-smart agriculture, and low-carbon industries.
The numbers told the story. Scope 1 emissions fell from 137 to 26 $mtCO_2e$. Scope 2 edged down from 275 to 272 $mtCO_2e$. Financed emissions dropped from 165,396 to 161,954 $mtCO_2e$, meaningful progress in a short time.

More importantly, mindset shifted. Emissions stopped being abstract data and became decision signals. Policy turned into practice.

As climate risk reshapes finance, one question now follows every lender in Bangladesh: if capital can change outcomes, where should it flow next?

Category	Dec 2024	June 2025 (Provisional)	Improvement
Scope 1 Emissions	137 tCO_2e	26 tCO_2e	82% reduction
Scope 1 Emissions per Employee	162 kg	30 kg	81% reduction
Scope 2 Emissions	275 tCO_2e	272 tCO_2e	Slight reduction
Scope 2 Emissions per Employee	137 tCO_2e	317 kg	Small reduction
Scope 3 (Financed Emissions)	165,396 tCO_2e	161,954 tCO_2e	3,442 tCO_2e reduction

Net Zero Roadmap Timeline:

2024 ➞ Board-approved Net Zero Strategy for 2050 established

2024 ➞ PCAF-aligned Joint Impact Model deployed for financed emissions

2024 ➞ Scope 1 emissions: 137 ➞ 26 $mtCO_2e$ (82% reduction)

2025 ➞ Financed emissions: 165,396 ➞ 161,954 $mtCO_2e$ (provisional) 2050 ➞ Net Zero target

Emissions Performance:

	Reduction Method
Scope 1:	diesel replacement
	AC phase-out
	solar
	EVs
Scope 3:	PCAF screening
	exclusion of high-emitting projects

Discussion Questions:

- IPDC identified climate change as a credit risk, not just a CSR concern. What specific types of loans in IPDC's portfolio are most exposed to physical climate risk in Bangladesh, and how should this be priced?
- IPDC used the PCAF-aligned Joint Impact Model to measure financed emissions. What are the limitations of this methodology in a Bangladeshi context where data quality across borrowers is inconsistent?
- IPDC reduced Scope 1 emissions by 82% in under a year primarily through operational changes. Why is Scope 3 (financed emissions) a much harder problem, and what would meaningful progress look like?

Key Takeaways:

- Financed emissions (Scope 3 for financial institutions) are orders of magnitude larger than operational emissions — IPDC's 161,954 $mtCO_2e$ in financed emissions dwarfs its 26 $mtCO_2e$ Scope 1.
- The PCAF methodology makes financed emissions measurable — but data quality from SME borrowers in Bangladesh remains the binding constraint.
- A board-approved Net Zero Strategy creates accountability structures that operational commitments alone do not.



Strength Before the Storm: IPDC's Journey Into Community-Rooted Climate Action

Real resilience is never built in the middle of a disaster, it is shaped quietly, long before the warning signs appear.

In places like Lalmonirhat and the low-lying edges of Mongla, that lesson is lived every day. Floods arrive without apology. Soil turns salty. Women walk farther each year in search of clean water. That is where IPDC Finance steps in.

IPDC Finance understood that in a country where climate and poverty collide, finance alone is not enough. Founded in 1981 through public trust and BRAC's grassroots reach, IPDC has long financed people closest to risk. They have the belief that a financial institution can stand beside communities long before disaster hits.

That belief shaped its climate-resilient partnerships with ActionAid and SAJIDA Foundation. The work began in fields, not boardrooms. IPDC supported 100 women farmers in Lalmonirhat with high-yield local seeds and fencing to protect crops.

Yet the real impact came from skills. Women learned vermicomposting, safe pesticide use, mulching to conserve water, and soil-friendly farming. 80 households set up compost units, backed by three larger plants to scale production. Yields improved because knowledge improved.

In Mongla, the challenge was water, not land. Salinity had made groundwater unsafe. With SAJIDA Foundation, IPDC introduced simple rainwater harvesting systems, 5,000 litres each, shared by five households. Tin roofs became collection points. Rain became a resource. Hours once spent searching for water were reclaimed for work, rest, and family.

The change is measurable. Vermicompost units now produce close to 1,000 kg a month. Eleven rainwater systems provide clean water for 55 people. More importantly, women are earning more, losing less, and planning ahead with confidence.

As climate risks grow sharper across Bangladesh, one question lingers: what happens when more institutions decide that resilience is not charity, but responsibility?

Impact Area	Improvement
Women Supported in Climate-Resilient Farming	100 women empowered
Vermicompost Units	73 new systems produces 1000 kg
Rainwater Harvesting Systems	11 systems - Clean water access for 55 people

Community Intervention Summary:

Location	Partner	Intervention	Beneficiaries	Outcome
Lalmonirhat	ActionAid	High-yield seeds, fencing, vermicomposting, mulching training	100 women farmers, 80 households	73 compost units, ~1,000 kg/month production
Mongla	SAJIDA Foundation	Rainwater harvesting (5,000L systems)	55 people (11 systems × 5 households)	Safe water access, hours recovered

Geographic Context:

Lalmonirhat:	North Bangladesh,
	highly flood-prone,
	river erosion risk.
Mongla:	Coastal Southwest,
	salinity intrusion,
	cyclone exposure,
	directly adjacent to Sundarbans buffer zone.
Both locations represent Bangladesh's highest climate vulnerability zones.	

Discussion Questions:

- IPDC is a finance company, not a development organisation. What is the strategic rationale for deploying capital in rural climate resilience programmes, and how does this connect to IPDC's core lending business?
- The Mongla rainwater harvesting project addresses a symptom (unsafe groundwater) rather than the cause (saltwater intrusion from sea-level rise). At what point does adaptation investment need to shift to systemic advocacy?
- How would you measure the long-term social return on investment (SROI) of the Lalmonirhat farming programme?

Key Takeaways:

- Financial institutions in climate-vulnerable economies have a direct material interest in community resilience — loan defaults rise in disaster-affected areas.
- Community-rooted climate action (grassroots, knowledge-based) often delivers more durable impact than infrastructure-only interventions.
- Partnership with established development organisations (ActionAid, SAJIDA) allows finance companies to deploy ESG capital efficiently without building programme capacity from scratch.

Where Finance Met Freedom

The equation changes the moment a woman signs her first business loan in her own name.

For decades in Bangladesh, that moment was rare. Women worked, traded, stitched, sold, and managed households, yet finance remained out of reach. Credit needed collateral. Markets needed connections. Confidence needed permission. IPDC Finance PLC decided that gap was not just unfair, it was an economic loss the country could no longer afford.

Founded in 1981 through public trust and BRAC's grassroots reach, IPDC built its reputation financing youth, small enterprises, and first-time dreamers. But one question kept resurfacing as Bangladesh pushed toward inclusive growth - what happens when half the population is locked out of capital?

The answer became Joyee.

Launched in 2018, Joyee was not designed as a product, but as an ecosystem. Collateral-free loans opened doors first. Then came markets. Training. Safe spaces. Health. Confidence. In Mirpur, Joyee 360 took physical form as Bangladesh's first sub-branch built entirely around women entrepreneurs. Inside, women meet buyers, learn digital skills, access finance desks, and plan businesses without being sidelined or spoken over.

The obstacles were real. Social norms still discouraged women from earning. Early marriage cut education short. Many entrepreneurs returned from the pandemic disconnected from buyers and cash flow. IPDC responded with decisions that went beyond lending. Night markets brought women back to customers. Corporate Connect linked women-led SMEs with large buyers. Interest-free child marriage prevention loans helped families choose education over dowry. School support kept adolescent girls learning instead of leaving.

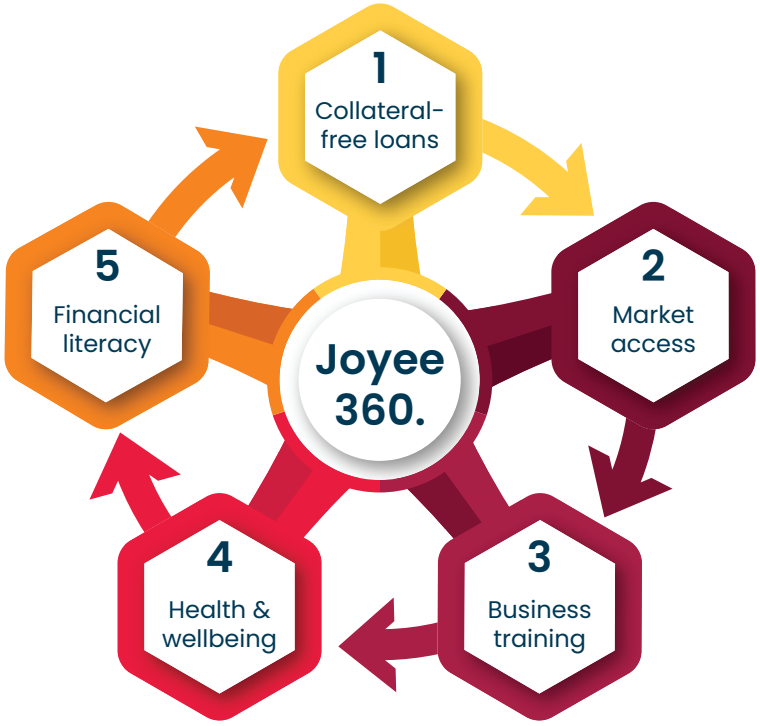
The results are visible. Women now make up 26% of IPDC's SME portfolio. Joyee's rural outreach has grown threefold in five years. Nearly 200 women gained financial and business training, while health and wellbeing programs reached entire families. In 2024, IPDC was named Global Champion for Best Financier for Women Entrepreneurs by IFC and the SME Finance Forum.

Joyee proves a simple truth. When finance meets women where they are, economies move.

If women-led businesses can reshape finance from the margins, what would Bangladesh's economy look like if inclusion became the default?

Metric	Result
Women Trained in Business & Finance and Health & Wellbeing Sessions	195 and 179
Rural Portfolio Growth and Market Access Events	3× in 5 years and 3 major platforms
Women in SME Portfolio	26%





Impact Summary:

Metric	Result
Women in IPDC SME portfolio	26%
Rural portfolio growth (5 years)	3×
Women trained (business & finance)	195
Women trained (health & wellbeing)	179
Major market access platforms	3
Joyee 360 branch location	Mirpur, Dhaka
IFC recognition (2024)	Global Champion, Best Financier for Women Entrepreneurs

Discussion Questions:

- Joyee was designed as an ecosystem, not a product. What does this distinction mean in practice, and why does it matter for sustainability of impact?
- The case notes that social norms, early marriage, and pandemic disruption were primary barriers for women entrepreneurs. How should a financial institution's ESG strategy address root causes versus symptoms of gender exclusion?
- Women now represent 26% of IPDC's SME portfolio. What target would represent genuine gender parity in SME lending in Bangladesh, and what would it take to reach it?

Key Takeaways:

- Collateral-free lending to women is not charity — IPDC's 3× rural portfolio growth in five years demonstrates commercial viability.
- The Joyee 360 model integrates financial, social, and health support — recognising that women entrepreneurs face compounded, intersecting barriers.
- IFC's Global Champion recognition signals that gender-inclusive finance in Bangladesh meets global ESG investment standards.



ESG institute BANGLADESH

robi

Trust Built in Every Byte

In telecom, a dropped call is annoying but a governance failure can be fatal.

Robi Axiata PLC knows this better than most. With more than 56 million Bangladeshis depending on its network for calls, data, payments, and digital life, the country's second-largest mobile operator doesn't just move information, it carries trust at national scale.

Yet before 2022, cracks were forming behind the scenes. Compliance training didn't reach everyone. Suppliers were efficient, but ethics checks were thin. Anti-bribery rules existed, but they didn't always travel beyond the office walls. In a business built on sensitive data and tight regulation, these gaps weren't minor, they were ticking risks.

The realization was blunt. Technology was racing ahead, but governance wasn't keeping pace.

So Robi hit reset. Instead of treating compliance as paperwork, the company rebuilt it as muscle memory. Every employee, from new hires to senior leaders, went through mandatory training on anti-bribery, data privacy, cybersecurity, and ethical conduct.

> By 2024, 100% of staff completed compliance training, with 99.7% finishing Anti -Bribery and Anti-Corruption modules. Integrity became non-negotiable and measurable.





Then governance moved upstairs. A Board Risk and Compliance Committee took charge of monitoring fraud, cyber threats, and regulatory risk, putting ethics on the same level as revenue and growth. Outside the company, Robi turned its attention to suppliers. A locally built e-sourcing platform digitised procurement, cut bias, and lifted transparency. Suppliers signed strict codes of conduct, joined ethics workshops, and faced real scrutiny, not just paperwork. More contracts shifted to local vendors, keeping money and opportunity inside Bangladesh.

The payoff was immediate and quiet, exactly how good governance should work. Fewer risks. Cleaner processes. Stronger confidence from regulators, investors, and customers.

Robi's lesson is simple but urgent: in Bangladesh's fast-moving digital economy, trust isn't a soft value, it's infrastructure. And the companies that build it early will lead the next wave.



Governance Transformation:

Initiative	Before 2022	After 2024
ABAC training	Inconsistent	99.7% of employees
Compliance training	Partial	100% coverage
Board oversight	Standard	Board Risk & Compliance Committee established
Procurement	Manual, relationship-based	e-sourcing platform, digitised
Supplier ethics	Code of conduct exists	Signed codes + ethics workshops + real scrutiny
Local vendor share	Mixed	Increased, keeping economic value in Bangladesh

Governance Structure:

Board Level:	Board Risk and Compliance Committee (fraud, cyber, regulatory risk)
Management Level:	Mandatory training — anti-bribery, data privacy, cybersecurity, ethical conduct
Supplier Level:	Codes of conduct, ethics workshops, e-sourcing transparency
Monitoring:	Annual reporting on compliance metrics

Discussion Questions:

- Robi operates in Bangladesh's digital economy handling data for 56 million subscribers. How does data privacy governance connect to ESG, and what are the material risks of failure?
- Robi digitised procurement through a locally built e-sourcing platform to reduce bias and increase transparency. What are the limits of technology as a governance tool, and what cultural conditions are needed for it to work?
- 100% compliance training completion is a process metric, not an outcome metric. How would you design a more meaningful measure of whether Robi's anti-bribery culture has actually changed?

Key Takeaways:

- In digital infrastructure companies, governance (the G of ESG) is not a soft pillar — data privacy, cybersecurity, and anti-corruption are material financial and reputational risks.
- ESG governance must extend through the supply chain: Robi's supplier ethics programme recognises that a governance failure in procurement is a governance failure for the entire organisation.
- 99.7% ABAC training completion rate demonstrates that governance transformation is achievable at scale within 18 months when leadership commits.

ESG institute BANGLADESH

banglalink

The Proyash Digital Story

Bangladesh is racing toward a digital future.

But for 1.6 million children with special needs, that future is out of reach. Only 1 in 10 has access to inclusive education. The gap is not about ability, it's about access.

Before 2023, Proyash classrooms told the same story everywhere: dedicated teachers, committed parents, and classrooms without the digital tools modern education demands. Chalkboards in a digital century. Potential waiting to connect.

For Banglalink, digital exclusion was more than a social concern. It's a material ESG risk in a country where growth depends on connectivity, skills, and inclusion. Under its ESG3Sixty framework, digital inclusion became a priority, not charity, but sustainable impact.

In 2023, Banglalink partnered with the Proyash Institute of Special Education and Research to launch the Proyash Digital Classroom Initiative, a multi-year ESG program.

The Dhaka campus became the pilot site:

- 4 FWA WiFi devices with 10GB monthly data
- Smart board, sound system, camera for interactive learning
- Remote systems connecting campuses across cantonments

Teachers were trained in tech-enabled, adaptive methods, turning devices into meaningful learning tools.

Within one year:

- 2,000+ children accessed digital learning for the first time
- Hundreds of educators enhanced their teaching through standardized digital systems
- Classrooms shifted from isolated spaces to connected learning environments



In 2025, the initiative scales to Proyash Jashore, the largest campus serving 170+ children, with Banglalink investing BDT 10,00,000 for WiFi, devices, learning space upgrades, and six months of data.

What began in one classroom is now a scalable ESG model. Connectivity, training, and long-term planning demonstrate how ESG goes beyond philanthropy to tackle systemic inequality.

If one telecom operator can connect 2,000+ children through a single ESG intervention, what could Bangladesh achieve if every sector made digital inclusion a core ESG priority?







Programme Investment & Impact:

Metric	2023 (Dhaka pilot)	2025 (Jashore expansion)
Children reached	2,000+	170+ additional
Infrastructure deployed	4 FWA WiFi + smart board + sound + camera	Full digital upgrade
Investment	Not disclosed	BDT 10,00,000
Data provided	10GB/month	6 months data
Educators trained	Hundreds	Ongoing

ESG3Sixty Framework:

Banglalink's ESG3Sixty framework positions digital inclusion as a core strategic ESG priority rather than a CSR add-on. Three pillars:

- Environmental responsibility
- Social impact
- Governance excellence

Digital inclusion sits under Social — framed as a material ESG risk in a digital economy.

Discussion Questions:

- Banglalink defines digital exclusion as a material ESG risk to its business. What is the commercial logic of this framing, and how does it differ from treating the programme as philanthropy?
- The Proyash programme targets children with special needs — a group with near-zero access to inclusive digital education in Bangladesh. What systemic barriers (beyond connectivity) would need to change for this model to reach all 1.6 million children with special needs?
- Banglalink is a private telecom company, not a development institution. What are the risks and responsibilities that come with private sector actors filling gaps in the public education system?

Key Takeaways:

- Digital inclusion for marginalised communities is increasingly recognised as a material ESG issue for telecom companies — not discretionary.
- Connecting 2,000+ children through teacher training and infrastructure in a single programme cycle demonstrates that scale in social impact is achievable without large capital.
- Scaling from pilot (Dhaka) to expansion (Jashore) with a structured investment plan signals long-term commitment rather than one-off philanthropy.

ESG institute BANGLADESH

গ্রামীণফোন

The Connection That Rewrote Lives

The hum of a mobile, the glow of a screen, the spark of possibility across Bangladesh, those left offline are stepping into a new world. Digital skills are opening doors, changing lives, and rewriting stories that seemed destined to be forgotten.

Plan International Bangladesh, Telenor, and Grameenphone never aimed for headlines. In 2023, they launched the Digital Inclusion for Marginalized Communities Project to reach those left behind - tea pickers, transgender youth, girls at risk of early marriage, people with disabilities, and climate-impacted families. Access to the internet was a lifeline they had never held: 49% of marginalized communities lacked connectivity, and only 1 in 20 used it for essential services.

The work started quietly, with a national survey of over 4,000 people across 19 districts. The gaps were clear: limited digital literacy, unsafe online spaces, stigma, and fear. The solution had to meet people where they were. Courtyard sessions became safe classrooms, 1,392 schools opened doors to digital modules, youth-led campaigns spread awareness, and radio programs reached families far from any school or internet hotspot.

Reality was messy. Trainers had to adapt content for those who had never touched a smartphone. Communities had to trust technology again. Elders, teachers, and local leaders were engaged to anchor learning. Digital skills grew not in isolation but through dialogue, stories, and repeated practice.
The impact was immediate and measurable. Daily internet use rose from 68% to 81%, online education jumped from 12% to 54%, public service use more than doubled, and 66% began using the internet for income. Over 450,000 people were trained directly, and more than 3.3 million reached through broader outreach. Families shifted mindsets, with 90% now valuing digital access positively.

This is not a campaign, it is a movement. It shows that change can start small, grow local, and transform lives across Bangladesh.

What opportunities remain unseen in the digital world around you, waiting for someone to connect them?

Key Metric	Before	After	Method/Action Taken
Daily Internet Use	68%	81%	Courtyard sessions, youth campaigns, community radio
Online Education	12%	54%	Digital literacy modules in schools and communities
Public Service Usage Online	6%	15%	Training on mobile banking & government services
Mobile Banking Adoption	13%	22%	Step-by-step guidance & facilitator support
Internet for Income Generation	0–unknown	66%	E-commerce and professional skill modules
Community Trust in Internet	Low	90% positive	Engaging elders, teachers, local leaders
Direct Beneficiaries	0	450,000+	Hands-on local facilitation in schools & courtyards
Wider Community Reach	Limited	3.3 million+	Radio programs, youth-led campaigns, outreach initiatives

Comprehensive Outcomes:

ESG Pillar	Social (digital inclusion)
	Social (gender equity)
	Social (disability access)
	Governance (data ethics)

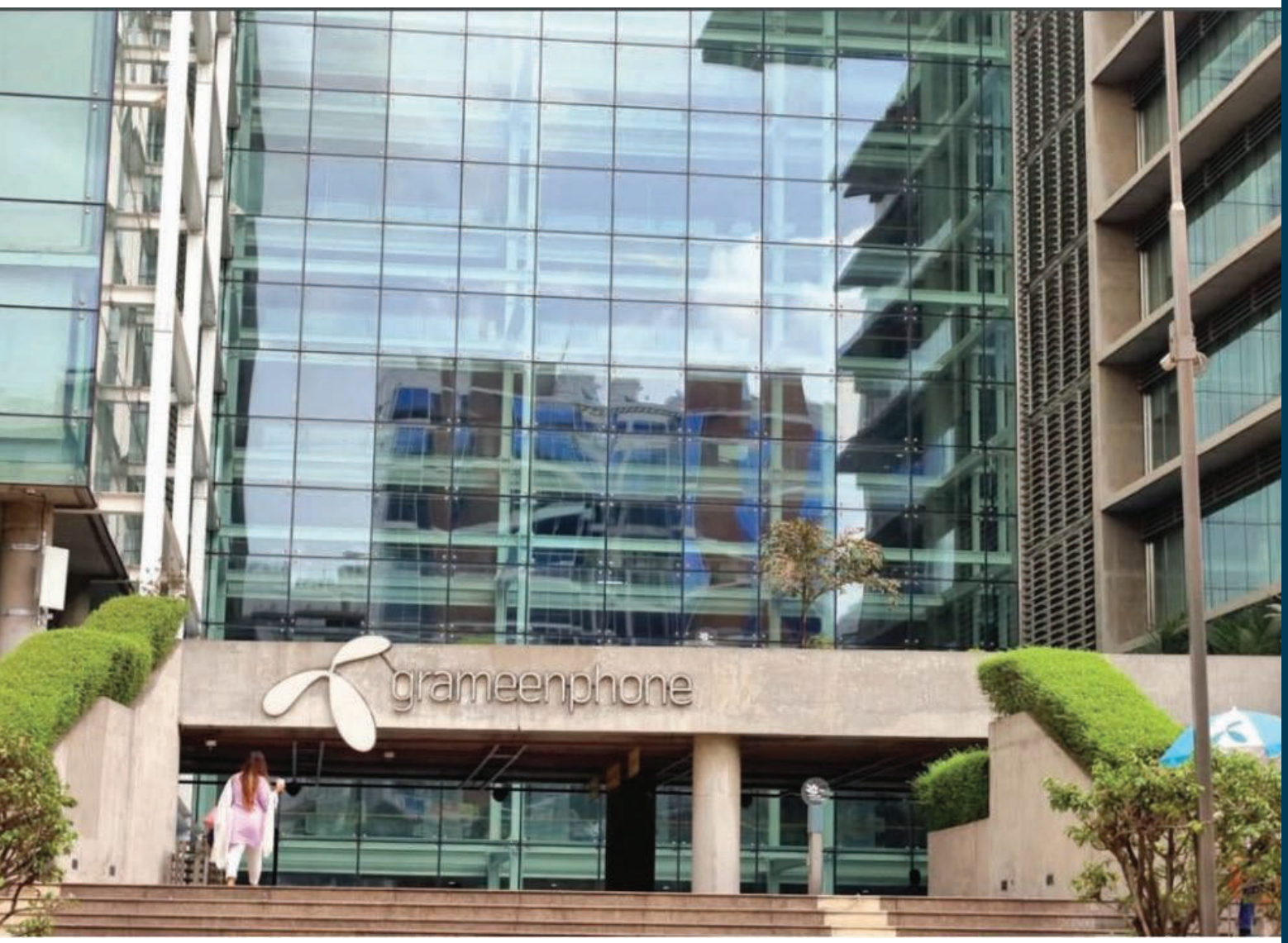


Discussion Questions:

- The programme reached 450,000 people directly and 3.3 million through broader outreach. What data would you need to assess whether digital skills training translated into measurable economic outcomes for participants?
- The case targets tea pickers, transgender youth, girls at risk of early marriage, people with disabilities, and climate-affected families. Each group faces different barriers to digital inclusion. Is a single programme design adequate, or does genuine inclusion require differentiated approaches?
- Grameenphone operates the programme in partnership with Plan International and Telenor. What governance structures ensure that a private telecoms company's commercial interests do not compromise the programme's integrity?

Key Takeaways:

- Digital inclusion programmes work when they meet communities where they are — courtyard sessions, radio, and youth-led campaigns outperformed institutional delivery channels.
- 90% of families now valuing digital access positively represents a cultural shift that infrastructure alone cannot achieve.
- For telecom companies, social impact programmes are simultaneously an ESG deliverable and a market development strategy — marginalised communities are future subscribers.



ESG institute BANGLADESH

CONFIDENCE GROUP | Let's Believe®

Fix the Process, Fix the Future

Bangladesh's electrical backbone starts long before the wires, it starts with the poles forged inside this factory. Every pole that rolls out of this line goes on to hold up cables, connect villages, and power the nation's growth. In a country racing to expand energy access for 170 million people, reliability isn't a feature, it's a lifeline.

Confidence Group, the industrial giant behind CILPLC, has shaped this lifeline for more than three decades. Born in 1991 with Bangladesh's first private cement venture, the Group now anchors sectors from power generation and telecom to mid-tech engineering and transportation infrastructure. Its SPC poles play one of the quietest yet most critical roles in Bangladesh's electrification journey.

That's exactly why a silent problem began to feel dangerously loud.

For months, pole hole defects- tiny, almost invisible errors were creeping into shipments. Hole closure issues made up nearly half of all PSI complaints. Misalignment accounted for another third. Incorrect hole locations added more frustration. On paper, the defects looked small; in reality, they meant rework bills crossing BDT 250,000, project delays, and strained customer trust. In a sector where Bangladesh cannot afford interruptions, the stakes were far larger than a few millimeters of misplaced steel.

The problem wasn't incompetence, it was variability. Bent pins. Wrong pipe lengths. Worn-out sockets. Manual cuts that differed from person to person. Too many steps relied on habit instead of system checks. And as any engineer knows, a weak early process becomes an expensive late-stage problem.

So the team rewired the way they worked.

Instead of quick fixes, they opened the A3 Lean playbook. Gemba walks exposed the realities on the floor. Pareto revealed that 81% of defects came from hole-related issues. Fishbone diagrams untangled the roots. 5 Whys stripped away assumptions. Suddenly, every operator, supervisor, and engineer was solving, not guessing.

Solutions followed with sharp precision.

A new Poka-Yoke fixture caught bent pins before they caused misalignment. Heat therapy revived 363 damaged pins, recovering 236 kg of steel, saving BDT 651,360 a year.

Standardized pipe lengths removed inconsistencies. Larger pins replaced short, error-prone ones. Mold rings were cut for smoother insertion. Color-coded sockets enforced lifecycle discipline. Visual boards turned quality into a floor-wide conversation instead of a QC department memo.

Layered Process Audits stopped defects at the source, not the shipment yard.

- Layered Process Audits stopped defects at the source, not the shipment yard.
- Shift-wise QC reports made every pole a data point.
- Training reframed the mindset: "The next process is the customer."

By April 2024, the numbers told the story better than words ever could.

- Hole closure defects dropped from 39% to under 5%.
- Alignment issues fell from 29% to 17%.
- Location errors dropped nearly in half.
- For two straight months - zero PSI complaints.

But the impact went beyond metrics. Operators felt pride instead of pressure. Customers regained confidence. Waste fell, rework shrank, and quality became a culture, not a checkbox. For Bangladesh, it offered something bigger, a blueprint for how local industry can scale quality, reduce environmental waste, and strengthen infrastructure reliability at a time when the country's energy expansion is more urgent than ever.

Confidence Group now plans to replicate these tools across units, digitize QC, cut curing energy by 15%, reuse materials more efficiently, and drive defect rates below 3%.



A stronger pole may look like a small win.

But in a nation building its future - pole by pole, line by line - it's the foundation that changes everything.



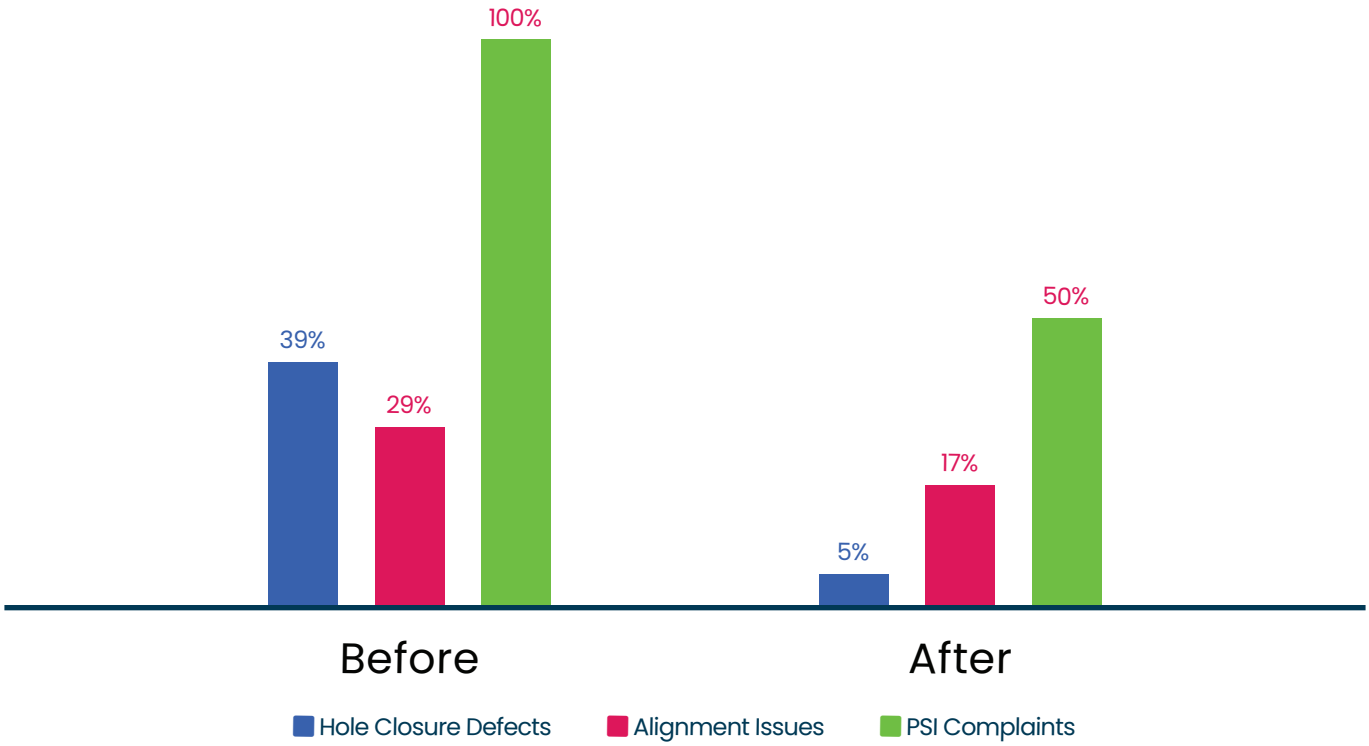


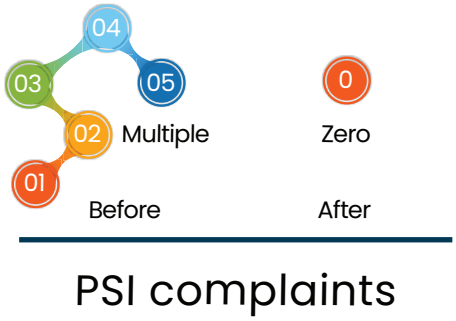







CONFIDENCE





PSI complaints

Lean Tools Applied

A3 Problem Solving
Gemba Walks
Pareto Analysis
Fishbone Diagram
5 Whys
Poka-Yoke
Layered Process Audits
Visual Management Boards
Shift-wise QC Reporting

Financial & Environmental Impact:

Action	Environmental Benefit	Financial Saving
Steel pin recovery (heat therapy)	236 kg steel recovered, waste reduced	BDT 651,360/year
Defect elimination	Less rework material waste	BDT 250,000+ rework costs eliminated
Standardised processes	Consistent quality, fewer rejects	Reduced scrap costs

Discussion Questions:

- Confidence Group's ESG intervention was a lean manufacturing and quality improvement programme — not a renewable energy or reporting initiative. Should this count as ESG? Make the argument for and against.
- The case shows that process discipline reduces waste, rework material, and energy consumption simultaneously. How does the "G" of ESG (governance over internal processes) connect to environmental and financial performance?
- Confidence Group manufactures SPC poles critical to Bangladesh's rural electrification programme. What is the ESG significance of infrastructure reliability in the context of national energy access?

Key Takeaways:

- Operational excellence is an ESG story when it reduces material waste, energy use, and rework — the environmental case is embedded in good manufacturing discipline.
- Governance (standardised processes, visual management, layered audits) is what makes quality improvement sustainable rather than episodic.
- Zero PSI complaints for two months is a lagging indicator of cultural change, not just process change.

ESG institute BANGLADESH

BSRM building a safer nation

When Steel Meets Sunlight – How BSRM Wires Went Solar

If you stand on the rooftop of BSRM Wires Limited at noon, the contrast feels almost poetic.

Below, steel is shaped by flame. Above, solar panels turn sunlight into power.

Two forces - Bangladesh's industrial past and its clean-energy future finally meet.

BSRM Wires Limited, part of the country's iconic BSRM Group, has long supplied the steel behind bridges, buildings, and national growth. Its modern factory symbolizes Bangladesh's industrial ambition but that ambition comes with rising energy demand and rising emissions. As Bangladesh pushes toward its 2041 renewable-energy target and its Paris Agreement commitments, fossil-powered industries face mounting pressure to evolve.

BSRM chose to lead that evolution. The decision to install a 3.32 MWp rooftop solar plant wasn't made for CSR or PR. It was a strategic shift toward cleaner, more resilient industrial power.

The transition wasn't simple. Steel factory roofs weren't designed for heavy solar arrays. Temperatures soar, dust accumulates, chimneys cast shadows, and energy demand fluctuates around the clock.

Every obstacle demanded redesigns and new engineering answers.

But BSRM pushed forward.

Roofs were strengthened without reconstruction. Damaged sheets were restored. Smart inverters balanced intermittent solar with grid power under national net-metering rules. IoT monitoring turned energy usage into real-time insights. And slowly, the sun began powering a facility once dominated by diesel and the grid.

The results arrived quickly.

From September to December 2024, the system generated 759,345.87 kWh of clean energy. Carbon emissions fell by 508.76 tCO_2, with annual reductions projected at 2,592.67 tCO_2. By year's end, the plant will supply 3.87 million kWh of solar power, saving nearly 37.7 million BDT, a 9-year payback on a system built to last decades.

This isn't just a project. It's a national demonstration.

If a heavy-duty steel factory can run partly on sunlight, any industrial site in Bangladesh can.

And BSRM is already scaling up: a 4.9 MWp system at BSRM Steels and a groupwide 15 MWp renewable vision by 2026.

Fire will always forget steel but now, sunlight will help power its future.

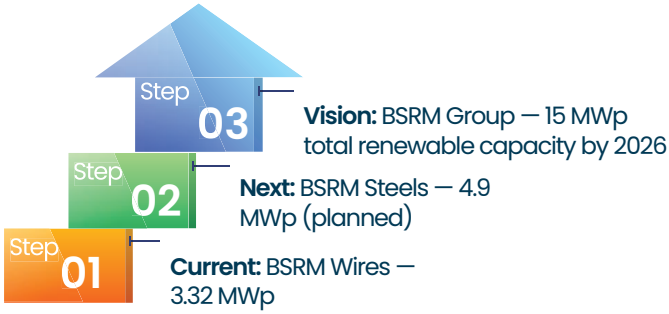
If a company built on furnaces can embrace photons, what's stopping the rest of Bangladesh's industries from making the same leap?

Full Financial & Environmental ROI:

Metric	Value
Solar system capacity	3.32 MWp
Energy generated (Sep–Dec 2024)	759,345.87 kWh
Annual energy (projected)	3.87 million kWh
CO_2 reduced (first period)	508.76 tCO_2
Annual CO_2 reduction (projected)	2,592.67 tCO_2
Annual financial saving	BDT 3.77 crore (~BDT 37.7M)
Simple payback period	9.38 years
System lifespan	25+ years
Post-payback annual return	BDT 3.77 crore



Group Scale-Up Plan:



Discussion Questions:

- BSRM invested in rooftop solar on a steel factory roof that was not designed to support solar arrays. Engineering challenges added cost and time. What does this tell us about the relationship between physical infrastructure legacy and the green transition in industrial Bangladesh?
- A 9.38-year payback on a system built to last 25+ years delivers strong long-term returns. Why do more Bangladeshi manufacturers not make this investment, and what barriers beyond capital cost exist?
- BSRM is scaling to 15 MWp across the group by 2026. What governance structure is needed to manage a renewable energy portfolio at this scale — and how does this connect to ESG reporting obligations?

Key Takeaways:

- Heavy industrial sites face the highest energy costs and have the most to gain from solar — but also face the greatest structural and operational barriers to installation.
- The financial case (BDT 3.77 crore annual saving, 9.38-year payback on a 25-year asset) is strong enough to stand independently of ESG framing.
- Group-level renewable energy targets create accountability across subsidiaries and signal strategic commitment rather than facility-level experimentation.

ESG institute BANGLADESH

INTERPORT GROUP

The NOC That Tried to Stop a Nation's Sea

The story begins on a hot September afternoon at Chattogram Port, the kind where the air tastes like salt and urgency. Twenty tired seafarers were waiting to go home. Twenty fresh crew members were waiting to take their place. Bangladesh, a maritime nation with 207,000 square kilometers of sea, more water than land, depends on moments like this. More than 85 percent of national trade moves through this ocean highway.

Yet the entire operation stalled at a single desk.

A local declaring agent, holding the power to issue one simple No Objection Certificate (NOC), asked Interport Ship Agents Ltd. for a "special fee." It sounded like a routine shortcut, wrapped in local language. Interport knew it was a bribe. The kind that quietly eats systems from the inside.

MACN Bangladesh, launched through the UN Global Compact Network Bangladesh in 2021, had already warned that such demands were common. Interport had already resisted seven similar incidents, each one a reminder that corruption grows strongest when nobody speaks up.

This time, the pushback exploded. False claims were filed against Interport. Rumors spread. Political connections activated. What started with one unethical demand turned into a year-long storm.

> Interport doubled down instead of backing down. They kept evidence. Reported everything to MACN. Knocked on the doors of the Bangladesh Shipping Agents Association. And in 2024, the breakthrough came: a BSAA board meeting, reported by The Business Standard (source: TBS), formed a twelve-member committee that finally shut down the "NOC trade." A formal circular set new rules, protected crew change operations, and restored fairness across the sector.

This was more than one company winning a fight. It was Bangladesh proving that integrity can rewrite systems.

Interport's experience raises a larger question for the industry: if a single document can halt operations, how resilient is the maritime supply chain to unseen ESG risks?



Timeline of Events:

2021 → MACN Bangladesh chapter launched through UNGCNB — anti-corruption cooperation framework established for maritime sector

2021–2023 → Interport resists 7 separate bribery demands related to NOC processes at Chattogram Port

2023 → A local declaring agent demands a "special fee" for a crew change NOC. Interport refuses.

2023–2024 → False claims filed against Interport. Rumours spread. Political connections activated.

2024 → Interport escalates to MACN and Bangladesh Shipping Agents Association (BSAA).

2024 → BSAA board meeting forms 12-member committee. Formal circular issued shutting down the "NOC trade." Crew change operations protected sector-wide.

Anti-Corruption Governance Framework:

Evidence retention
MACN reporting system
Industry association escalation
Regulatory engagement
No capitulation policy (7 prior incidents resisted)

Discussion Questions:

- Interport faced retaliation — false claims, rumours, political pressure — for refusing a bribe. What organisational and cultural conditions must exist for a company to sustain this position under pressure?
- The resolution came through a BSAA committee and a formal circular, not through law enforcement. What does this tell us about how governance reform actually happens in Bangladesh's maritime sector?
- MACN Bangladesh was launched specifically to create a collective anti-corruption mechanism in the maritime industry. Why is collective action more effective than individual company integrity programmes in high-corruption operating environments?

Key Takeaways:

- Individual company integrity is necessary but not sufficient — systemic corruption requires industry-level collective action to change.
- Documenting and reporting every incident (MACN mechanism) builds the evidence base that eventually forces institutional reform.
- The Interport case demonstrates that anti-corruption is an operational ESG risk with direct financial consequences, not an abstract governance principle.

ESG institute BANGLADESH

swisscontact

Catalysing ESG Transformation in Bangladesh's RMG Sector: How PROGRESS Enabled IRIS to Lead with Sustainability

As global supply chains shift toward transparency and accountability, suppliers are under growing pressure to demonstrate credible ESG (Environmental, Social & Governance) performance. In Bangladesh's ready-made garment (RMG) sector, this transition is still emerging, especially for mid-sized manufacturers who often lack the tools, expertise, or systems to adopt global ESG practices.

It is in this context that the PROGRESS project, implemented by Swisscontact and supported by the Embassy of Sweden and the Embassy of Switzerland, plays a catalytic role. Designed to foster ESG mainstreaming across Bangladesh's RMG sector, PROGRESS connects local factories with vetted consultancy service providers (CSPs) to deliver tailored ESG advisory services. Rather than applying a one-size-fits-all solution, PROGRESS empowers firms to set their own ESG agendas, build internal systems, and generate market-relevant results. One standout success story is the partnership between PROGRESS and IRIS, a supplier in the Lindex value chain, which led to the company's first-ever sustainability report and the establishment of a carbon accounting system.

Identifying the Gaps and Unlocking Ambition

IRIS had already introduced various sustainability measures, such as wastewater treatment and energy-efficient equipment. However, these efforts had yet to be fully systematised or effectively communicated in a transparent manner. The company lacked structured sustainability reporting, had no formal emissions tracking, and faced internal capacity constraints.

Through an initial needs assessment conducted under PROGRESS, these challenges were clearly identified, and the project's goals aligned with IRIS's strong intent to address them. Recognising both the opportunity and the ambition, PROGRESS facilitated the onboarding of Intertek, a trusted CSP, to support IRIS with targeted technical guidance.

Building Capacity, Confidence, and Strategic Direction

With Intertek onboarded through PROGRESS, the ESG transformation began with targeted capacity-building. Key members of IRIS's management and technical teams were trained on global sustainability frameworks, such as GRI, and the essentials of greenhouse gas (GHG) accounting under Scope 1 and Scope 2 emissions. These sessions were designed not just to deliver knowledge, but to build confidence across departments, laying the cultural groundwork for change.

What made PROGRESS's support distinctive was its step-by-step approach, tailored to the realities of mid-sized suppliers. Rather than imposing complex ESG frameworks, the project helped IRIS internalise the concepts through applied training and co-created action plans.

From Data to Decisions: Diagnostics, Reporting, and Carbon Accounting

Following the initial training, Intertek carried out field visits to IRIS's facilities to gather key data on resource use and efficiency. This led to a collaborative diagnostic report that outlined IRIS's environmental footprint and ESG readiness.

Recognising that data integrity was key, PROGRESS facilitated Intertek's support to help IRIS build internal systems for data management, inventory creation, and ESG performance tracking—ensuring that reporting could be sustained and updated over time.

Expanding Environmental Impact: Beyond Reporting

In addition to its core focus on reporting and emissions, PROGRESS provided advisory support for broader environmental improvements. Through Intertek, the project facilitated diagnostics on IRIS's energy systems and helped design a Zero Liquid Discharge (ZLD) plan, covering upgrades to the Effluent Treatment Plant (ETP), Sewage Treatment Plant (STP), and wastewater recycling systems. This comprehensive approach positioned IRIS not only as a reporting entity, but as a forward-looking environmental performer.

Impact and Recognition

The impact of this collaboration was both tangible and transformative. In 2023, IRIS published its first-ever sustainability report, a landmark achievement that showcased its environmental performance and future commitments to stakeholders, including global buyers. The carbon accounting system, baseline year, and emissions reduction roadmap marked a first for the company, and a key benchmark for others in the Lindex supply chain.

Internally, the project built lasting systems for ESG data tracking and fostered a culture of accountability. Externally, it enhanced IRIS's credibility as a responsible supplier in a competitive export environment increasingly driven by ESG credentials.

Lessons from PROGRESS: A Scalable Model for ESG Mainstreaming

The IRIS case illustrates the value of embedded, locally grounded support mechanisms that the PROGRESS project is designed to provide. By matching companies with the right service providers and walking alongside them from capacity-building to implementation, the project addresses not just knowledge gaps, but structural barriers to ESG adoption.

Through its systemic, firm-led approach, PROGRESS enables companies to advance ESG integration. For IRIS, this meant a tailored, stepwise transformation that now serves as a practical model for mid-sized suppliers in Bangladesh and beyond.

Looking ahead, IRIS plans to deepen its reporting, explore renewable energy integration, and build on the systems developed through PROGRESS. More broadly, the case reinforces the need for donor-supported, sector-wide initiatives that make ESG real and reachable for local companies.


TOP SIDE PROCESS CHECK


SD
EGL
O/L
17
Yamato

IRIS ESG Transformation Journey:

Stage	Activity	Outcome
Needs assessment	PROGRESS diagnostic	Gaps in reporting, emissions tracking, capacity identified
Capacity building	GRI, GHG accounting training for management & technical teams	Cross-departmental ESG awareness built
Field diagnostics	Intertek site visits, data collection	Environmental footprint and ESG readiness baseline established
Data systems	Internal systems for data management, inventory, tracking	Sustainable, updatable ESG reporting infrastructure
Environmental	ZLD plan, ETP/STP/wastewater recycling design	Forward environmental improvement roadmap
Reporting	First sustainability report published	Stakeholder communication, buyer credibility
Carbon accounting	Scope 1 & 2 baseline, emissions reduction roadmap	Carbon accounting system for Lindex supply chain

Discussion Questions:

- IRIS had already implemented sustainability measures before PROGRESS — wastewater treatment, energy-efficient equipment — but had never systematised or communicated them. Why does documentation and reporting matter as much as the action itself?
- The PROGRESS model matches factories with consultancy service providers (CSPs) rather than delivering advisory directly. What are the advantages and risks of this intermediary approach for ESG capacity building?
- IRIS is a supplier in the Lindex (Swedish fashion brand) value chain. How does buyer ESG pressure translate into supplier capability building, and what is the responsibility of global brands in funding this transition?

Key Takeaways:

- ESG reporting is not the destination — it is the mechanism that makes existing good practice visible, credible, and commercially valuable.
- Mid-sized RMG suppliers face structural barriers to ESG adoption: lack of expertise, data systems, and financial capacity. Donor-supported advisory programmes address the market failure that individual companies cannot solve alone.
- A first sustainability report is both a milestone and a commitment — it creates stakeholder expectations that require sustained follow-through.

Driving Renewable Energy Adoption in Bangladesh's RMG Sector: PROGRESS Supports Executive Greentex Limited's Solar Energy Transition

Transitioning to renewable energy is critical for reducing greenhouse gas emissions and achieving global climate goals. In Bangladesh's ready-made garment (RMG) sector — one of the country's largest industrial contributors — sustainable energy adoption is both an environmental imperative and a growing economic opportunity. Executive Greentex Limited (EGL), a LEED Platinum-certified knitting factory under Meghna Executive Holdings, is charting a path toward cleaner energy with vital support from the PROGRESS project, implemented by Swisscontact and funded by the Embassy of Sweden and the Embassy of Switzerland.

Understanding the Challenge: Heavy Reliance on Captive Power Generation

Currently, EGL meets its entire electricity demand through captive power generation, relying on two on-site generators – one gas-fired and one diesel-fired — with a combined capacity of 2,375 KVA. From March 2023 to March 2024, these generators produced approximately 7,085.57 megawatt-hours (MWh) of energy, but at a significant environmental cost, emitting an estimated 3,468.12 tons of CO_2 equivalent greenhouse gases. The factory does not currently utilise electricity from the national grid, primarily due to reliability and supply consistency concerns common in Bangladesh's industrial zones.

Recognising the urgent need to reduce carbon emissions and operational costs, EGL sought to explore renewable energy options, particularly solar power, as part of a long-term climate strategy. However, the company required expert technical guidance and feasibility assessments to evaluate the viability and potential benefits of such a transition.

PROGRESS Project's Intervention: Technical Support and Feasibility Assessment

Under the PROGRESS project's mandate to promote green growth in Bangladesh's RMG sector, EQMS, a local ESG consultancy affiliated with PROGRESS, was engaged to design a Climate Action Roadmap (CAR) for EGL. As part of this initiative, EGL selected the PROGRESS-offered service: a comprehensive Feasibility Study on Renewable Energy. This study assessed the company's current energy infrastructure, analysed rooftop solar potential, and developed conceptual designs adhering to international standards and best practices. The assessment focused on three primary rooftop locations: the main production building, the utility building, and the chemical storage facility, which together provide approximately 84,822 square meters of vacant rooftop area.

Key Findings: Solar Potential and Financial Viability

The feasibility study revealed that EGL's rooftops have a combined solar power generation capacity of approximately 780 kW AC, capable of producing an estimated 422.7 MWh of electricity annually. Over the 25-year projected lifespan of the solar installation, this could save about 2,530 tons of CO_2 emissions, making a significant contribution to the company's carbon reduction targets and Bangladesh's broader climate commitments. Structural assessments confirmed that the existing buildings can safely support the recommended solar panel installations without additional reinforcement.

Financially, the project demonstrates strong viability, with an Internal Rate of Return (IRR) of 13.69%, a Net Present Value (NPV) of approximately BDT 6.2 million, and an expected payback period of just 4 years, generating income estimated at BDT 53.8 million over that time frame. The solar installation is projected to meet roughly 15.21% of EGL's total energy demand, significantly reducing reliance on fossil fuel generators.

Impact: Enabling a Sustainable Energy Transition

With the PROGRESS project's expert facilitation and technical advisory, EGL now possesses a clear, data-driven roadmap to integrate solar power into its energy mix. This strategic shift not only aligns with the company's environmental goals but also offers tangible cost savings and operational resilience.

By adopting solar energy, EGL is positioning itself as a sustainability leader in Bangladesh's garment industry, as they demonstrate how renewable energy can be pragmatically incorporated within the sector's existing infrastructure. The project's findings and roadmap provide a replicable model for other RMG factories grappling with similar energy challenges.

Lessons Learned and Future Directions

EGL's journey underscores the critical role of technical support and feasibility analysis in overcoming barriers to renewable energy adoption. The involvement of PROGRESS and its local partners ensured that the assessment was grounded in the realities of Bangladesh's industrial context, considering both engineering constraints and economic factors.

Looking ahead, EGL plans to move from feasibility to implementation, commencing installation of rooftop solar systems as outlined in the study. Further ambitions include scaling renewable energy use across additional facilities and continuing to refine its Climate Action Roadmap, with the ultimate goal of achieving net-zero emissions by 2050.

The success of this collaboration exemplifies the value of projects such as PROGRESS in accelerating Bangladesh's green industrial transition, combining technical expertise, financial analysis, and stakeholder engagement to turn ambition into actionable, measurable outcomes.



Solar Feasibility Summary:

Metric	Value
Total rooftop area assessed	84,822 m²
Combined solar capacity (3 rooftops)	~780 kW AC
Annual electricity generation	422.7 MWh
CO_2 savings over 25 years	~2,530 tCO_2
% of total energy demand met	15.21%
IRR	13.69%
NPV	BDT 6.2 million
Payback period	4 years
Income generated (4-year period)	BDT 53.8 million

Before/After Energy Mix:

Current:	Target (post-solar):
100% captive power (gas generator + diesel generator, 2,375 KVA combined) Annual output: 7,085.57 MWh Annual emissions: 3,468.12 tCO_2e	~85% captive + 15.21% solar Emission reduction: ~163 tCO_2/year from solar offset 2050 goal: Net zero

Discussion Questions:

- EGL currently generates 100% of its electricity through captive power because the national grid is unreliable. This is a common choice in Bangladesh's industrial zones. What does this tell us about the relationship between public infrastructure quality and private sector ESG performance?
- The solar feasibility study shows a 4-year payback and 13.69% IRR — a strong financial return. Why does financial viability alone not automatically result in implementation, and what non-financial barriers remain?
- The PROGRESS project funded the feasibility study. Should the cost of ESG transition planning for SMEs and mid-sized manufacturers be borne by individual companies, government, development partners, or global buyers? Make the case for each.

Key Takeaways:

- A 4-year payback period and 13.69% IRR means solar is financially attractive for RMG manufacturers — the barrier to adoption is not economics but information, access, and implementation capacity.
- 15% of energy demand from solar is a meaningful first step, but does not address the 85% from fossil-fuel captive generation — a full decarbonisation roadmap requires grid development or battery storage.
- Development partner support for feasibility studies removes a critical information barrier — many manufacturers do not invest because they do not know the numbers, not because the numbers are unfavourable.

ESG institute BANGLADESH

Bangladesh's ESG & Sustainability Regulatory Journey

Introduction: The Architecture of a New Economy

Bangladesh did not stumble into ESG. It was pushed — by floods, by buyers, by tragedies that became turning points, and eventually by a generation of regulators and business leaders who chose to lead rather than react.

This timeline tells that story. It begins in the early 2000s, when corporate social responsibility was still a voluntary gesture carried out in CSR departments largely invisible to strategy. It moves through the seismic event of April 2013, when the collapse of Rana Plaza forced the world to reckon with what real social governance failure looks like. And it arrives at the present — a Bangladesh in which ESG is no longer a foreign framework imposed by buyers or lenders, but an increasingly native discipline shaped by regulation, institutional ambition, and a growing community of professionals who understand why it matters.

What follows is not merely a record of policies and circulars. It is the story of how a country with extraordinary constraints built, piece by piece, one of the most active sustainable finance ecosystems in the developing world. Bangladesh Bank began issuing green banking guidelines in 2011 — years before comparable regulators in neighbouring economies. The Environmental and Social Risk Management Guidelines of 2017 embedded due diligence into lending before most of the region made it mandatory. And by 2023, Bangladesh was issuing climate-related financial disclosure guidelines aligned with IFRS S1 and S2 — frameworks still being debated in many high-income markets.

This is also a story with unfinished chapters. Sustainability reporting among listed companies remains among the lowest in South Asia. Skilled ESG professionals are scarce. The gap between policy intent and operational practice is real and wide. As Bangladesh prepares to graduate from Least Developed Country status — losing the preferential trade benefits that have long buffered its export economy — that gap is no longer merely an institutional problem. It is a national competitiveness risk.

"Bangladesh's next competitive advantage will not come from low cost alone. It will come from credible, scalable ESG capacity."

This timeline is designed to serve both as reference and as orientation. For the professional entering ESG for the first time, it provides context — the regulatory architecture within which every company, bank, and institution in Bangladesh now operates. For the practitioner, it maps the trajectory: where standards came from, why they look the way they do, and where the pressure is building next.

Read it not as a list of dates, but as a record of decisions. Each entry represents a moment when someone in a regulator's office, a boardroom, or a factory floor chose to move the needle — however slightly — in the direction of a more accountable economy.

Part One: The CSR Era — Goodwill Before Governance (2000–2012)

Corporate social responsibility in Bangladesh arrived the way it arrived in most emerging economies: through multinational companies, development organisations, and the gradual recognition that industrial growth generated obligations alongside profits. For the first decade of the 2000s, CSR was overwhelmingly voluntary, philanthropic, and disconnected from core business strategy.

The dominant CSR model was charitable giving — donations to schools and hospitals, tree plantation drives, flood relief. It was practised sincerely, and it delivered real community benefits. But it was, by design, separate from how decisions were actually made inside organisations. Environmental management, labour standards, and governance transparency were largely treated as operational housekeeping rather than strategic imperatives.

The garment sector — Bangladesh's economic engine — began engaging with social compliance earlier than most. Western buyers introduced codes of conduct in the 1990s following international pressure on labour conditions in global supply chains. WRAP (Worldwide Responsible Accredited Production), BSCI, and SMETA audits became part of the vocabulary of RMG factories selling to European and North American markets. But audits produced compliance, not transformation. The difference would only become painfully clear later.

What changed during this period — slowly, but with lasting consequence — was the institutional architecture. Bangladesh Bank's early green banking initiatives, the government's first sustainability planning frameworks, and the gradual expansion of labour rights legislation laid foundations that later regulatory structures would build upon. The CSR era should not be dismissed. It normalised the idea that business had obligations beyond profit. What it could not do was operationalise that idea at scale.

2000	**International Labour Standards Enter Supply Chains** Bangladesh's RMG sector becomes subject to increasing buyer codes of conduct following global pressure on labour standards. WRAP, BSCI, and early SA8000 audits enter the sector. For most factories, compliance is reactive — meeting the minimum standard required to retain buyers rather than building genuine management systems. CSR activity in corporate Bangladesh is primarily philanthropic: flood relief, educational donations, and community development programmes. Formal ESG frameworks do not yet exist as a concept in the Bangladeshi corporate vocabulary.
2005	**National CSR Discourse Begins to Formalise** Large Bangladeshi conglomerates — particularly in banking, pharmaceuticals, and FMCG — begin publishing annual CSR reports and establishing dedicated CSR departments. These remain largely voluntary and focused on community development, healthcare, and education. International organisations including the IFC, World Bank, and UNDP begin engaging Bangladeshi institutions on sustainability frameworks. The concept of environmental due diligence in lending begins to appear in development finance discussions, though commercial banking remains largely untouched.
2008	**National Sustainable Development Strategy (NSDS)** The Government of Bangladesh adopts the National Sustainable Development Strategy — the first government-level framework explicitly linking economic growth, environmental protection, and social equity as a coordinated planning objective. The strategy does not create enforceable corporate obligations, but it establishes the government's conceptual architecture for sustainable development and provides a reference framework for subsequent regulatory interventions. Bangladesh also begins participating more actively in international climate negotiations, building the diplomatic foundation for future climate finance and adaptation policy.

2009	**Bangladesh Climate Change Strategy and Action Plan (BCCSAP)** Bangladesh publishes the Bangladesh Climate Change Strategy and Action Plan — a landmark document that formally recognises climate change as an existential threat to the country's development trajectory. The plan identifies six strategic priorities: food security and social protection; comprehensive disaster management; infrastructure; research and knowledge management; mitigation and low-carbon development; and capacity building and institutional strengthening. Although primarily a government planning document, BCCSAP begins to shape how development partners, donors, and eventually the financial sector approach climate risk in Bangladesh.
2011	**Bangladesh Bank Launches Green Banking Policy** In a move that puts Bangladesh ahead of most comparable economies, Bangladesh Bank issues BRPD Circular No. 2 — the Green Banking Policy — requiring all commercial banks to develop green banking units, prepare annual green banking reports, and allocate a portion of their CSR budget to environment-friendly activities. This is the first explicit linkage of CSR obligations to the financial sector's operational and lending behaviour. It marks the transition from voluntary CSR to regulated sustainability expectations for banks. Bangladesh Bank also begins encouraging banks to consider environmental factors in credit decisions — a precursor to the formal ESRM framework that will follow in 2017. The same year, Bangladesh Bank issues environmental risk management guidelines for the banking sector, introducing the concept that environmental degradation in a borrower's operations constitutes a financial risk to the lender.
2012	**BSEC Corporate Governance Guidelines Updated** The Bangladesh Securities and Exchange Commission updates its Corporate Governance Guidelines — introducing more structured requirements for board composition, audit committee independence, and disclosure obligations for listed companies. The guidelines remain heavily focused on governance structure rather than ESG integration, but they establish a compliance baseline that subsequent regulation will build upon. Meanwhile, in the RMG sector, Bangladesh becomes the second largest garment exporter in the world. The scale of the sector intensifies international scrutiny of its environmental and social practices — setting the stage for the catastrophic events of the following year.

Part Two: The Turning Point — From Charity to Accountability (2013–2016)

On 24 April 2013, the Rana Plaza building in Savar collapsed. 1,134 people died. Thousands more were injured. It was the deadliest structural failure in the history of the garment industry, and it exposed in a single devastating moment what decades of compliance auditing had failed to prevent: that the governance of Bangladesh's most important industry had a catastrophic social dimension that was not being taken seriously.

The international response was immediate and unprecedented. The Accord on Fire and Building Safety in Bangladesh — a legally binding agreement between global fashion brands and trade unions — was signed within weeks. The Alliance for Bangladesh Worker Safety, backed by North American retailers, followed. Brands that had treated social compliance as a box-ticking exercise were suddenly accountable in ways they had never anticipated.

In Bangladesh itself, the response was more ambivalent. There was grief, and genuine institutional reckoning. There was also defensiveness, and a recognition that the reforms being demanded would be expensive and structurally difficult. What emerged, imperfectly, was a new understanding: that social governance in the supply chain was not optional, not a premium service for premium buyers, but a baseline condition of participation in global trade.

The years between 2013 and 2016 saw the first genuine convergence of regulatory attention, buyer pressure, and institutional investment in ESG-adjacent systems. Bangladesh Bank deepened its green finance requirements. BGMEA invested in factory safety remediation. Development partners accelerated capacity-building programmes. And a generation of sustainability professionals began to emerge in Bangladesh's corporations — people who had lived through Rana Plaza and understood, viscerally, what was at stake.

> **"Rana Plaza did not create Bangladesh's ESG journey. But it made the destination impossible to argue against."**

2013

Rana Plaza — The Event That Changed Everything

24 April 2013. The Rana Plaza building collapses in Savar, killing 1,134 garment workers. It is the deadliest industrial accident in Bangladesh's history and one of the worst workplace disasters globally.

Within weeks, the Accord on Fire and Building Safety in Bangladesh is signed — a legally binding agreement between over 200 global fashion brands and international trade unions committing to independent factory safety inspections, mandatory remediation, and worker empowerment programmes.

The Alliance for Bangladesh Worker Safety, backed by North American retailers, is formed as a parallel initiative. Together, the Accord and Alliance cover the vast majority of Bangladesh's export-oriented garment factories.

Rana Plaza fundamentally reframes the relationship between global buyers and Bangladeshi suppliers. Social governance moves from a compliance checklist to a legal and reputational liability. For Bangladesh's corporate sector, it is the clearest possible demonstration that ESG failures have catastrophic consequences — for workers, for businesses, and for the economy.

2013

Government Response: National Tripartite Plan of Action

The Government of Bangladesh, in coordination with international labour organisations, develops a National Tripartite Plan of Action on Fire Safety and Structural Integrity — committing to government-led inspections of garment factories, remediation timelines, and improved labour law enforcement.

Labour law amendments are enacted to strengthen workers' rights to form unions and to improve occupational health and safety standards. Implementation remains uneven, but the legislative framework is strengthened.

BGMEA launches a factory remediation programme, eventually covering thousands of export-oriented facilities. The industry's relationship with compliance fundamentally changes — from audit-passing to structural accountability.

2014	**Green Finance Deepens — BB Sets Lending Targets** Bangladesh Bank mandates that all commercial banks and financial institutions allocate at least 5% of their total loan disbursements to green finance — making Bangladesh one of the few countries in the world to impose a mandatory green lending quota on its entire banking system. Bangladesh Bank also introduces 55 green finance products across categories including renewable energy, energy efficiency, solid waste management, liquid waste management, recycling, and green industry — providing banks with a product framework to deploy mandated capital. The green finance mandate is not just about climate. It is Bangladesh Bank's signal that the financial sector's capital allocation decisions have environmental consequences — and that the central bank intends to influence those consequences through regulatory design.
2015	**Paris Agreement and Bangladesh's NDC** Bangladesh signs the Paris Agreement and submits its first Nationally Determined Contribution (NDC) — committing to reduce greenhouse gas emissions in the power, transport, and industry sectors, conditional on international climate finance. Bangladesh's NDC acknowledges its status as one of the world's most climate-vulnerable nations and frames climate action as an adaptation imperative as well as a mitigation commitment. The same year, the UN Sustainable Development Goals are adopted. Bangladesh commits to all 17 SDGs, which begin to reshape the planning language of government ministries, development organisations, and eventually corporate sustainability reporting.
2016	**Sustainable Finance Unit Established at Bangladesh Bank** Bangladesh Bank formalises its sustainable finance infrastructure by establishing a dedicated Sustainable Finance Department — elevating green and ESG-related financial regulation from a circular-issuing function to a strategic institutional priority. The department begins work on the Environmental and Social Risk Management Guidelines that will be published in 2017, drawing on IFC Performance Standards, Equator Principles, and international best practice in environmental and social due diligence. The groundwork is laid for Bangladesh Bank's transformation from a green banking regulator to a sustainable finance architect.

Part Three: Building the Architecture — Regulation Meets Strategy (2017–2022)

The period from 2017 to 2022 is when Bangladesh's ESG regulatory architecture took its most significant shape. It is the period in which compliance obligations moved from aspirational to enforceable, from voluntary to mandatory, and from general to sector-specific.

The Environmental and Social Risk Management Guidelines of 2017 are the centrepiece of this era. They introduced something that had not previously existed in Bangladeshi commercial banking: a formal, mandatory requirement to assess the environmental and social risks of lending decisions before a loan was approved. Not as a goodwill gesture. Not as a reporting footnote. As a condition of responsible credit underwriting.

The 2022 revisions deepened this framework dramatically — expanding from a single generic checklist to ten sector-specific checklists covering industries from textile and garment manufacturing to brick kilns, power plants, hospitals, and agro-processing. Each checklist was calibrated to the specific environmental and social risks of that industry. The message was clear: environmental and social risk management is not generic. It requires knowledge of the sector, the geography, and the specific nature of the harm.

The same period saw Bangladesh Bank introduce its Annual Sustainability Rating for banks and financial institutions — arguably the most powerful market incentive in Bangladesh's ESG regulatory toolkit. For the first time, banks could be publicly ranked on their sustainability performance, creating reputational consequences for laggards and recognition benefits for leaders. City Bank's ranking of number one in the 2024 Sustainability Rating is a commercial asset that its leadership cites explicitly in strategic communications.

Outside the financial sector, the corporate landscape was also shifting. The post-Rana Plaza remediation programmes had demonstrated that factory-level ESG investment was commercially viable. A growing number of manufacturers were publishing sustainability reports, earning green certifications, and using their ESG credentials as competitive differentiation in buyer negotiations. ESG was moving from cost centre to value proposition.

2017

ESRM Guidelines — Environmental & Social Risk Enters Credit Decisions

Bangladesh Bank publishes the Environmental and Social Risk Management (ESRM) Guidelines — the most consequential ESG regulation in the history of Bangladeshi banking.

The guidelines require all commercial banks and financial institutions to screen every medium and large corporate loan against an Exclusion List (activities that cannot be financed), categorise projects by environmental and social risk level using Department of Environment classifications, conduct formal Environmental and Social Due Diligence (ESDD) for higher-risk loans, prepare Environmental and Social Action Plans where corrective measures are required, and implement systematic monitoring and follow-up.

Compliance with ESRM requirements becomes mandatory for all banks and financial institutions. Environmental and social risk management is no longer a voluntary best practice — it is a regulatory obligation.

The guidelines draw on IFC Performance Standards, the Equator Principles, and international experience in development finance to create a framework calibrated to Bangladesh's specific environmental and social risk landscape.

2018

BSEC Corporate Governance Code — Strengthened Board Standards

The Bangladesh Securities and Exchange Commission issues a revised Corporate Governance Code, strengthening requirements for board independence, audit committee composition, and annual disclosure obligations for listed companies.

The code introduces more explicit requirements for risk management oversight at the board level — a structural prerequisite for ESG governance that will become increasingly important as reporting obligations expand.

The code remains primarily governance-focused, with limited attention to environmental and social dimensions. Bangladesh's listed company disclosure rate for sustainability reporting remains among the lowest in South Asia — a gap that subsequent regulation will begin to address.

2019

Sustainable Finance Policy Framework — First Draft Circulated

Bangladesh Bank circulates a draft comprehensive Sustainable Finance Policy, signalling its intention to move beyond green banking guidelines to a full taxonomic framework for sustainable finance.

The draft is developed in consultation with international development partners and draws on the EU Taxonomy, IFC's green finance frameworks, and ASEAN sustainable finance principles.

Simultaneously, the global ESG investment market surpasses USD 30 trillion — a figure that begins to appear in Bangladesh Bank communications as evidence of the international capital flows at stake for countries that build credible ESG frameworks.

2020

Comprehensive Sustainable Finance Policy Issued

Bangladesh Bank publishes the Sustainable Finance Policy — a landmark document that restructures the entire green and sustainable finance regulatory framework.

The policy introduces a formal Green Finance Taxonomy defining which activities and products qualify as green, a broader Sustainable Finance Taxonomy covering socially responsible finance, CMSME financing, and development priorities, mandatory minimum allocation requirements (5% green finance, 20% sustainable finance for all banks and FIs), formal exclusion lists specifying activities that financial institutions must not finance, and reporting requirements that would eventually align with international disclosure standards.

Green finance disbursement at the time stands at BDT 11,929.93 crore. The policy creates the regulatory infrastructure to grow this figure significantly. By 2024, it will reach BDT 30,653.78 crore.

The Sustainable Finance Policy represents Bangladesh Bank's full transition from a green banking regulator — focused on individual products and voluntary commitments — to a sustainable finance architect building systemic, economy-wide ESG infrastructure.

2021

MACN Bangladesh — Anti-Corruption in Maritime

The Maritime Anti-Corruption Network (MACN) Bangladesh chapter is launched through the UN Global Compact Network Bangladesh — creating the first formal collective anti-corruption mechanism for Bangladesh's maritime and ports sector.

The MACN mechanism provides a structured channel for shipping agents and port operators to document and report corruption incidents, coordinate sector-level responses, and engage regulators and associations to drive systemic reform.

The same year, Bangladesh Bank establishes a Climate Risk Fund, deploying capital specifically to support climate adaptation and resilience investment — an early signal of the central bank's intent to use balance sheet resources, not just regulatory guidance, to drive ESG outcomes.

2022

ESRM Guidelines Revised — 10 Sector-Specific Checklists

Bangladesh Bank issues revised ESRM Guidelines — one of the most significant regulatory upgrades in the five-year period.

The revision replaces the single generic ESDD checklist with ten sector-specific checklists covering: Textile and Garment, Tannery, Ship-Breaking, Brick Manufacturing, Pharmaceuticals, Agro-processing, Hospital and Clinics, Power Plants, Housing and Real Estate, and a General checklist for other sectors.
Each checklist is calibrated to the specific environmental risks, social risks, and regulatory requirements of that sector — reflecting years of practical experience with ESRM implementation across Bangladesh's lending institutions.

The same year, Bangladesh Bank introduces the Annual Sustainability Rating for all banks and financial institutions — evaluating performance across five dimensions: sustainable finance integration, core banking sustainability, banking service coverage, CSR, and green refinancing. The rating creates a public, annual ranking of every bank in the country on ESG performance.

City Bank becomes the first Bangladeshi bank to join the UN Net-Zero Banking Alliance — placing itself in a global climate commitment framework that requires financed emissions tracking and sector-specific decarbonisation plans.

Part Four: The Disclosure Era — Transparency Becomes the Standard (2023–2025)

The years from 2023 to the present represent a qualitative shift in Bangladesh's ESG regulatory journey: from risk management to transparency, and from internal compliance to public accountability.

The 2023 Sustainable Finance Policy revision and the Guidelines on Sustainability and Climate-related Financial Disclosures mark the moment when Bangladesh formally entered the global conversation on climate-related financial reporting. Aligned with IFRS S1 and S2 — the ISSB standards that are reshaping corporate disclosure globally — these guidelines require all banks and financial institutions to publish sustainability and climate-related information in their annual reports, moving toward a phased full compliance target of 2027.

This is significant not just for what it requires, but for what it signals. When Bangladesh Bank aligns its disclosure guidelines with IFRS and ISSB standards, it is making a statement to international investors, development partners, and global buyers: that Bangladesh's financial sector is building toward the same reporting language as institutions in London, Singapore, and New York. That alignment is a prerequisite for the kind of sustainable capital flows that Bangladesh needs to fund its climate adaptation and industrial transition.

Meanwhile, in the corporate sector, something equally important was happening. The companies featured in this casebook — Apex Footwear, BSRM, Panam Group, City Bank, IPDC Finance — were not waiting for disclosure mandates. They were building ESG systems because buyers demanded them, because capital providers required them, and increasingly because their own leadership understood that ESG performance was a long-term competitive advantage. Bangladesh's first ESG Casebook, published in 2025, is itself a marker of this shift: a document produced not by a government ministry or a development agency, but by a private ESG institution in partnership with a university, drawing on voluntary contributions from the country's leading companies.

The disclosure era is not complete. Bangladesh's corporate sustainability reporting rate remains low by regional standards. The skilled ESG professional workforce is nascent. And the gap between regulatory intent and operational reality — in factories, in bank branches, in boardrooms — remains wider than the frameworks suggest. But the direction is set. The architecture is in place. What remains is the capacity to use it.

2023

Sustainable Finance Policy Revised — National Adaptation Plan Alignment

Bangladesh Bank issues a comprehensive revision of the Sustainable Finance Policy, incorporating the government's National Adaptation Plan (NAP) — formally aligning the financial sector's sustainability framework with Bangladesh's climate adaptation priorities.

The revision strengthens gender considerations in sustainable finance product design, updates the list of eligible green products to reflect evolving technology and market conditions, and introduces a Climate Finance Taxonomy that maps financial flows against adaptation and mitigation priorities.

Bangladesh's National Adaptation Plan estimates that approximately USD 230 billion will be required to implement nearly 100,000 adaptation-related projects through 2050, with an annual financing requirement of USD 8.5 billion. Around 20% of this is expected to come from private finance through the financial system — a figure that gives the Sustainable Finance Policy direct macroeconomic significance.

2023

Guidelines on Sustainability and Climate-related Financial Disclosures

Bangladesh Bank issues the Guidelines on Sustainability and Climate-related Financial Disclosures — the most internationally aligned ESG regulation yet issued in Bangladesh.

The guidelines require all banks and financial institutions to disclose sustainability and climate-related information in their annual reports, aligned with the IFRS Foundation's ISSB Standards (IFRS S1 and IFRS S2). Implementation begins in 2024, with full compliance targeted by 2027.

The phased implementation timeline reflects the complexity of the disclosure requirements and the significant investment in data systems, internal processes, and professional capacity required for credible compliance.

The guidelines mark Bangladesh Bank's formal entry into the global sustainable finance disclosure ecosystem — building a common reporting language with the institutions from which Bangladesh seeks sustainable capital.

Simultaneously, by September 2024, green financing across the banking sector reaches 15.2% — up from 4.0% in 2020. Sustainable financing surges from 8.0% (2021) to 39.2%. The regulatory framework is demonstrably moving capital.

2024

First Year of Disclosure Implementation — Sustainability Rating Results

2024 marks the first year of formal sustainability and climate-related disclosure implementation under Bangladesh Bank's guidelines. All banks and financial institutions begin publishing sustainability information in their annual reports, with varying degrees of depth and alignment.

Bangladesh Bank publishes its 2024 Annual Sustainability Rating results. City Bank is ranked number one — the fifth consecutive year of national sustainability leadership recognition, reflecting its position as Bangladesh's most comprehensively ESG-integrated commercial bank.

Several banks achieve Bloomberg ESG Ratings for the first time — a marker of disclosure quality sufficient to meet international data standards.

Green finance disbursement across the banking sector reaches BDT 30,653.78 crore — nearly triple the 2020 figure. The taxonomic framework and mandatory allocation targets introduced in 2020 have driven real capital deployment at scale.

The DSE deepens its expectations for ESG disclosure among listed companies, signalling that the Capital Markets Commission is preparing to align corporate reporting requirements with the bank-level framework.

Bangladesh's ESG Institute publishes the country's first ESG Casebook, documenting 18 corporate case studies across RMG, banking, financial institutions, telecom, infrastructure, and development — the first national publication of its kind.

2025

ESG Bootcamp Bangladesh — National Capacity Moment

ESG Institute Bangladesh convenes the ESG Bootcamp Bangladesh 2025 — the first and largest corporate bootcamp on sustainability and ESG in Bangladesh's history, bringing together professionals from RMG, FMCG, pharmaceuticals, banking, and infrastructure under a single national platform.

The bootcamp, held in Dhaka and organised in partnership with DSE, UNGCNB, and Swisscontact, marks a qualitative shift in the ESG capacity-building landscape: from small-cohort training to national-scale conversation.

Contributors include Bangladesh Bank's Sustainable Finance Department, UN Global Compact Network Bangladesh, the Embassy of Denmark, multinational executives, and senior sustainability professionals from Bangladesh's leading companies — demonstrating the breadth of the ESG institutional ecosystem that has been built over fifteen years.

The event marks a national consensus moment: corporate Bangladesh is no longer asking whether ESG matters. It is asking how to lead with it.

Part Five: The Road Ahead — Bangladesh's ESG Imperative (2026 and Beyond)

Bangladesh stands at the most consequential inflection point in its ESG journey. The regulatory architecture is largely in place. The institutional ecosystem — Bangladesh Bank, BSEC, UNGCNB, DSE, ESG Institute Bangladesh, and a growing network of corporate sustainability departments — is more developed than at any previous point. And the case for ESG as competitive strategy, not compliance burden, has been made in boardrooms, bank branches, and factory floors across the country.

What comes next is harder. The work of the next decade is not about building frameworks. It is about closing the gap between the frameworks that exist and the practice that needs to follow. It is about training the tens of thousands of professionals who will need to implement ESG systems in organisations that have never had dedicated sustainability capacity. It is about making corporate disclosure credible rather than performative. And it is about ensuring that the capital being mobilised through Bangladesh's sustainable finance infrastructure — green loans, sustainability-linked bonds, climate finance — actually flows to the activities and communities that need it most.

Two external forces will shape this agenda more than any domestic policy decision. The first is LDC graduation. As Bangladesh exits Least Developed Country status — losing the preferential trade access and concessional financing that have underpinned its growth model — ESG performance becomes a direct determinant of market access. EU buyers operating under the Corporate Sustainability Reporting Directive, investors deploying capital against ISSB-aligned frameworks, and supply chain partners under Human Rights and Environmental Due Diligence obligations will make sourcing and investment decisions based on credible ESG performance. Bangladesh that cannot demonstrate it will fall behind Bangladesh that can.

The second force is climate change itself. Bangladesh's geography makes it among the most physically exposed countries in the world to climate risk. Flooding, salinity intrusion, cyclone intensity, and heat stress are not future projections — they are present realities that are already affecting agricultural productivity, infrastructure reliability, and the livelihoods of the communities that power the economy. The adaptation investment required is enormous. The private finance mobilisation needed is larger than any public budget can provide. The sustainable finance architecture being built by Bangladesh Bank and its counterparts is not optional infrastructure — it is the mechanism through which Bangladesh's private sector will help finance its own survival.

> **"The next chapter of Bangladesh's ESG story will be written not by regulators, but by the professionals, companies, and institutions that turn policy into practice."**

2026

LDC Graduation — The ESG Stakes Rise

Bangladesh graduates from Least Developed Country status — losing preferential trade benefits, reduced tariffs, and concessional development finance that have underpinned its export-led growth for decades.

From this point, Bangladesh must compete on equal terms with stronger economies for investment and market access. ESG performance becomes a direct competitive variable: EU buyers under CSRD, institutional investors under ISSB-aligned frameworks, and supply chain partners under HREDD obligations will increasingly source from and invest in countries with credible ESG systems.

The Bangladesh Bank's Sustainable Finance Policy, ESRM Guidelines, and disclosure framework — built over the preceding fifteen years — become not merely good regulatory practice, but economic infrastructure for the post-LDC era.

[TARGET: Full implementation of BB Sustainability Disclosure Guidelines for all banks and FIs — originally targeted for 2027]

2027	**Full Compliance with Sustainability Disclosure Guidelines** Bangladesh Bank's target year for full compliance with the Guidelines on Sustainability and Climate-related Financial Disclosures across all banks and financial institutions. By this point, every commercial bank in Bangladesh should be publishing ISSB-aligned sustainability and climate-related information in its annual reports — creating a standardised, internationally comparable dataset on Bangladesh's financial sector ESG performance. Credible disclosure at this level would position Bangladesh's banking sector to attract international sustainable finance capital, green bonds, and development finance on terms not currently accessible. [TARGET: BSEC to align corporate disclosure requirements for listed companies with bank-level framework, extending mandatory ESG reporting to DSE-listed corporates]
2030	**NDC Targets and Renewable Energy Commitments** Bangladesh's self-imposed deadline for Nationally Determined Contribution targets under the Paris Agreement — requiring measurable emissions reductions in power, transport, and industry. Bangladesh has committed to 40% renewable energy in its electricity mix by 2041. Progress toward the 2030 interim targets will determine whether this trajectory is achievable. The sustainable finance architecture — green lending quotas, climate finance taxonomy, sustainability ratings — should by this point be demonstrably channelling private capital toward renewable energy, energy efficiency, and climate-resilient infrastructure at the scale the NDC requires. The private sector's role in financing Bangladesh's climate transition is not peripheral — it is the primary mechanism through which the country can mobilise the USD 8.5 billion annual adaptation finance estimated as required. [TARGET: ISSB Standards expected to be embedded in regulatory frameworks across the South Asia region, deepening cross-border comparability of Bangladeshi corporate ESG performance]
2030+	**The Long Game — ESG as Economic Identity** The horizon beyond 2030 is not a destination — it is a direction. The ESG frameworks, institutions, and professional capacities being built today are not endpoints. They are the foundations of a more resilient, more credible, and more competitive Bangladeshi economy. Bangladesh has an opportunity that few developing countries have historically seized: to build its ESG institutional infrastructure at the same moment as it is integrating more deeply into global value chains, capital markets, and trade systems. The cost of building well now is far lower than the cost of rebuilding credibility after failures that could have been prevented. Every professional who earns an ESG credential, every company that publishes a credible sustainability report, every bank that embeds genuine environmental and social risk management in its lending decisions, and every institution that uses governance as a strategic lever rather than a compliance defence is contributing to that future. Bangladesh's ESG journey began with goodwill and grew through tragedy. Its next chapter is being written by capacity — the capacity to measure, to govern, to disclose, and to act. That chapter is ours to write.

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About ESG Institute Bangladesh



ESG Institute Bangladesh is a leading professional ESG education and advisory institution dedicated to bridging global ESG standards with practical implementation for organisations and professionals in Bangladesh with affiliations and operations in 7 countries around the world.

What We Do

To date, ESG Institute Bangladesh has:

- Enabled internationally aligned certifications that strengthen organisational capability and accelerate careers
- Trained 300+ sustainability and ESG professionals in Bangladesh alone
- Delivered credible ESG reporting and advisory solutions to leading organizations in diverse sectors



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