

## **Biji-biji Initiative Annual Sustainability Report 2016/17**

## CEO Statement

At the beginning of 2017, Biji-biji Initiative embarked on a journey to align itself with the UN Sustainable Development Goals. Since then, we have identified 12 Goals, 42 Targets and 47 indicators to achieve in our business. FY 2016/17 Sustainability Report reports on 9 Goals, 24 targets and 24 indicators. This is just the beginning. As the years pass by, the reporting will become more comprehensive and holistic.

In FY 2016/17, Biji-biji Initiative became the first Malaysian organisation to receive a Provisional Membership from the World Fair Trade Organisation (WFTO). Biji-biji Initiative also became a signatory to the United Nations Global Compact in 2017. As a social enterprise, Biji-biji Initiative is committed to running an ethical business while upholding its social, environmental and economic commitments. This includes upholding the UN Sustainable Development Goals, UN Global Compact Principles and WFTO Principles.

When we established Biji-biji Initiative in 2013, we aimed to be amongst the most forward thinking and innovative organisations, pushing boundaries and setting new standards of operations for 21st Century businesses. We never allowed the age-old excuses of 'small size' or 'limited budget' to hamper our dreams. We implemented our Governance Framework in our 1st year of operation. Since then, it has evolved into one of our most comprehensive impact measurement documents (set against the SDG goals, targets and indicators).

The Annual Sustainability Report you read today is the result of many hours of work by our Sustainability team, and all team members who contributed their time and efforts to make this happen. We recognise the road ahead is long and challenging; there is much we need to improve to be a truly sustainable and ethical company. We will continue to report our findings transparently, whether good or bad, and take serious efforts to improve them.



Rashvin Pal Singh,  
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## Mapping of Indicators against Global Compact & SDGs

<b>Biji-biji Indicators</b>	<b>Global Compact</b>	<b>SDG Goals</b>
1	Human Rights, Labour	1
2	Human Rights, Labour	1
4	Environment	4
9	Human Rights	5
10	Human Rights	5
12	Environment	7
15	Human Rights, Labour	8
17	Human Rights, Labour	8
21	Human Rights, Labour, Environment	9
23	Human Rights, Labour, Environment	9
25	Human Rights, Labour	10
26	Human Rights, Labour	10
27	Human Rights, Labour	10
29	Environment	11
30	Environment	11
31	Environment	12
32	Environment	12
33	Environment	12
37	Environment	12
41	Anti-Corruption	16
42	Anti-Corruption	16
44	Human Rights, Labour, Environment	17
45	Human Rights, Labour, Environment	17
46	Human Rights, Labour, Environment	17



**Biji-biji Indicator 1:**

*Ratio of lowest salaries within Biji-biji against the minimum wage, by sex, and working geographical location (Kuala Lumpur/ Klang)*

Minimum Wage for Biji-biji's permanent employee is RM1500, 0.5 times above Malaysian Minimum Wage. Within Biji-biji Initiative, ratio of male to female employee salary is 1.5:2.5, applying GCD 1000 equivalent to Malaysian minimum wage. Ratio of salary earned by employees in Kuala Lumpur to Klang is 2:1.5, applying GCD 1000.

**Biji-biji Indicator 2:**

*Proportion of population covered by social protection floors/systems (staff welfare benefits, insurance coverage).*

73% of all permanent employees are covered with social protection floors/systems. 27% of permanent employees are currently not covered with social protection floors/systems due to shorter work term arrangements and their non-Malaysian status. In the near future, all type of employees shall benefit from social protection floors/systems.



**Biji-biji Indicator 4:**

*Number of kids, youths and adults, that participated non-formal education and training in the previous 12 months*

3,347 kids, youths and adults have participated in non-formal education and training provided through upcycling, alternative energy and arts education workshops.



**Biji-biji Indicator 9:**

*Number and effectiveness of legal frameworks in place, to promote, enforce and monitor equality and non-discrimination on any basis, not limited to sex, age, looks, sexual orientation, race, religion, etc*

One legal framework, known as Biji-biji Code Of Conduct is in place to promote, enforce and monitor equality and non-discrimination. Each staff member signs Biji-biji Code of Conduct.

**Biji-biji Indicator 10:**

*Number of men and women in managerial and non-managerial positions within Biji-biji and the pay gap between men and women in the same position.*

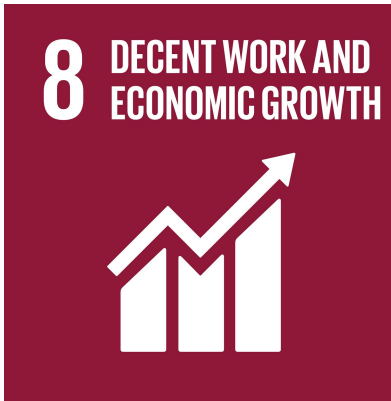
Positions of Employees	Number of Employees		Ratio (by %)	Median Salary of Employees		Pay gap
	Male	Female		Male	Female	
Senior manager	4	3	57:43	RM 5000	RM 5000	0
Manager	6	1	86:14	RM 3500	RM 3500	0
Non-manager	11	5	69:31	RM 2250	RM 2800	-0.24



**Biji-biji Indicator 12:**

*Number of underserved households provided with alternative energy solutions in comparison to total number of households provided with of alternative energy solutions*

206 households were provided with alternative energy solutions. All households provided with alternative energy solutions are of underserved households.



**Biji-biji Indicator 15**

*Biji-biji's annual growth rate of revenue per employee, calculating interns and trainees*

Biji-biji's annual growth rate of revenue per employee, calculating interns and trainees is RM 54,687.

**Biji-biji Indicator 17**

*Maintaining a salary cap of maximum 12 times between highest and lowest earner*

In FY 2016/17, the highest paid Biji-biji employee earned 3.3 times more than the lowest paid Biji-biji employee. This is well within the salary cap of 12 times.





**Biji-biji Indicator 21:**

*Number of SEs and NGOs integrated into value chains of Biji-biji, and percentage of procurement expenditure made to them*

In FY 2016/17, 4 SEs were integrated into Biji-biji's value chain, making up 0.7% Biji-biji suppliers.

**Biji-Biji Indicator 23**

*Investment in capacity development mechanisms for employees and department (Eg : Research and development, Training and certification, Tools and Machinery) as a proportion of revenue, disaggregated by divisions.*

17.1% of total revenue was invested in capacity development mechanisms for employees and departments.

Here's the break-down:

6.7% on Fabrication - Tools and Machinery

8.7% on Electronics - Research and Development

1.7% on Sustainability - Research and Development



**Biji-biji Indicator 25:**

*Proportion of people in Biji-biji that are living below 50 percent of Malaysian & Biji-biji median income*

13% of Biji-biji employees were living below 50% of Biji-biji's median salary whereas 0% of Biji-biji employees were living below 50% of Malaysian median income.

**Biji-biji Indicator 26:**

*Proportion of the population reporting having personally felt discriminated against or harassed within the previous 12 months on the basis of Biji-biji's Code of Conduct*

1 out of 18 respondents of an Anonymous Survey reported to have personally experienced harassment whereas 2 out of 18 respondents of an Anonymous Survey reported to have personally experienced discrimination. The findings have been reported to HR and CEO and actions are to be taken to fully understand the issue, get more clarity on what actually happened, and take remedial actions.

**Biji-biji Indicator 27:**

*Labour share of revenue, comprising wages and social protection transfers*

Total labour share of revenue is 59.1%.



**Biji-biji Indicator 29:**

*Proportion of Biji-biji's external projects with access to comprehensive recycling services, where applicable*

2.4% of Biji-biji's external projects had access to comprehensive recycling services.

**Biji-biji Indicator 30:**

*Number of sustainable policies and solutions that have been documented and published by Biji-biji, that was further adapted by companies, organizations and institutions.*

Biji-biji's Governance Framework (predecessor to Biji-biji's current SDG-inspired sustainability goals and targets) was published on Biji-biji's website. Biji-biji's Governance Framework is adapted by The Picha Project, another successful social enterprise in Malaysia. See: <http://www.pichaproject.com/governance-framework/>

Biji-biji's Sustainability Indicators (predecessor to Biji-biji's current SDG-inspired sustainability goals and targets) was published on Biji-biji's website. Biji-biji's environmental indicators were used as inspiration by the Malaysian Global Innovation & Creativity Centre (MaGIC) in creating indicators for their Impact Driven Enterprise Accreditation (IDEA) programme.



**Biji-biji Indicator 31:**

*Amount of recyclables collected compared to amount of waste sent to landfill*

2,224.85kg of recyclables was recycled since February 2017 - Jun 2017 whereas an average of 2,560 cubic feet of waste was landfilled from March 2017 - Jun 2017

**Biji-biji Indicator 32:**

*Proportion of upcycled materials in comparison to new materials used in our own manufactured products*

Biji-biji Ethical Fashion products incorporate waste materials in its products. In total, 4,092 m of rejected safety seatbelts and 32.42m<sup>2</sup> of event banners were upcycled into bags, folders and pouches

**Biji-biji Indicator 33:**

*Number of project sustainability reports published*

2 Project Sustainability reports were published in comparison to 82 projects conducted in FY 2016/17.

**Biji-biji Indicator 37:**

*Amount of financial and human resources support (each division) on sustainability management and environmentally sound technologies*

RM35,915 was spent on salaries for 1 permanent employee and 5 interns, who worked on sustainability management. That's 1.7% of total revenue.



**Biji-biji Indicator 41:**

*Proportion of population in Biji-biji who believe decision-making is inclusive and responsive.*

100% of Biji-biji employees felt that decision-making is inclusive. However, 5.6% of Biji-biji employees felt that actions were not taken when opinions were expressed.

**Biji-biji Indicator 42:**

*Proportion of population in Biji-biji that has access to information, that shall be available under Open Book Finance*

100% of Biji-biji employees felt that they have access to information, that shall be available under Open Book Finance, and that information was freely shared.



**Biji-biji Indicator 44:**

*Number of science and/or technology partnership agreements and programmes between Biji-biji and external parties*

Biji-biji Initiative had established two technological partnership programmes with external parties.

**Biji-biji Indicator 45:**

*Number of mechanisms in place to ensure logical and consistent adoption and implementation of Biji-biji Sustainability Goals, Targets and Indicators.*

5 mechanisms are in place to ensure logical and consistent adoption and implementation of Biji-biji Sustainability Goals, Targets and Indicators, namely: (1) Annual Sustainability Report, (2) World Fair Trade Organization Membership and Monitoring Audit, (3) Signatory to United Nations Global Compact, (4) existence of Sustainability Department and (5) conscious and committed employees of Biji-biji Initiative.

**Biji-biji Indicator 46:**

*Proportion of Biji-biji targets and indicators reported on, with full disaggregation compared to total list of Biji-biji indicators*

24 indicators are reported on, in comparison to 47 number of total Biji-biji indicators.