

## **Global Compact Annual Communication on Progress-2012**

### **HATHAY BUNANO AT A GLANCE**

<b>Company name</b>	Hathay Bunano PS	<b>Date</b>	12-12-2012
<b>Address</b>	1509, Solmaid Badda, Dhaka-1212	<b>Membership date</b>	19-01-2009
<b>Country</b>	Bangladesh	<b>Number of employees</b>	77
<b>Contact name</b>	Samantha Morshed	<b>Number of Producer</b>	6300
<b>Contact position</b>	CEO	<b>Sector</b>	Social Business Enterprise
<b>Contact telephone no.</b>	02 9886083		

#### **Brief description of nature of business**

Hathay Bunano Proshikan Society (HBPS) is a social business enterprise, a non profit organization registered in Bangladesh since January 2005 creating employment opportunities throughout rural disadvantage groups, in particular women with young children who traditionally find it very difficult to find employment. Our aim is to create sustainable employment through training and the subsequent production of handicraft type items sold in mainstream markets in the West, mainly UK, USA, Germany, Turkey, Hungary, Austria, Croatia, New Zealand, Australia, Singapore, Hong Kong. Hathay Bunano P.S is a member of the **Ecota Fair Trade Forum**, the body for Fair Trade in Bangladesh. The principles of Fair Trade which we follow are: Transparency and Accountability, Gender Equality, opportunity for economically disadvantage groups, consideration of environment, capacity building for workers, and promotion of fair trade, payment of fair wages, child labour, and safe working conditions.

#### **Statement of support**

12 December 2012

To our stakeholders:

I am pleased to confirm that Hathay Bunano p.s reaffirms its support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption. Hathay Bunano p.s. continues to grow providing ever more fairly paid, good quality, local and flexible employment to the poor and disadvantaged women in rural Bangladesh. We believe that the model we have developed represents a good example of using social business to create rural employment and demonstrate how hand manufacture can be used as a significant actor in the reduction of rural poverty in developing countries.

In this annual Communication on Progress, we describe our actions to continually improve the integration of the Global Compact and its principles into our business strategy, culture and daily operations. We also commit to share this information with our stakeholders using our primary channels of communication.

Sincerely yours,



Samantha Morshed

**Signature**

**Position : CEO**

## Human Rights

**Principle 1** Business should support and respect the protection of internationally proclaimed human rights

**Principle 2** Make sure that they are not complicit in human rights abuses

### Our commitment or policy

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- To establish an environment friendly home based rural training and production center
- Free training facilities on knitting and crochet skill
- Adequate training space
- Disable, Widow and indigenous women are given highest priority.
- No religious discrimination
- To establish economic, social and cultural benefit
- To establish freedom of opinion and expression of the producer.

### A brief description of our processes or systems

Hathay Bunano ps has developed the working model of rural centres. These enable the effective and efficient training of women within their local communities. A home based friendly environment is provided for the rural women artisan as a training center. No machine and power is need for the production house. They then enable production work to be carried out in a supervised environment with adherence to compliance and legal obligations regarding health and safety and with effective quality control procedures. This enables the production of export quality goods in the rural setting. Women are employed largely in rural production centres that offer flexible, high quality employment close to their homes and villages. Women are provided with 4-6 weeks of training in one of two skills: crochet and knitting. Training is provided free and once women start working in production, all materials and equipment (i.e. yarn) are provided by HB at no cost to the producer. Women are paid on piece rate based on a rate of Tk 10/ hour. Income is matched to requirements – women work as much or as little as they desire. In most cases, income is supplemental, not subsistence, in household income. Women have opportunities for advancement and income growth through (i) producing piece rate products quicker, a function of skill development, and at a good quality level and (ii) promotion to a salaried trainer or supervisor. All supervisors are chosen from the local group of trainees. Hathay Bunano always preference to disable, widow and indiginous women to involve with us. There is no religious discriminatin in our production center. All kinds of women from various classes works together and they think themsleve as a family member. In this way Hathay Bunano can make economic, social and cultural bridge between the women. There have opportunities for the women to show their personal opinion in the center during the visit to rural area of HB's staff.

### Practical actions implemented in the last year / planned for next year

HB has trained at least 700 women in 2012 where 200 were in Dinajpur district. It is a large group. The remaining 500 women has trained in Sirajgonj, Jessore, Khulna and Dhaka district. HB Officials has started a regular visit to rural center from the beginning of this year and conduct timely meeting with the producer. This year we have increase the wages rate for some specific items according to our producer's opinion. We also arrange skill development training for the supervisor to develop their skill at Head Office. HB also declared a special promotion for the producer who will achieve the target wages each month.

### Measurable results or outcomes

There are 15% women significantly drop out from the new trainees list of this year. They somehow left the center for their own interest or showing their disinterest on this skill. But new enrolled women are doing production work with highest interest. As the working place is safe and healthy so producer bring their kids with them when they come to the center. It also removes their mental anxiety for the kids at the time of production. The production rate rapidly increase after declaration of the special promotion. Now they want to earn as like as their husband and would like to contribute in their household matter. Early marriage has significantly reduced in some areas. Women become empower after getting employment opportunities and they are easily showed their individual opinion in their family which has been accepted by all. Women in most areas stared saving their extra income which has been come from their special HB.

## Labour

Principle 3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining
Principle 4	The elimination of all forms of forced and compulsory labour
Principle 5	The effective abolition of child labour
Principle 6	The elimination of discrimination in respect of employment and occupation

### Our commitment or policy

- Fair wages policy for the artisans
- No force labour.
- No time limitation for the work of the artisans.
- Artisans must be above 18.
- Pre-school for the children of the artisans

## A brief description of our processes or systems

Hathay Bunano ps is an Fair Trade Organization. We are the member of **ECOTA FAIR TRADE FORUM** from 2006 which is a fair trade body in Bangladesh. We always follow the 10 principal of WFTO. Fair Trade for fair wages is our main theme of this business. We are always very careful about fair wages. There are no any opportunities to arise any question from the center to increase their wages.

In addition there is no time restriction for the artisans. We do not force our producer to work with us. They do as much work as they want. We do not make any contact with them at the time of training. After trained the women, they start production from their own interest.

We are very aware of our artisan's age limitation. When we enlist any name of women for our training we take a copy of their national ID card for the confirmation of age. We don't consider any women who are under 18. We also make a plan to set up Pre-School in each production center for the children of the artisans who are between 3-5 years old.

## Practical actions implemented in the last year / planned for next year

Our management team conduct regular visit to our rural center and monitoring the situation. We have circulated the message of our fair trade policy and hanged the flyer in each center. All our supervisors and producers are concern about the policy. We have increase the pre-school equipment in our Dhaka Notun Bazar Center and select a place in Sirajgonj district to build new pre-school for children of the producer. We have also collected some individual opinion of the producer from the center and discussed the selected issues in regular management meeting at Head Office.

## Measurable results or outcomes

A significant number of producers (approximately 90%) join with us because there is no chance of force labour and no fixed time of working hour in Hathay Bunano production center. Women can come to the center at any time as they want and do their work. Most of our rural women are always busy with their household work. They just invest their idle item with us and earn a respective amount of money. That is the reason for the rapid growth of women in Hathay Bunano. A woman can easily invest 3 hour in a day and earn approximately 750 taka in a month except holiday, national, cultural and religious festival period, crops harvesting period, natural disaster etc. This small amount of money increase their mental strength, growing their dignity and decreasing the violence against women.

## Environment

Principle 7	Businesses should support a precautionary approach to environmental challenges
Principle 8	Undertake initiatives to promote greater environmental responsibility
Principle 9	Encourage the development and diffusion of environmentally friendly technologies

### Our commitment or policy

- Correct orientation of rural center
- Handmade products
- No machine.

- No Chemical
- No power
- Promote green environment
- Zero waste policy
- Selection of raw materials

#### A brief description of our processes or systems

HB continues to be committed to develop and implement Environmental Management System throughout the rural Group to stop environmental impact. In most cases our supervisor's house is selected a rural production center which becomes very easy way of access by all producers. Most of the producers uses their foot to attend to the production house. They don't need any vehicle or any transport to come. So it reduce the demand of energy. All of our products are made by hand. We just use hand needle and 100% cotton yarn for making product. There is no machine is used in our production line. Our production centers are very safety, neat and clean. Correct orientation of rural center to maximise opportunities to create stimulating learning environments that use natural light and natural ventilation, and include appropriate placement of outdoor areas. Our artisans wash their hand by hand washer or soap before making HB product. In addition when all products come from the rural centers, than it goes to washing plant. Our washing plant also use very simple non-toxic chemical for washing the product. There no chance to pollute environment. We source our yarns from oeko-tex certified mill with full ETP and regular testing and monitoring of this certification. We did not waste any of our raw material which also helps us to make our world green. Our all products help to save energy, stop pollution, and enhance sustainability.

#### Practical actions implemented in the last year / planned for next year

All our new center are located in a safe place. One of our dreams is to make a Green Bangladesh. HB product and activities become more popular day by day because it does not pollute environment and also in favour of rural women. Our supervisor ensure that the proper use of raw materials. So the waste of raw materials is in zero tolerance.

#### Measurable results or outcomes

The mill we source our yarn from is tested 4 times each year along with submitting monthly sample results to ensure that no harmful chemicals are put back into the environment, to maintain the oeko-tex standard and to check there are no problems with the ETP.

#### Anti-Corruption

Principle 10	Business should work against all forms of corruption, including extortion and bribery
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#### Our commitment or policy

- MIS System (an application software) is implementing in our organization.
- All of our payment procedure is transparent to all.
- Proper accountancy
- Transparent
- Sharing information

#### A brief description of our processes or systems

To carry out our aim to help poor rural people overcome poverty, HB needs to ensure that all wages need to reach them with most efficient, effective and transparent manner possible. There is no room for fraud and corruption, which divert resources elsewhere.

In 2008 HB has develop a MIS system (an application software developed by ATI Ltd.) is implanting in our organization. It's goal is to prevent fraud and corruption and expedite the distribution process to the rural area with accurate raw materials. We are maintaining all raw material distribution, packing note, making payment sheet, shipment and stock entry by this software. So there is no chance for corruption in our system.

We have made an audit on our accounts by a renowned audit firm of the country each month. This audit report is available by any stakeholder on request which makes a strong partnership with our stakeholder.

**Practical actions implemented in the last year / planned for next year**

It is now very easiest way than earlier to make distribution and payment sheet for the center. There is no way to make any manual sheet by our employee. All department has to be submit weekly report to the higher management so that everybody are concern about their responsibility. All type of transact stated to make by Bank. So there is no chance to make any corruption. Accounts and HR department keep both hard and soft copy of all payment sheet, pay slip, maintenance and retention records etc. Any inquiry from the internal or independent auditors of the Company responded to fully and promptly. However our administration is very strict against all forms of corruption, including extortion and bribery.

**Measurable results or outcomes**

All of our employee are very familiar with our MIS system. As there is a policy of punishment against corruption so everybody is totally free from all forms of corruption, including extortion and bribery. Our producers also follow the system and they don't waste or stole any materials from the rural center. They just use those materials that they need at the time for their production.

**How do you intend to make this COP available to your stakeholders?**

COP will be made available on our website and will be translated into Bangla in summary form and included in our HBPS newsletter that is sent to all rural centres.