



 PURNAA

2018 Impact Report

Empowering fresh starts and fulfilled lives through excellent jobs

Contents



Welcome	3–4
<i>Purnaa’s Values</i>	<i>5</i>
<i>Memberships</i>	<i>6</i>
<i>Purnaa’s Living Wage</i>	<i>7–8</i>
<i>Why Nepal?</i>	<i>9–10</i>
2018 In Numbers	11–12
New In 2018	13–16
2018 Survey Results	
<i>Economic</i>	<i>17–18</i>
<i>Physical Health</i>	<i>19–20</i>
<i>Emotional Health</i>	<i>21–22</i>
<i>Living Situation</i>	<i>23–24</i>
<i>Relationship With Others</i>	<i>25–26</i>
Purnaa Empowerment Fund	27–28
Staff Testimonies	29–34
<i>Looking Ahead</i>	<i>35–36</i>
<i>References</i>	<i>37–38</i>

Namaste!



Welcome to Purnaa's 2018 Social Impact Report!

At Purnaa, we are deeply committed to excellence in cut-and-sew manufacturing and to empowering marginalized people and survivors of exploitation.

We gauge our company's success by our customers' satisfaction with our work and by the impact we have through the jobs we create.

Many Purnaa staff come from exploitative, abusive and/or discriminatory situations. Some came out of sex trafficking, others from labor exploitation or abusive relationships and some from extreme discrimination because of caste, religion, gender, or HIV status. Today these survivors join us in furthering Purnaa's mission to create opportunities for marginalized people. As a social enterprise, we reinvest 100% of profits to help this demographic by offering not just training, but also employment.

Some of the ways we do this are by:

- Fostering a great job environment that is free of discrimination and abuse
- Paying better than Living Wage
- Offering Life-skills training to equip better quality of living
- Providing on-the-job, role specific training
- Giving scholarships for adult education and personal development training

In order to evaluate our impact, we conduct an annual survey with our staff. It is a condensed version of a World Health Organization Quality of Life Assessment¹ and has 33 questions. Individuals answer with their overall perceptions of quality of life or health. Most questions have a 5-point scale ranging from Strongly Agree to Strongly Disagree.

We assess quality of life in 5 areas:

Economic, Physical health, Emotional health, Living situations and Relationships with others.

This is our fifth year running this survey and we are encouraged to see continuing evidence that when offered good training and opportunities, people can transform their lives. We are committed to transparency so please let us know if you have any questions after reading this report. In the meantime, enjoy our summary of some of Purnaa's social impact during 2018.

Purnaa's Values

Our values drive how we operate at work and also motivate us to grow personally. At Purnaa, we have twice a month values training times.

Love

When we discuss what love means, we consider ways that we can choose what is best for our co-workers, friends, families and customers.

Excellence

With our commitment to excellence, in 2018 we introduced a series of training that upskilled staff, improving efficiency and quality of work.

Integrity

In a culture where corruption is pervasive, our emphasis on integrity as a company sets us apart. It drives our transparency and also our commitment to do the right thing even when no one is looking.

Justice

Many Purnaa staff survived and fled from exploitative and/or discriminatory situations prior to working with us. At Purnaa, we give equal opportunity, fair rewards and consequences, and champion the rights of those who do not receive just treatment in society. As you'll see in this report, this is one of the things about our company that our staff love the most.

Beauty

We create beauty in our products, workplace, environment, and within ourselves and our communities. We are thrilled when we get to manufacture products for clients who share our commitment to sustainable practices that are people and planet friendly.



Memberships

World Fair Trade Organization (WFTO)

Our WFTO Fair Trade Guarantee indicates our dedication to people and the planet by adhering to the 10 Fair Trade principles.



Freedom Business Alliance

Our membership with the Freedom Business Alliance networks us with a group of like-minded individuals, those committed to fighting human trafficking or commercial exploitation through business.

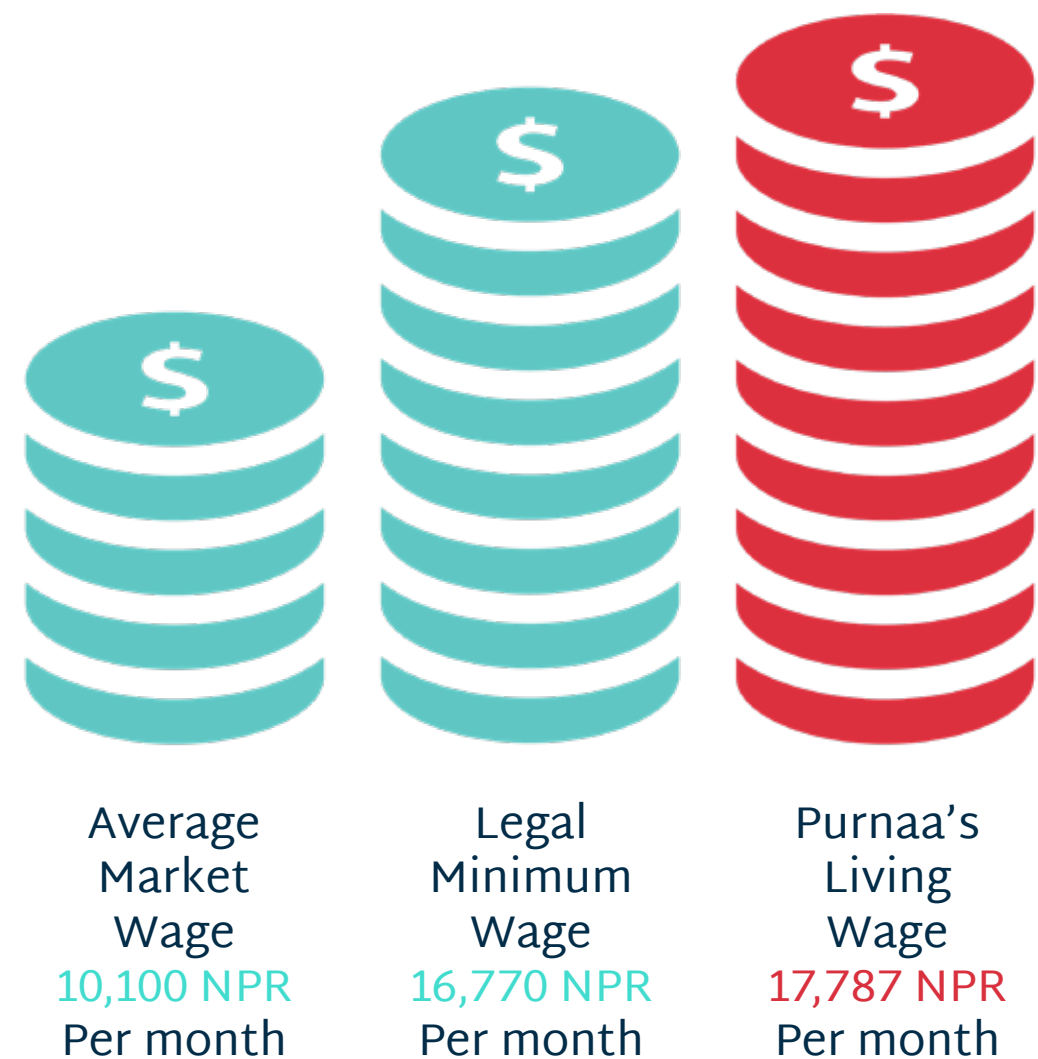
"There are businesses that profit for people, not from them. They share bold vision and an even bolder model of operations. They evaluate success using multiple metrics, some of which cannot be measured by numbers.

*Their leaders work tirelessly on behalf of the exploited because the work of justice is not done. From hand crafted goods to coffee shops to technology and everything in between, these businesses are united by the common vision of freedom."*²



Purnaa's Living Wage

Comparison Of Nepali Wages

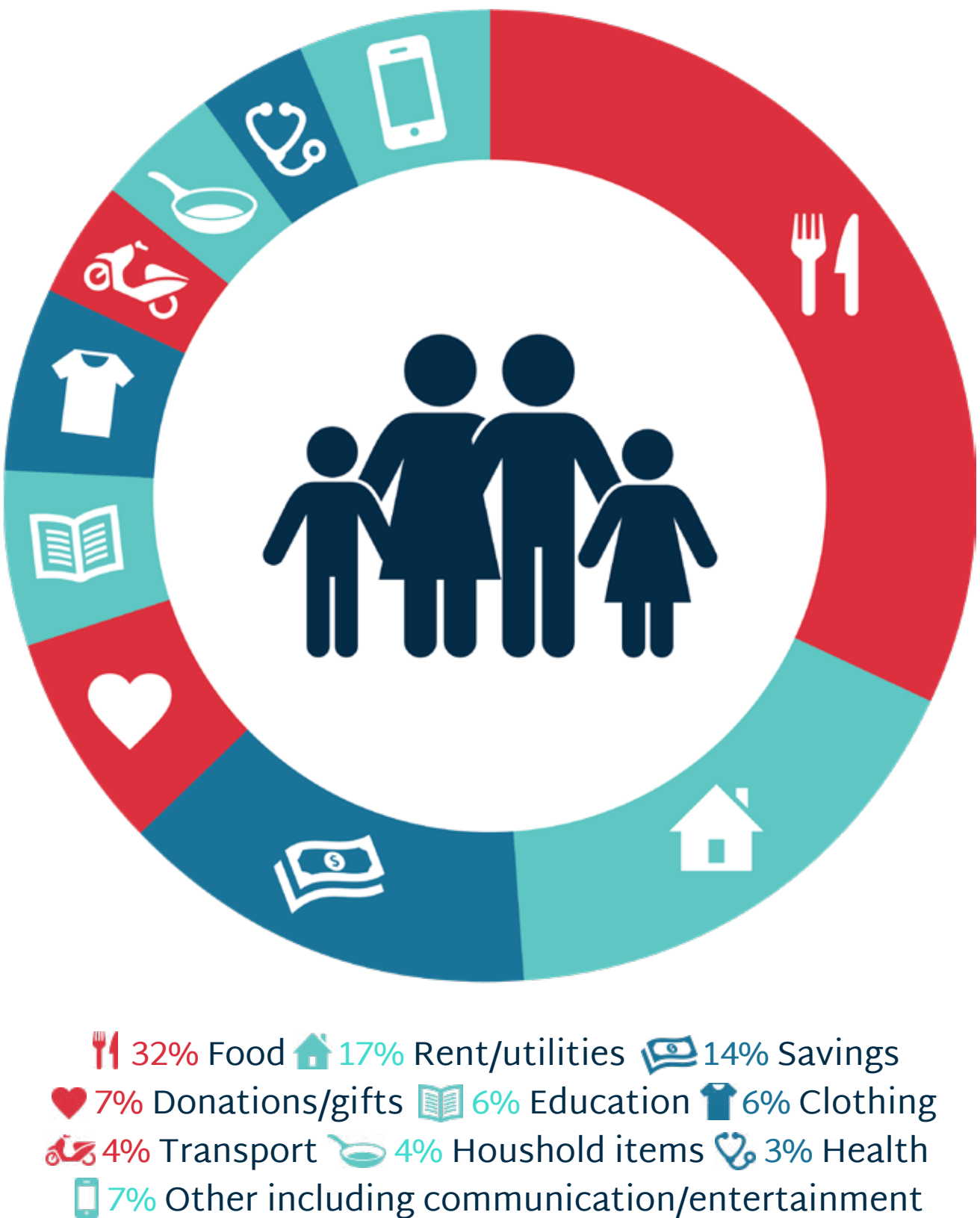


Our commitment to paying a Living Wage is one of Purnaa's key differentiators from exploitative sewing manufacturers.

As members of the WFTO, we use the WFTO calculation tool that takes into consideration Nepal's minimum wage, what our employees could make in other forms of employment, and independent organizations' research regarding living wage in Nepal. The WFTO's calculator estimated living wage in Kathmandu to be NPR 14,975 per month.

The final step of Purnaa's process is to meet with employee selected representatives of our workforce to discuss. Together, we decided that NPR 17,787 per month would be a fair living wage.

Cost Of Living Breakdown For A Nepali Family Of Four



Why Nepal?

96.2% of workers in Nepal are not formally employed but are mostly self-employed subsistence farmers.³

- Child Labor rates are VERY high in Nepal, 11% of boys and 15% of girls aged 5-9 were already in the labour force, and 47.2% of boys and 58.7% of girls aged 10-14.⁴
- Almost 50% of the population depends on some form of remittance from a family member working abroad. Often the overseas work is exploitative.⁵
- 44% of the population is vulnerable to slavery.⁶

One in 180 Nepali people are living in modern slavery.⁷

- In Kathmandu Valley, an estimated 11,000-13,000 women and girls are working in the “night entertainment industry”, (cabin restaurants, dance bars, dohari restaurants and massage parlours), of which many are forced to engage in sexual activities and all are vulnerable to trafficking. Nearly one half of all workers entered the industry before they were 18 years old.⁸

Activists estimate that 50 women from Nepal are trafficked to India every day.^{9,10}

“More challenging (than unemployment) for Nepal is the quality aspect of employment, which is associated with predominance of employment in the informal segments of the economy where productivity and earnings are low and conditions of work are poor.

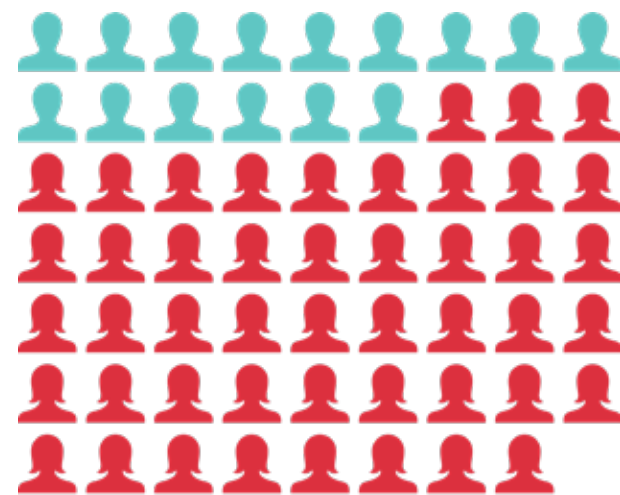
This, in turn, is manifested in large numbers being underemployed – the so-called working poor. And an important part of the employment challenge is to raise the productivity and earnings of these workers and improve their working conditions.”¹¹

– International Labour Organization on Employment Promotion in Nepal

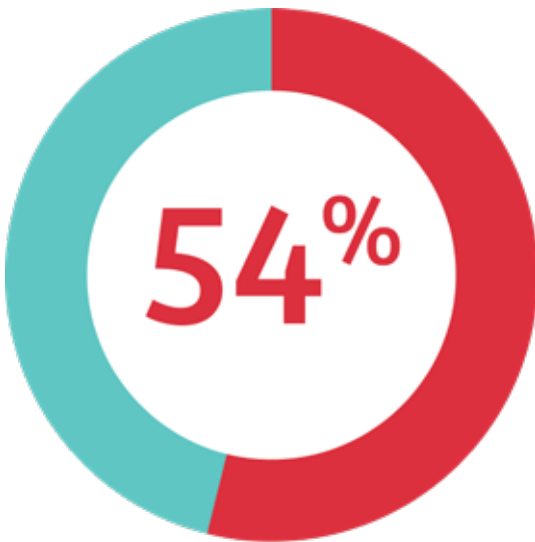


2018 In Numbers

62 Employees



24% Male 76% Female

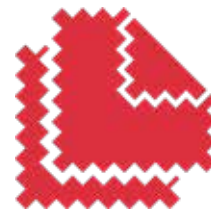


Marginalized Backgrounds



77

Sewing Machines



3,600
meters

Of Organic Material

102,329



*Products
Made*

145,160



*Man-hours
of work*

Number Of People Supported By Purnaa Salaries



61% Primary Income Earners



50

Kids Scholarships

New In 2018

Registered As A Public Benefit Corporation



At the end of 2018, Purnaa became a public benefit corporation (PBC) in the USA to ensure that our company will stay true to our social mission over the long-term. Benefit corporation registration gives us the legal structure to keep Purnaa mission-driven regardless of changes in leadership or ownership, by institutionalizing the values, culture, processes and high-standards that the company is founded on.

Doko Recycling Partnership



1,575
*Litres
of oil
saved*



2,141
*KWH
of power
saved*

In 2018, Purnaa started a partnership with Doko Recycling. Doko is a social business that collects recycling in Kathmandu. They trained Purnaa staff to teach about recycling and encourage doing so at home. We love our partnership with them because they help us track a small part of our environmental impact.

Kolkata 2 Kathmandu: An Initiative For Freedom



From the beginning Purnaa has existed to empower marginalized and exploited people into freedom and fulfilled lives. Many of the people hired at Purnaa were referred from local shelters or from Nepali NGO's. This year, we formalized a partnership with fellow freedom business, Freeset, a company that operates in the largest red-light district in the world, Sonagacchi, in Kolkata, India. In their community they have met many Nepali women who were trafficked into sex work. Our joint initiative, Kolkata 2 Kathmandu, exists to help these trafficked women return home to Nepal and find good jobs and fresh starts.



New In 2018

A New Life Skills Curriculum



In 2018, we trained 28 new staff using a new, more in-depth life skills curriculum that included topics like managing anxiety, healthy communication, conflict management, identity & self-esteem, living a balanced life, fostering healthy relationships, identifying risky behaviors, parenting, personal finance & savings, identifying and expressing feelings, identifying problematic relationships, basic hygiene & health, nutrition, and many others.

A New Trainer



In 2018, Master Trainer, Suzanne Allibone, joined the Purnaa team bringing with her 24 years of experience teaching all aspects of Garment Manufacturing. The training programs Suzanne has run at Purnaa range from 3 to 9 weeks (30-60 hours) and centre around pattern making and grading for our sample team, line-management and problem-solving for our sewing team leaders, and intensive basic machine skills for sewers. We are thrilled to have her investing in our staff upskilling and system upgrading.

A Big Challenge In 2018

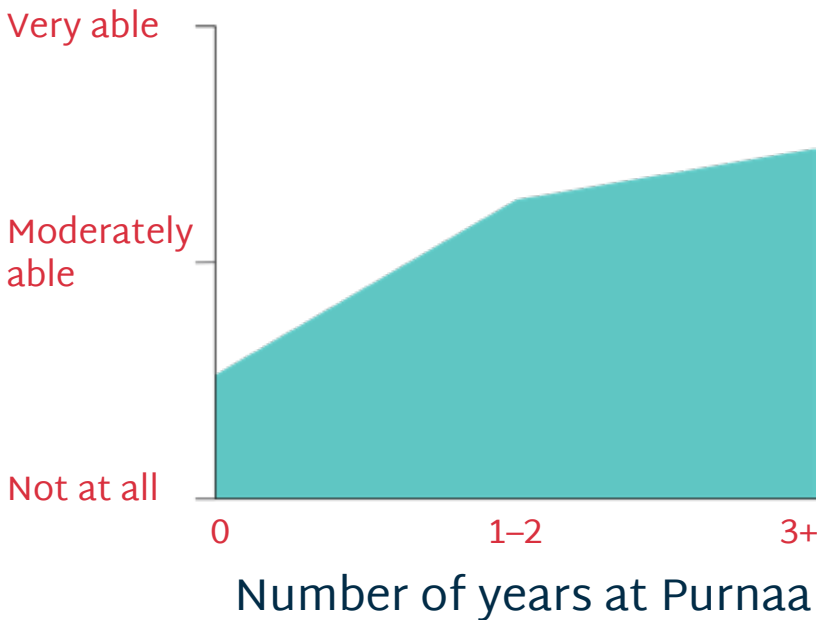


2018 was a difficult year for our company primarily because several of our large clients struggled with sales. We chose to take a risk on a new product category and hired aggressively to meet a new customer's anticipated volumes. When their sales failed to come through, we scrambled to try and cross-train producers into sewing skills in order to move them into our sewing department where we were still seeing growth. Unfortunately, we had to layoff some staff. We helped them find other work opportunities, but it was still a big blow to our company to lay people off when our goal was and is growth in our number of job offerings.



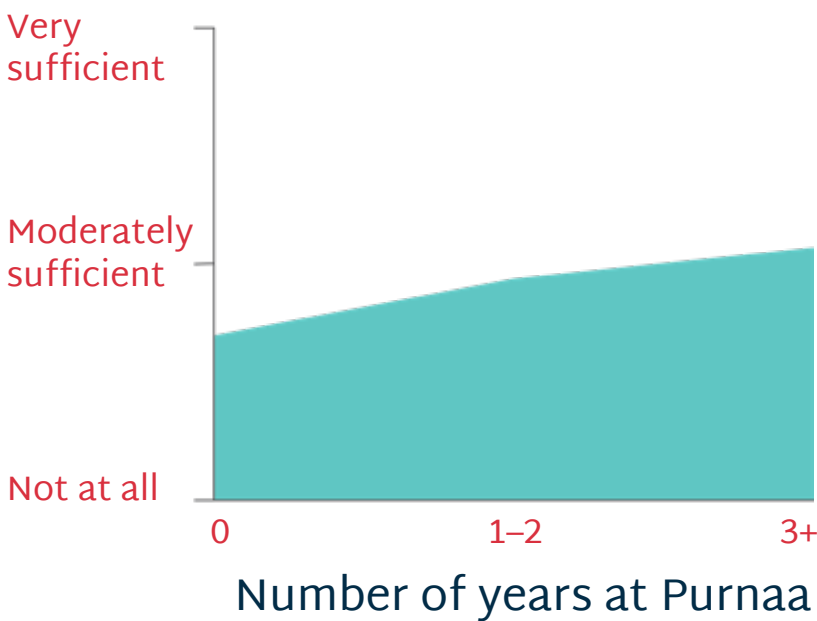


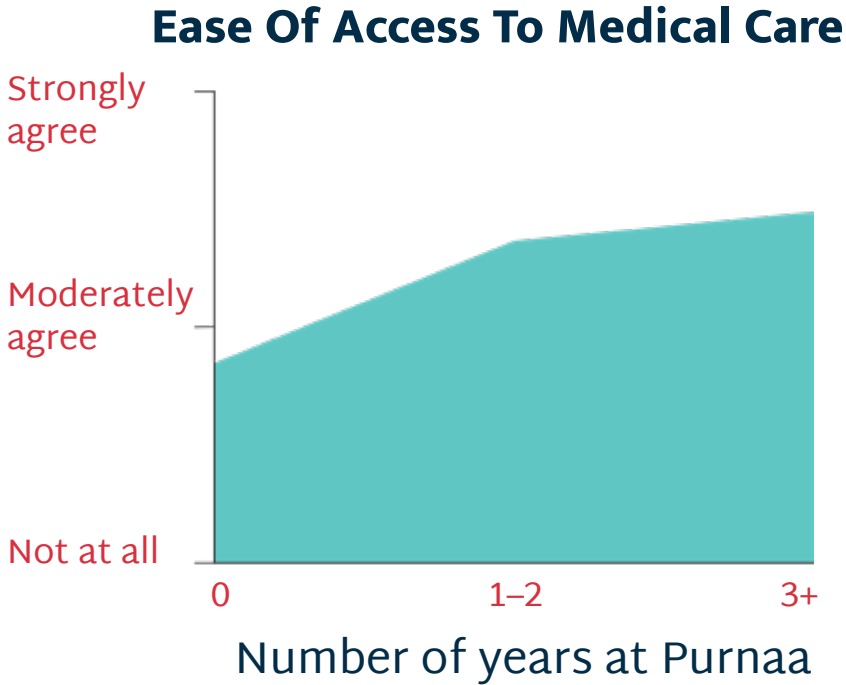
Ability To Pay Off Debts




In Nepal it is common to take loans from one’s close friends and family for everyday needs (e.g. health expenses or children’s education). We see that before joining Purnaa staff were not confident they would be able to pay back debts. After receiving a steady income, our staff no longer take out as many loans and are able to pay them back more quickly. This gives them more confidence and improves their relationships and their standing in their communities.

Sufficient Income To Meet Personal Needs





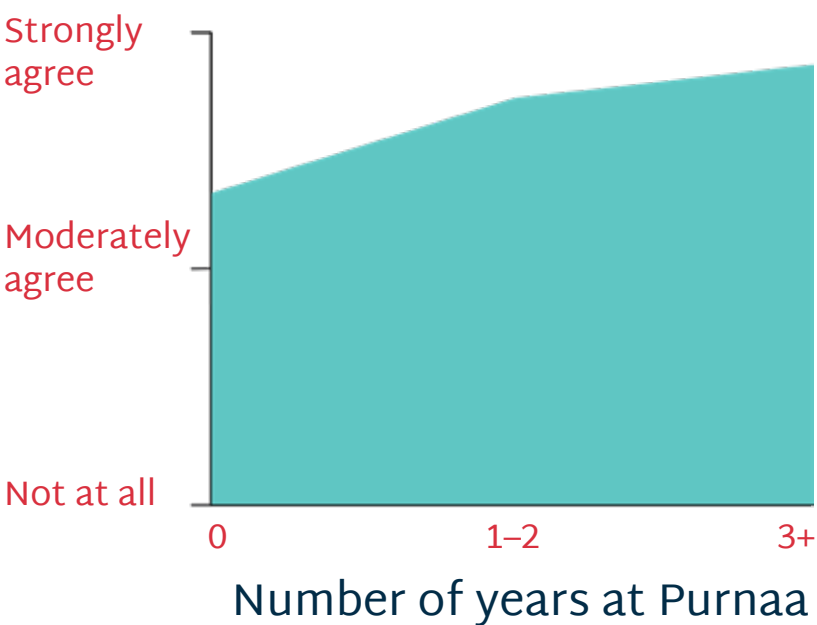
Partially in response to last year’s survey results around Physical Health, in July, 2018 we expanded Purnaa’s health care reimbursement program to include comprehensive medical and accidental insurance. Our employees and their family members are now covered for up to NPR 100,000 for medical expenses and NPR 700,000 for accidents.

 **100,000 NPR**
For Medical Expenses

 **700,000 NPR**
For Accidents



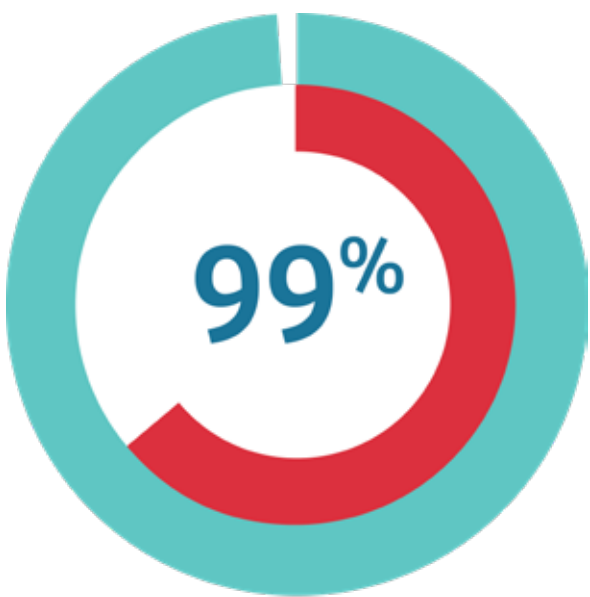
“I Value Myself”



We are delighted to see that there is consistent annual growth in both self-esteem and in Purnaa employees’ levels of hope for the future.

“After years of working in corrupt places where I lost my sense of self, now Purnaa is providing me hope of finding and living out my values.” – Purnaa staff member

“I Feel Hopeful For The Future”



Before Purnaa 64% After Purnaa 99%

2018 Survey Results

Living Situation



This chart demonstrates what a difference a good job can make in the quality of living standards for employees and their families. We are happy to see a 33% increase of ownership of a motorcycle or scooter. This accessibility to transportation improves quality of life immensley, by saving time. It is also safer for women than travelling on the public bus where they are commonly groped.

Ownership Of Winter Jackets

Ownership Of Smartphones



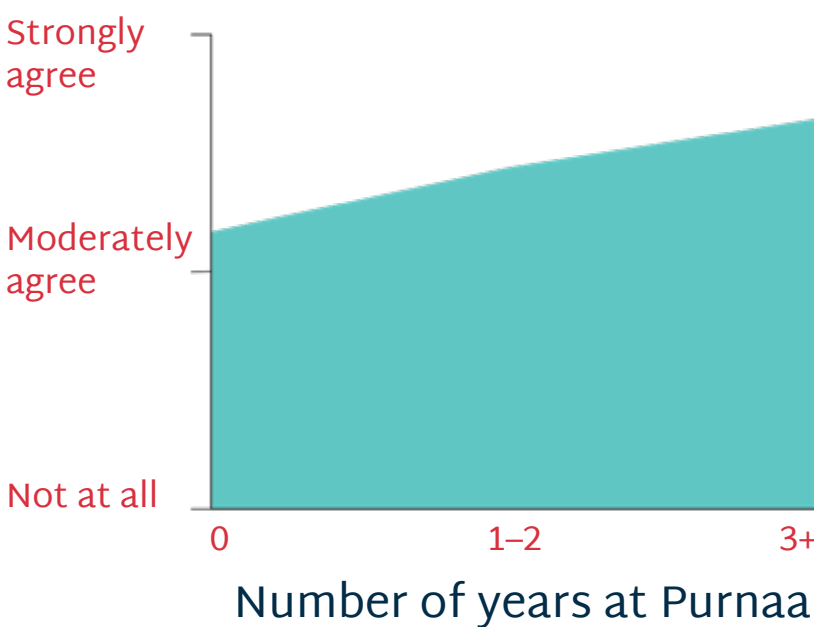
Before Purnaa 41%
After Purnaa 97%



Before Purnaa 56%
After Purnaa 88%

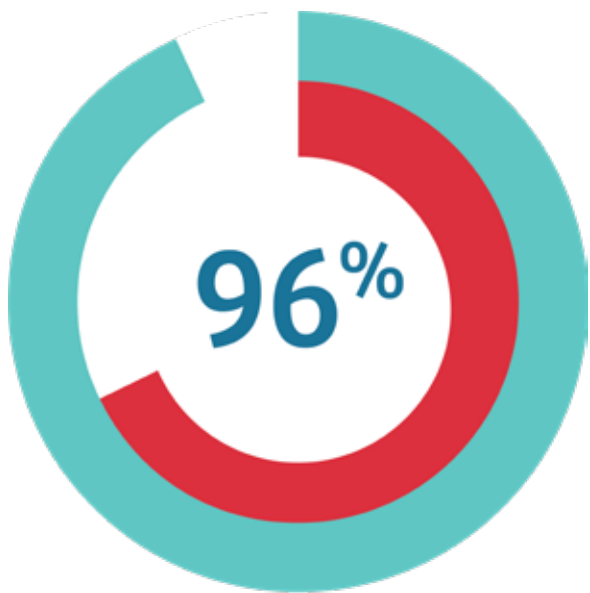


“I Feel Accepted By My Community”



Many employees say that the community acceptance they receive at Purnaa is the most meaningful benefit they’ve gotten since joining the company. This is maybe unsurprising when one considers the histories of abuse and exploitation many have. However, these strong and encouraging relationships that have developed between the people at Purnaa are perhaps the impact of which we are most proud.

“I Feel Surrounded By People Who Care For Me”



Before Purnaa 61% After Purnaa 96%

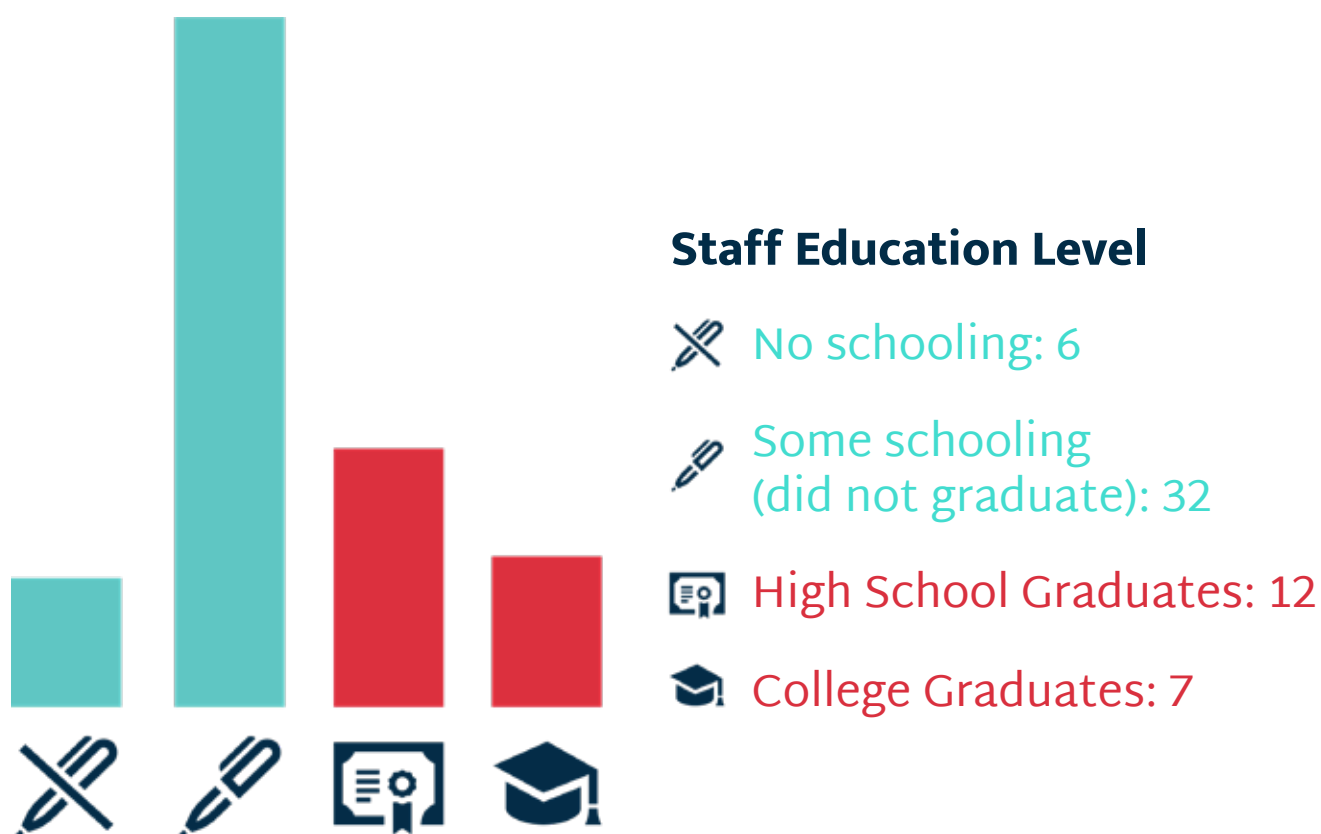
Purnaa Empowerment Fund

 **6**
**General Education
Certificates**

 **7**
**Swimming
Lessons**

 **15**
Drivers Licenses

 **10**
English Courses



Among Purnaa’s staff more than 50% come from backgrounds of child labor, labor exploitation and/or sex trafficking, abuse or discrimination. These histories often prevented them from accessing an education and learning appropriate life-skills.

38 of the 57 staff that were surveyed did not have the opportunity to graduate from high school.

To offer opportunities for continued adult learning, we founded Purnaa’s Empowerment Fund in partnership with a USA-based NGO. This fund enables us to offer services and scholarships beyond those that a traditional business would be able to give. With scholarships, staff can pursue educations and other training that equips them to “catch up” in life. We also offer scholarships for their children to attend good schools, helping to break the poverty cycles some families have been in for many generations.

“Before I didn’t know how to read and write. I learned at Purnaa and now I feel confident to speak with others.”

In 2018, 35 staff members used scholarships for Adult Education. Some worked towards a high school equivalent education and others to access other needed life skill training. Many chose to pursue scooter driving classes so that they could pass the driving exam to get a license and some chose to learn to swim.

“Now I have a license and my own scooter because of Purnaa’s help. I never believed I could do it.”

In addition to scholarships, Purnaa’s Empowerment Fund helps provide the following services to our staff:

Assistance Transitioning from Exploitative Situations or out of shelters – We work to equip staff to live in freedom and independence, but recognize that it can take time to prepare and learn needed life skills. For this reason, as of 2018 Purnaa has partnered with local Nepali shelter to ensure our staff can access a safe place to land when exiting exploitation and to get life- skill training.

Trauma Counseling & Mentoring by a Social Worker – Many Purnaa staff are leaving incredibly traumatic and difficult situations. Having the option to meet with a social worker and trained trauma counselor equips them with needed assistance as they process and heal.

Staff Testimonies



"Now I have become independent, I started studying, I am able to look after my daughter by myself, and I have good relationships with family."

Laxmi, Laliguras sewing team leader



"There is a family environment here."

Bikash, human resources

Staff Testimonies



*"I feel loved and cared for at Purnaa."
Abina, Prerana sewing team member*



*"Because of Purnaa's Empowerment
Fund my sons now have the opportunity
to study."
Kalpana, Prerana sewing team member*

Staff Testimonies



"My confidence has grown as I have been loved and encouraged to do things that I didn't think I could."

Sandya, sampling team member



"I feel like I am with my family at Purnaa."

Pramod, building manager

Looking Ahead



Our Goals for 2019

- Adding more continuous production clients to enable further job creation for survivors and marginalized people.
- Purchasing land and beginning the building of a factory will equip Purnaa for long-term sustainability.
- Assisting Nepali women trafficked to Kolkata to find freedom back in Nepal will be a continued focus in 2019 with Purnaa staff traveling to Kolkata to run job fairs and to build supportive relationships with women wanting to return.
- Continued equipping of staff in professional and personal development will include the development of new leadership training and job mentoring.

How You Can Help

- Send good manufacturing clients our way, brands that share our commitment to clean supply chains and empowering people through business.
- Become a Kathmandu 2 Kolkata sponsor and help trafficked Nepali women journey home and find freedom.
- Give to Purnaa's Empowerment Fund which awards scholarships to Purnaa employees and their children. This fund also makes it possible for us to train and hire people in great need despite low education levels and/or lack of relevant job experience. Those exiting from abusive and/or exploitative situations and joining Purnaa, are offered needed services like emergency shelter, trauma counseling, life-skills training and other social services which empower them into fresh starts and new lives.

Thank you for working with us to empower marginalized people in Nepal. Together, we can make possible even more fresh starts and fulfilled lives!

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