2021

IMPACT REPORT

HANDADE ETHICAL PRODUCTS

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Foreword

The Covid-19 public health crisis has resulted in economic crisis and posed a myriad of challenges for micro, small and medium businesses in the communities across the world, including Indonesia. A lot of businesses have collapsed, people are suffering from depression, human connections are changing, and many lost jobs and loved ones. We suddenly need to put our lives on a pause. The impacts are even worse on Indigenous people who already experience poor access to economic opportunities, healthcare, education, and other essential services.

As an Indigenous-based social enterprise, Handep faced great challenges in keeping the business afloat. Lockdowns occurred so frequently in Indonesia, and the end of Covid-19 pandemic kept hanging in the balance. This condition has limited our distribution channels and various business operations and marketing activities. It was a year of roller coaster full of anxiety because we were constantly worried if we could survive our business of which hundreds of Indigenous community are dependent upon. Fortunately, we pulled through 2021 just fine and continued to make positive impacts on the people and our planet, thanks to you all for sticking with us.

We even recorded some new milestones both in business and impacts growth. We were beyond surprised that despite the pandemic our business still grew by 30% and our products reached to other countries such as Australia and Japan . We also finally opened a physical store in Bali in August 2021. Another huge achievement was our collaboration with other parties to expand our impacts to other communities in Indonesia such as in Banten and the Northern Bali, expanding our portfolio to other materials such as bamboo. As an impact business, we believe that we grow more by creating more impacts and I proudly say we are on the right track.

Innovation and impacts are rooted in our DNA, and we will continue to protect, heal and nurture both people and our planet, in our relentless pursuit of a healthier and better world for current and future generation.



is a leading social enterprise and sustainable brand in Indonesia that works with indigenous communities to create **a sustainable village economy**.





Our Vision

Creating a sustainable village economy that aligns with local wisdoms and traditions through local resources.

Our Mission

Promoting sustainable economic 01 development through added value creation towards local non-timber forest and agricultural products.

Providing capacity building to local 04 community on entrepreneurship and education.

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Supporting the preservation of 02 Indigenous (Dayak) cultures.



Promoting sustainable products and consumption.

Supporting indigenous communities 05 preserve their lands and forests through legal advocacy.

Theory of Change

Impact

Our vision is to create an alternative sustainable village economy through sustainable products and services that align with local wisdom as a way to solve structural poverty among indigenous people. We envision a future where indigenous people are being included and able to participate in the decisions that would affect their lives — becoming part of a development scheme that is more inclusive.

The public's appreciation towards

(especially craft) and their roles in

connecting us with nature and our

indigenous commodities

Long-term Goal

Short-term Goal



Strategy

Challenges

Local (indigenous) communities having better economic opportunities through sustainable alternative livelihoods.

Local communities gaining access

infrastructure development to grow

to fair-trade, capacity building &

& develop their local resources.

Nurturing Local

Champions

Declining quality of livelihoods

for local village communities.

due to limited economic options

Becoming an alternative to the world's highly consumeristic way of living that is harmful to the environment and the makers.

The public having a sustainable & environmentally-friendly option for high-quality fashion and home decor products for everyday use.

Promoting

Sustainable Mindset

Rapid environmental degradation

due to our global disposable

culture & extractive industry.

Public's increased exposure to highquality indigenous commodities (especially crafts) that are relevant to the modern life, paired with its

telling.

ancestors.



history, wisdom & powerful story-

Repositioning Indigenous Commodities

Loss of traditional values & practices of the Indigenous (Dayak) communities.

Problem Statement

The exponential development of the extractive industry in Kalimantan (Indonesian Borneo) has caused a high rate of deforestation, the eviction of indigenous people from their ancestral lands, a decline in sustainable forest-based products, and the loss of traditional practices. These myriad problems have led to structural poverty among the Indigenous Dayak community, which is also a shared narrative for other Indigenous communities across Indonesia and globally.

Key Assumptions

- The most effective way to create a sustainable village economy is through a holistic approach that links the environment, the people, and the culture;
- Capacity development leads to improved quality of local community;
- Local problems need locally-adaptive solutions.

Impact

Women being able to participate in decision-making at home and at the village level and improves the wellbeing and the future of the next generation.

Women gaining access to education and stable sources of income to improve the overall village economic opportunities and community's wellbeing.

Local (indigenous) communities having a stronger sense of ownership to their lands & forest and secure their legal land rights.

Improved communal forest governance through collective intergenerational local agroforestry system.



Empowering Women Weavers

Women as an important pillar for the wellbeing of rural communities lacks the agency.



Communal Land Ownership & Governance

The continuous eviction of indigenous people from their ancestral lands.



What makes our rattan **Products special?**



High- Quality Products



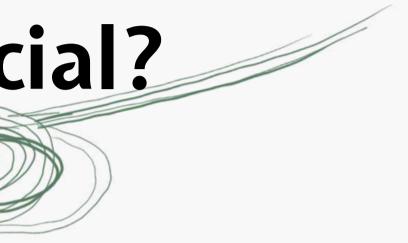
100% Biodegradable



Support Forests Preservation



Transparent & Traceable Supply Chain handep.co





100% Natural Dye



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Fair Trade -Better Income



Sourcing



Promote Cultural Preservation

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Focus Area

HANDEP aims to create trickle-down impacts through locally-sensitive economic empowerment, which will in turn, support the preservation of indigenous knowledge and practices while also halting future deforestation and biodiversity losses.

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O1 HANDEP for Artisans Nurturing Local Champions

O2 HANDEP for Earth **Promoting Sustainable & Responsible Mindset**

O3 HANDEP for Indigenous Craft **Repositioning the Place of Indigenous Craft**

04 HANDEP for Community Contributing Back

Focus Area

01 HANDEP for Artisans Nurturing Local Champions We provide capacity-building efforts through training, workshops, and village infrastructure development for the local indigenous communities on sustainable agriculture, economic empowerment, and education to nurture economically sustainable and independent local champions. $\mathsf{H} \land \mathsf{N} \mathsf{D} \mathsf{E} \mathsf{P}$

HANDEP Partners

Nurturing Local Champion

As part of our long-term goal of nurturing local champions in Indonesia, we created an alternative partnership model that is build on fairness, trust, connection, and mutual agreement as the core of our initiative and business model. The weavers and farmers that we work with are our partners and our co-creators, not our workers.

WHAT CAN OUR PARTNERS GAIN BY JOINING HANDEP?

01	Fairness & transparency	We make sure the artisans who put so much effort, energy, and time into the products are rewarded fairly, according to our "Product Quality Scale" that is agreed by our partners. See our Fair Trade Indicators on page 12.
02	Regular Income	By joining as HANDEP Weavers, we want to ensure that our partners can receive regular incomes and creating a sustainable livelihood by continuing and developing their ancestral weaving skills.
03	Priorities	Our partners will get a priority on gaining access to our programs, such as Powering Artisan Scholarship, capacity- building trainings, workshops and trips to other parts of Indonesia to create impact.



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Testimony From our Local Champion



"Since my daughter was born, I became a stay-home Mama. Handep's presence in our village is like a blessing for me, and I think it's the same for other mothers who also have small kids like mine. We could not go anywhere, but we have to earn money to help our families. Handep provides us a chance to earn regular income, which is something we really need."

- Ibu Arnila, Desa Payang



"I often hitchhiked my friend to go to school since our school is quite far from our village. I used to feel so bad, but I'm glad that since I joined Handep, I could use my own money to help my friend buy the fuel once or twice a week. It feels so much better now. And I'm saving my money to pay my school tuition too."

- Binariati (18), Desa Baok



"We believe that indigenous communities are at the forefront in protecting forests and fighting against climate change. They should be able to participate in the decisions that would affect their lives.

Their involvement can be designed by integrating them as actors in their village economy."

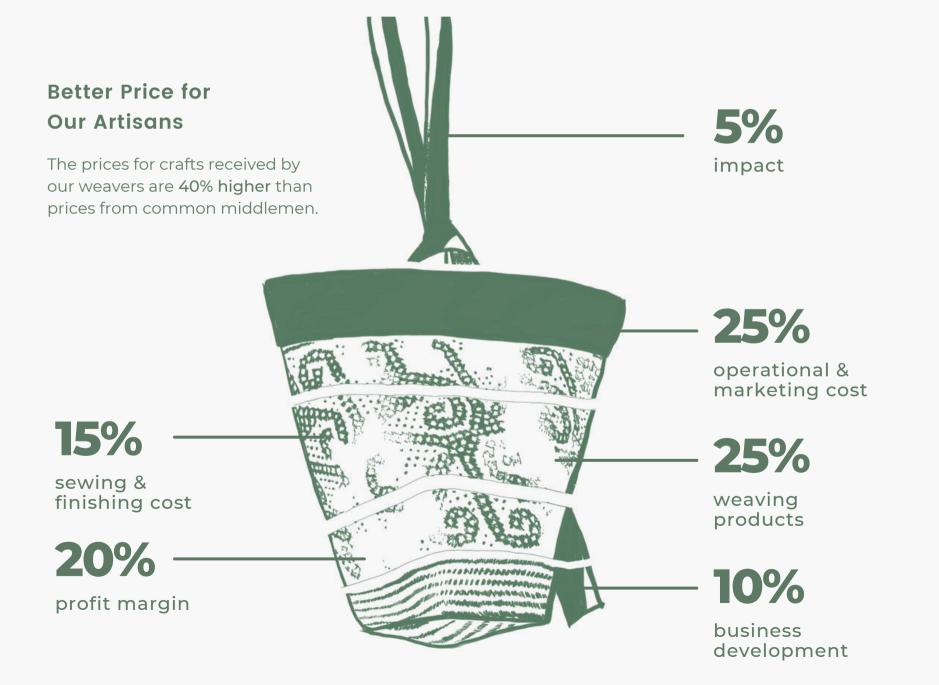
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Our Radical Transparency

Price breakdown for each product you purchase.

Average product price IDR 700,000





Our Indicators for Fair Trade

We self-regulate our business operations to ensure compliance with global standards for fair-trade.



Better Pay

Our weavers receive an hourly wage of 21% above the Indonesian government's minimum wage standard. The monthly living wage of North Barito District is IDR 3,307,000; thus, the hourly rate (8 hours/day) is IDR 20,668. We pay our artisans at an hourly rate of IDR 25,000 for weaving work.



A Written Agreement

To **ensure mutual trust**, all of our weavers receive a written partnership agreement on their **rights**, **responsibilities**, **and prices** between HANDEP and weavers.

Capacity Building Programs

Weavers receive capacity-building programs such as training on a regular basis and support for technology and equipment.

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Impact 2021 Overview



Our weavers have



increase in income since joining HANDEP



Supporting

BUMDES (Villageowned Enterprise) comprising of 5 villages in Northern Bali



Rattan Split Machine

Rattan Peeling Machine

which allow the weavers to allocate more time for weaving & creative exploration



Improved cultural understanding & ownership which contributes to cultural preservation

Ve are now working

local indigenous

women weavers

Pandeglang

in 5 partner villages in Central Kalimantan &

Ol HANDEP for Artisans **Nurturing Local Champions**



- <u>Central Kalimantan</u>
- 1.Baok 2.Muara Mea 3.Tambaba
- 4. Payang

<u>Java</u>

Ô

5. Jiput, Pandeglang

<u>Bali</u> 6. Baliaga (Support for BUMDESMA)

Powering Bamboo Artisans in Bali Aga & Pandeglang

Funded by **Canada Responsive Innovation Fund (RIF)**, HANDEP led an assessment on the development of the weaving community in Bali Aga and Pandeglang. We were entrusted with identifying existing problems, developing effective and appropriate support, and helping them gain access to the market. In the hopes that the bamboo weaving from these two areas will earn more interest and popularity, ultimately contributing to a more robust and sustainable village economy. At the end of the program, we engaged Jiput Village in Pandeglang as part of HANDEP partner village and continuously supported BUMDESMA Baliaga as part of a long-term commitment.







Training sessions with Bali Aga weaving communities

Training participants from Pandeglang along with our team and Studio Dapur

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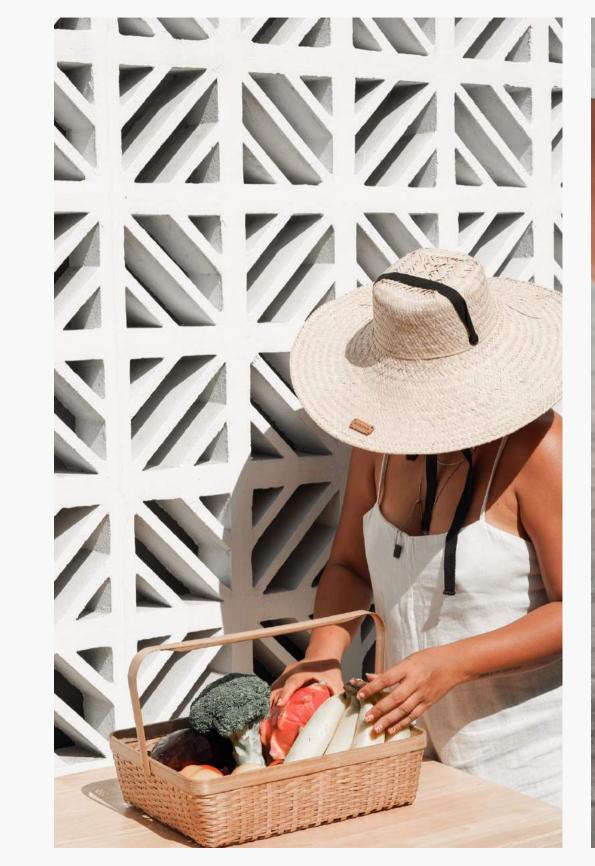


Bambu Bali Aga Collection

"Craft embodies heritage, present livelihoods, and future aspirations for millions of people across the world."

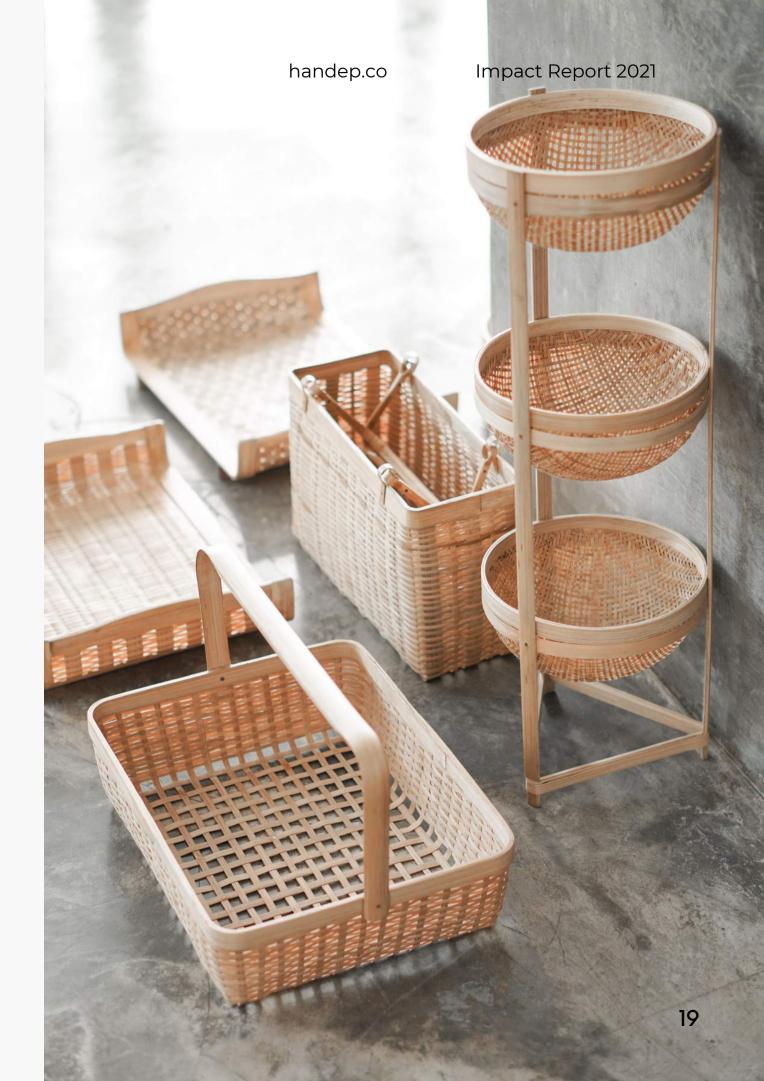








Bambu Anda Pandeglang Collection



Powering Artisans Scholarship Nurturing Local Champion

Since the beginning of our journey, we have heard similar problems among artisans in Kalimantan and other parts of Indonesia. Among them are the obstacle in innovating, appreciating, and pricing too low for handicraft products. We believe that some of these obstacles can be solved by exchanging ideas and knowledge so that weavers across Indonesia can share and learn from each other. The **Powering Artisans Scholarship** is a small program that we started in 2021 for artisans to study with other villages across Indonesia that partnered with HANDEP to improve their skills and knowledge. The scholarship will not only benefit the recipient but also his/her weaving community.

We honored this first pilot project to Pak Suhanda, familiarly called Pak Anda from Banyuresmi Village, Pandeglang Regency, Banten, that we have met during our program with RIF. Pak Anda spent a few days visiting our dear friend and first host, **Studio Dapur. Studio Dapur is** a local brand that collaborates with bamboo artisans in a small village on the Galunggung foothill, Singaparna, to improve their livelihood and economy by crafting Ethically Made Artisanal Bamboo.

This is a new beginning for our artisan's scholarship program, and we hope there will be more craftsmen and local champions that can also benefit from this scholarship in the future. Let's together build an indigenous craftsmanship network!



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Saving the Almost Forgotten

Classical Dayak Technique of Tambi Sein

The Saving the Almost Forgotten training aims to be a medium for knowledge transfer from senior rattan artisans to younger generation artisans regarding traditional Dayak bag weaving techniques with classical techniques. These particular techniques are now almost forgotten, known only to one family of weavers in our village, the family of Tambi Sein from Muara Mea.

This training is expected to regenerate a sense of ownership of this culture. This new weaving technique is also likely to be a more sustainable alternative source of livelihood for local communities in the future. In order to fund this training session, we held a fundraising campaign on kitabisa.com.

WE RAISED IDR 15,202,687

to fund the materials, the trainers, and logistics needed for the training session

THROUGHOUT THIS PROGRAM, WE IMPLEMENTED



days of training session covering the step-by-step of creating Bahari Bag using the classical technique

Trained 9 weavers from 4 villages

in Gunung Purei District with the hopes that they could teach their peers in their villages

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Saving the Almost Forgotten Training 🔗

"I am happy and proud to have the opportunity to participate in this activity. I am proud because I can understand new techniques that I have never learned before."

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Focus Area

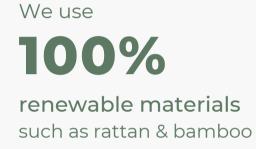
O2 HANDEP for Earth Promoting Sustainable & Responsible Mindset Environmental degradation is closely linked to our disposable culture. As a brand, we want to use our initiative and products as an alternative to the world's highly consumeristic way of living that is harmful to the environment and the makers.

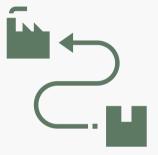
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Impact 2021 Overview







We upgraded fabric used in our premium collection to organic & traceable silk

Read more on page 29



All of our craft products utilize **100% natural dye**using indigenous knowledge



We open our newlyrenovated Bali Store using **all reclaimed wood**

Read more on page 31



As part of our One Purchase One Tree Campaign we support forest preservation by planting **50** local fruit trees

Read more on page 26



Raising awareness on sustainability & mindful living through our communication channels

02 HANDEP for Earth Promoting Sustainable & Responsible Mindset

Our mission is to provide more sustainable alternative fashion and home decor products. As part of our commitment, we are slowly upgrading our products and packaging to use more transparent, traceable and environmentalfriendly materials.

Our Packaging



100%

Plastic-free packaging



We upgraded our brand tag made out of **reclaimed wood**

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One Bag One Tree

Fruitful Planting for Our Villages in Central Kalimantan

As a fashion brand, we often ask ourselves: what small things can we do to protect the forests in the area around our villages?

Since last year, we started the One Purchase One Tree Program. For every purchase of our products, we plant one tree on the communal land of our partner village. For this planting program, we chose not just to plant any tree but local fruit trees that are common among the neighboring villages. By choosing to plant local fruit trees, we are committed to positively impacting the environment while giving something meaningful to the local villages. We hope that the results of these fruit trees can also be enjoyed directly and have additional economic value for the people who plant and care for them. Therefore, our planting program will not trouble the people we sought to empower but benefits everyone from the engagement.

So far, we have planted 50 tree seedlings in Baok Village in 2021, currently a small contribution and a gesture of commitment from HANDEP. We believe that any contribution, no matter how small, matters. It's just a matter of when and how we decide to contribute.





to be planted on the communal lands of our villages.



Support Forest

Conservation



Economic

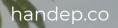
Contribution

Environmenta Education



One Bag One Tree

"As a fashion brand, we often ask ourselves: what small things can we do to protect the forests in the area around our villages?"



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KalND Tencel Silk



Organic and Traceable Textile

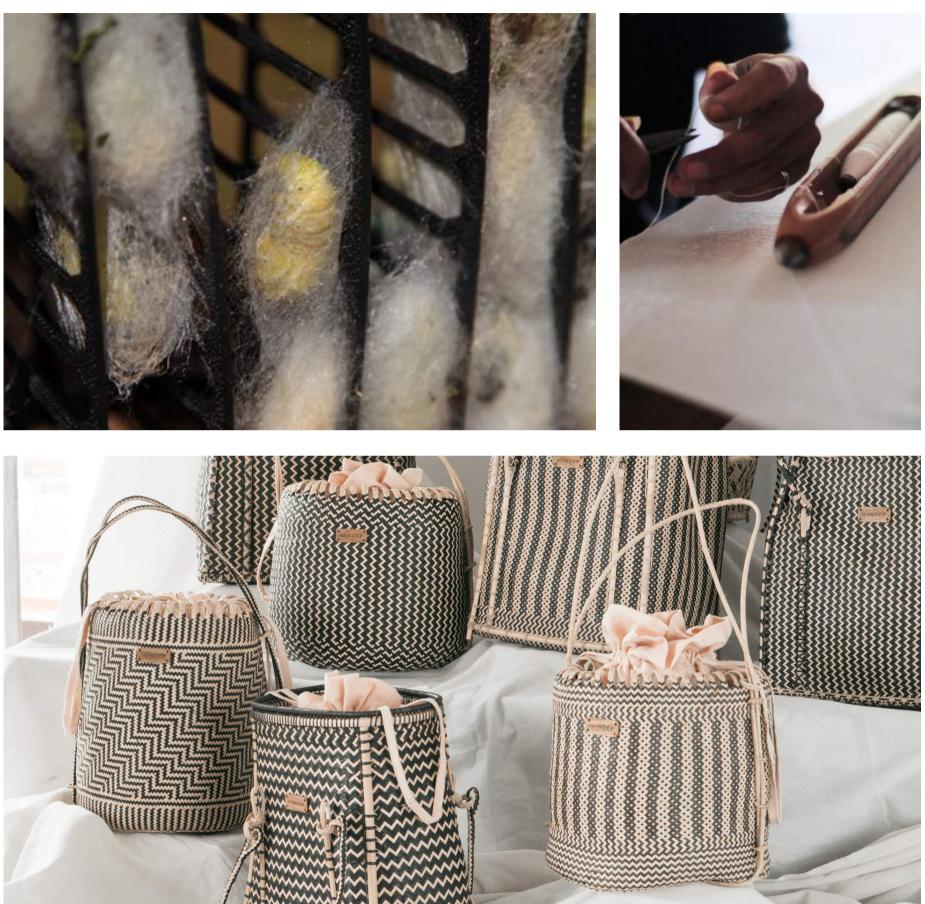
To develop the lining materials of our premium products, we collaborated with KaIND, an Indonesian brand that exists to preserve the natural silk-woven batik fabric from Pasuruan.

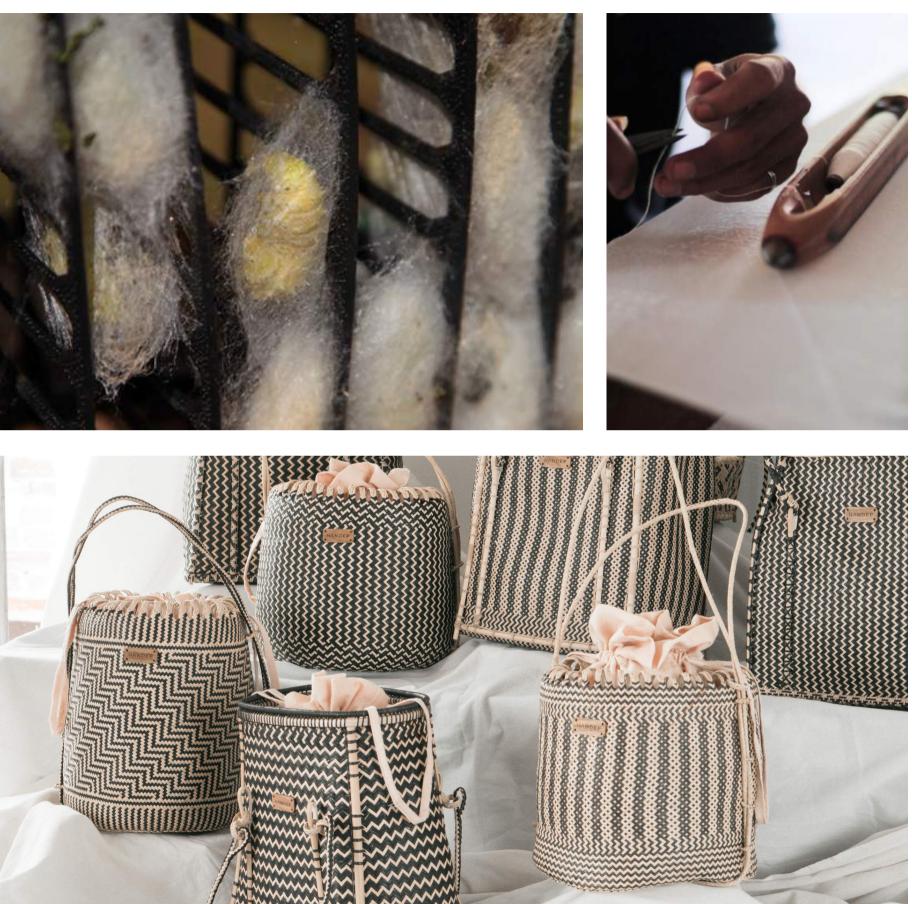
Together with hundreds of silk farmers, weavers, and young women in its workshop, KaIND empowers and assembles processes ranging from cultivating silkworms, spinning threads, and weaving them into cloth, batik and dyeing organically that every piece becomes a smooth and comfortable fabric. Every part of KaIND's business results from a love for nature and pride for Indonesian fabric lovers. KaIND Tencel Silk is made from Eri Silk which is ethically harvested by local eri silkworm farmers in Pasuruan extracted without killing the pupae inside. It creates silk products that contain natural slubs. Tencel fibers require low water usage and sustainable production, minimize environmental impact, and excellent dye absorption.

Through local collaborations like this, HANDEP strives to present meaningful fashion creations. Made one by one with love, born with pride, and kind to nature.









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Handep Bali Store

Furnished in Reclaimed Wood

In mid-August 2021, we opened our new store in Sanur, Bali. Understanding that constructions contribute a lot to environmental degradation, we renovated and furnished our store using only reclaimed wood. We work closely with local carpenters in Bali to ensure no virgin wood is used. All the wood we use as displays in our Bali shop uses reclaimed wood from used containers and pallets that we have selected carefully by them.

Next time you visit Sanur, be sure to come and see our little green movement.





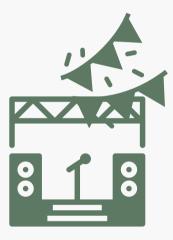
Focus Area

03 HANDEP for Indigenous Craft Repositioning the Place of Indigenous Craft By constantly educating the public and businesses about the significance of Indigenous crafts, we aim to shift Indigenous crafts from the image of low priced, easy-to-replicate, and low quality, to appreciate their value in today's world.



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Impact 2021 Overview



Raising awareness on Indigenous crafts & cultures by hosting

cultural events

in 2 cities & Handep's communication channels



Organize 6 weaving workshops for 69 participants

to raise public appreciation towards traditional weaving



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Impact Report 2021

03 HANDEP for Indigenous Craft Repositioning the Place of Indigenous Craft



participating in our events

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DANCE 2021

Dayak Arts & Cultural Exhibition

Our Dayak Arts and Cultural Exhibition (DANCE) is a few days of cultural immersion and deeper insights on Indigenous Dayak living in the heart of Borneo and their home, forests. This year, our exhibition travels to Jakarta (at Ruang Dua Sembilan) and Bali (Soulshine Ubud and Padma Resort Legian). A portion of the proceeds goes to supporting indigenous talents that helped contribute to making the event happen.









Dayak Arts & Cultural Exhibition

"We hope to support our Dayak fellows in Central Kalimantan who suffered from the loss of income sources through the exhibition."

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Indigenous Celebration

Indigenous Arts & Cultural Exhibition

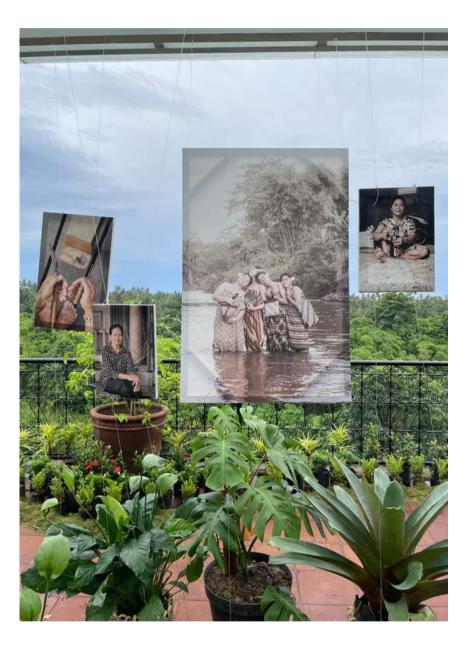
As a leading social enterprise championing for sustainable village economy in rural Indonesia, HANDEP works hand-in-hand with our partner villages in Central Kalimantan to reposition and elevate the values of Indigenous craftsmanship as a sustainable livelihood option. We hold a small auction of our special collection every year to raise funding for their community works in rural and underserved parts of Indonesia.

For this year's auction event, HANDEP collaborates with Janet de Neefe, an author, and an avid indigenous cultures enthusiast and supporter, to host "Indigenous Dayak Arts and Culture Celebration" in supporting the artisanal weavers with generations of experience that have closely worked with HANDEP. The event was held at Indus Restaurant, Ubud, Bali on December 30, 2021.



ndigenous Dayak Arts & Cultural Exhibition

"For the indigenous Dayak rattan weaving has not only been an intergenerational tradition, but also their sources of income since the early penetration of capitalism in their lands."





Indigenous Dayak Arts & Cultural Exhibition

"We hope that our collaboration would be able to promote Indigenous Dayak craftsmanship and the Indigenous cultures in general to showcase the significant roles of Indigenous communities in preserving our Mother Earth."

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Indigenous Dayak Arts & Cultural Exhibition

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Impact Report 2021

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Dayak Ancestral Heritage Collection of Ratu & Putri Dare 2021

Dayak Ancestral Heritage Collection is HANDEP's unique limited edition rattan bags inspired by the intergenerational weaving skills of our ancestors of the Dayak Tewoyan in the hinterland of Central Kalimantan. Handep celebrates indigenous craftsmanship every year by organizing a Dare (weaving) competition with women in their partner villages.

The cultural competition is one of our efforts to preserve the precious weaving tradition and reposition it as a dignified and promising livelihood option for rural communities, especially women. This year's event was attended by more than 20 participants divided into two categories based on age: Ratu Dare (Queen of Weaving) and Putri Dare (Princess of Weaving).

HANDEP develops this Dayak Ancestral Heritage Collection from the best-crafted pieces from the contest. The collection is inspired by classic Dayak woven baskets from the 1920s and the 1950s (Collection of Tropen Museum and Victor Cinti in Europe) and comes with a modern and elegant touch. The collection reveals the masterpieces of Dayak women from the heart of Borneo show the Dayak cultures' beauty, passed down from their ancestors. Each piece is exquisite because it is handmade, unique, and resembles no others.





limited edition bags

with different patterns available for auction



Promote & highlight the weavers' individual creativity & intentions







"The cultural competition is one of our efforts to preserve the precious weaving tradition and reposition it as a dignified and promising livelihood option for rural communities, especially women."

Ratu & Putri Dare 2021





Warisan and Bermuda Bag Series



HANDEP

Warisan and Bermuda Bag

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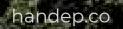


HANDEP

Focus Area

HANDEP for Community Giving Back 04

noble causes.



Impact Report 2021

We share a significant proportion of our profit to the local communities by supporting organizations that champion

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Auction for South Kalimantan

Raising funds for flood victims

In February 2021, South Kalimantan was struck by a huge flood disaster that took the lives of at least 21 people, affected 342,987 people, and forced around 63,608 people to migrate. The flood is closely linked to the vast deforestation caused by the increasing number of new oil palm plantations and mining areas. With the growing loss of their forest, Dayak people who live in remote areas of South Kalimantan are the most affected by this disaster, having no access to postdisaster relief. Working with Ranu Welum Foundation, which works on the ground to help create this much-needed access, Handep held auctions for its premium products where the profit from the auction was donated to help victims of the big flood.

WE RAISED RANU WELUM IDR 3,700,000 FOUNDATION WE USE THE FUND FOR Milk & baby Women's **Toiletries &** Medicine Life Clean & drinking water supplies supplies hygiene jackets



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Bags of Hope

Raising funds for Ransel Buku's floating library

Since 2017, Ransel Buku has supported children in the villages across Kahayan and Rungan River who have limited access to education through their floating library. This program was created to give more access to many other riverside villages with Ransel Buku Literacy Program (as we haven't been able to build a physical library in these places. Ransel Buku successfully ran the literacy program with the boat from 2017 until today; however, their boat broke down last year and is no longer safe to use. Therefore we decided to retire it and build a new one. To help support the great cause of Ransel Buku, Handep donated 10% of the profit from our sales for a month to help build the floating library.





HANDEP

Please stay in touch !



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Thank You



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