



KHALOOM

RECYCLED & HAND WOVEN

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CORPORATE SOCIAL RESPONSIBILITY POLICIES, 2021

**CONTENTS**

**Introduction** .....3

**Stakeholders**.....3

    Outsourcing policy .....3

**Social Provisions** .....4

    Living Wage .....4

    Discrimination.....4

    Child Labour.....4

    Working Hours.....4

    Working Conditions.....4

    Employment Contracts.....5

    Social Benefits.....5

**Environmental Policies** .....5

    Energy Efficiency.....5

    Water Usage .....5

    Chemicals .....6

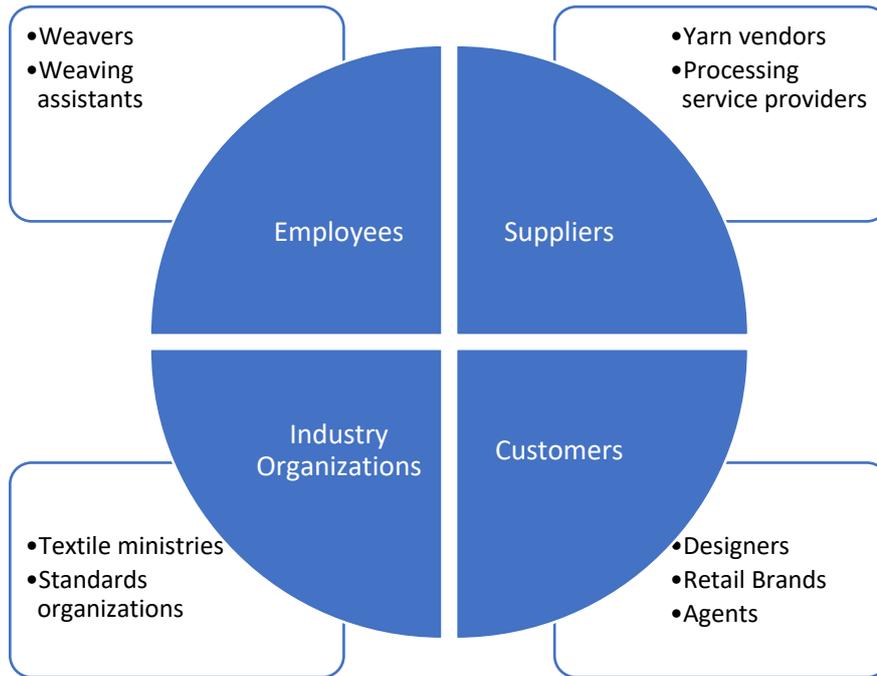
    Raw materials .....6

    Waste Management.....6

## INTRODUCTION

Khaloom is a for-profit social enterprise which innovates the existing textile recycling industry in India by producing high quality fabrics on handlooms with recycled yarns. It is based out of Bangalore in India and employs 40 people in its weaving unit. Khaloom designs and manufactures its fabrics in a socially and environmentally fair manner.

## STAKEHOLDERS



## OUTSOURCING POLICY

Khaloom shares their Code of Conduct with its suppliers for signage. Khaloom visits them at least once every 6 months to discuss their way of production and how we can continue to improve their possibly outstanding negative environmental and social impact.

In order to be able to choose with whom Khaloom wants to work, it constantly looks for other suppliers that might even have more improved ways of working to work towards a lower negative impact on social and environmental level and to remain free and flexible and in the position to negotiate.

Khaloom will start outsourcing weaving orders to handloom cooperation's and it is very important that the rights of the outsourced workers weavers are respected. Khaloom strives to ensure that workers are given their rights, that they are not exploited and that our supplier creates favourable working conditions for its workers.

Furthermore, Khaloom makes sure that the paid wages to the outsourced weavers are in line with its own paid wages and allowances and other benefits given to the employees so that a win-win situation will result for both organizations and workers.

## SOCIAL PROVISIONS

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### LIVING WAGE

Khaloom's employees are mainly weavers who are skilled in the traditional manner of weaving fabrics on handlooms. Khaloom pays a wage to its employees which is significantly higher than the minimum wage for Karnataka as well as the industry average, which factually provides for a comfortable living for their households.

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### DISCRIMINATION

Recruitment, wage policy, training, promotion, termination, retirement and any other aspect of employee relationship is based on the principle of equal opportunities regardless of race, colour, sex, religion, political affiliation, nationality, social origin, deficiencies or handicaps. This is shown by the variety in our team.

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### CHILD LABOUR

Khaloom is strictly against child labour. The minimum age of employment as per company policies is 18 years of age. Employee age verification is done to ensure this at the time of admission. This is in accordance with Indian labour laws and ILO labour conventions.

Khaloom visits its suppliers regularly to ensure its supply chain is free of child labour and had recently send their Code of Conduct to its suppliers for mutual agreement of which their policies and vision with regard to child labour are also stipulated.

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### WORKING HOURS

As per practises in India, an 8 hour working day is practised for 6 days every week, with Sunday as a holiday. State government holidays are followed and earned leaves of 1 day per month are granted to employees. An employee is expected to work 48 hours a week. Any overtime is duly compensated pro-rated against the employee's wages. Within the 8 hour working day, the company allows intermittent breaks (1 lunch break for 45 mins, and 2 short breaks for 5-7 mins each) and also provides for free snacks and refreshments during the breaks.

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### WORKING CONDITIONS

Khaloom promotes a safe and healthy working place for its employees with the following measures:

- The weaving unit is located in a venue with natural and ambient lighting with fresh air, open spaces, windows and large doors. This provides for a comfortable, safe, clean and healthy environment during work.
- Weavers are treated with respect and appreciated for their work.
- They are allowed to play music while working to keep their spirits up.
- The company pays for clean filtered water for drinking at the premises.

- The company also provides for a washroom with periodic maintenance.
- In case of concerns, employees can raise these with the Operations Director of the Company, currently Ms. Hema Ramakrishnan. In case she cannot solve the concern, they can address non-executive board member Mr. P. Talukder. All issues will be sorted confidentially and with full respect of the privacy of the employee.
- Khaloom maintains a zero-tolerance policy towards sexual harassment.

Safety precautions:

- Accessories like face masks are provided for protection against cotton lint/dust and Covid contamination.
- First aid box is available and periodically refilled as needed.
- Although fire hazards are extremely rare for a weaving unit, fire extinguisher are readily available.
- CCTV cameras are installed for security.
- The weaving unit has two sections (preparatory and weaving areas), with large entrances and windows that can be opened in each room. In case of any emergency evacuation, both the large entrances provide safe exit options, along with two additional smaller exit doors. Evacuating the space will take less than 30 seconds.
- Our H&S risk analysis has been shared accordingly.

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## EMPLOYMENT CONTRACTS

Formal employment agreements are drafted in local language (Kannada). The terms are communicated to each employee before getting them signed.

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## SOCIAL BENEFITS

Khaloom facilitates for providing health insurance to its employees which covers emergency medical costs, called a Employees' State Insurance [ESI] – which covers medical costs for employees. Since 2020 Khaloom also provides an Indian pension funds called Employees' Provident Fund [EPF] – which enables accumulation of retirement savings funds.

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## ENVIRONMENTAL POLICIES

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### ENERGY EFFICIENCY

All weaving is done on handlooms. This provides a huge saving on electricity by avoiding fabric manufacturing on powerlooms. Energy consumption is also optimal, because of natural lighting and air circulation which cuts down on electricity consumption on lighting and fan equipment. All power sources are also turned off at the end of the day. For the electricity needed for the warping and winding machines, lighting and fans we are in discussion with the owner of the building to provide solar panels at shared costs.

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### WATER USAGE

As processing of yarns and fabrics are outsourced, there is hardly any water usage except for minor cleaning and washing activities as well as the washroom for the staff. For small quantities of yarns (up to 10 kg/day), sometimes sizing operation is done inhouse which contributes to water usage. Khaloom estimates the total

water usage at around 300 litre a day, which is similar to the water usage of a two person household in the Netherlands.

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## CHEMICALS

No chemicals are used in any process in the weaving unit. Even for sizing operations the yarns are treated with natural and biodegradable substances instead of industrial chemicals.

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## RAW MATERIALS

Raw materials used are sustainably sourced and processed. All the cotton yarns used for weaving have either partially recycled component (minimum 30%) or contain fully recycled fibres or post-consumer wastes, thus contributing to environmental sustainability. Yarn suppliers of Khaloom are certified by GRS (Global Recycled Standards) for recycled yarns or by GOTS (Global Organic Textile Standard) for organic yarns . These suppliers also provide any processing services for yarns, including sizing and twisting. Khaloom also works with vendors for dyeing, washing of fabrics, who have proper facilities for waste water and sludge disposal.

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## WASTE MANAGEMENT

Typically there are two different kinds of solid wastes generated at the weaving unit:

- Fabric cutting waste from cutting fabrics to swatches and to different dimensions as per customer requirements.
- Yarn wastes from leftovers of weaving on handlooms.

The solid wastes are recycled through partner organizations to make small household articles like carpets, bags etc.

Similar to waste water from households, Khaloom's waste water released from the weaving facility into the sewage drains does not contain any chemicals, hence treatment before release is not required.