



IMPACT

REPORT 2022-23





TABLE OF CONTENTS

Letter from the Director	01
About Purnaa	02
Mission and Values	03
Memberships	04
This Year's Events	05
Why Nepal	06
2022 by the numbers	07
Empowerment Fund	10
Environmental Sustainability	14
Economic Situation	17
Living Situation	19
Physical Health	20
Relationships and Emotional Health	23
Areas of Improvement	26
Looking Ahead	27

LETTER FROM THE DIRECTOR

I'm excited to share this year's impact report and am so impressed with the progress the wonderful staff at Purnaa have made. In 2022 we trained and employed 90 new staff, our largest year of growth ever!

Adding new staff excites us because our primary mission is to create good jobs for marginalized people. Some of our employees come out of sex trafficking, others out of labor exploitation or abuse, and some are just desperate for a job amidst Nepal's challenging economy. Regardless of their background, we believe a good job can change somebody's life and we continue to work for more growth this year.

As we review our staff's responses to this year's quality of life survey, we continue to see a big increase in the quality of life for employees when they start to work with us. However, with high inflation in Nepal and some challenging projects that went much slower than expected our staff responses about economic situation have declined. Additionally our 90 new staff reported economic baselines lower than any other previous year. As we start a new fiscal year, we will be making several significant payment increases and hopefully, we will see this data improve for next year.

This is our eighth annual impact report and we are encouraged and further motivated by the continuing evidence of the transformative power of a good job. We hope you enjoy our summary of Purnaa's impact in 2022.



Sincerely,

Corban Bryan





ABOUT PURNAA

Purnaa is a social enterprise sewing and knitting manufacturing company with a mission to create jobs that empower marginalized people to fresh starts and fulfilled lives. We produce caps, stuffed animals, bags and apparel for export from Nepal.

Many Purnaa staff come from exploitative, abusive, or discriminatory situations prior to working with us. Some come out of human trafficking situations, others from labor exploitation, others from abusive relationships, and some come from situations of extreme discrimination because of caste, religion, gender, disease, or disability. Today these survivors join us in furthering Purnaa’s mission to create good opportunities for marginalized people.



We reinvest 100% of our profits into the company to continue to grow and offer training and employment for marginalized people. Some of the ways we do this are by



Fostering a great job environment that is free from discrimination and abuse



Paying above living wages as defined by the World Fair Trade Organization



Offerings stipends during initial skills trainings for unskilled workers



Giving scholarships for remedial, general education and personal development training



MISSION AND VALUES

Our values drive how we operate. We have bi-monthly company-wide training discussing these values. We say our mission describes WHY we exist and our values describe HOW we do business. We describe our values in the simplest ways possible so that they are easy to translate, remember, and put into practice.

Mission - World class manufacturing to create jobs that empower marginalized people to fresh starts and fulfilled lives.



Love

We choose to do what is best for our customers, coworkers, friends, family, and the world around us.



Integrity

We do the right thing even when no one is looking.



Excellence

We always do our best, even in small things, and always work to improve.



Beauty

We create beauty in our products, workplace, environment, and within ourselves and our communities



Justice

We give equal opportunity, fair rewards and consequences, and champion the rights of those who do not receive just treatment in society



MEMBERSHIPS



Through our WFTO Membership we our dedication to people and the planet and our commitment to the 10 Fair Trade principles. We are regularly audited by WFTO to ensure we are meeting requirements and always making improvements to better follow the principles

WE SUPPORT



We are signatories of the UN Global Compact, the largest corporate social responsibility campaign in the world. Businesses that join the initiative commit to align corporate strategies & operations with Ten Principles on human rights, labor, environment, & anti-corruption and take actions to support the Sustainable Development Goals (SDGs).



Through our FBA membership, we certify our commitment to work against human trafficking or commercial exploitation through our business. We intentionally partner with non-profit organizations to help create job opportunities for survivors of trafficking.



Purnaa is a member of Common Objective (CO) and won the CO Leadership Award in consecutive offerings in 2020 and 2022. The CO Leadership Awards celebrate ambition for, and commitment to, great business practices that transform lives - and solve environmental challenges. Purnaa was also a finalist for the prestigious CO10, a list of top 10 leaders in ethical fashion.



THIS YEAR'S EVENTS



Hired and trained 90 new employees

We continued to grow our knitting department. Each person who joined our knitting team received a 2 week orientation and life skills training plus 1-6 weeks of skills training depending on the type of work they do, and 3 months of salary assistance as they learned new skills and built up speed in production.



Finished funding new factory

We raised a total of \$1.45mil USD for our new factory building through a mixture of equity and financing through a number of partnerships with social enterprise investment organizations and private investors.



Started construction on new factory

Construction started in Sept 2022 and is projected to run through early 2024. The new factory will be 22,000 sq ft and serve up to 350 workers. It will allow Purnaa to stop renting expensive and inefficient office buildings and give the company a permanent presence in Kathmandu.

THIS YEAR IN NEPAL

Nepal struggles with sufficient employment for its population

In 2022 in particular, Nepal's financial system was faced with a liquidity crisis, resulting in banks halting most loans. As a result, Nepal's property market ground to a halt and then the economy slowed to a crawl. Apart from the 1st year of the pandemic and the 2015 earthquake, Nepal saw its slowest growth in 2022/23 in 20 years. [1]

15%

15+% of the population has left to work overseas.[2]

44%

44% of the population is vulnerable to slavery.[3]

28%

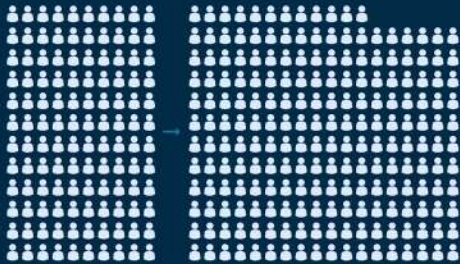
28% of Nepal's GDP comes from remittance income.[4]



Nepal's Human Rights Commission estimates that 35,000 people including 15,000 women and 5,000 girls are trafficked from Nepal each year.[5]

Purnaa is in Nepal to create jobs that address Nepali people's vulnerability to exploitation, while also demonstrating ethical and sustainable business practices.

2022 BY THE NUMBERS



120 → 210 staff

Purnaa grew from 120 to 210 staff in 2022



43% were once marginalized

43% of Purnaa's employees in 2022 came from marginalized backgrounds



51% primary income earners

51% of Purnaa employees in 2022 were the primary income earner for their household



590 individuals supported

590 family members were supported through 210 Purnaa salaries in 2022



+90 employees

Purnaa hired 90 new employees in 2022



92% women

92% of Purnaa's employees in 2022 were women (193 women, 17 men)

2022 BY THE NUMBERS



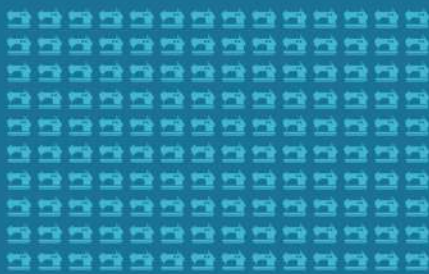
115,000
products produced

Purnaa produced a total of 115,000 products in 2022



2,158 KG
of sustainable materials

Purnaa used 2,158 kilograms of sustainable materials in 2022



140 machines

Purnaa had 140 production machines in 2022



330,000
hours completed

Purnaa employees complete 330,000 total work hours in 2022

“It is a huge a privilege to add 90 new jobs. This year we ran 6 batches of skills training in group of 10-25 people. For one group, we told our staff that we would offer another training group for 20 people and they could refer their friends for an interview later in the week. More than 200 women showed up to apply for the job. These jobs are so needed in Nepal!”

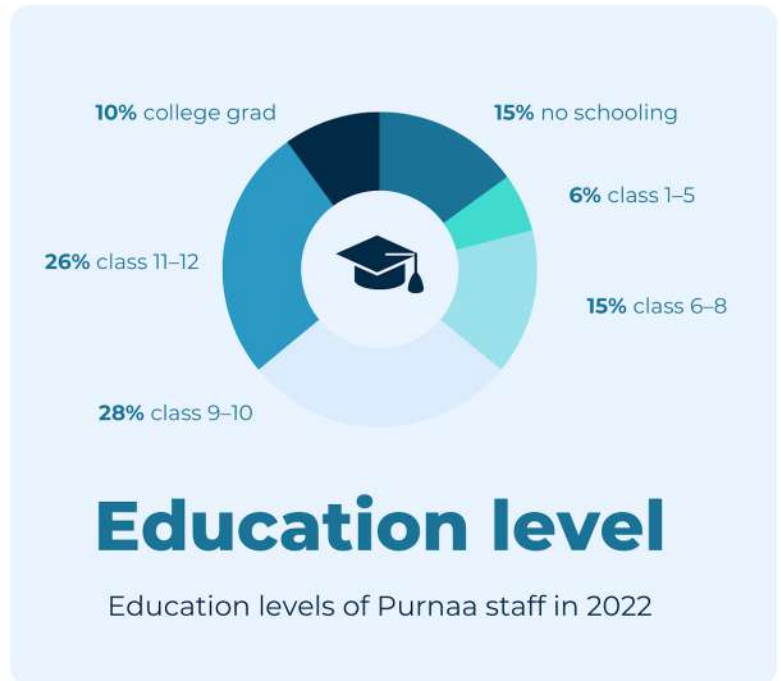
-- Rebecca Chhetri, HR Manager

EMPLOYEE EDUCATION

This year we continued to grow our knitting department. Each person who joined our knitting team received a 2-week orientation and life skills training plus up to 6 weeks of skills training depending on the type of work they do, and 3 months of salary assistance as they learned new skills and built up speed in production.

About one-third of the new jobs created this year were for machine knitting, which is a fairly mathematical process. As a result, the new staff employed for this work tended to have completed at least 10th grade, which boosted the average education level of our staff.

Purnaa supports staff who want to continue their education as adults with scholarships funded by our Empowerment Fund. We also provide flexible working hours to staff who want to continue their studies as adults. This year, we are pleased to see two staff in particular who have continued studying to the point of achieving their Nepali School Leaving Certificate.



EMPOWERMENT FUND

Purnaa’s Empowerment Fund operates in partnership with a US-based non-profit to support Purnaa’s employees in ways that are over and above what a company might normally be able to provide.

Coming from marginalized backgrounds, many staff members require additional support, training, or education to grow into their work at Purnaa.

Through the Empowerment Fund, Purnaa can offer skills training, adult education, staff children scholarships, opportunities to meet with a professional counselor, access to healthcare beyond our normal health insurance and allowances, and connection to transitional housing.



90 new employees trained

The Purnaa Empowerment Fund trained 90 new employees in 2022

Gifts to Purnaa Empowerment Fund in 2022	\$36,783.92
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Empowerment Fund Expenses 2022	
New Employee Living Stipend for Initial Skills Training	\$27,539.68
Transit Home Operations	\$18,792.00
Child Scholarships	\$13,459.48
Birthday and Holiday Celebrations	\$6,964.14
Counseling, Life-Skills Training, and Other Employee Development	\$2,065.65
Emergency Support (Medical or Family Crisis)	\$727.38
Adult Learning Scholarships	\$579.04
Total	\$70,127.37

Net Donations from previous years carried forward to 2023	\$48,123.00
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8 adult education scholarships

The Purnaa Empowerment Fund granted 8 adult scholarships in 2022



65 child scholarships

The Purnaa Empowerment Fund granted 65 child scholarships in 2022



**“My life has completely changed since joining Purnaa. Everyday I am learning new things and I am able to afford my children's schooling.”
- Dhanmaya M.**



ENVIRONMENTAL IMPACT

The fashion industry is one of the world's most polluting industries and contributes to many of the world's big environmental problems; including climate change, water pollution, and deforestation

Nepal struggles with all of these environmental challenges, so a holistic approach to improving the lives of marginalized people in Nepal also involves minimizing our negative impact on the environment.

Because our work primarily involves sewing and knitting, our primary environmental impacts come from our:

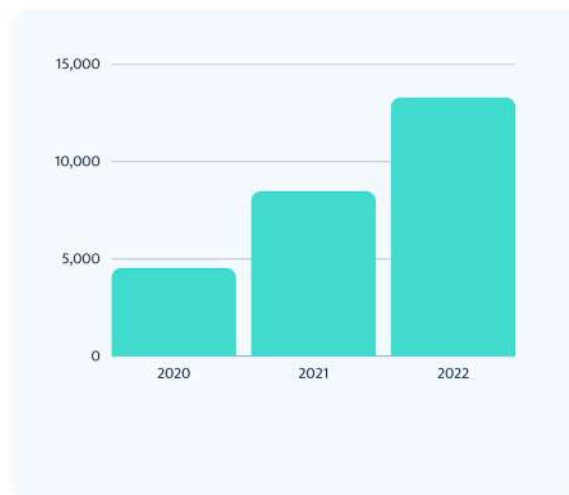
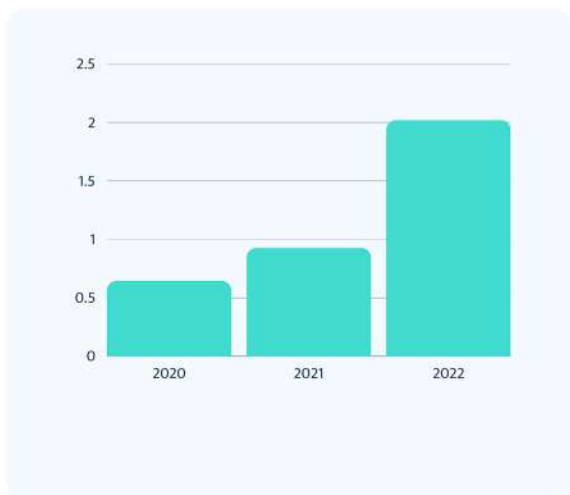
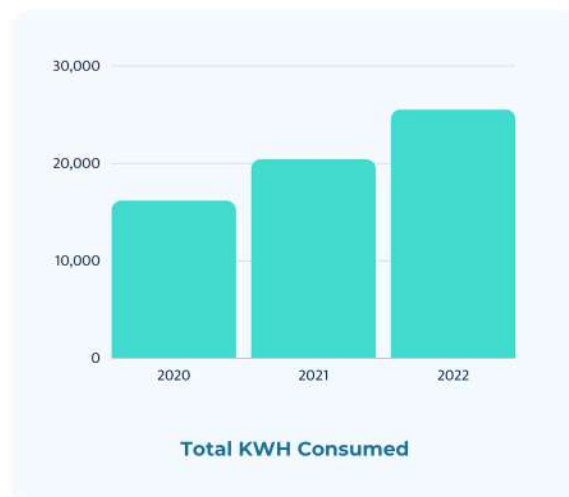
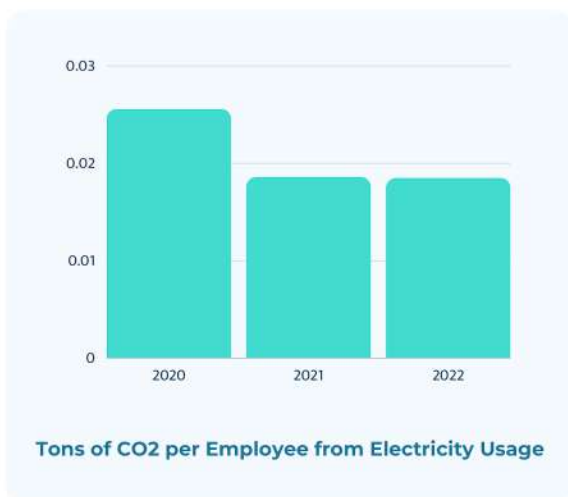
- Emissions caused by electricity consumption,
- Water consumption,
- Wasted raw materials,
- The environmental impact of the materials that go into our products.



ELECTRICITY CONSUMPTION

IMPACT OVER TIME

Purnaa's energy-efficient sewing and sublimation machines, hand-powered knitting machines, and LED lighting minimize our electricity consumption. This year Purnaa nearly doubled its number of staff, but energy consumption only grew slightly because knitting operations mostly involve handwork.

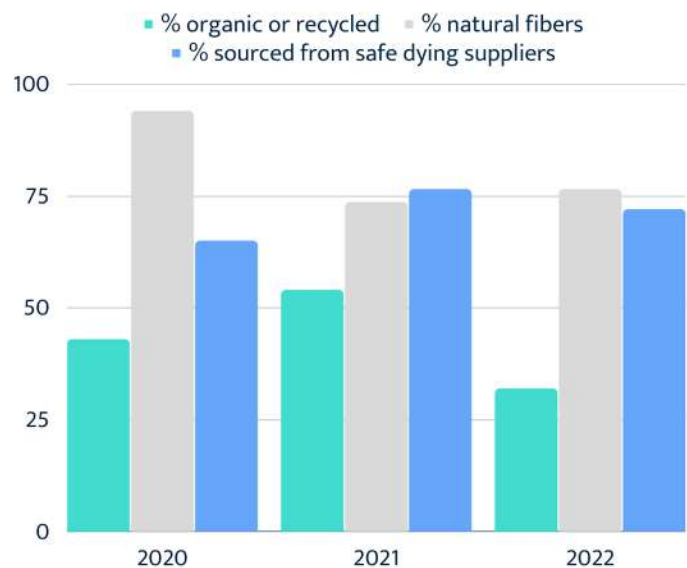




SUSTAINABLE FABRICS

Much of our environmental impact depends on the materials we use to make our products. We prefer natural fiber-based fabrics that do not emit micro-plastics into the water. We also prefer fabrics made with more sustainable methods such as organic cotton, recycled polyester, and fabrics dyed using environmentally friendly pigments and processes.

This year we saw an increase natural fiber percentage, but a decrease in the percentage of organic or recycled materials and a decrease in the percentage of material sourced from certified safe-dyeing facilities. These changes are mostly due to working with bamboo this year (which is not organic, but is considered a sustainable fiber) and favoring locally available material which is often dead stock fabric for which we cannot verify it's safe dyeing credentials.



Fabrics used by Purnaa

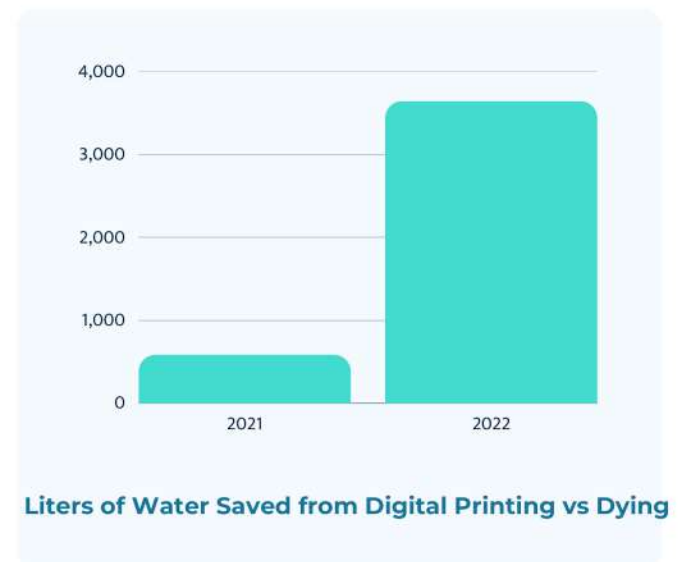
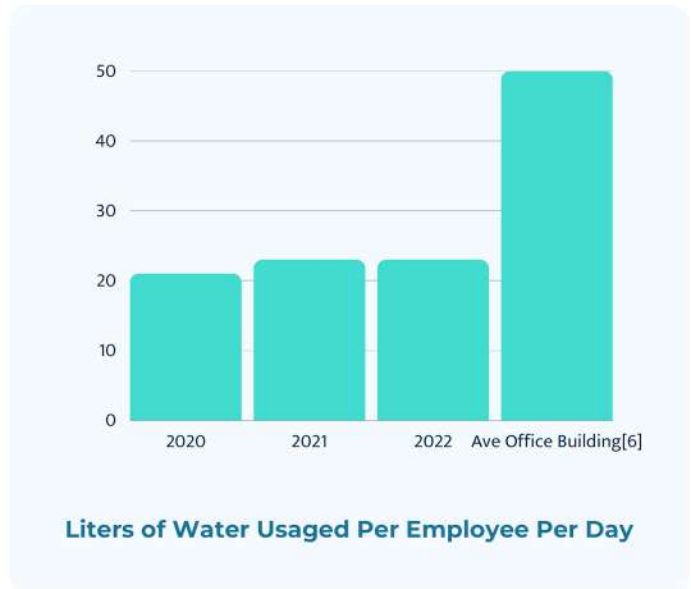
WATER USAGE

IMPACT OVER TIME

For about half of every year, Kathmandu struggles with a shortage of water. Many homes and businesses have to receive water via delivery trucks. It also struggles with effective infrastructure for water treatment. As a factory with over 200 employees, it is important that we carefully control water usage. Overall, Purnaa uses less than half of the water per employee than the industry average.

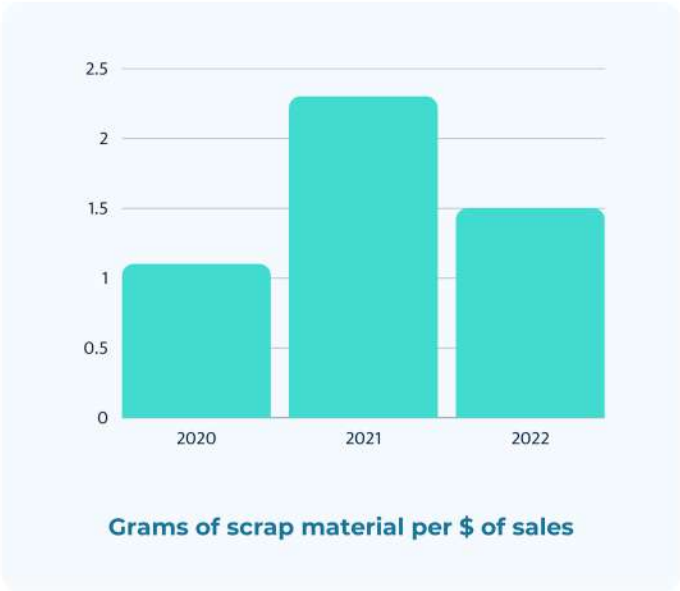
In 2020, Purnaa invested in a Dye Sublimation Printer, which saves an average of 3.96 liters of water per kg of fabric when compared to traditional dyeing.[7] This year, we ramped up our production of dye-sublimated products and see a significant increase in water saved.

Dye Sublimation is a water-free fabric colorization process, so zero chemicals from Purnaa's sublimated products run off into the local water table.



WASTE CONTROL & RECYCLING

We work hard to reduce factory waste. Kathmandu’s landfill is inadequate in size, overused, and frequently has road access challenges. Several times this year, there were sanitary worker strikes, in which trash was left to rot on the streets of Kathmandu. [8] We do our best to minimize anything that gets sent to landfill. We ensure that any waste we do produce is upcycled or recycled. Purnaa sells all of its fabric scraps for use in making



Trees Saved
64

Energy Saved
143,000 Kwh

CO2 Saved
5734kg

Water Saved
106k litres

In this year, Purnaa sent 1358KG (100% of its fabric and yarn scrap) to be upcycled into cushions and mattress stuffing. Even though Purnaa’s sales increased dramatically in 2022, our total amount of scrap material decreased.

In addition to upcycling all of our textile scraps, Purnaa recycles all of its paper, plastic, aluminum, and e-waste. Our recycling company tracks our total recycled material and provides a report of environmental benefits from our company’s recycling. In 2022 Purnaa’s recycling efforts yielded the results shown to the left.

ECONOMIC SITUATION

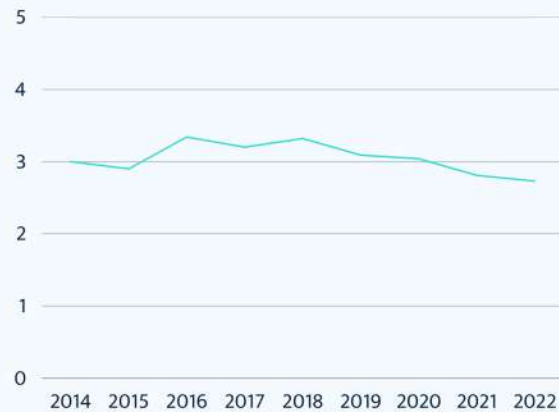
We are committed to paying a Living Wage to all of our staff. Each year use a WFTO-specified process to determine a fair living wage in which we consider Nepal's minimum wage, potential wages earned in alternative forms of employment in our area, published studies about living wage in Nepal, and direct discussions with an employee-elected collective bargaining committee.

In 2022, we determined the living wage to be Rs 21,489 of total compensation per month.

Production staff at Purnaa work on a piece-rate system where the pay is determined by the average expected time to complete each step of work. If a worker or team of workers achieves speeds at this rate, they will earn at least the living wage target.

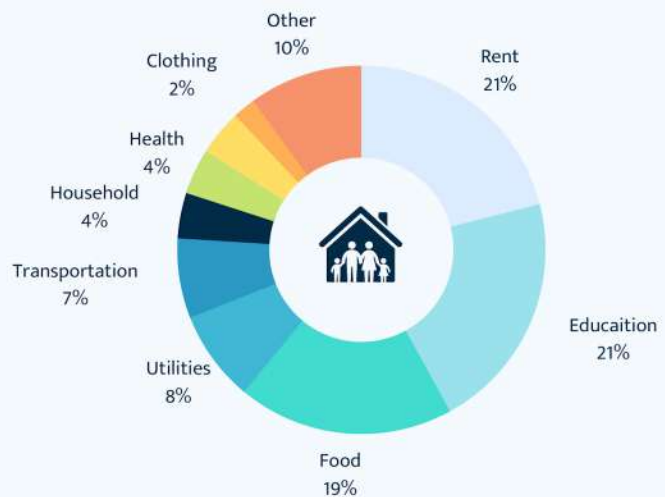
This year at Purnaa, most production workers achieved production rates faster than this target speed; however, our hand-knitting team (which is our largest team) did not achieve the expected work speeds. Coupled with 8% inflation in Nepal this year, the economic ratings in our survey were lower than previous year.

For 2023, even though we could not negotiate higher prices with our primary knitting customer, we chose to significantly raise the pay per piece for the knitting team to bring their expected pay above living wage.



Current Income Sufficient to Meet Needs

5 = Very sufficient / 3 = Moderately sufficient



Cost of Living Breakdown

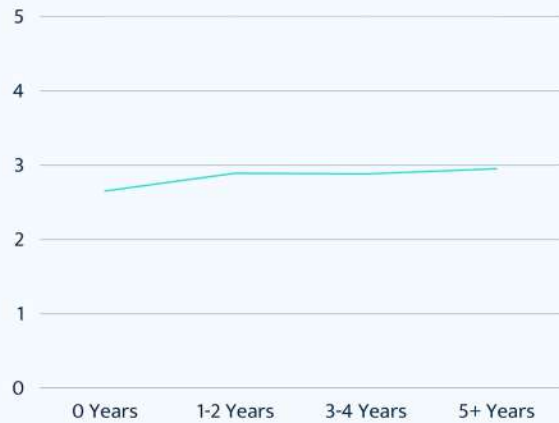
2% Clothing / Utilities include water, electricity, gas, phone

ECONOMIC SITUATION

Even though overall satisfaction with pay at Purnaa was lower than previous year, we continue to see that working with Purnaa over time increases employees' perception of economic security as shown by a gradual increase in scores in "Income Sufficient to Meet Needs Over Time" and "Ability to Pay off Debts."



"Since joining Purnaa, I am able to stand. I feel hopeful that I am giving good education to my children and empower them to stand on their feet too." – Gita



Income Sufficient to Meet Needs Over Time

5 = Very sufficient / 3 = Moderately sufficient
Years = Years at Purnaa



Ability to Pay off Debts

5 = Very able / 3 = Moderately able / 0 = Not at all able
Years = Years at Purnaa

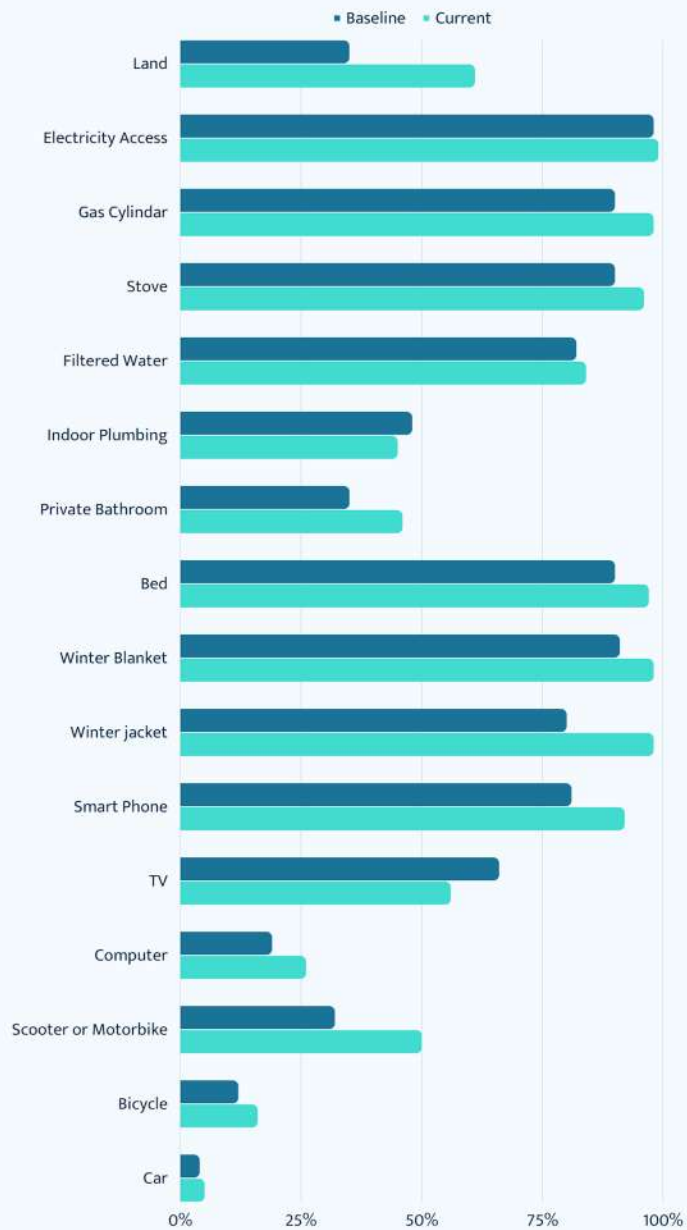
LIVING SITUATION

OWNERSHIP OF GOODS

Although employee ratings of their economic situation can be subjective, we are pleased to see very concrete evidence for improved quality of life after getting a job at Purnaa by reported ownership of certain household items.

This chart demonstrates the difference a good job can make in the quality of living standards for employees and their families.

We notice that there are some basic categories still not at 100%. This is because some staff still live in shelters or community homes and don't yet own those things, though they currently are able to use them. For example, to the best of our knowledge, everyone has access to a bed and access to a gas stove and electricity. We also noticed this year that the percent ownership of TVs went down. We think this may be a result of people getting entertainment through their smart phones. Additionally, access to indoor plumbing went down and this may be a result of missing baseline information for some new employees.

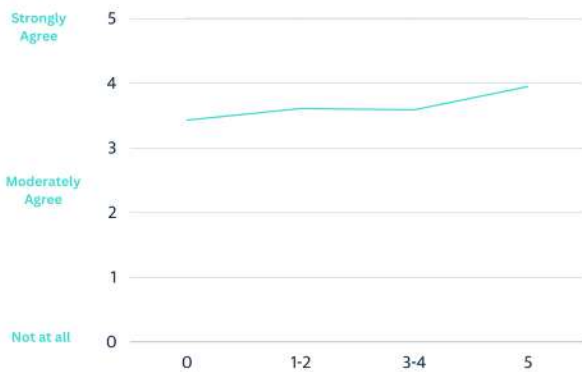


Living Situation – Ownership of Goods
2% Clothing / Utilities = Water, electricity, gas, phone

PHYSICAL HEALTH

For the last few years, with COVID, a severe wave of dengue fever in early fall 2022, and high inflation, we have been concerned about our employees' health situation and access to quality healthcare.

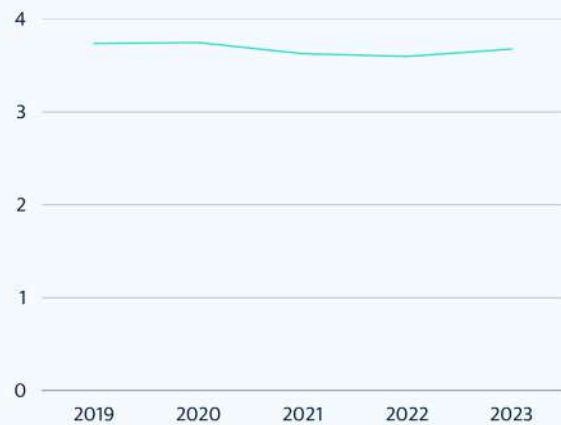
However, we are pleased to see that even after several difficult years regarding health, most staff reported feeling healthy and healthier than before working at Purnaa. Additionally, we reversed a trend of year-over-year overall health situation decline.



Ease of Access to Medical Care
Number of years working at Purnaa



Overall Health
Number of years working at Purnaa



Employee Average Health Score by Year



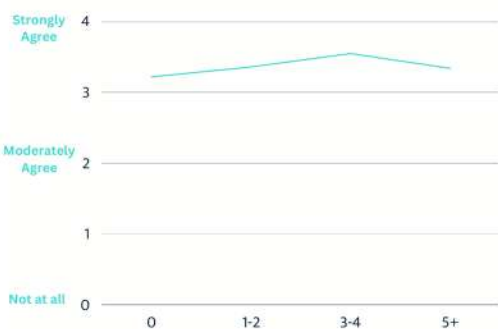
“My husband was in a motorcycle accident this year. But what I love about Purnaa is the benefits and help when you are in need.” - Urmila



RELATIONSHIPS

Many employees say that the community and acceptance that they experience at Purnaa are among the most meaningful benefits of working at our company.

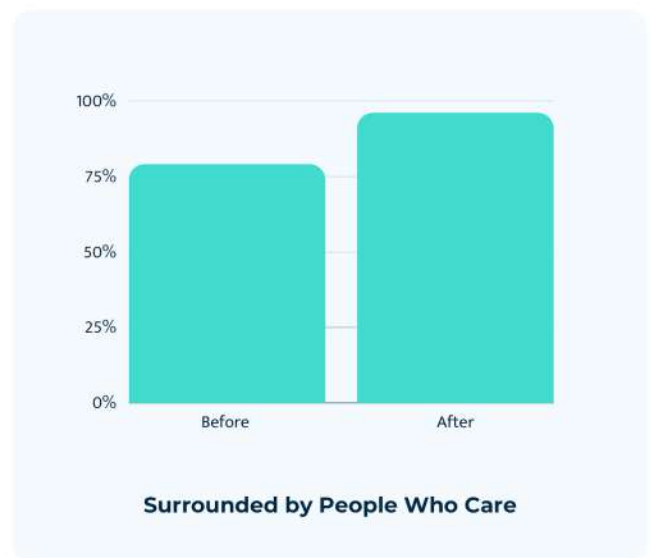
We see that after getting a job at Purnaa workers are treated better in their families, are more likely to be included in important family decisions, and are more accepted by their communities outside of Purnaa. Many employees previously experienced discrimination. The respect they now receive from their neighbors ranks as something they are most happy about.



Overall Relationship Average
Relational Satisfaction composite score



Participation in Family Discussions
Number of years working at Purnaa



Surrounded by People Who Care

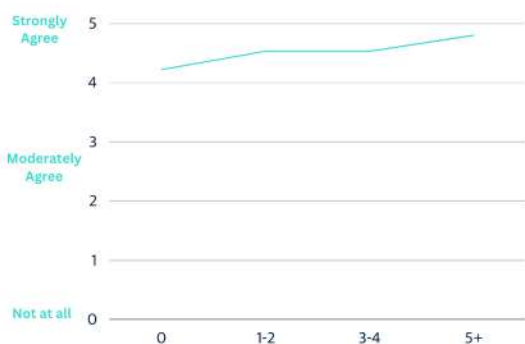


EMOTIONAL HEALTH

It is our hope that through finding dignity as a skilled worker, participating in a supportive community, and working in an environment free from discrimination and abuse that worker’s emotional health improves after working at Purnaa.

The average response to all emotional health questions continues to show a trend of increasing with longer time spent at Purnaa. We also see a marked increase in hope for the future after getting a job at Purnaa.

“I feel proud to share where I work,” continues to be a question in which we receive one of the highest overall ratings.



“I Feel Proud Telling People Where I Work”
Number of years working at Purnaa



“I Generally Enjoy Life”
Number of years working at Purnaa



Overall Emotional Health
Number of years working at Purnaa



**“My favorite thing about working at Purnaa is being able to work together with friends. After beginning work here, I am happier and healthier.”
- Dhan-Maya K.**

AREAS OF IMPROVEMENT

Focusing on the Most Marginalized

This year we noticed that our overall average baseline responses were higher in most categories. In 2021 and 2022 we grew from 75 to 210 staff. This fast growth for very complicated knitting work resulted in hiring a lower proportion of people from the most marginalized backgrounds. As a result, our proportion of employees from marginalized backgrounds has slowly dropped.

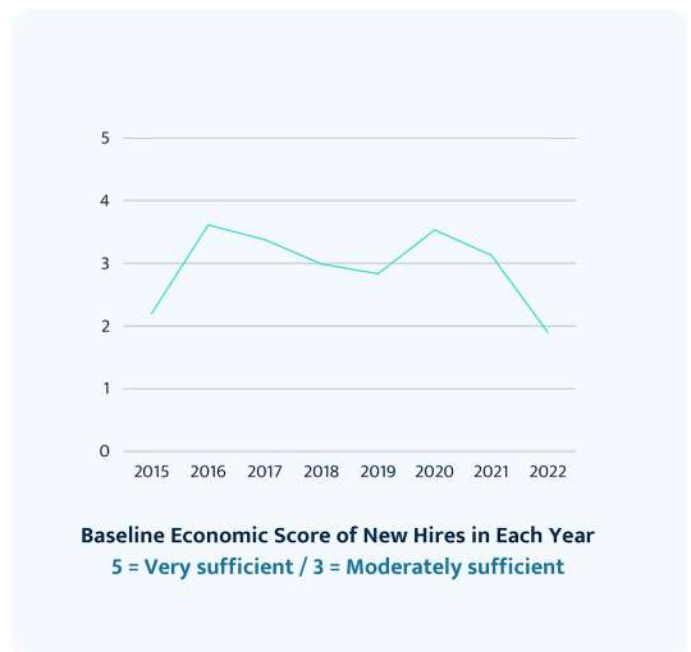
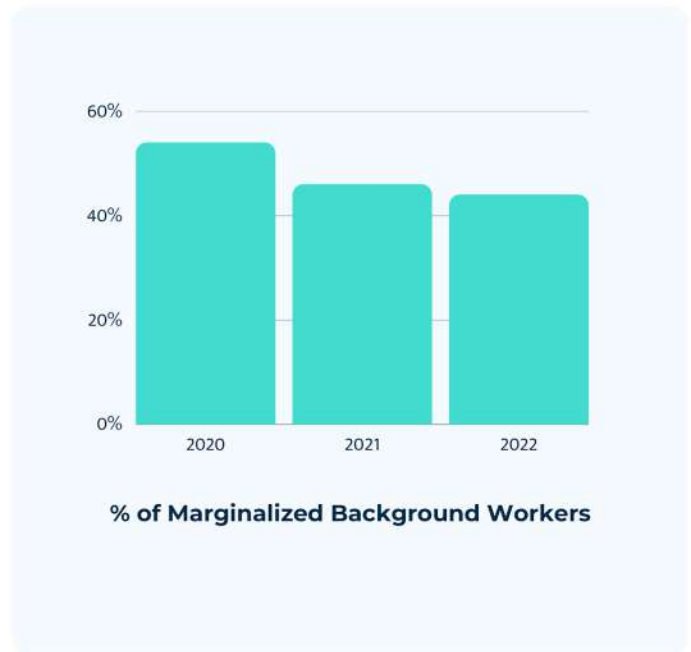
It is our goal this year that we focus strongly on marginalized background people for new opportunities.

Although many of our new hires do not meet our strict marginalized background standards (survivors of human trafficking, bonded labor, or severe discrimination for gender, caste, religion, disease, or disability), many did come from desperate financial situations.

The baseline responses for overall economic situation show that they came from the most difficult financial situations of any previous year's batches of hires.

Income Satisfaction

Our overall economic indicator went down for the fourth year in a row. This is primarily due to downtime during COVID, high inflation, and having many new knitting handwork staff whose work speed did not reach our projections. Our handwork knitting staff were furthest behind our living-wage targets. As a result, in 2023, we raised the knitting handwork pay per piece by 25%. Additionally all staff at Purnaa received salary increments in 2023 of an average of 10%. Our hope is that we see improvement in this metric next year.





LOOKING AHEAD

Our Goals for 2023/24

- Complete constructing our factory building
- Scale up sales for our new sublimated cap line - we'll be adding new cap styles and are targeting doubling sales in caps vs last year
- Add new customers to our new knitting production unit
- Refocus new hiring so that we achieve at least 50% of staff from marginalized backgrounds.

How You Can Help

- Send good manufacturing clients our way, brands that share a commitment to clean supply chains and empowering people through business.
- Become a Purnaa Empowerment Fund sponsor and help trafficked Nepali women journey home and find freedom, scholarship Purnaa employees and their children, and provide counselling and other needed social services. Contact us at info@purnaa.com to find out how to give.



APPENDIX

NOTES

[1] [https://nepaleconomicforum.org/decoding-nepals-economic-downturn/#:~:text=The%20Gross%20Domestic%20Product%20\(GDP,by%20the%20COVID%2D19%20pandemic.](https://nepaleconomicforum.org/decoding-nepals-economic-downturn/#:~:text=The%20Gross%20Domestic%20Product%20(GDP,by%20the%20COVID%2D19%20pandemic.)

[2] <https://www.knomad.org/sites/default/files/2019-04/Migrationanddevelopmentbrief31.pdf>

[3] <https://www.walkfree.org/global-slavery-index/>

[4] https://southsouth.contentfiles.net/media/documents/MIDEQ_Nepal_brief_v2.pdf

[5] <https://www.unodc.org/unodc/en/human-trafficking/Webstories2020/nepal-takes-a-step-forward-against-human-trafficking.html>

[6] <https://www.south-staffs-water.co.uk/media/1509/waterusebusiness.pdf>

[7] https://sswm.info/sites/default/files/reference_attachments/SHAKIH%202009%20Water%20conservation%20in%20the%20textile%20industry.pdf

[8] <https://kathmandupost.com/valley/2022/07/27/garbage-piles-up-on-valley-streets-again>



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