

Report On

Envoy Textiles Limited: A drive to green transition

By

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An internship report submitted to BRAC Institute of Governance and Development (BIGD),
Brac University in partial fulfillment of the requirements for the degree of
Masters in Development Management and Practice (MDMP).

BRAC Institute of Governance and Development (BIGD)

Brac University

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Declaration

It is hereby declared that

1. The internship report submitted is my own original work while completing my degree at Brac University.
2. The report does not contain material previously published or written by a third party, except where this is appropriately cited through full and accurate referencing.
3. The report does not contain material that has been accepted or submitted for any other degree or diploma at a university or other institution.
4. I have acknowledged all main sources of help.

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Letter of Transmittal

Mohammad Sirajul Islam

Coordinator (academic & training programmes)

BIGD, Brac University

Subject: Submission of Internship Report.

Dear Sir,

I am pleased to submit my internship report on 'Envoy Textiles Limited: A drive to green transition,' which you have approved & assigned as a compulsory requirement for the degree of Masters in Development Management and Practice (MDMP).

I have attempted my best to finish the report with the essential data and recommended proposition in a significant compact and comprehensive manner as possible.

I trust that the report will meet the desires.

Sincerely yours,



Iffat Ara Mosaddeque

ID 13169010

BIGD, Brac University

10 May 2022

Non-Disclosure Agreement

This Agreement is made and entered into by and between Envoy Textiles Limited and the undersigned student at EDC, BIGD, Brac University for the purpose of receiving certain confidential information of the company to enable the student to undertake the required information on the condition of confidentiality of information.

Student's Full Name & Signature:



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Senior General Manager

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Acknowledgment

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I am grateful to all the faculty members, BIGD, Brac University, and all the officers and employees of Envoy Textiles Ltd for their inspiration, help, and great lessons. Furthermore, I wish to express my gratitude to the employees of BIGD, and Envoy Textiles Ltd for their support in carrying out the internship report. Finally, I would like to thank my friends and colleagues for their helpful suggestions.

Finally, I would like to extend my sincere gratitude to my family for their unbound forbearance, continuous encouragement, and understanding throughout this work.

Executive Summary

Envoy Textiles Limited (ETL) is one of Bangladesh's rising green textile factories and was the world's first LEED Platinum textile denim manufacturer in 2016. In 2021, ETL exported 45,509,446 tonnes of yarn, fabric, and dyed yarn, which is 25% higher than in 2018. ETL took several initiatives for environmental sustainability, natural resource conservation, recycling, and reuse. As a result, ETL has reduced 20.17% greenhouse gas emission, 25.33% natural gas consumption, 3.3% steam, and 5.9% electricity consumption under PaCT-2, which is highly appreciable. However, according to ETL, low prices, shifting buyer compliance requirements, geopolitics, and insufficient infrastructure are all obstacles to progress. To recover from the Covid-19 shock and overcome the hurdles above, ETL is pursuing a higher price level and increased order volume. To become more competitive globally, ETL needs to emphasize recycling and circularity, export diversification, green yarn sourcing, gender balance in the workforce, and reducing water use and hazardous chemicals in the production process. My internship experience at ETL multiplied the knowledge gathered from my coursework. In ETL, I learned and understood the inner functioning of Bangladesh's reputed green textile factory. My internship at ETL helped me grow as a person, and it also helped me learn new skills in production, operation, management, and the denim business process that I did not have before. Furthermore, managing a big factory-like ETL and regularly maintaining environmental and social safeguards is a tough job that I learned from my internship. If I get the opportunity to work with the RMG industry, the diverse knowledge and skills I have gathered from ETL will make me ahead of others. I will continue learning about the green technologies, clean production process, recycling, and circularity of the RMG and textile industries to grab the upcoming opportunity and advance my career accordingly.

Keywords: *Bangladesh; Environmental compliance; Envoy Textiles Limited; Green factory; RMG industry*

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List of Acronyms

BCI	Better Cotton Initiative
BGMEA	Bangladesh Garment Manufacturers and Exporters Association
CSR	Corporate Social Responsibility
ETL	Envoy Textiles Limited
ETP	Effluent Treatment Plant
EU	European Union
GHG	Greenhouse Gas
HDU	High Dependency Unit
ICMAB	Institute of Cost and Management Accountants
ICSB	Institute of Chartered Secretaries
ICU	Intensive Care Units
LEED	Leadership in Energy and Environmental Design
PaCT	Partnership for Cleaner Textile
PCW	Post-Consumer Waste
USA	United States of America
USGBC	United State Green Building Council
ZDHC	Zero Discharge of Hazardous Chemicals

Chapter 1 About Organization

1.1 Overview of Envoy Textiles Limited (ETL)

Envoy Textiles Limited (ETL) is the world's first LEED-certified platinum denim manufacturing company by US Green Building Council. The vision of ETL is to become the most trusted denim manufacturer in the world through product innovation and efficient management, and the mission is to achieve global dominance through excellence in product quality, on-time delivery, and diversifying products through continuous product innovation, focusing on cost-effectiveness, and customer satisfaction.

ETL is a 100% export-oriented manufacturing company that started commercial operation in 2008 and became a public limited company in 2012. Envoy textiles are also the first denim project in Bangladesh with rope-dye technology and are currently considered one of the biggest denim manufacturers in Bangladesh. Each month ETL has a production capacity of 4.5 million yards. Being a backward integrated facility, it has a spinning facility capable of producing 62 tons of yarn per day. The Factory of Envoy is located in Bhaluka, Mymensingh, 60 Kilometers away from Dhaka, built within 100 acres of land with a planned sustainable landscape and facility. Apart from direct production facilities, ETL's other facilities can be mentioned together, such as the effluent treatment plant, substation, multi-purpose training center, in-house showroom, central indigo tank, dormitory, AVC center, swimming pool, and ICU/HDU for pediatric burn patients.

ETL operates on the sustainable production process and the sustainable production process has an ozone finishing process that reduces environmental impact, and aero finish enhances fabric stretching with durability. Moreover, Envoy's state-of-the-art effluent treatment plant (ETP)

saves 100 million liters of natural water every year; the e-lab is equipped with an environment-friendly laser, ozone wash machines, and many more.

ETL is also concerned with employee welfare and CSR activities. For example, Envoy has set up a "Pediatric Intensive Care Unit" for burn patients at the Dhaka Medical Hospital, owned by Bangladesh Government, which is the country's only facility.

ETL has been recognized and honored by the Bangladesh Government on many occasions, such as six times winner of the National Export Trophy, President's Award for Industrial Development in Bangladesh, Highest Tax Payer Award, etc. A brief historical background of ETL is given in Table 1.

Table 1: Historical Background of Envoy Textiles Limited

Year	Achievements
2008	ETL started its commercial operation with a denim production capacity of 2 million yards per month.
2009	ETL received its first National Export Trophy from Bangladesh Government.
2012	ETL enlisted in the Dhaka stock exchange as a public limited company. As a result, the company's shares are being traded in the stock market in the 'A' category with a low volatile rate and credit rating of AA2.
2016	United State Green Building Council (USGBC) USA awards ETL as the world's first LEED Certified Platinum Denim Manufacturing mill. In addition, ETL has received National Export Trophy from Bangladesh Government for four consecutive years.
2017	ETL achieved the first position in Best Corporate Award from ICMAB and started its spinning production with a capacity of 55 tons of yams per day. In addition,

	ETL adds the latest sustainable technology, such as an Ozone Finishing machine, Aero Finishing, Laser Wash, E-Lab, etc.
2018	ETL received President's Industrial Development Award, achieved the first position in Best Corporate Award from ICMAB, and received National Award from ICSB. In addition, Envoy received the National Productivity and Quality Excellence Award from the Minister of Industries, received the GREEN FACTORY award from BGMEA, and was honored as one of the highest Corporate Tax Payers by the Bangladesh Government.

1.2 Objectives of the internship

The objectives of this study are as follows:

- To assess the business operation, clean production process, management practices, and overall performance of ETL
- To learn about the green transition of ETL
- To examine the organization structure and environmental policy
- To identify existing challenges and way forward

Chapter 2 Task performed during the internship

The Envoy Textiles Ltd. (ETL) is one of Bangladesh's most promising factories, having completed a successful green transformation in the current decade for which it was entitled the world's first LEED Platinum textile denim manufacturer in 2016. As ETL has a good prospect of remaining one of the world's renewed green textile denim manufacturers, I have conducted my internship in this reputed factory. During my tenure at ETL, I have closely monitored its business operation, production process, management, work environment, and sustainability performance and gathered valuable knowledge and experience every day as well. Based on academic knowledge and internship experience, I have prepared my internship report based on the following procedure.

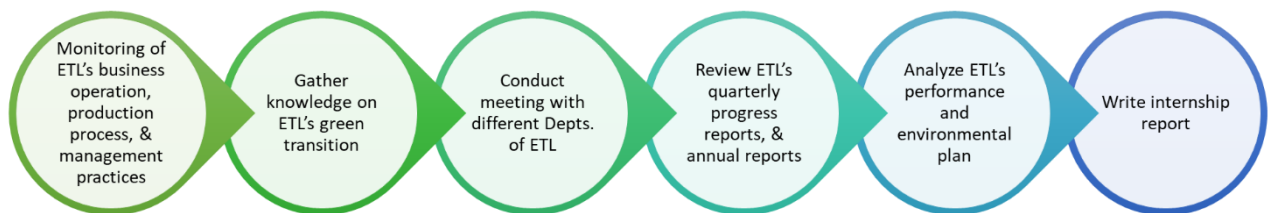


Figure 1: Procedure followed in the internship report preparation

2.1 Monitoring of ETL's business operation, production process, & management practices

ETL is growing steadily in terms of workforce, production, and export. In 2020 ETL's total workforce was 2156 (male: 2146 female: 10), which increased to 2374 (male: 2365 female: 9) in 2022. It deserves special mention that the share of female workers in ETF is significantly lower than males. In 2020, the total number of female workers was only 10, which is reduced to 09 in 2022, indicating a poor gender balance in the ETL. Like other RMG and textile factories, ETL also depends on foreign employees. Currently, 14 foreigners are supporting ETL

in different mid and senior-level positions. All the foreigners employed in ETL are male. ETL has a total of 338 management-level employees, which is 14% of the total employment. This more significant share of management employees helps ETL attain efficiency in production, productivity, order management, export, and overall growth. However, like workers, the management level is also dominated by males. Out of 338 management workers, 330 are male, and 8 are female. Here male-female ratio in the management workers is 98:2 suggesting poor gender balance in the ETL's management.

2.2 Gather knowledge on green transition

ETL is the first denim mill in the world to get LEED Platinum certification. ETL operates on the sustainable production processes, such as fibers from sustainable sourcing such as organic, Post-Consumer Waste (PCW), Better Cotton Initiative (BCI), etc., ozone finishing process which reduces environmental impact, Aero Finish to enhance fabric stretching with durability, state of the art Effluent Treatment Plant (ETP) saving 100 million liters of natural water every year, E-Lab which equipped with environment-friendly Laser and Ozone Wash machines, and many more. ETL is a part of the IFC-led Partnership for Cleaner Textile (PaCT) initiative started in 2014. PaCT evaluates the current usage of water, energy, chemicals, GHG emission, and wastewater discharge in the factory and identifies saving opportunities by assessing and identifying several options and investments. As a result, ETL has reduced 20.17% greenhouse gas emission, 25.33% natural gas consumption, 3.3% steam, and 5.9% electricity consumption under PaCT-2, which is highly appreciable. ETL has invested 71,848 USD in economizer, recovery, and reuse of water used in sanforized machine, auto blow, water flow meter, steam flow meter, oxygen tuning in the boiler to attain these milestones and lighting optimization. The Higg Facility Environmental Module (Higg FEM), which assesses an organization's environmental impact, suggests that ETL has enough room to improve wastewater and waste

content as the score is relatively lower than energy use & GHG emission, emission to air, and chemical contents.

2.3 Conduct meetings with different departments of ETL

I have conducted several meetings with different departments of ETL to gather more knowledge on ETL's business procedure, existing challenges, and management practices. These meetings gave a more detailed idea about ETL's mid-term and long-term goals and current strategies to overcome the existing barriers.

2.4 Review ETL's quarterly progress reports and annual reports

I have thoroughly reviewed ETL's company profile, quarterly progress reports, and annual reports. I got important information from these resources. ETL's progress, business data, and environmental data are well documented. The reports are easy to understand and work as a mirror of ETL.

2.5 Analyze ETL's performance and environmental development plan

Under the environmental development plan, ETL will reduce energy consumption by 10%, make 5% renewable energy, and recover and recycle 5% of energy by 2020. In addition, ETL reuses 50% of the solid waste in waste and reduces HG emission by 10%. By 2020, ETL will save 10% of water, recover and recycle 5% of water, and reuse 30% of water to adopt ZDHC wastewater by 100%. ETL's most significant target is the chemical component, where it will reduce 5% chemical consumption and use 100% green chemicals in the production process, which is a welcome move.

In addition, Covid-19 also affected the business of ETL. Because of the Covid-related lockdown, ETL was unable to produce for a year. To recover from the shock of Covid and

overcome the challenges above, ETL is seeking to higher price level and increased volume of orders. ETL also urges support such as low-interest loans, infrastructure development, and tax adjustment from the government to promote green RMG factories in Bangladesh.

Chapter 3 Critical Assessment of Internship Work

Green RMG or textile factories require nearly 30-40% higher investment than traditional or non-green RMG factories; however, the expected return on investment cannot always be attained. Buyers are coming with new nonpragmatic demand of compliance with a very challenging time frame of implementation without committing reasonable price of the product. On the other hand, the government's investment in suitable infrastructure and policies of all industrial inputs is becoming more complicated where Government responsible officers sometimes cannot interpret the policies. So, a private company like ETL has to face challenges at each operational level. According to ETL, the buyers' price tag is to serve their interest with the intention of a 70% net profit margin that makes the RMG and textile industry deprived. Changing compliance requirements from buyers and geopolitics are other challenges that ETL and other green RMG and textile factories are currently facing in Bangladesh. ETL is now operating under the tier -2 level. In this case, the leading marketing outlet is RMG, and textile factories operating under tier -1 have a significant influence on buyers. So, for misrepresentation, ETL faces a loss of demand. ETL is now in operation with the slogan "Fiber to fabric" and has targeted the slogan "Fiber to fashion," which is vertical integration.

Low carbon footprint, low energy consumption, and low water consumption are the key components in ETL's green transition, and ETL is getting an advantage for its green tag. In addition, ETL found that the clean production process positively affects the workers' productivity, which is beneficial to ETL and the industry. ETL's major export destinations are the EU and USA. H&M, Wal-Mart, Li & Fung, Adidas, Levis, VF, Nike, GAP, C&A, and American Eagle are the top buyers of Bangladesh. ETL has the opportunity to diversify its products and expand its export destinations beyond USA and EU.

ETL mainly exports yarn, dyed yarn, and fabric where the presence of finished product is absent. With Rope Dyed Technology, ETL has a production capacity of 4.5 million yards each month. As a renewed green factory, the finished product is also expected from ETL, increasing green jobs in the country. As ETL already has a known face in the market, expanding its production unit to finished products with further value addition will make it more competitive in the global market. However, ETL requires more investment in the green production process to attain this opportunity to enhance its productive capacity. It deserves special mention that ETL has its own environmental policy. Under this policy, ETL sets factory-level priorities for pollution reduction, natural resource conservation, and quantitative targets unique in sustainability planning and implementation. But no information is available on these priorities. Further, ETL is not an equal opportunity employer. Their entire workforce (both production and management) is highly male-dominated.

ETL can adopt the following measures to increase its competitiveness and sustainability performance.

- i. ETL needs to provide more emphasis on recycling and circularity, and it requires to be where brands can meet their circularity goals
- ii. With attention to export diversification, ETL is recommended to look for alternative markets for its products and expand its export destination
- iii. There is scope for ETL to invest more water use and hazardous chemicals reduction in the laundering process and adoption of smart lighting and heating for energy savings
- iv. ETL can implement an innovative effluent treatment plant (ETP) to recycle the wastewater before returning it to the earth
- v. ETL can source more CmiA and organic cotton to enhance the environment-friendly production process

- vi. Improve gender balance in the workforce and management level, ensure safety, security as well as confirm a healthy working environment
- vii. Continue environmental and social compliance, and conduct up-gradation work when necessary
- viii. Regularly collect and archive production, employment, sales, revenue, natural resource use, and environmental performance data

Chapter 4 Skill Acquired during Internship and Skill Utilization Plan

4.1 Skill/competencies acquired during the internship

My internship in ETL and the research I have undertaken provided me with an excellent opportunity to better utilize my research skill gathered from my courses at Brac University. Furthermore, I have learned a lot about the pros and cons of the practical application of the research tools during the research, which I could better employ in future research.

My internship experience at ETL multiplied the knowledge that I have gathered from my coursework. Nevertheless, gaining work experience is vital for boosting skills and employability, especially as a student. In ETL, I learned and understood the inner functioning of Bangladesh's reputed green textile factory. My internship at ETL helped me grow as a person and helped me learn new skills in production, operation, management, and the denim business process that I did not have before. In addition, I obtained a deeper grasp of Bangladesh's green denim industry, formed a new network, and acquired some new contacts for future reference. Most importantly, I developed a new feeling of professionalism and a better understanding of what it meant to be a professional. ETL is a worker-friendly factory that supports me substantially during the report preparation by providing necessary data, information, documents, time for discussion, learning opportunity, and business knowledge. The writing of the internship report was an excellent experience for me. I could prepare a more intensive report if more detailed data and information could be obtained from ETL.

My learning from the classes on Environment and Climate issues, Adaptation and Mitigation related issues, Communication, Negotiation, and Leadership helped me to better understand the environmental plans, practice, and vision of ETL and support me in communicating

effectively with ETL's supervisors and other officers during the internship. In addition, during the internship, I worked with the administration, HR team, engineering team, production team, quality assurance team, and research & development team of the ETL, which significantly helped me to collect all the required information for this report.

Both internship and report writing gave me a unique experience in my academic life which will substantially help me in my career and better equip my higher education. This internship helps me identify my strengths and weaknesses in the workplace that I will consider for my self-improvement. In ETL, I learn how a big denim factory runs smoothly and how different departments collectively support the factory's operation. I learned how different departments of ETL coordinate from time to time and share information for smooth operation and management. The administrative, HR, management, production, and leadership knowledge I have gained in the last couple of months will significantly help me multiply my skills in the coming years. I also learned about critical thinking ability, stress management, and risk reduction in the production process, which is very important. I closely monitored and learned how the supervisors manage stress, maintain many employees and production processes, and ensure smooth business operations every day. Managing a big factory-like ETL and regularly maintaining environmental and social safeguards is a tough job that I have learned from my internship. If I get the opportunity to work with the RMG industry, the diverse knowledge and skills I have gathered from ETL will make me ahead of others.

4.2 Future plan for using skills/competencies

My internship opportunity at ETL helped me combine both classroom knowledge and actual field experience to enhance my competency. Considering my education and internship experience, I have decided to build my career in the Bangladesh RMG industry. The country's RMG sector has become the second-largest sector in the world in a matter of decades.

Moreover, the RMG business operation continuously changes as fashion, lifestyle, and buyer demands change. Keeping in mind these issues, I have tried to gather maximum knowledge from ETL, which I will utilize in my future career in the RMG sector.

During my tenure at ETL, I have closely monitored its business operation, production process, management, corporate culture, work environment, and sustainability performance and equipped myself to contribute in these areas in my professional life. I learned several new things from the clean production process and ETL's initiatives for energy savings, environmental development, natural resource conservation, recycling, and reuse. These are a unique experiences and applicable to any sector of Bangladesh. If I can advance my career in the RMG sector, I will try to implement these environmental initiatives in other sectors to make our earth better. As the prospects for the green RMG and textile industries in Bangladesh are bright and green factories, get more orders than a traditional/non-green RMG and textile factories, and clean production process positively affect the workers' productivity, more green factories will be established in the years to come with more employment opportunities. Upcoming green factories will require more skilled and knowledgeable workers for their business and operation. I will continue learning about the green technologies, clean production process, recycling, and circularity of the RMG and textile industries to grab the upcoming opportunity and advance my career accordingly.

Furthermore, the internship has enhanced my communication and interpersonal skills, and I can now write effectively and express myself professionally. I apply these skills in my profession, in business meetings, and in daily life. In addition, the critical thinking ability gathered from my internship will enable me to analyze and evaluate a situation or issue and form an appropriate conclusion in my professional life. I want to preserve my tendency for critical thinking to grasp a problem from all angles and propose innovative solutions to problems. So far, I have gained many skills from my internship, and I have learned more about

business policy, operation, management exercises, and sustainability practices of ETL. This internship has given me even more real-world experience than I had before this experience. It has also given me the chance to learn more about RMG and textile businesses and how I can use my skills to help in various ways. My ETL internship also helped me identify the knowledge and capacity gaps in myself. I will now focus on the key areas of development, i.e., management and leadership skills, social and environmental compliance, technological up-gradation, and improve my capacity systematically over time, making me more competent for my professional life.

As the internship duration was limited, I could not learn every detail of the industry operation, technology, and management issues, but my ideas and foundation were shaped, and my knowledge and skills were enhanced. I will try to complete some professional courses or advanced training to upscale my learnings from ETL, which will help me quickly build my career in the RMG sector.

Chapter 5 Conclusion

ETL is one of Bangladesh's rising green textile denim factories, having completed a successful environmental development in the current decade for which it was entitled the world's first LEED Platinum textile denim manufacturer in 2016. During my internship at ETL, I closely monitored its business operation, production process, management, work environment, and sustainability performance and prepared the report based on my assessment. ETL is currently operating with 2374 workers and 338 management employees. The share of its foreign workers is 0.59% of the total workforce. Being a backward integrated facility, ETL has its own spinning facility capable of producing 62 tones of yarns per day. Yarn and fabric are the major export products of ETL. In 2021, ETL exported 45,509,446 tonnes of yarn, fabric, and dyed yarn, which is 25% higher than in 2018.

According to ETL, the prospects for the green RMG and textile industries in Bangladesh are bright and green factories get more orders than traditional/non-green RMG and textile factories. ETL found that the clean production process positively affects the workers' productivity. However, according to ETL, low prices, shifting buyer compliance requirements, geopolitics, and insufficient infrastructure are all obstacles to progress. In addition, like other industries, Covid-19 also affected the business of ETL. To recover from the Covid-19 shock and overcome the hurdles above, ETL is pursuing a higher price level and increased order volume. ETL also calls on the government to assist in the form of low-interest loans, infrastructural development, and tax adjustments to boost green RMG companies in Bangladesh.

ETL and other green factories can emphasize recycling and circularity, which will accelerate environmental sustainability in the RMG industry of Bangladesh. Though the export performance of ETL is satisfactory, it can provide more attention to export diversification as well as finish product export. As ETL exports are concentrated in the USA and EU, it can expand the export destination. Moreover, as ETL has a minimal number of female workers at

both the production and management levels, it can take necessary measures to bridge the gender gaps in employment.

So far, I have increased my knowledge and skill level from my internship at ETL and learned more about business policy, operation, management exercises, and sustainability practices of big textile denim factories like ETL. This internship has given me even more real-world experience than I had before this experience. It has also given me the chance to learn more about RMG and textile businesses and how I can use my skills to help in various ways. My ETL internship also helped me identify the knowledge and capacity gaps in myself. I will now concentrate on the main areas of development, such as management and leadership skills, social and environmental compliance, and technological advancement, and gradually enhance my capacity to become more competent in the coming years.