



KALINKO

HANDMADE IN BURMA

EST 2016

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Human Rights Due Diligence and Environmental Sustainability Manifesto



This manifesto outlines Kalinko's approach to prioritizing human rights due diligence and environmental sustainability throughout its supply chains.

Kalinko engaged Deep Trace, a human rights due diligence advisory firm, to develop a specialized human rights due diligence assessment methodology adapted to the Burmese context and rooted within international human rights due diligence directives.

This document aims to introduce Kalinko's sustainability guiding principles as well as the specialized methodology used to conduct its human rights due diligence assessments to durably prioritize the wellbeing and livelihoods of its makers.



MISSION

At Kalinko, we place sustainable livelihoods, quality, and style at the forefront of our operations. Our makers are small groups working on a cottage-industry scale. This enables them to run their families and homes alongside their work. Our main motivation is to ensure that they are best placed – socially and economically – to prosper as the country develops while providing our customers timeless items that stand the test of time.

In light of the dynamic situation in Burma, we have developed a robust human rights due diligence methodology tracking shifts within the socioeconomic and governance landscape. This allows us to preemptively mitigate risks, when possible, while also staying flexible to adapt our supply chain operations in the event of unforeseen shifts.

We present below our sustainability pillars, human rights due diligence methodology, as well as our environmental sustainability practices and our supplier and maker charter. You can reach out to us on hello@kalinko.com for further questions regarding our sustainability practices.



SUSTAINABILITY GUIDING PRINCIPLES



Sustainable Livelihoods.

We work hand-in-hand with our makers to raise the quality of their products to meet the demands of the high-end international market. In doing so, we aim to help our makers build sustainable businesses and to preserve their craft for future generations.

Sustainable Quality.

Our makers work with techniques honed over generations which have been proven to stand the test of time. For instance, working rattan by hand enables a maker to pull the vine as tight as possible without breaking it, a nuance which cannot be gauged by a machine. We use slow, steady techniques which result in strong, long-lasting products.

Sustainable Style.

Kalinko products are designed to be timeless, sitting comfortably both in a contemporary space or a period building. They will last and can be passed down through generations; we encourage people to buy once and buy well.



BURMA

Kalinko is intrinsically linked with Burma: we aim to exclusively promote the skills and natural resources of this wonderful country. Like many people both inside and outside the country, we use 'Burma' and 'Myanmar' interchangeably. We also celebrate the fact that Burma is a Union of States and a country of over 100 different ethnicities with their own cultures and traditions as well as languages. We actively look to engage makers representing a range of cultures and histories throughout the country. Burma's rich history and heritage intertwines with a challenging governance landscape impacting local livelihoods to this day.

Kalinko's founder Sophie lived in Yangon, the capital, during a decade of short-lived democratic government rule which was ultimately curtailed during a military coup d'état in February 2021. Against this backdrop, Sophie and the UK team continue to visit Burma frequently, where the Burmese team work with a network of expert craftspeople throughout the country who rely on Kalinko for their livelihoods. We are acutely aware of the ongoing situation in Burma which has brought many practical challenges to operating the business.

Ultimately, our position remains that we will continue to support the people of Burma by trading as normally as possible and continuing to secure their livelihoods during a fragile economic period. Whilst our makers are commissioned to supply Kalinko goods, they also represent local supply chains – the rattan weavers need rattan growers, the weavers need farmers to provide materials, and so on. Kalinko supports families, extended families, and small communities, often in areas where there are no alternative sources of income.

Our approach to support stabilization through economic empowerment is rooted within directives from the United Kingdom, European Union and United States governments and Chambers of Commerce, and the United Nations in Burma, all with whom we have ongoing dialogue. We work in strict compliance with international human rights directives by iteratively monitoring the security, human rights, and geopolitical landscape whilst staying flexible amid shifting dynamics on the ground to place sustainable trade at the forefront of our work.



**HUMAN
RIGHTS
DUE
DILIGENCE**



Our strategy for upholding human rights is rooted within the United Nations' Guiding Principles on Business and Human Rights as well as the United Nations International Bill of Human Rights, the International Labour Organizations' Declaration on Fundamental Principles and Rights at Work, as well as the primary international human rights instruments (see right).

To deliver our vision, we partner with Deep Trace to conduct an annual human rights due diligence assessment identifying, monitoring, and mitigating actual or potential adverse human rights risks impacting our operations, products, or services. The assessment serves to ensure we stay adaptive and responsive to the shifting governance landscape on the ground, placing the safety and wellbeing of our makers above all else. The assessment takes into particular consideration the wellbeing of vulnerable groups in Burma including internally displaced people, Rohingya refugees, and ethnic minority groups including Karen, Shan, Kachin, and others.

The methodology to identify and prioritize salient human rights risks is based on the United Nations Guiding Principles on Business and Human Rights (UNGPs), prioritizing risks based on severity and considering the dynamic and complex situation in Burma. As described by Guiding Principle 14 of the UNGPs, 'severity' considers the scope, or number of people affected, the scale, or gravity of the harm to those effected, as well as what remedies are available, what is the possibility of resolving a situation and whether human rights concerns are directly attributed to a company's operations. Salience is measured by gauging likelihood and severity, to help prioritize risks through a tiered risk system based on the specific operating environment in each region of Burma.

Grounded in International Human Rights Directives

The human rights due diligence assessment methodology was designed using the primary international human rights instruments including:

The Universal Declaration of Human Rights

The International Covenant on Civil and Political Rights

The International Covenant on Economic, Social, and Cultural Rights

ILO Convention 169 on Indigenous People

The Convention on the Rights of the Child

The Convention on the Elimination of All Forms of Discrimination against Women

The Convention on the Rights of Persons with Disabilities

Given the rapidly evolving governance landscape in Burma, Deep Trace uses a 'conflict-sensitive' lens catering the assessment methodology to the Burmese context, particularly ensuring hiring practices, maker selection, and operations are inclusive and do not deepen existing issues particularly with regards to ethnic groups that can be more vulnerable. The Deep Trace methodology combines the use of open-source (OSINT) tools to monitor broader human rights, security, and governance trends in the country as well as selected in-person field visits to the primary sourcing sites, notably for rattan and glass. The indicators selected to guide research combine the primary United Nations Sustainable Development Goals (SDG) indicators as well as indicators and guidance from British sourcing legislation including the UK Modern Slavery Bill. Priority indicators include:

Labour rights (SDG 8 and UK Modern Slavery Bill). Kalinko takes the wellbeing of its makers seriously, putting safeguards in place to prevent the use of child labour and forced labour. Makers and Suppliers are provided with a Maker Charter (see below), outlining Kalinko's unwavering position that it will not engage with any supplier using child labour or forced labour in line with the Convention on the Rights of the Child, the Children's Rights and Business Principles, and the International Labour Organizations' Declaration on Fundamental Principles and Rights at Work. To support the livelihoods and wellbeing of makers, they are provided with tools and materials where required, and Kalinko pays upfront for a percentage of orders to remain flexible to makers' needs. Kalinko always pays fairly and has constructive working relationships with our makers and their communities. To ensure our suppliers and staff have a means to raise concerns, we have established a Workplace Alert messaging service, serving as anonymous and confidential tools for workers in both the United Kingdom and Burma to report concerns in the event of workplace misconduct, violation of local law, or company policies.

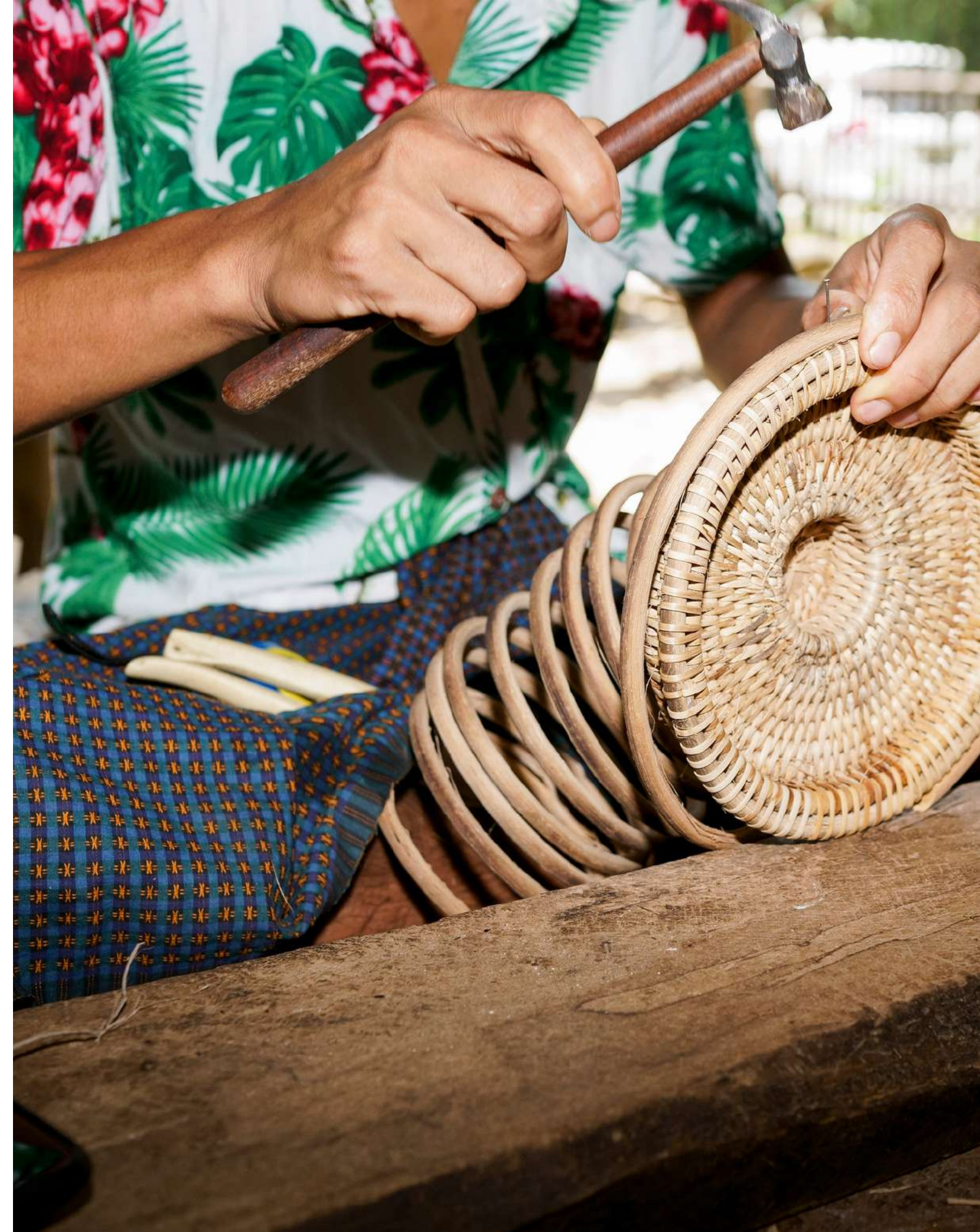
Anything but Arms EU Policy

Burma is included in the EU's 'Everything But Arms' (EBA) scheme that removes quotas and tariffs for all imports (except arms) into the EU from a bloc of the world's least developed countries in efforts to promote trade with these countries. Whilst the UK is outside of this agreement, this represents a formal indicator of the EU's efforts to promote trade with Burma.

Governance and Security (SDG 8, SDG 10, SDG 16, and UK Burma Business Advisory). Deep Trace aligns its governance and security monitoring strategy with the recommendations from the monthly UK Burma Business Advisory, tracking patterns in civil unrest, boycotts, and infrastructure disruption following the coup d'état to tier risks based on their potential to impact Kalinko's operations as well as the wellbeing and safety of suppliers.

Anti-money Laundering and Anti-bribery (SDG 8, UK Proceeds of Crime Act, UK Money Laundering, Terrorist Financing and Transfer of Funds Regulation, UK Bribery Act). Kalinko is compliant with British anti-money laundering, anti-terrorism financing and anti-bribery regulations along with directives from the Financial Action Task Force. Kalinko implements a robust compliance policy to vet makers, suppliers, and partners within the practical limitations of the country, given most people in Burma do not have bank accounts.

Following each annual assessment, risks are tiered following the UNGP methodology to inform potential needs for shifts within Kalinko's sourcing methodology. Findings are then made available to clients and external stakeholders as part of Kalinko's annual sustainability report incorporating risk indicators as well as regulatory and voluntary disclosures in line with international regulations and British law.



ENVIRONMENTAL SUSTAINABILITY



For Kalinko, environmental sustainability means working from the ground up with our makers to balance their wellbeing with that of the environment.

We move away from nebulous concepts and buzzwords like carbon capture to concretely mitigate potential impacts of our supply chains at the ground level. Our supply chain team works in close collaboration with suppliers and makers identifying actual and potential impacts of environmental risks and sustainability opportunities according to best practices outlined by the Task Force on Climate Related Financial Disclosures.

We also work with leading civil society organizations on the ground to stay abreast of developments within the climate mitigation and environmental protection space in Burma to develop innovative sourcing and transportation practices when feasible.



Sustainable Materials.

We work as much as we can with natural materials grown locally in Burma as we follow the traditions of craftsmanship in the country. Rattan grows voraciously in the northern rainforests, regrows rapidly once harvested, and is completely biodegradable. We use local hardwoods and reclaimed wood where possible, and our glass is all recycled from old bottles; the green glass comes from Heineken bottles, the amber from local beer bottles. Our marble products are made in a town called Marble, just meters from the mountain it comes from, and are usually made from smaller unused pieces from the wider marble trade. The brass work is intrinsically sustainable, being made of recycled metal scrap, and our cotton is local or imported by road from neighbouring India in instances where the quality needs to be higher than what we have available in the country.

Sustainable Processes.

We ship by ocean freight rather than air and we only ever ship full containers. Our packaging is totally biodegradable and recyclable, and we minimize excess as far as possible in all parts of the business.

Traceability of Wood and Rattan.

Given the limited traceability visibility across the wood and rattan sector in Burma, we follow local initiatives to use sustainable wood and rattan sources to the greatest extent possible. For example, the Myanmar Rattan and Bamboo Entrepreneurs Association organises the Forest Stewardship Council and is looking to introduce the Forest Harvest Collective Mark to ensure standardisation with other regional initiatives. We encourage our makers to participate in these schemes through their own local supply chains.





**OUR MAKERS &
SUPPLIERS**



Makers.

Our makers are often micro businesses – an individual, a family, or a small enterprise working out of their home or a small workshop. We strive to balance the need for quality and consistency with the art and craft of what they do and the historic informality of work practices in Burma. We respect their situation and environment, nevertheless try to formalise what we can, hence our ‘Supplier and Maker Charter.’

Suppliers.

We consider suppliers as any person or entity engaged in the production or provision of materials, products, or services that Kalinko acquires, which goes beyond our makers across transportation and packaging.

Charter.

We expect that suppliers and makers alike recognise their responsibility to respect human rights in accordance with the United Nations’ Guiding Principles on Business and Human Rights as outlined in the International Labour Organizations’ Fundamental Principles and Rights at Work as well as the Organization for Economic Cooperation and Development’s Guidelines for Multinational Enterprises. To achieve this, we help educate and monitor what is relevant to their respective sectors. We expect suppliers and makers to comply with local labour laws and best practices pertaining to the manufacture, processing, sale, and distribution of products, components, or raw materials. While onboarding suppliers and makers, our supply chain team reiterates these expectations and discuss how they can be implemented within the context of the local environment and supply prior to sharing the ‘Supplier and Maker Charter’ with them provided below.



Kalinko Supplier & Maker Charter

Human Rights.

Suppliers and makers should conduct ongoing due diligence checks to identify and mitigate adverse human rights impacts stemming from their operations or business relationships, placing a particular focus on the rights of vulnerable groups including women, minority ethnic groups, children, migrants, and internally displaced people.

Discrimination.

Suppliers and makers are forbidden from discriminating in hiring and employment practices on the basis of race, ethnic group, religion, sex, sexual orientation, national origin, disability, pregnancy, political affiliation, or any other basis prohibited by Burmese and British laws.

Child Labour.

Suppliers and makers are prohibited from using any form of child labour, or 14 years of age per Burma's ILO Minimum Age Convention No. 138.

Forced Labour.

Suppliers and makers are prohibited from using any form of forced labour. Forced labour includes work performed involuntarily, under coercion, bound, or vulnerable to physical or sexual violence. The retention of identification documentation, withholding of wages, or debt bondage is explicitly forbidden.

Abuse & Harrassment.

Suppliers and makers are prohibited from engaging in threats or any other form of physical, sexual, or verbal abuse or harassment.

Health & Safety.

Suppliers and makers are mandated to provide their workers with access to basic needs including restrooms, drinkable water, and work breaks, along with a safe working environment including personal protective equipment and safe machines. Suppliers must assess their workplace on an ongoing basis to ensure they provide workers with a safe and healthy environment.

Wages & Benefits

Suppliers and makers must comply with Burmese labour law and regulations regarding minimum wage and overtime.

Anti-bribery & Anti-corruption.

Suppliers and makers must adhere to anti-bribery and anti-corruption rules and regulations in line with Burmese and British law.

Environment.

Suppliers and makers should aim to use sustainable materials, production methods, and transportation means as much as is feasible within their region of operation.





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