



## **United Nation Global Compact** **Annual Communication on Progress**

December 2013

**Hathay Bunano Proshikon Society**

Our mission is to create sustainable employment for rural disadvantage women

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## **Statement of Continuing Support**

It is with great pleasure that I reaffirm HBPS's continued commitment to the UN Global Compact and its 10 principles for the second year.

The Global Compact is the largest and most important CSR coalition in the world and works in support of a more sustainable and more inclusive global economy. Voluntary orientation towards the 10 principles of the Global Compact is of fundamental importance in terms of achieving specific progress through upholding human rights, implementing international working standards, protecting the environment and preventing corruption.

Our mission is to create rural employment for the disadvantage and vulnerable women with the rhythm of rural environment through training and subsequent products sold in mainstream market. Women empowerment and strengthen the rural economy is our main aim. We understand that creating sustainable employment is the only way to remove poverty from Bangladesh and that is reflected our on going support for the UN Global Compact principles of human rights, labour, environment and anti-corruption.

Sincerely yours,



Samantha Morshed  
CEO, Hathay Bunano ps

## ***Reporting to UN Global Compact– Executive summary***

This Communication on Progress related for Hathay Bunano's activities during 2013 towards social business sustainability. It covers our contribution as a committed signatory to the United Nations Global Compact, and a proud leader of the social business initiative. The Global Compact's ten universally accepted principles in the areas of human rights, labour, environment and anti-corruption and its approach to social sustainability is consistent with Hathay Bunano's activities approach of balancing social, economical, cultural, and environmental reflection.

Hathay Bunano ps has been an active signatories to the UN Global Compact since 2009. Hathay Bunano p.s has celebrated World Fair Trade Day 2013 in Bangladesh with a commitment "Strengthening Fair Trade Relations" at ST. Josheph Higher Secondary School in 11th May 2013. 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. 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 EU countries, USA and Australia.

In 2012 we made progress on all Global Compact principles, further implementing these principles in our business activities:

### **Human rights**

Sharing information about our social business that we respect human rights throughout our social business. In 2013, we established few new method to strengthen human rights. HBPS has develop some indicators from 2013 where it reflect the human rights and encourage other business partners to establish human rights in their own platform. We initiated a baseline analysis of producer rights for own employees and a review of human rights management in our accountable sourcing programme.

### **Labour**

Though all our working places is safe and environmentally friendly so we have arrange few program to educate our employees and producers in 2013 in respect of the principle of Labour rights. We trainee our staff and producer so that they can know about labour right. We also engage our primary producer in price setting so that they can know the process. We have establish feedback policy for setting wages for producer. We worked hard in 2013 to both mitigate risks and improve performance related to labour rights throughout our value chain In support of the principles of respect for labour rights,.

## **Environment**

Though our production is increasing day by day in response to growing demand for our products but it's impact on environmental is zero.

## **Anti-corruption**

Creating employment in rural area with the rhythm of rural life involve many challenges, particularly when working in diverse cultures conduct can vary widely and in districts where enforcement of local standards may be weak. HBPS operates in a highly flexible rural environment in which rules and regulations increase in both numbers and complexity, change often and are energetically enforced. Therefore the principle of global standards for ethical behaviour must be observed and monitored.

## Human Rights

### Principle 1

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

#### **Our commitment or policy :**

- Sourcing Policy
- Putting smile on the faces worldwide
- Freedom of job facilities
- Provide living wages

#### **Progress:**

- At Hathay Bunano ps we fully realize the value of developing trusting relationships with our valued suppliers. Regardless of whether a supplier is a domestic or overseas company, we do our utmost to insure free competition. It is our policy to always maintain a fair business relationship with all of our suppliers. We evaluate and select suppliers based upon criteria such as quality, price, lead time, quality of management, technical standards and abilities. We attend to all suppliers' offers sincerely, and are willing to offer necessary information to suppliers. At the same time, we realize that suppliers' offers supply us with confidential or sensitive information. We always endeavor to maintain and keep such information strictly confidential.
- Hathay Bunano ps create rural employment through and putting smile in the faces of mother and their kids by fulfilling their financial demand. Than the subsequent products goes to mainstream markets. The children are the final consumer of our love toys and become happy to play with it. The smiles also seen in the faces of parents to see their baby in happiest moment. So our theme is putting smiles in the faces worldwide.
- We pay our producer as piece rate basis. So we have a very flexible contract for each producers where there is no limit of time for working hour. Producer can come to the production center at any time and use their time in production. This freedom of job facilities allow them to complete their all household work and maintain good relationship with their family member.
- As we are working in various rural places in Bangladesh so living standard varies in place to place. So we calculate living wages for every place and promot them to achieve at least living wages per month.

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

**Our commitment or policy :**

- Pre-school policy
- Crèche Policy
- Feedback policy
- Long term relationship

**Progress:**

- We have a preschool at Head Office for the kids of producer and women employee from 2007 so that they can keep warm motherhood relationship with their children. We have also established 2 preschool in Sirajgonj district along with our production center where 40 children are now educating alphabet and different rhyme.
- We have established crèche facilities at our Head Office from 2007 to facilitate the spaces for new born baby and women can feed their children in a separate room.
- HBPS has developed a strong feedback policy for producer. HBPS staff always keep this record at head office to maintain liaison with producer during price setting, wages setting etc. Any kind of feedback and suggestion from producer was highly appreciated by the management team.
- HBPS always keep long term relationship with producer by its regular field visit, discussion with supervisor and producer over phone. HBPS also maintain a MoU with the producer group so that they can always raise their demand through discussion.

**Labour**

**Principle 3      Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining**

**Our commitment or policy :**

- Bargaining policy for producer
- A committee for each producer group
- Price setting policy
- Sharing internal information with producer
- Insist for freedom of association

**Progress:**

- HBPS set a bargaining policy for producer to develop freedom of association. Producer always directly communicate with the management team and sometimes they talked with Chairman to raise their demand. Bargaining policy special works for price setting and wages setting policy. If HBPS receive any query regarding wages setting, then HBPS discuss the issue within its management team to give them a solution.

- HBPS has develop a committee for each producer group where a team leader lead the team. The leader raise the issue if any to the HBPS management and continue discuss upto the final decision come.
- HBPS engage Team leader and sampler group during price setting policy to ensure a fair price of goods. Than it goes to the final catalogue for the customer. In this way, HBPS develop the right of producer in decision making.
- From 2013, HBPS arrange a monthly meeting with each producer at Head Office and quarterly meeting with rural producer. In this meeting, HBPS share financial, social, marketing and sourcing issue with the producer. HBPS also share the annual turnover and profit utilization information in that meeting so producer can understand the current situation of the organization where they work.
- HBPS has developed a committee for each producer group where team leader is the key role. HBPS always encourage them to create freedom of association for their own benefit. But in rural area, women are not so educated so they did not feel to establish any freedom association.

**Principle 4      The elimination of all forms of forced and compulsory labour****Our commitment or policy:**

- Freedom of work
- Contract with producer
- No Cancelation of order
- Leave policy

**Progress:**

- Women producer are free to work in our production center. They are not binding in a time frame to work. So they can come and go to the production center at any time. Freedom of work is the main policy of HBPS.
- Any interested woman need to fill up a bio data form to before joining with HBPS. This bio data form is considered a contract between producer and HBPS. The woman who has filled all the basic criteria will receive the training from HBPS and considered as producer.
- HBPS did not cancel any work order that has been delivered to the producer group. So producer need not to face any risk of cancelation of work order.
- HBPS has a leave policy where employee will get 4 month Maternity Leave for only women staff, 12 days annual leave, 10 days festival leave, 14 days government leave, 3 days compensation/casual leave. HBPS also provide 15 minutes Tiffin break and 1 hour lunch break each day for all employees.

**Principle 5      The effective abolition of child labour**



**Our commitment or policy:**

- Child labour policy

**Progress:**

- No children below the age of 18 can be employed in Head Office as well as Production Center of Hathay Bunano. If the law states a higher age, the law must be followed. The supplier must have sufficient management systems in place to ensure no children are employed. Young workers below the age of 19 can only undertake light work in the factory, and all laws concerning the treatment of young workers must be followed. HBPS also collect birth certificate for age verification if there is any confusion.

**Principle 6      The elimination of discrimination in respect of employment and occupation**

**Our commitment or policy:**

- Non discrimination policy
- Equal wages policy
- Policy for disable and widow

**Progress:**

- Hathay Bunano does not discriminate or permit discrimination by any employee or producers of its community against any individual on the basis of race, color, religion, national origin, sex, sexual orientation, gender identity, gender expression, parental status, marital status, disability, citizenship, veteran status, or genetic information in matters of admissions, employment, or services.
- HBPS has equal wages policy for all producer groups. Wages rate is equal for every producer so there is no chance for discrimination.
- Priority will given to disable and widow. We provide accommodation to 5 disable women in Head Office who has been with us for last 9 years. We also given priority to disable and widow producer in rural center. Currently we have 4.49% disable producer and 4.5% widow producer in rural area.

## Environment

### Principle 7

**Businesses should support a precautionary approach to environmental challenges**

#### Our commitment or policy:

- Use of certified raw materials
- Eco friendly packaging
- Limited wastage
- Use of non toxic chemical for washing
- Environmental risk assessment

#### Progress:

- HBPS used OEKO Tex certified cotton which is which project environmental challenges. The Organic cotton used in HBPS products has been certified by the Control Union Certifications of The Netherlands and complies with the Organic Exchange 100 Standard (OE100). OE100 certifies products made with 100% organic fibre that have been tracked through the production chain and segregated to prevent commingling with other fibres.
- HBPS reduce packaging method for Christmas Items in 2013. More eco friendly packaging system will be develop in upcoming products.
- HBPS has very limited wastage which can recycle in production process. So 100% raw consumed in production line which is protecting our environment.
- HBPS use non-toxic chemical for washing the toys so that each and every products become safe for children.
- HBPS has an internal monitoring system for environmental risk assessment. This assessment report shows that HBPS follows zero tolerance to protect environmental challenges.

### Principle 8

**Undertake initiatives to promote greater environmental responsibility**

#### Our commitment or policy:

- Promote green environmental policy
- Decrease the use of carbon footprint

#### Progress:

- Hathay Bunano is a Bengali terms which means Hand Knitted. HBPS does not need any power or energy in production line. We only use on power sweing machine for sew label. So hand process is used in every production unit of HBPS. We only use very limited

energy on our head office to maintain day to day activities. HBPS circulate flyers to every production center in rural area regarding the green environment policy. This flyer contains the information to promote green environment. It also helps our producer to educate them and increase awareness reflecting greater environmental responsibility.

- HBPS use sea shipment. Air shipment is used for urgent delivery only. We set up a warehouse to reduce carbon footprint.

## **Principle 9      Encourage the development and diffusion of environmentally friendly technologies**

### **Our commitment or policy:**

- Sharing the environmental policy with stakeholder
- Orientation of Rural Production Center

### **Progress:**

- HBPS shares all environmental policy with buyers, producer, suppliers and consumer through Facebook fan page and blog. Our trade partner are informed details and producer can learn through regular field visit and meeting.
- 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 use 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, then 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.

## Anti-Corruption

**Principle 10 Business should work against all forms of corruption, including extortion and bribery**

### Our commitment or policy:

- Management Information System (MIS)
- Payment process
- Proper accountability
- Transparency

### Progress:

- In 2008 HBPS 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 also develop a new method of cost sheet which reflect the cost breakdown of each products. MIS system provide a raw materials report which helps us to make this cost sheet.
- We 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. We develop a register book in each center where all producer have to entry their income and make signed after collecting payment. HBPS staff regularly checked the register book of producer income so that there should not be any corruption. HBPS will also keep record of all producer details in Head from 2014.
- 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. This audit report has been shared with the producers and employees during the meeting. It also shared with trade partner through mail in each year so that activities become more transparent.