

HATHAY BUNANO
হাথে বুনাণো
BANGLADESH



United Nation Global Compact
Annual Communication on Progress - 2014

Hathay Bunano Proshikon Society

Our mission is to create sustainable employment for rural disadvantage women

Table of Contents

Letter from Our CEO	1
Reporting to UN Global Compact– Executive summary	2
United Nations Global Compact Human Rights Principles	4
United Nations Global Compact Labor Standards Principles	5
United Nations Global Compact Environment Principles	7
United Nations Global Compact Anticorruption Principle	9

Statement of Continuing Support

Hathay Bunano Proshikhon Society (HBPS) is a signatory of the United Nations Global Compact (UNGC) initiative and directly supports its Ten Universal Principles. HBPS have a strong commitment to cover human rights, labor, the environment, and anti-corruption through its business activities.

In 2014, HBPS showed ongoing commitment to build its continuous business success on social responsibility by creating employment for the rural disadvantage women through training and subsequent products goes to mainstream market. The producer of HBPS develop a worker's association which works for the continuous development of the poor producer groups. HBPS develop a new policy to make a strong transparent relationship with its customer. our customers is building a more sustainable economy. Our core values and our Code of Business Conduct commit all HBPS employees and producers to conduct business in accordance with high ethical standards and in compliance with applicable laws. Our Business Policy is compliant with the Ten Principles of the UNGC. It is continuously complemented with supporting directives and guidelines.

HBPS become the registered member of World Fair Trade Organization (WFTO) in 2014 and develop a new internal monitoring system (IMS) to evaluate high ethical standards. HBPS as a social enterprise and our employees, producer group and clients actively make every effort to respect and support the UNGC Ten Principles in our national and worldwide activities.

Sincerely yours,



Samantha Morshed
Founder, Hathay Bunano ps

Reporting to UN Global Compact– Executive summary

This Communication on Progress related for Hathay Bunano's activities during 2014 towards fair trade movement. It covers 10 core values of fair trade practices as well as a committed signatory to the United Nations Global Compact, and a proud leader of the fair trade business initiative. The principle of fair trade are to create opportunity for economically disadvantage producer, transparency and accountability, fair trading practices, payment of a fair price and fair wages, ensuring no child labour and force labour, commitment to non-discrimination, ensuring good working condition, providing good capacity building, promoting fair trade and finally respect for the environment. Hathay Bunano Proshikon Society (HBPS) become the registered member of World Fair Trade Organization (WFTO) during 2014 by practicing 10 core values within the organization inspiring 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. Inspiring by the principles of UN Global Compact since 2009, Hathay Bunano Proshikon Society (HBPS) move forwarded to practice fair trade values. And after a long journey, we received the reorganization from WFTO Global body as a registered fair trade organization in 2014.

2 expert auditor from fair trade body was visited to monitor the activity of HBPS on December 2013 and certified us as an association member. After successfully completed 2nd audit from fair trade network, we become the registered member of WFTO.

Human rights

To establish Human Rights within the organization is our social objectives. HBPS always prefer the decision of producer level at any stages to run the organization. At HBPS, respect for human rights is engrained in our culture and guides our interactions with producers, suppliers, customers, consumers, employees and the communities we serve. Our Socia Economic Improvement Policy for producers establishes a foundation for managing our business around the world in accordance with our commitment to respect human rights.

Labour

Producer group of HBPS is the heart of our organization. Our Health and Safety Policy provide employees, workers and producer safe working places which comply with local and international laws. Providing fair wages to the producers, safe working condition with all safety guard accessories and build a safety team is our strength to respect labour right at the working places.

Environment

HBPS is committed to leading the Head Office and Rural Production Unit in minimizing the impact of its activities on the environment.

The key points of its strategy to achieve this are:

- Promote all product range made by hand to make less impact on environmental impact of both production and distribution.
- Minimize waste by evaluating operations and ensuring they are as efficient as possible.
- Use of detergent powder during washing of the goods at washing unit.
- Actively promote recycling both internally and amongst its customers and suppliers through packaging instruction.
- Meet or exceed all the environmental legislation that relates to the factory though HBPS is not a factory.
- Introduce of Solar Panel to the non-electrified area to reduce the dependency on power energy.
- Creating alternative employment opportunity for the women who are totally dependent on natural forest for their livelihood.

Anti-corruption

HBPS follows a brief guideline that can be used by the employees to develop our Anti-Corruption Policy. It highlights the key components that should be included in the Anti - Corruption Policy. HBPS also follows a transparency and accountability policy where accounts department also responsible to report Executive Board and executive board is partially developed by the producer group. So information is very transparent to the producer group and all stakeholders. The price of the products and wages are set by the producer according to the standard policy.

Human Rights

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

Our commitment or policy:

- HBPS worker's Association.
- Socio economic improvement Policy
- Written contract with supplier

Progress:

- HBPS motivated its producers and workers to established association to develop their socio economic condition. After a long conversation with workers group, they initiated an worker's association which is now on the queue for legal entity. But regular activities of the association started from July 2014.
- HBPS develop a social economic development policy which indicate the gradual economic development of the poor worker. HBPS also evaluate graphical data and set indicator for future development.
- HBPS developed a written contract policy for every supplier to make a good relationship through its supply chain. The transparency and ethical issues also can be follows through this supplier contract.

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:

- HBPS started to introduce preschool facilities for the children of the producers beside the production unit so that producer can stay more time at their working place with security of their baby. In addition the children get basic knowledge of alphabet, rhymes and songs from the preschool. Currently HBPS have 4 preschool at rural production unit.
- 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 considerable feedback policy during any derision making process of the organization. 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 maintain a long term relationship through producer contract, supplier contract and distributor contract. HBPS and shareholders share their views and ideas with each other through their long term business behaviour.

Labour

Principle 3

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

Our commitment or policy :

- HBPS workers' association
- Price setting policy
- Wages setting policy
- Monthly meeting with producer

Progress:

- After a long discussion with the workers and producer, the workers of HBPS established “HBPS Workers’ Association” in June 2016. Decisions taken through the process of collective bargaining and negotiations between employer and association are more influential. HBPS Workers’ Association play an important role and are helpful in effective communication between the workers and the management. They provide the advice and support to ensure that the differences of opinion do not turn into major conflicts. The central function of HBPS workers’ Association is to represent people at work.
- HBPS have a sampler group at the head office. When a new sample is developed, than sampler group are responsible to set the FOB price through discussion with producer group. After the costing of the materials, this FOB price is finalize prior approval from higher authority. So producer group are somewhere involve in price setting policy.
- HBPS have a clear wages setting policy which is followed by producer group. Wages is being set depending on the standard hour and standard hour has been set by producer group. The feedback from producer group can also evaluate if there is any discrepancy on standard hour.
- HBPS regularly arrange monthly meeting with producer group where employees share sales, export, financial issues with the producer group. Any feedback from producer level is always highly appreciable by the management team which can be considered at executive board meeting.

Principle 4 The elimination of all forms of forced and compulsory labour

Our commitment or policy:

- Contract with producer group
- Overtime facilities
- Appointment letter/Job Contract
- Leave policy

Progress:

- HBPS develop written contract policy for every producer group which indicates number of producer, pieces rate, the rights of producers and their feedback policy, payments terms and freedom of work. Each of every producers are free to work with HBPS for any time.
- HBPS provide overtime for the salaried staff at the head office if there is overload of work. Overtime is not a regular process. But it follows 3 hours in a day if necessary. HBPS pays double during overtime and provide special snacks to the staff.
- HBPS provide appointment letter and job contract for every employee which indicates the job responsibility and reporting system. This letter also indicate freedom of work according the local Human Resource Policy.

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. The supplier must have sufficient management systems in place to ensure no children are employed. Birth certificate/National Identity card is mandatory during appointment letter to verify age.

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. HBPS provide accommodation to 5 disable women in Head Office who has been with this organization for last 9 years. HBPS also give priority to disable and widow producer in rural center during selection process. Currently we have 4.32% disable producer and 4.7% 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
- Biodegradable packaging
- Waste disposal policy
- Use of non toxic chemical for washing
- Environmental risk assessment

Progress:

- HBPS use OEKO Tex certified 100% cotton which is tested from STR Laboratories in UK. The test ensure that the raw materials of the products is 100% safe for the children. 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 introduce bio-degradable polybags for all products which is environmental friendly.
- There is very limited wastage at the head office and production unit as all items is made by hand. HBPS develop waste disposal policy where variety types of waste is identified and evaluate, manage all the waste from the place and arrange them for disposal. According to the policy, all staff are responsible to follow the waste disposal policy.
- 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
- Employment opportunity for forest dependent women

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.
- HBPS started working with the women who are totally dependent on forest activities like catching fish, collect wood and honey etc which have a bad effect on environment. HBPS create job for 900 women in several part of Bangladesh who was previously dependent on forest. So this alternative job will contribute for the reservation forest life.

Principle 9 Encourage the development and diffusion of environmentally friendly technologies

Our commitment or policy:

- Environmental policy
- Orientation of Rural Production Center

Progress:

- HBPS is committed to leading the Head Office and Rural Production Unit in minimizing the impact of its activities on the environment. Promote all product range made by hand to make less impact on environmental impact of both production and distribution. The feature of the policy is to minimize waste by evaluating operations and ensuring they are as efficient as possible. Another point is to use of detergent powder during washing the

goods at washing unit. HBPS actively promote recycling both internally and amongst its customers and suppliers through packaging instruction. HBPS introduce of Solar Panel to the non-electrified area to reduce the dependency on power energy.

- 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:

- Development of new Management Information System (MIS)
- Transparency & Accountability

Progress:

- In 2014 HBPS developed a new 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.
- For transparency and accountability, HBPS share annual activity report and annual audit report with stakeholder during Annual General Meeting. HBPS also have brochure/profile for the partners to provide clear information about the organization. The additional benefit of the employees include into the appointment letter. The executive board contains 3 members from producer level and producer can participate in every decision making process. Meeting minutes of executive board is available for every

stakeholder. The producers are also involved with price setting and wages setting policy due to the transparency. A clear contract is signed with the producers group for the transparency and accountability.