

HATHAY BUNANO
হাথ বুনা
BANGLADESH



Helping women out of poverty and putting smiles on faces worldwide!

United Nation Global Compact
Annual Communication on Progress - 2015

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Communication on Progress 2015

Hathay Bunano has continued to grow in 2015 and we are now present in 37 countries, with the latest one being Panama. Our relationships with our distributors continue to be very important in growing Pebble brand around the world. We have again released two catalogues for this year with many new products. The plan to move into 'kids home' products has started to take shape with a number of new products in this category which have all been received very well. The new monster and robot cushions have been shortlisted for a number of awards at the upcoming NYNOW2015 prestigious trade show.

This expansion into kids home will continue into the next year with us building on the products that have been doing well and expanding in those. Additionally for this range we have started to work with other fair trade suppliers in Bangladesh and the embroidery work from BASE has been a good addition to our products.

Most notably in the past year we have achieved full membership status for WFTO and are happy to promote Pebble as a fair trade brand. The work with WFTO will continue in the coming year where we will try to achieve the guarantee status which would enable us to label all products as fair trade.

Hathay Bunano 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

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

As a business, Hathay Bunano commit to working towards more sustainable business practices. We will achieve this by understanding the impacts our business operations and strategy have on the environment and society at large, and seeking to minimize any negative effects. We also endeavor to influence and encourage our suppliers, employees and readers to reduce their environmental impacts.

Anti-corruption

As a fair trade organization, Hatha Bunano is willing to follow various policies within the organization for staffs and producers which can make a very transparent and accountable environment at every level. The policies such as CSR Policy, Gender Policy, Non-discrimination Policy, Costing Policy, Producer Feedback

Policy, Profit Distribution Policy, Conflict of Interest Policy makes our work as transparent as possible so that there is no chance of Anti-corruption.

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

Our Commitment or policy:

- a. Social Benefit Policy
- b. Rural Centre policy
- c. CSR Policy
- d. Gender Policy
- e. Profit distribution Policy

Progress towards the commitment:

(a) Social Benefit Policy :

As a social organization, HBPS desires to care, promote and provide employment benefits to all employees and qualified applicants as described in this policy.

Currently HBPS have the following policies within the organization :

- Group Insurance Policy
- Provident Fund Policy
- House rent allowance
- Transportation Allowance
- Medical Allowance
- Law Advisory support
- Long term service reward
- 2 (two) Festival bonus
- Retirement policy
- Crèche facilities along side production unit
- Pre-school facilities beside production unit
- Distribution of yearly dividend

(b) Rural Centre policy:

HBPS have a very good, clear and transparent rural center policy where we have indicated the selection process of rural women producer who are mainly from disadvantage group. HBPS provide a top priority to disable, widow and ultra poor women from rural community to provide them employment.

(c) CSR Policy :

Hathay Bunano's (HBPS) CSR Policy is inspired by the mission statement of it's own "Helping women out of poverty and putting smiles on faces worldwide!" While pursuing our social strategy of introducing ethical products that puts smiles on worldwide, HBPS operates in a manner that not just continues to generate employment for rural producers, but also minimizes our impact on the environment and helps in replenishing the planet for sustainable development; while lending a helping hand to the community.

(e) Profit distribution Policy

Hathay Bunano's (HBPS) Profit sharing policy is inspired by the mission statement of it's own "Helping women out of poverty and putting smiles on faces worldwide!" HBPS is a non-profit society which aims to create sustainable employment for the rural disadvantage women in Bangladesh through training and subsequent products made by producer goes to mainstream market. So HBPS gain a small profit every year for the expansion and smooth operation of its activity. HBPS yearly profit will be distribute according to the following schedule:

Sl. No	Areas of distribution	Percentage of yearly profit
01.	Corporate Social responsibility fund	50%
02.	Profit distribution to best employees	30%
03.	Retained earnings for further expansion	20%

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

Our Commitment or policy:

- a. Producer Feedback Policy
- b. Gender Policy

Progress towards the commitment:

(a) Producer Feedback Policy

As a member of World Fair Trade Organization (WFTO), HBPS have to get regular feedback from the producer level regarding 10 principles on fair trade. The feedback should be through a transparent process.

(d) Gender Policy

HBPS Gender Policy classifies clear commitments to support gender equality and the principles expressed in these conformity. The accompanying implementation guideline sets out mechanisms and minimum common standards for all HBPS producers, staffs, officers, and executive board. This policy statement therefore attempt to make our collective efforts more effective, achieve of HBPS mission and vision and reflects ensuing developments in gender equality policies to end poverty, empower women and social injustice.

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

Our Commitment or policy:

- a. HBPS workers' association
- b. Price setting policy
- c. Wages setting policy
- d. Monthly meeting with producer

Progress towards the commitment:

(a) HBPS worker's Association:

HBPS Worker's Welfare Association is formed to protect and promote the interests of their members. Their primary function is to protect the interests of workers against discrimination and unfair labor practices. Association represents individual workers when they have a problem at work.

Negotiation is where Association representatives, discuss with management, the issues which affect people working in an organization. There may be a difference of opinion between management and Association members. Association negotiates with the employers to find out a solution to these differences.

Association with a view to safeguard the health of workers demands the management to provide all the basic facilities such as, lighting and ventilation, sanitation, rest rooms, safety equipment while discharging hazardous duties, drinking, refreshment, minimum working hours, leave and rest, holidays with pay, job satisfaction, social security benefits and other welfare measures.

The association make a harmonious relation between the employees and employer is another vital objective of this association.

(b) Price setting policy

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.

(c) Wages 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.

Monthly meeting with producer

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:

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

Progress towards the commitment:

(a) Written contract with producer group:

Hathay Bunano believes on transparent business relationship. To empower the women producers group, Hathay Bunano start to make written contract with all producers group detailing all terms and conditions from both parties. This mutual agreement makes our producer group more confident. According to this contract, all

producers are free to work as long as they want and they are free to work any organization by using our skill.

(b) Overtime facilities

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.

(c) Appointment letter/Job Contract

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:

- a. Child labour policy

Progress towards the commitment:

Child labour policy

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. All staff and producers must submit national ID card or Birth certificate before join with HBPS.

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

Our Commitment or policy:

- a. Non discrimination policy
- b. Equal wages policy
- c. Policy for disable and widow

Progress towards the commitment:

(a) Non-discrimination Policy

Employment decisions related to compensation, benefits, promotions, transfers, reductions in force, rehires will be administered without regard to age, race, color, religion, sexual orientation, disability, sex or national origin, marital status, pregnancy, disabled or veteran status, political beliefs, organizational affiliation or medical condition. The human resources manager will review these decisions. The responsibility for implementation of this Equal Employment Opportunity policy rests with the entire management team.

(b) Equal wages policy

HBPS has equal wages policy for all producer groups. Wages rate is equal for every producer so there is no chance for discrimination.

(c) Policy for disable and widow :

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 10 years. HBPS also give priority to disable and widow producer in rural center during selection process. Currently we have 4.15% disable producer and 4.8% widow producer in rural area. At Head Office, Hathay Bunano providing accommodation / hostel facilities for physically disables workers.

Principle 7 : Businesses should support a precautionary approach to environmental challenges

Our Commitment or policy:

- a. Environment Policy

Progress towards the commitment:

As a business we commit to working towards more sustainable business practices. We will achieve this by understanding the impacts our business operations and strategy have on the environment and society at large, and seeking to minimize any negative effects. We also endeavor to influence and encourage our suppliers, employees and readers to reduce their environmental impacts.

Legislation:

To comply with all applicable acts of national laws, regulations and standards in Bangladesh, as well as those applicable in countries from which we source the products and materials we use in our business.

Procurement:

To purchase energy, water, raw materials, work equipment, transport, stationery, furniture, fittings and services from renewable or environmentally sympathetic sources. We also aim to influence the performance of our business partners, producers and suppliers to achieve at least the same environmental standards as our own. We collect environmental certificate, raw materials certificate or any verifiable documents from supplier which can comply environmental standard before go for final procurement.

Energy Management

Monitor, manage and reduce consumption of energy, and aim to reduce CO2 emissions in our offices. This will be achieved through the use of energy-reducing technologies, encouraging more sustainable practices and using renewable resources where practical. The cost of energy used in every month will hang at

official notice board for everybody so that everybody will be aware about the use of energy. Endeavour to influence our suppliers to do the same.

Principle 8 : Undertake initiatives to promote greater environmental responsibility

Our Commitment or policy:

- a. Promote green environmental policy

Progress towards the commitment:

Waste Management

To eliminate, reduce, re-use, re-cycle or dispose of waste in an environmentally acceptable manner in our offices. There are four steps necessary to properly manage waste:

- Identify Wastes
- Evaluate Wastes
- Manage Wastes
- Arrange for Disposal of Waste

a. Identify Wastes

HBPS Staffs must be aware of the wastes that they produce and HBPS management is responsible for the proper management of their waste. HBPS provides safe, effective and efficient waste management services to each staff for all types of waste.

b. Evaluate Wastes

HBPS must evaluate their waste for its physical and hazard characteristics to determine how it is to be properly managed. Mismanaged waste, especially hazardous waste, may endanger human health and the environment.

A waste may be:

- a. Non-hazardous Waste (e.g., regular waste of yarn, paper, polybags, tea or coffee etc)
- b. Otherwise Regulated Waste (e.g., asbestos, electronics, construction debris, food waste)

c. Manage Wastes

Once the waste has been identified and evaluated, HBPS must manage their waste to dispose it the regular waste bin. These waste bin compliance with all applicable laws and regulations and to induce a safe and healthy workplace.

d. Arrange for Disposal of Waste

The HBPS Team must arrange for removal of the waste for proper disposal. HBPS provides waste management instruction for disposal of all types of waste.

Waste Management Program for:

- a. Non-hazardous Waste(i.e. regular waste of yarn, paper, polybags, tea or coffee etc)
Contact Person - Mr Sobuj from Union Parishad
- b. Otherwise Regulated Waste (e.g., asbestos, electronics, construction debris, food waste)
Contact Person - Mr Sobuj from Union Parishad

Water Management

Monitor, manage and reduce water consumption in our offices. Ensure that the maintenance of water systems is of the highest order to ensure wastage is kept to a minimum and that discharges comply with environmental legislation. Endeavour to influence our suppliers to do the same.

Principle 9 : Encourage the development and diffusion of environmentally friendly technologies

Our Commitment or policy:

- a. Environmental impact improvement policy

Progress towards the commitment:

Continuous Improvement

Provide the structure to manage a framework for continual environmental improvement, allowing for the adoption of new ideas and innovations obtained from the widest possible range of sources. Report back to stakeholders on environmental performance annually through HBPS Social, Ethical and Environmental Audit.

Monitor and Review

Set and priorities targets and key performance indicators to underpin the framework for continuous improvement. Report back to stakeholders on environmental performance through HBPS social, ethical and environmental audit which is published annually. The HBPS board will receive monthly updates on environmental issues at each board meeting.

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

Our Commitment or policy:

- a. Development of new application software
- b. Board member from producer level
- c. Event celebration

Progress towards the commitment:

Development of new application software

In 2015 HBPS developed a new MIS system (an application software developed by Domaintech 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.

Board member from producer level

HBPS decided to select ½ board member from producer level so that every decision can be made through mutual agreement. Board member from producer level can understand how to make them empowered by conducting formal meeting, providing valuable inputs during decision make, raise voice for the right of women etc. The board member from producers' level also shares all their experiences and information with HBPS worker's association.

Event celebration:

Every year, HBPS celebrate Annual General Meeting, World Fair Trade Day, Anti poverty week with all the staff and shares all the internal financial and technical information. So all staff are aware about the financial activity which can protect corruption during the operation.