

Impact Report March 2022



Embroidered with empowerment, from mother to mother





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Note from our Founder





I was inspired to start Khushi Kantha (Happy Blanket) by the birth of my half-British, half-Bangladeshi twin daughters, and my long-standing dream to use everything I've learned from many years of living and working in Bangladesh to support other mothers, whose position I could easily be in myself if circumstances were different.

At Khushi Kantha we're proud to be a social enterprise and we <u>view 'sustainability' as multi-</u>dimensional.

That's why our social enterprise goals focus on generating ongoing incomes for the mothers we're partnering with, strengthening the fabric of their wider communities, and employing circular principles in our production, promoting a shift from take-make-waste to reclaim-repurpose-reuse.

My professional background (and ongoing 'day job') is in impact measurement, so it's been super exciting to work on creating our first ever Impact Report.

I hope that you enjoy learning more about what we're trying to do, how we're going about measuring our socio-economic and environmental impacts, and the data we've collected so far.

I am so grateful for the incredible support of the Khushi Kantha community of volunteers, mentors and customers, helping me turn my social enterprise vision into a reality....and our journey is just getting started! Check out page 43 to learn more about our 2022 goals.

A particular thanks to Cambridge Social Ventures, Prabartana, Social Enterprise UK, Weave a Real Peace, Yodomo, Nurture Collective, Nest Artisan Guild, ebay for change, Social Supermarket, Roshan d'Souza, Clare Byrne, Ena Ibeh, Helen Coleburn of Bureau Veritas, Alexander Kolmakov, Christian Keogh and Mark Dewar of DLA Piper, and Jitna Bhagani of shakti.ism.

If you have any comments or questions, please get in touch © Laura Rana (Founder of Khushi Kantha)

Our Story so far.....



খুশি কাঁথা



I gave birth to my half-British, half-Bangladeshi twin daughters Opi and Mahi in July 2019.

I spent the first half of my pregnancy in Bangladesh, through my humanitarian career. As my girls grew inside my tummy, I couldn't stop thinking about all the opportunities they would have, compared to the children of the mothers all around me.

When my girls were born, they were gifted a large collection of traditional 'kantha' blankets, hand-stitched by my mother- and sister-in-law, with help from the local community.

I quickly realised the blankets' numerous uses
- and their bright colours and traditional
'kantha' stitching meant we were getting
compliments wherever we went.

I realised there could be a market for them, and that this was how I could create opportunities for mothers in Bangladesh to provide for their children with dignity....and the idea for 'Khushi Kantha' was born!

I was excited to head back to Bangladesh in May 2020, to introduce my nearly one year-old twin daughters to their Bangladeshi family members, and set up Khushi Kantha's production.

Then COVID-19 happened...and like the rest of the world, my plans had to change.









Learn more about our story <u>here.</u>....

I knew I had to start testing the market as soon as possible, to avoid creating expectations among the mothers I planned to partner with that I wouldn't be able to meet if Khushi Kantha couldn't find any customers!

So I created a first, very small collection of blankets with support from an incredible group of volunteer stitchers from my local community in London, and sold them via an online auction, after completing safety testing. The funds generated enabled me to keep going and start figuring out how to establish production in Bangladesh.

In April 2021, I launched a <u>rewards-based</u> <u>crowdfunding campaign</u>, raising over £10,000 from 217 supporters (including 117 blanket preorders) to create our first collection of Happy Blankets.

Our production approaches regenerates the Bengali 'kantha' tradition to meet global hygiene and safety standards, while retaining its circular principles of reclaim-repurpose-reuse, and bringing the cultural heritage of Bangladesh to a wider audience.

Our blankets are hand-crafted from four layers of 100% cotton, hand-embroidered with our 'kantha'-inspired designs. The outside layers are made from traditional handloom cotton, woven and hand-dyed using Oeko-Tex Passport-certified dyes by Prabartana - and we use upcycled 'deadstock' fabric from the Bangladeshi garments industry for the inside layers.

Launching a social enterprise operating between the UK and Bangladesh during a global pandemic has been a challenge, to say the least!

But I'm so proud of where we've got to, thanks to the support of a global community working together to build better futures for the next generation.



Our Values



Resilience

Our blankets are made to last.

Instilled with the strength of the mothers who create them, we design them to withstand the daily wear-and-tear of life with little ones, and be treasured from child to child.

Re-envisaging community

Mothers are part of a global community of women doing all they can to give their children the best start in life.

We continually reflect on how we can use the collaborative power of community to build better futures for everyone.

Regeneration

We breathe new life into everything we do, from reviving and repurposing the age-old 'kantha' tradition, to reclaiming and reusing fabric, and revitalising local economies.

Reframing the xnarrative

We want the words 'Made in Bangladesh' to be a statement of pride and happiness.

Our exquisitely hand-crafted products do not compromise on quality – we refuse to rely on 'pity purchases'.



Our Theory of Change



IMPACT: Better futures for the next generation



OUTCOMES

Opportunities are created for mothers in Bangladesh to provide for their children with dignity

Cotton fabric is reclaimed, recycled and re-used, contributing to the circular economy

The cultural heritage of Bangladesh is celebrated among a wider audience

Customers
'buy less
and buy
better'



OUTPUT: Sustainable, multi-purpose baby blankets, hand-stitched and embroidered with empowerment



ACTIVITIES

Train mothers to use their existing skills and draw on their cultural heritage to earn sustainable incomes

Partner with sustainably-minded members of the Bangladeshi garments industry to 'breathe new life' into deadstock cotton fabric

Partner with another artisan community to source hand-dyed handloom cotton

Rigorous safety testing against standard BS EN 16779-1:2018

Ship to global customer base

Offset production process, including full supply chain

Reinvest profits in strengthening the fabric of the community where our stitchers live

Meet the Mothers...



ROWSA

Rowsa (Laura's sister-in-law) leads our production process in Dinajpur, North-West Bangladesh.

Her key focus right now is setting up our quality control system. For example, she is responsible for cutting and hand-washing every piece of fabric we use in our blankets, screen-printing our embroidery designs onto the fabric using natural indigo powder, supervising our stitchers, and thoroughly quality-checking each Happy Blanket before it is ironed and placed into a re-usable cotton bag, hand-stitched from a vintage sari offcut

Rowsa's daughter Ayra is Opi and Mahi's cousin!

SHAHANAJ

Shahanaj is 42 and the mother of two daughters: 17 year old Nur-E-Jannat-Safia (pictured with her mother in the second image) and Rowsa, our Head of Production.

In the month before she joined Khushi Kantha, Shahanaj wasn't able to pick up any of her usual local stitching work, so she didn't earn a single Taka (the currency in Bangladesh).

By partnering with us, she hopes that she will be able to build a better future for herself and her family.

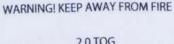




PROTECT THE ENVIRONMENT: Gentle wash at 30 degrees with similar colours. Do not tumble dry.

DO NOT DRY CLEAN

WARNING! ENSURE THE CHILD'S FACE IS UNCOVERED







KAKOLI

Kakoli is the mother of two sons, Sajib and Sonjoy.

She says:

"By partnering with Khushi Kantha, my family will not struggle, because we can use my earnings when my husband has no income."

SUMI

Sumi is our youngest stitcher, at just seventeen. She is currently pregnant with her first child.

Sumi is excited to join us at the start of her journey, and hopes to earn a good income in a way that is flexible alongside her household work.





SUNATI

Sunati is 38 years old and the mother of two daughters, Sumita and Delwa.

One of her favourite things about partnering with us is the flexibility we offer, which means she can choose her own hours in a way that also enables her to meet her childrens' needs.









SHILA

Shila is 36. She has a son called Siam and a daughter called Sneha, who inspired the names for the turquoise and grey shades in our bespoke colour palette.

She chose to partner with Khushi Kantha so that she can fulfil her dream to give her children the best education possible.

ANUFA

Anufa is 36 and a single mother to 11 year old Touhid. Her mother is also dependent on her.

She has been struggling to find any work, especially due to the stigma surrounding her separation form her husband.

Anufa says:

"Khushi Kantha is a ray of hope during my helpless time."



Check out this video of our stitchers receiving customer feedback on their handiwork!





Khushi Ma (Happy Mother)





All mothers want the best for their children – and will use every resource they have to offer them the future they deserve.

Motherhood is the most rewarding job in the world – but it's also the hardest.

Every day brings new challenges.

For some, these challenges include being able to meet basic needs, like food, clothing and education.

Khushi Kantha aims to create opportunities for mothers in Bangladesh to provide for their children with dignity.

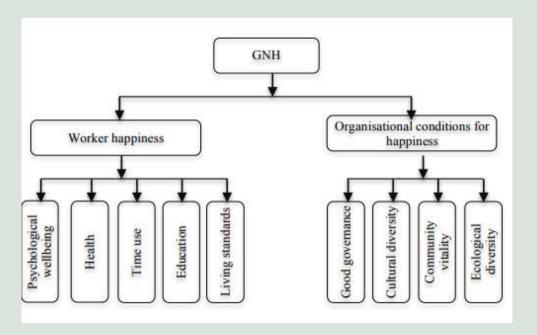
What data are we collecting, how, and why?



We are asking the mothers we're partnering with:

- What empowerment means to them
- What their number one dream is for themselves
- How many hours a week they would ideally like to work with us (compared to how much work we're currently able to offer)
- About their satisfaction with their working conditions
- About their personal monthly income (before joining Khushi Kantha and now they're partnering with us)
- About their wellbeing (using the internationally validated <u>Warwick Edinburgh Mental Wellbeing</u> <u>Scale</u>)





The questionnaire we've developed is inspired by the Bhutanese Global Happiness Index for Business, which has nine domains focused on worker happiness and organisational conditions.

You can learn more about the GNH index here.

Key Findings so far



DREAMS:

The individual dreams of the mothers we're partnering with range from being able to afford to have an annual health check-up, to buying some land on which to build their own house, and purchasing 'fixed assets' like furniture, and income-generating assets, like cows and goats.

We've also asked them about their dreams for their children, their families and their community - details are shared in subsequent sections of the report.

WORKING HOURS:

At the moment, when we're in production mode, our stitchers work around 42 hours a week.

All of them would like to work more hours - between 48-60 (this is the maximum working week, as recommended by the <u>Nest Ethical Compliance Standards for Home and Small Workshops</u>).

That's one of the many reasons why our number one priority right now is to build up our customer base, so we can increase the number of orders we are generating - and create more opportunities for the mothers we're partnering with to provide for their children with dignity!



INCOMES:

Excluding the two mothers who reported earning no income whatsoever in the month before they started partnering with us, our stitchers' personal monthly incomes have increased by between 50% to 950% by partnering with us.

Only one of the mothers we work with has an additional ongoing income source - selling milk from a cow that she owns, while several others take on some additional stitching work, paid at local rates (which are around 1/7 of what we offer).

But for the women we're partnering with, what is even more important than the amount they are earning is RELIABILITY of income.

At this very early stage in our social enterprise journey, we are only able to offer a piece rate, calculated based on the number of hours our Happy Blankets, grown-up sized Khushi Kanthas and re-usable vintage sari bags take to make....but our goal is to move to monthly salaries as soon as we can.

Mothers need regular incomes in order to be able to make the kinds of longer-term decisions that can break the intergenerational transmission of poverty - like keeping their children in education, so they can build better futures for themselves.









WORKER HAPPINESS:

All of our stitchers rated themselves a 10 when asked to score their happiness with their working conditions from 0 to 10.

When asked why, they explained "Khushi Kantha knows our needs!"

We also asked the mothers a series of questions about whether they felt:

- respected
- motivated to improve their performance
- proud to work for Khushi Kantha
- involved in decision making
- harrassed
- comfortable to report harrassment
- pressured to work long, odd or unpredictable hours
- comfortable temperature-wise
- they had a good work/life balance



We asked about whether they had sufficient breaks, whether they were exposed to noise/fumes, whether they had sufficient light, and whether they had access to a place for meals and common interaction with their co-workers, and nearby green space for walks and relaxing.

Findings were universally positive.

But the one thing our stitchers need to be fully happy with their partnership with Khushi Kantha: "More work assurance!"

"We'd like more work assurance!"

MENTAL WELLBEING:

We are using the internationally validated Warwick Edinburgh Mental Wellbeing Scale to measure the mental wellbeing of the mothers we partner with.

It covers 14 dimensions of wellbeing, including energy levels, confidence, optimism and ability to deal with problems.

So far we have collected baseline data (covering the month before our stitchers starting working with us), and undertaken a follow-up survey with five stitchers in November 2021 (after they had been working with us for between 1-3 months).



- Overall wellbeing scores have increased for three stitchers, but unfortunately decreased for the other two.
- We followed up with the two stitchers whose wellbeing has deteriorated to find out why - one of them is anxious because her husband is unable to find secure work, and the other is struggling because her husband abandoned her and found a new wife, and isn't contributing anything financially towards their son.
- Average scores for 'thinking clearly', 'feeling good about myself', and 'feeling confident', 'feeling cheerful', 'feeling able to make up my own mind about things' and 'feeling interested in new things' have all gone up.
- Our stitchers explained that this is because they are able to earn good money through Khushi Kantha and feel that they have been provided with a chance to prove themselves.
- Average scores for 'feeling useful', 'feeling relaxed',
 'feeling interested in other people', 'having energy to
 spare', 'dealing with problems well', 'feeling close to other
 people' and 'feeling loved' have gone down, while the
 average score for 'feeling optimistic' has stayed the same.
- The mothers explained that the reasons these dimensions of wellbeing have deteriorated include ongoing worries about the instability of the incomes of their husbands (who work as daily labourers and rickshaw drivers, for example), feeling underestimated by their relatives, longterm health issues, and a family death.

These insights underscore the importance of building up our customer base, so that we can provide reliable incomes to the mothers we are partnering with. Our goal is to switch from being able to pay a piece rate to offering a monthly salary, as soon as feasible. In order to achieve this, we need to be confident of achieving a certain level of revenue each month.





Khushi Shishu (Happy Children)





Between them, the mothers we have partned with on our first collection have fifteen children.

Our ultimate goal is to break the intergenerational transmission of poverty within the community where our Happy Blankets are made.

But realistically, it will take time for our work to start having tangible positive impacts on our stitchers' children, like reduced malnutrition and improved educational outcomes.

So for now, we're not collecting data on child wellbeing - although we're starting to think about the approach we'll use, in preparation for collecting baseline data.

What we are doing is asking the mothers what their number one dream is for their children, so we can better understand how we can support them to turn these dreams into reality.

"My dream is to send my children to the best higher education institute possible!"

Asfara, 37, mother of Asha & Asif



Khushi Poribar (Happy Household)



Our social enterprise mission is all about building better futures for the next generation.

That's why our impact measurement approach goes beyond the mothers we're partnering with directly, to explore household-level impact.

To start with, we're collecting data on household income - so we can understand how the increased incomes our stitchers are earning are contributing to their family's overall economic situation.

We've also collected baseline data on food consumption, using an internationally recognised method called the <u>Food Consumption Score</u> - because dietary diversity is an important indicator of household wellbeing. At this early stage in our journey, we're not expecting to see impacts in this area yet - but it's important that we've captured the baseline situation, so we have a starting point to measure from.

Last - and by no means least - we've asked each of our stitchers what their number one dream is for their family.

Perhaps unsurprisingly, the priority for the majority of our stitchers is to "reduce risk by saving."

When struggling households in Bangladesh face an economic crisis - like a family member falling sick - they often have nothing to fall back on, so they are forced to sell the little assets they have in order to deal with the situation, pushing them further into poverty. Building up savings means they are more resilient to cope with challenging situations.

SUNATI

Through partnering with Khushi Kantha, so far her overall household income has increased by 20%, at a time when her husband's income has been reduced by two-thirds due to the impacts of the COVID-19 pandemic.

KAKOLI

Her household income has increased by 73% through partnering with Khushi Kantha, at a time when her husband's only income came from selling crops, as he could not make any income as a daily labourer.



SUMI

Her contribution to her household income has increased from 3% to 21% since she started partnering with us, resulting in an overall increase in household income of 50%.

SHAHANAJ

From not being able to make any contribution to her household finances, as she was struggling to find stitching work, after starting work with Khushi Kantha, she was able to contribute 25% of her household's monthly income.

Overall, (excluding Anufa - a single mother, whose previous household income was 0), monthly household income has increased by an average of 26%, and the contributions that the mothers we're partnering with has increased from an average of 23% to 35%......and we're just getting started!

Khushi Somprodaya (Happy Community)



Creating transformational change means going beyond the household level, to strengthen the fabric of community.

That's why - in addition to paying our stitchers a Living Wage and offering them dignified working conditions - we will be re-investing any profits we make in the wider community.

We will consult the mothers we partner with to understand their priorities for communitylevel investment.

Being empowered means being able to make decisions about all areas of your life, in line with your rights as an individual, as a member of a family, and a member of a community.

The mothers we're partnering with dream of being able to support not just their own families, but those within their community who are struggling.

Ultimately, we aim to measure the positive 'multiplier effects' of our initiative at the community level - but it's too early in our journey to start doing this meaningfully yet.

We try and source locally as far as possible.

For example, we print our packaging inserts at a local factory and we purchase the vintage cotton saris we craft into the re-usable gift bags that our products come packaged in from the nearest sari market.





But quality is also incredibly important to us - we want to celebrate the cultural heritage of Bangladesh, and bring it to a wider audience.

So we venture a little further afield for the hand-dyed, hand-loomed cotton fabric we use for the outside layers of our Happy Blankets.

After extensive research, we decided to partner with Prabartana, a renowned institution led by a former President of the National Crafts Council of Bangladesh. The order we placed for hundreds of yards of custom-dyed handloom fabric was one of the few they received during the pandemic, providing vital income to the struggling rural artisan community that produces their fabric in a district called Tangail.

Our founder has worked with struggling communities in Bangladesh for 12 years.

One of the most important things she has learned is the importance of humility, and being locally-led.

For example, when thinking about how much to pay the mothers who hand-make our blankets....

Her first instinct was to figure out the maximum customers would be willing to pay, subtract all the other costs, and give everything else to our stitchers.

But we soon realised that doing this would create problems.

Providing a wage that is too high a multiplier of the local wage rate risks doing harm than good, especially given that we are currently only able to work with a small number of women, and we haven't yet built up our customer base enough to be confident of achieving the number of orders we'd need each month to be able to switch from paying a piece rate to a monthly salary.





Once we are more established, we aim to undertake Focus Group Discussions with members of the wider community where our mothers live, in order to understand how they feel about Khushi Kantha, answer any questions they have, and discuss our plans for supporting them through the profits we hope to generate.

Khushi Poribesh (Happy Environment)



THE CIRCULAR ECONOMY



From 'take-make-waste' to 'reclaim-repurpose-reuse'

Our children will inherit the planet – we want to pass it down to them in the best state possible.

Khushi Kantha contributes to the circular economy, promoting a shift from 'take-make-waste' to 'reclaim-repurpose-reuse'.

Kantha' (which translates as "stitched cloth") refers to the Bengali tradition of repurposing old cotton saris to create ultra-soft, multi-layered blankets, especially for babies.

Regenerating the kantha tradition

We're reworking the kantha technique to meet product safety standards, while retaining its circular principles and celebrating Bangladesh's rich textiles heritage.

Our Happy Blankets are created from six layers of 100% cotton fabric.



- The outside layers are made from hand-woven fabric, which is hand-dyed using Oeko Tex passport-certified dyes.
- We partner with sustainability-minded members of the Bangladeshi garments sector to breathe new life into what's known as 'deadstock' cotton fabric, by upcycling it as the inside layers of our blankets.

Our first collection consisted of 234 baby blankets and 10 'grown-up sized' Khushi Kanthas, which were each packaged in a re-usable cotton bag made from a vintage sari offcut. We also made 162 additional bags, which we sold separately, as a sustainable gift wrap option.



Through producing our first collection, we have:

- Reclaimed, repurposed and reused 98.5kg of cotton. This is the equivalent of 867 cotton T-shirts.
- Reduced our carbon footprint by 799.38kgCO2e by upcycling deadstock cotton fabric as the inside layers of our blankets - this is the equivalent of producing 185 cotton Tshirts.
- Saved 178.8m3 of what is known as 'blue water' (i.e. is fresh water, including both surface and groundwater (ie water in lakes, rivers and aquifers) this is the equivalent of 1.490 baths.

Our Carbon Footprint

Our carbon footprint calculation is not limited to our production and process - we have extended it to include our full supply chain, from the growing of the handloom cotton we use for the outside layers of our blankets, to the production of the ink we use with our branded stamp (and the rubber that the stamp itself is made from!)

Our next steps will be to:

- build in full life-cycle analysis (i.e. what happens to the blankets once they they reach our customers!)
- understand how we can further reduce our carbon footprint, by examining the detailed calculations we have undertaken in relation to each stage of the process.

If you'd like to learn more about how we calculated our carbon footprint, please get in touch with our Founder via email:

laura.rana@khushikantha.com

	kgCO2e
Step	produced
PRODUCTION AND TRANSPORT OF RAW MATERIALS	
Farming cotton used for outside layers of blankets	189.75
Transportation of cotton from farm to factory and	
turning fibre into yarn	212.97
Turning cotton fibre into yarn	192.04
Weaving of yarn into fabric using handloom	6.13
Hand-dyeing of handloomed cotton fabric	117.82
Transport of handloom fabric to the village where	
our blankets are made	2.41
Transportation of donated deadstock fabric from	
factory where it was made to the village where we	
work	4.68
Embroidery thread production and transportation	
(producer to wholesaler, wholesaler to local market)	144.05
PACKAGING	144.03
Packaging (recycled brown paper, brown envelopes	
and brown tape) production and transport to our	
founder's home in London	5.54
Production of branded rubber stamp with wooden	3.31
handle and accompanying ink pad	0.2757
Production and printing of packaging inserts (in	
Bangladesh)	2.498
Transport of vintage saris to stitchers' villages to	
make upcycled sari bags - and washing and ironing	
bags in London	21.874
SHIPPING	
Shipments from Bangladesh to London x 4	1088.14
Sending Happy Blankets to Customers (UK-based and	
internationally)	201.31
OTHER	
Washing and ironing blankets in the UK (to double-	
check colours don't run in the washing machine,	
following testing this through washing by hand in	
Bangladesh)	13.52
TOTAL	2203.0077

WHAT DOES CO2E ACTUALLY MEAN?

- The unit kgCO2e stands for Kilograms of Carbon Dioxide Equivalent.
- Carbon dioxide (CO2) that is released into the atmosphere acts to trap the sun's energy around Earth which has the effect of warming the planet.

- But its not the only 'greenhouse gas' (GHG) we wanted to ensure it measured the atmospheric warming impacts of our activities as fully as possible, not just focus on CO2.
- Some GHGs will warm the planet more than others per kg of gas produced (EPA, 2021).
 To overcome this problem, the concept of Global Warming Potential (GWP) was created, which means the extent to which a non-CO2 GHG warms the planet is compared to the extent to which one ton of CO2 warms the planet (EPA, 2021).
- Using this concept means the extent to which any GHG would warm the planet can be given in units of CO2 (Brander, 2021).
- So to put it simply, when we talk about 'CO2e', we mean a measure of all GHGs produced, with non-CO2e GHGs weighted to the amount of CO2 that would need to be produced to create that same level of warming (Brander, 2021).

CARBON OFFSETTING VS. NET ZERO

Like any initiative with sustainability at its heart, our ultimate aspiration is to move from being 'carbon neutral' to what is known as 'net zero' (check out <u>this brilliant article</u> to understand what the difference is!)

But we're just starting out, and we know we have lots to learn on this front.

For now, we have offset the carbon footprint associated with our full supply chain (rounded up to 3 tonnes of CO2e) by investing in this Gold Standard certified-project, which supplies biogas cooking facilities to women in Karnataka, India (we couldn't find any suitable projects to invest in within Bangladesh itself, but we'd love to learn of any!)



As the project description explains:

"Cooking with biogas is clean - there is no release of harmful smoke. This means health benefits for the whole family, in particular for women and children.

In addition, women no longer have to fetch wood, cooking is easier and faster, and it prevents black soot deposits in the house.

On average, women save eight hours a week by using biogas. This time can be spent on family, household or economic activities.

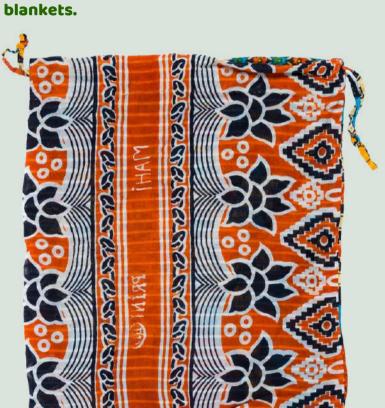
Moreover, the bio slurry is a very good and free alternative to fertilizers., helping to improve agricultural productivity.

Handmade with love

When we say our blankets are 'handmade with love', we mean it!

The blankets themselves are entirely handstitched, as are the re-usable cotton bags made from vintage saris that they come packaged in.

But that's not where our handmade ethos ends – check out <u>this video</u> of our design template being handmade, and this clip of the handloom fabric we use for the outside layers of our blankets.





Our Packaging

Each Happy Blanket comes packaged in its own re-usable cotton bag, handstitched from a vintage sari.

Our double-sided packaging inserts are printed on recycled – and recyclable! – card, the paper envelopes we send out orders in are carbon-neutral, and we use recycled brown tape to seal them.

Finally, rather than using branded stickers, we decorate our parcels (and hand-written gift notes) with a branded stamp.

MINIMISING WASTE

Our first collection of Happy Blankets was predominantly made to order — and we're aiming to continue this approach as far as feasible, so that we don't end up creating blankets that won't end up going to a good home.

But we're also realistic – and know that sometimes customers won't want to wait weeks or months! So we'll be keeping a minimal inventory of blankets that can be sent out from our founder's little flat in London straight away.

Rowsa, our Head of Production, personally cuts all the fabric for each Happy Blanket, to ensure that we minimise cutting waste.....and we're using the offcuts to make doll-sized Khushi Kanthas and bunting, our latest new product ideas:)



TO PERSONALISE, OR NOT TO PERSONALISE?

We've thought long and hard about whether to offer personalised blankets. On one hand, it seems like the antithesis of sustainability!

But at the same time, sustainability is a multidimensional concept – and if we can't make Khushi Kantha into a financially sustainable social enterprise, thinking about environmental sustainability and creating opportunities for the mothers we're partnering with to earn sustainable incomes becomes a bit redundant. So we ultimately decided to go for it!

And as we very much hope that our blankets will be treasured from child to child, we'll be offering all our customers who go for personalised blankets the chance to send them back to us so we can stitch in the name of the next child to inherit the blanket for free.

We love the idea of our blankets ultimately ended up covered in the names of all the little ones who have enjoyed them over the years!





Khushi Shecchashebok (Happy Volunteers)





I'm so grateful for our incredible community of volunteers and pro-bono supporters, who have provided guidance and support on everything from product safety testing to branding, via financial modelling, photography, crowdfunding strategy, carbon footprint calculation and filming and editing our 'How to make your own Happy Blanket' workshop!

I surveyed our volunteers to find out how they feel their work added value to our social enterprise, and what they felt they gained from the experience. Having been a volunteer many times myself, it's really important to me that our volunteering opportunities offer 'something in return', beyond the 'feel-good factor' of having contributed to our mission.

Here are some of the things they said:

"I hope [my support has] given the brand a strong foundation to build from and that the visual identity a gives it a compelling and credible outward face, so that more people get behind the initiative."

"I love volunteering with Khushi Kantha!
Firstly, I always feel my work is appreciated, my comments considered
and my ideas implemented where appropriate.

Additionally, I like being able to put into practice academic work I have done and seeing how things can transition 'from the classroom' to the real world.

Finally, volunteering with Khushi Kantha makes me feel very productive and that I am playing a part in helping to positively impact women's lives in Bangladesh. Volunteering with Khushi Kantha has also given me an opportunity to meet lovely people and feel part of the Khushi Kantha community.

"Laura is incredibly passionate and engaging. Otherx voluntary opportunities have sometimes felt halfhearted, but the vibe from Khushi Kantha is one of incredible determination to make things happen."

"Saying a personal thank you means a lot.

The card was a lovely touch, as was the inclusion in the crowdfunding video and social media posts, recognising all the people who had offered their time and support."

"The updates are the most rewarding..... hearing about the auction success, the progress in production, the finished products, the first sales.....and especially the mothers who make the blankets, and what that partnership enables for the future."

"I've come away with a really useful case study to show other prospective clients and a real connection to the brand that means I hope to be involved in supporting it again in the future."

I love it! It is my purchase of 2021! You and everyone you work with have done a fantastic job! Now just trying to think of excuses to buy more...

Literally can't thank you enough for this stunning blanket.

It's the most gorgeous, perfect gift EVER!

I'm so in love.

Thank you so, so much.....

The tag with the (very talented)
maker's name stitched into it
was such a nice touch....
it felt like there was a real
connection there.

I'm so happy to support such a great initiative in Bangladesh!

Khushi Kreta (Happy Customers)

We are proud that our first collection of Happy Blankets was so positively received, as evidenced by our <u>Trustpilot</u> and <u>Google</u> reviews.

151 customers have 'bought less and bought better' by purchasing a Happy Blanket from our first collection.

70% of customers who purchased a blanket from the tiny 'Made in London' collection we produced to start testing the market back in 2020 went onto to buy a blanket from our first 'Made in Bangladesh' connection.

We're currently thinking of ways we can deepen the connection between the mothers who craft our blankets and the mothers who receive them for their little ones - please let us know if you have any ideas!



Spotlight on the SDGs

We're proud to be contributing to the Sustainable Development Goals through our social enterprise mission.

Our production approach regenerates the Bengali 'kantha' tradition to meet global safety standards, while retaining its circular principles, and partnering with sustainably-minded members of the Bangladeshi garments industry to breathe new life into 'deadstock' cotton fabric.

We aim to provide sustainable opportunities for mothers in Bangladesh to provide for their children with dignity - and we recognise that 'empowerment' is about more than just money.

"To me, empowerment means self-dignity.

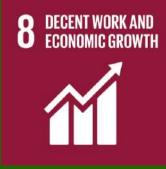
I feel empowered by earning.

My value within my family and community increases, and I can contribute my ideas and thoughts".











We are making a particular contribution to these four Goals - but our ultimate ambition is to build better futures for the next generation. we hope that the opportunities we are creating will contribute to the wider SDGs, like Quality Education (for our stitchers' children), Good Health and Wellbeing (through the working conditions we offer - in contrast to working in a garments factory, for example), and Sustainable Cities and Communities (through reinvesting any profits we generate in strenghtening the fabric of the community we're partnering with).

Our Ethical Policy

Our mission and values are written into our Articles of Association as a Community Interest Company (a special form of business registration in the UK designed for social enterprises like us), and they drive every decision we make, as outlined in our Ethical Policy

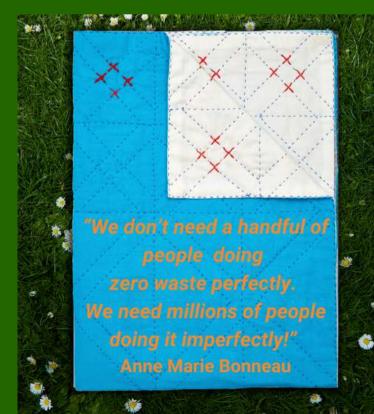
<u>For</u> example, we've conducted the most rigorous product safety and hygiene testing we could from the very beginning – despite being advised multiple times that this 'just wasn't realistic', given where we were at and what we were trying to do. In fact, that's where nearly 50% of our start-up funding went!



- Everything we're trying to do from an environmental perspective, to ensure that the children we are passing our planet onto will inherit the best version possible including the ethical dilemmas we've faced, and what we've ultimately decided to do and why.
- Our holistic approach to transparency, from our supply chain to our finances.
- How we prioritise health and safety for both our customers and the mothers we partner with.
- The approach we're taking to measuring our social and environmental impacts

Our Ethical Policy outlines where we're at and sets out our plans in terms of:

- How we pay our mothers we're partnering with- and go Beyond a Living Wage, thinking holistically about what 'empowerment' means.
- Our plans for reinvesting any profits we will generate in strengthening the fabric of the community where the mothers live and ultimately developing a profit-sharing model (once we have some profits to share!)
- Taking a zero-waste approach to packaging.



Where we work

We source the vintage saris we use for our packaging from a market in Saidpur, which is in Nilphamari district.

Our blankets have the geo-coordinates of the village where they are made on their label. The village is called Dangapara and is located in Dinajpur district, in North-West Bangladesh.

BANGLADESH MEGHALAYA Sylhet_ Mymensingh SYLHET DIVISION Rajshahi Dhak TRIPURA KHULNA DIVISIO Bar CHITTAGONG DIVISION WEST BENGAL Khulna DI Chittagong The 'deadstock' cotton

The fabric we use for the outside layers of our blankets is hand-woven and hand-dyed in Tangail district.

This is our Happy Blanket proudly hand-made in Bangladesh 25.5066° N, 88.9231° E

Embroidered with empowerment, from mother to mother.

www.khushikantha.com

100% cotton

fabric we upcycle as the

inside layers of our

blankets comes from a

factory in Gazipur.

PROTECT THE ENVIRONMENT: Gentle wash at 30 degrees with similar colours. Do not tumble dry.

DO NOT DRY CLEAN

WARNING! ENSURE THE CHILD'S FACE IS UNCOVERED

WARNING! KEEP AWAY FROM FIRE

2.0 TOG

Our Blog: Celebrating the fabric of community

We share our social enterprise journey through our blog.

Check out some of the highlights:







What does sustainability mean to us, and why have we chosen a social enterprise model?

Learn about how these questions determine every decision we make <a href="https://heeps.com/heep

What is the circular economy, and how are we contributing to it?

The term 'circular economy' is very trendy right now, but what does it actually mean.... and what role do we play?

Learn more here...

East Meets West - we're regenerating the Bengali 'kantha' tradition to meet Western safety standards, while retaining its principles of reclaim-repurpose-reuse.

Learn more here...

Spreading the word

We have been honoured to contribute to the narrative on social enterprise and sustainabilty through guest blogs, podcasts and panel discussions.

Here are some highlights, and you can check out more here.



We were invited to join a panel discussion at the Weave a Real Peace annual conference, where we explained everything we're doing to put the substance into 'sustainability.'

Sharing our experience of ensuring our production and full supply chain is as green as possible on the Social Enterprise UK blog.





We were delighted to be asked onto the 'Creating Social Impact' podcast, to talk about how we are 'building a brand with real clarity of thought and patience.'

Finances

You can view the first set of accounts we submitted to HMRC here.

If you have any questions about our finances, please get in touch with our founder: laura.rana@khushikantha.com

£1279.31 The am

The amount it cost to make our first tiny collection of blankets through volunteers in London, to start testing the market when it became clear Laura wasn't going to be able to travel to Bangladesh due to the pandemic. £711.90 of that money went on safety testing!

£653

The amount we made from selling 11 of the blankets through an online auction (we couldn't afford to get all XX blankets we'd made safety tested, so we could only sell some of them, because we'd used so many different types of fabric - a useful lesson for when it came to finally setting up production in Bangladesh!)

£594.96

The amount that actually went into our bank account, after we'd paid online transaction fees and postage costs (we were able to hand-deliver four of them, and 7 of the 11 auction winners did an online transfer, rather than paying through our website, which saved us the fees!)

£310.06

The amount we raised through a donation page we set up while we were waiting to launch our crowdfunder - in response to people asking they could support our vision.

£10,810

The amount we raised through our <u>crowdfunder (£4,000</u> was donations and the rest came from pre-orders of our Happy Blankets and purchase of the other rewards we offered).

£1,000

The amount we received in a donation from the Matthew Good Foundation.

£1,067

The amount we made from markets in November and December 2021.

£756

The amount we've spent on delivering blankets to our customers in the UK and beyond.

£3,351.28

The amount we made in online sales of our first collection between the end of the crowdfunder and the end of 2021.

The amount we were paid by PWC to take part in a 'Dragons' Den' competition for their summer interns, as part of the PWC Social Entrepreneurs Club.

The amount we received from Weave a Real Peace, for participating in a panel discussion on 'Sustainability - beyond the buzzword' as part of their annual conference.

£8,365 The amount we have spent in Bangladesh - on creating our first collection and building our website.

£1,890 The amount we have spent on marketing - including product photography, making our crowdfunding video, the monthly subscription fee for our newsletter, website hosting fees, stallholder fees at markets etc.

£27 The amount we paid to register as a Community Interest Company.

The amount we've spent on packaging materials - including our bespoke stamp and inkpad, recycled brown paper, recycled brown tape, recycled brown envelopes - and having to reprint our first batch of packaging inserts in the UK at the last minute, as the quality of the initial set of inserts we had made in Bangladesh wasn't quite good enough.

The amount our founder Laura Rana has earned from Khushi Kantha so far!

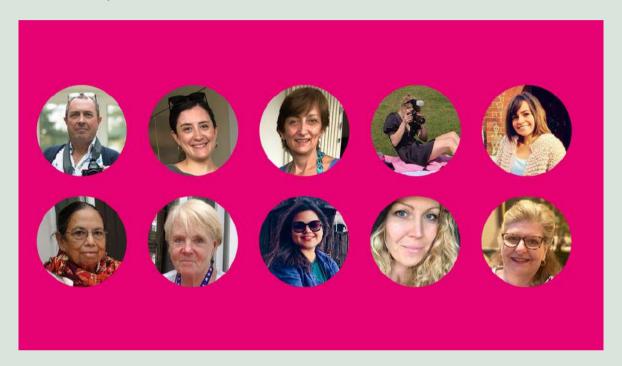
As a non-profit social enterprise, any profits we generate will be reinvested in the community we partner with.

But at some point Laura is hoping to be able to pay herself a modest salary, in return for the hours she spends on Khushi Kantha every week - and scale back her (paid!) 'day job' so she can focus more on leading our social enterprise to its full potential!



We are very grateful to all our lovely volunteers and pro-bono supporters - who have enabled us to invest as many of our resources as possible in Bangladesh, rather than paying for services in the UK (and beyond).

We have shown our appreciation with some modest thank you gifts (like this trilogy of novels about the birth of Bangladesh), a thank you lunch for our volunteer stitchers and thank you dinners for our two volunteers who have contributed the most - which added up to a total cost of £350). We also send a handwritten thank you card to anyone who helps us out (sent by email to those based outside the UK).



In fact, the only people we've paid so far are:

- The mothers we partner with in Bangladesh
- Our Head of Operations (Hasan, the husband of Rowsa, our Head of Production), who
 coordinates with our suppliers, handles shipping and undertakes our impact data
 collection among many other tasks!
- Our web developer Rony, who was simultaneously made redundant and had a baby at the start of the pandemic - it's been brilliant to support him and his young family while benefitting from his expertise.
- John, who made our crowdfunding video he started out supporting us on a pro-bono basis, but when it turned into a much bigger job than planned, we thought it was only fair to pay him something. It made sense to us to invest £400, when the video helped our campaign raise over £10,000!
- Adam, who did our product photography for 'mates' rates' (he's an old family friend of Laura's and is a big fan of what we're trying to do!)
- Sajida, who has volunteered hours of her time to lead our 'How to make your own Happy Blanket' workshop and helped Laura out with market stalls we paid her to personalise five blankets when we received some orders that matched blankets we already had in stock in London.

What we've learned

Planned to add a page on this but feeling a bit drained of inspiration, so might cut this page - not sure it's needed?!

Our Goals for 2022

Here are our top five goals for 2022:

- Expanding our product range beyond Happy Blankets: So far we've added tote bags, pouch bags, cushion covers, scarves, wall hangings, doll bedding and bunting! We've continued with our pre-ordering model, to test the market and avoid wastage...but we've also made a small number of each product available for immediate dispatch for London:)
- Exploring wholesale opportunities: We factored in wholesale margins in our pricing from the beginning, because we knew that in order to create the impacts we're aspiring to, we need to pursue multiple strategies for building up our customer base. So far, we're selling our Happy Blankets through Yodomo, Nurture Collective and Social Supermarket (add popup shop details if it gets confirmed) - and we're keen to expand our list of stockists this year!
- Fairtrade Certification: We'd ultimately love to join the World Fairtrade Organisation - but right now the registration cost alone would cost pretty much all the pennies we have in the bank! So we were excited to learn about the BAFTS Fairtrade Network in the UK (whose membership cost is more feasible for us at this stage in our journey) and we're currently completing the application process, which involves demonstrating how we meet the 10 principles of Fairtrade.







 Tracking our impacts against our Theory of Change: We will continue to regularly track our stitchers' monthly and household incomes, mental wellbeing and happiness at work, as well as starting to understand whether and how they have started to make progress in achieving their individual dreams - and how we can support them in this. We also want to understand our unintended impacts - both positive and negative (for example, there is a risk that we could create tension in the community by only being able to partner with a small number of mothers at this stage).

 Figuring out a roadmap to achieve Net Zero, by reviewing our existing carbon footprint (see pXX) to figure out where we can make further savings, thinking more about what happens once our products reach the customer, and learning from pioneers like Interface.



Khushi Kantha creates ultra-soft, one-of-a-kind, multipurpose baby blankets with a vibrant 'stand out' factor, hand-stitched from reclaimed cotton.

We celebrate and breathe new life into the age-old Bengali 'kantha' tradition, incorporating the use of deadstock fabric from the garments industry Bangladesh is so famous for.

Our mission is to create opportunities for Bangladeshi mothers to provide for their children with dignity, and contribute to the circular economy, promoting a shift from take-make-waste to reclaim-repurpose-reuse.

https://khushikantha.com

IG: @khushikantha
Sign up to our monthly newsletter <u>here.</u>

We are registered as a Community Interest Company - Company No. 12773237