



 PURNAA

Impact Report

2025

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Welcome to the Impact Report

Why Impact Reporting?

We are registered as a Public Benefit Corporation, so an annual impact report is mandatory, but we were releasing annual reports even before a Benefit Corporation was a thing.

We write an impact report because we want to know if we are actually achieving our mission to create life-changing employment opportunities and to provide confidence to our customers and other stakeholders that we actually operate with ethical standards.

Our reports are an honest assessment of our social and environmental impact progress over the past year. It includes the good and the things we need to work on. So, welcome to the Purnaa impact report. We are grateful you are checking us out.



53

new jobs (net) created
this year

63

people received life-skills
and job skills training

21%

growth in staff

24,000

sq ft of space in our
new factory

91%

of our staff are female

35%

of our staff had their
first job at Purnaa

Additionally:

New school partnership launched with 14 staff's children

Scooter Program and and Bus System enables free transportation to work

Letter from the Director

I am excited to be sharing this year's impact report with you. Every year we release this updated report to take a look at how well we are doing in accomplishing our mission of creating good jobs for marginalized people in Nepal.

2024 was a very important year for Purnaa in many ways. We added more employment opportunities in 2024 than ever before; welcoming more than 50 new employees to the Purnaa family. Many of these new staff came from very difficult situations, and we are privileged to walk alongside them and assist in creating "fresh starts and fulfilled lives."

Additionally, after more than 5 years of effort to move Purnaa into a more sustainable and long term facility, we completed construction of our purpose-built factory building. After officially transitioning our operations in May, we launched a new free bus system and scooter program to help our staff commute to the new location.

This year we also partnered with a local school to develop before and after school programs for the children of Purnaa staff. This allows the single mothers working with us to ride the Purnaa bus with their children to and from work & school; ensuring their children are well taken care of during office hours.

Through the empowerment fund, Purnaa was able to offer life skills training to more than 60 staff, assist in emergency situations, and provide more support than a traditional business would be able to. I want to especially thank our empowerment fund partners for their faithful support that enables this valuable work.

This year was not without challenges however. In July our primary road to the office was damaged and we spent the remainder of the year without large vehicle access. In September the devastating floods severely impacted some of our employees and also shut down our operations. We also experienced growing pains and needed to hire additional admin staff to support the increasingly complex work.

Looking ahead we are eager to continue to grow our customer partnerships, offer more employment opportunities where they are needed most, and improve our environmental impact.

Thank you for taking the time to look over this report. We are grateful to our faithful customers, empowerment fund partners, friends, and staff for working with us to transform the lives of marginalized people in Nepal.

Sincerely,
Richard Faber, CEO



About Purnaa

Mission

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

Purnaa is a social enterprise, fair trade sewing and knitting manufacturing company. We primarily make caps, stuffed animals, and other accessories for export to North America.

Our mission is to create good jobs for marginalized people.

At Purnaa we define marginalized people who are survivors of human trafficking situations or labor exploitation or those who suffer severe discrimination because of caste, religion, gender, disease, or disability.

After receiving a job at Purnaa, regardless of their background, we hope our staff can build a healthy and productive life and help us create more opportunities for others.

We reinvest 100% of our profits into the company to continue to grow and offer training and employment for marginalized people.



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



Offering school scholarships for staff children, including after-school daycare



Offering stipends during initial skills training for unskilled workers



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



Providing transportation support for employees to get to and from work



Giving scholarships for remedial, general education, and personal development training



Providing support for emergency situations such as family crises or natural disasters

Values

We make leadership and business decisions based on our company's core values. We conduct twice-monthly company-wide training about how to put these values into practice. We describe our values in the simplest ways possible so that they are easy to translate, remember, and follow.



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



Integrity

We do the right thing even when no one is looking



Love

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

This Year's Big Events

Mission Growth

We grew by 53 new employees. We trained 63 people in production skills and life skills in 3 training batches. Each training batch received a 2-week orientation and life skills training plus 1-6 weeks of skills training depending on the type of work they would join, and 3 months of salary assistance as they learned new skills and built up speed in production.

Factory Move & New Bus System

Construction of Purnaa's new factory was completed in 2024, with all of our staff operating out of the new facility from May. Coinciding with moving in, Purnaa contracted with local bus owners to offer employees free transportation to/from our new factory.

Launched Staff Learning and Development

Purnaa launched a new department dedicated to helping staff learn, grow, and assisting them with access to counselling and help during emergency situations.

New Admin Staff

We welcomed 7 new admin staff in 2024, including 2 new directors to look over sales and operations. With these additions, we have grown in our capability in accounting, human resources, embroidery, printing, project management, and sampling!

Scooter Program Launched

Purnaa began offering interest free loans to employees to enable them to purchase their own scooter or motorcycle. This exciting new program benefited 15 staff in 2024.

Flooding

Some of the worst flooding in Kathmandu's history, leading to thousands being displaced and impacting Purnaa's staff and operations.

Cap Catalog and Doll Catalog Launched

Purnaa launched new product catalogs to increase our profile as an ethical cap factory and an ethical stuffed toy factory, and drive further mission growth.



Why Nepal?

We envision a Nepal where there is sufficient employment at home to stem the tide of workers going overseas into exploitative situations.

Nepal is extremely reliant on its working-age population going to other countries to find jobs.

This reliance on workers going abroad creates a high vulnerability to trafficking and exploitation.



14%

or 3.5 Million Nepalis work abroad.¹ This comprises 28% of its working-age population.²

25%

Lack of domestic industries means Nepal spends more than 25% of its GDP on imports.⁵ This lack of domestic production leads to fewer job opportunities.

40,000

An estimated 40,000 people are trafficked from Nepal each year, including 15,000 women and 5,000 girls.⁷

23%

of Nepal's GDP comes from remittance income³ which is the 2nd highest in the world among countries with populations above 1mil people.⁴

107th

Nepal ranks 107th out of 180 countries in corruption,⁶ leading to a sense of hopelessness.

A World Bank study cited the main reasons for trafficking incidents in Nepal are poverty (86%), lack of education (65%), false promises of marriage (41%), and lack of employment opportunities.⁸

2024 By The Numbers



Grew from 247 to 300 staff



Net increase of 53 staff



91% female



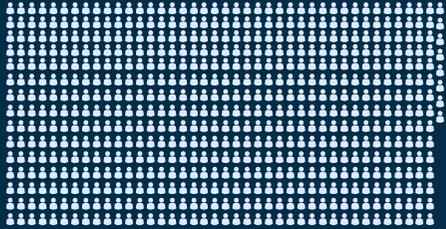
44% primary income earners



37% of workers from marginalized backgrounds



2024 By The Numbers



623 people supported
through 289 salaries

3387

kilograms of sustainable materials

174,275

products produced

160

production machines



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 sewing and knitting factory in Nepal would normally be able to provide.

Through the Empowerment Fund, Purnaa can offer skills training, adult education, scholarships for staff member's children, opportunities to meet with a professional counselor, and access to healthcare beyond the company's normal health insurance and allowances. We also use these funds for celebrations of employee birthdays and holidays.

The money also supported a project called K2K to help repatriate survivors of trafficking from India to Nepal and connect the returnees to transitional housing and social services.

Lastly, in September 2024 Kathmandu experienced the heaviest rainfall recorded and suffered the worst flooding seen in recent history, leading to over 200 deaths and thousands displaced.⁹ Some of our staff were severely affected. Through the empowerment fund, Purnaa was able to assist in replacing lost items, rebuilding homes, and assisting staff in moving to new places to stay.



63

new employees received life skills and production skills training

57

children scholarships

12

employees severely affected by flooding assisted

15

interest free loans to employees for purchase of scooters

1

stateless employee received professional support to gain citizenship in Nepal

Empowerment Fund Income + Expenses 2024

Empowerment Fund Expenses 2024

Gifts to Purnaa Empowerment Fund

\$34,801.99

New Employee Living Stipend for Initial Skills Training

\$21,048.86

Child Scholarships

\$17,283.51

Birthday and Holiday Celebrations

\$11,073.04

Counseling, Life-Skills Training, and Other Employee Development

\$1800.75

Emergency Support (Medical or Family Crisis)

\$1,399.25

Adult Learning Scholarships

\$187.97

Flood Response

\$17,611.46

K2K Project

\$11,505.00

Total Expenditure

\$81,909.84



Anandi

“I have never worked before coming to Purnaa. Through the empowerment fund, I learned new skills and now have a good experience working.”

Memberships

Purnaa is a member of several amazing compliance and social impact networks. We participate in these organizations to ensure we are following the highest ethical standards in our business, to pursue our mission of empowering marginalized people, and to participate in communities of amazing other social enterprises.



Freedom Business Alliance

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



World Fair Trade Organization

As WFTO members we work to follow the 10 Fair Trade principles. We are regularly audited by WFTO to ensure we are meeting requirements and making improvements in social and environmental sustainability.



UN Global Compact

We joined UN Global Compact (the world's largest corporate social responsibility campaign) to align our company strategy and operations with Ten Principles on human rights, labor, environment, and anti-corruption and take actions to support the Sustainable Development Goals (SDGs).

Environmental Sustainability

Nepal is a country of great natural beauty. Our values of beauty and love include taking care of the environment around us.

Our goal is to make products with the least environmental impact possible.

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

- The environmental impact of producing the materials that go into our products
- Emissions from shipping our materials and products
- Wasted raw materials and production supplies
- Our emissions caused by electricity consumption and our water consumption.



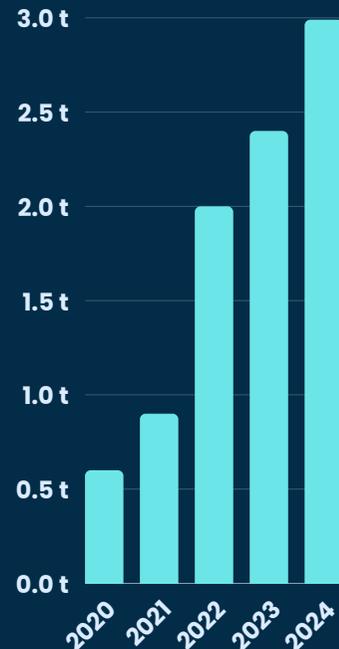
Electricity Consumption

Purnaa’s energy-efficient sewing and sublimation machines, hand-powered knitting machines, LED lighting, and our buildings’ natural heating & cooling minimize our electricity consumption. As Purnaa constructed our purpose-built factory, we ensured that all workers had access to internationally standard lighting levels for their work. This more than doubled the amount of lights in our production spaces and has led to an increase in electricity consumption in 2024.

Tons of CO2 per Employee from Electricity Usage



Tons of CO2 Saved by Energy-Efficient Machines



Total KWH Consumed



Total KWH Saved by Energy-Efficient Machines



Sustainable Fabrics

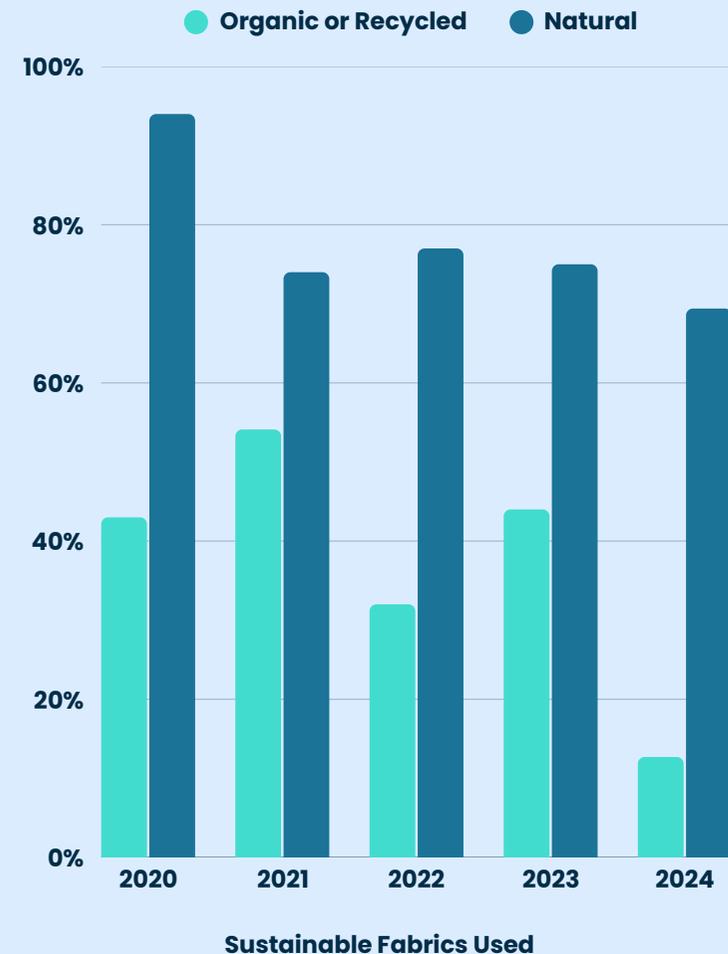
Most of our environmental impact depends on the materials we use to make our products. We prefer natural fiber-based fabrics that do not emit microplastics into the water. We work with customers to replace conventional materials with fabrics made with more sustainable methods such as organic cotton,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

This year we saw a strong decrease in the percentage of organic or recycled materials used. This was due to an increase in our doll production which uses natural, but not organic materials. However, the total amount of organic or recycled materials we used on a kg basis actually increased 50% from the previous year.

In addition, through offering home-compostable packaging, Purnaa saved 11,785 plastic bags from going to landfills.

11,785

plastic bags saved from going to landfills



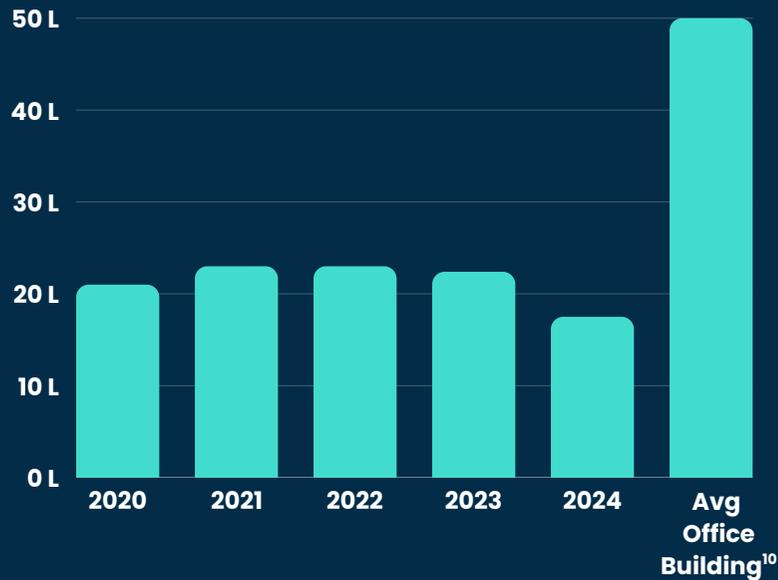
Water Usage

For about half of every year, Kathmandu struggles with a shortage of water. It also struggles with effective infrastructure for water treatment. As a factory with nearly 300 employees, it is important that we carefully control water usage. Our new building is equipped with water efficient fixtures and also features a rainwater collection system.

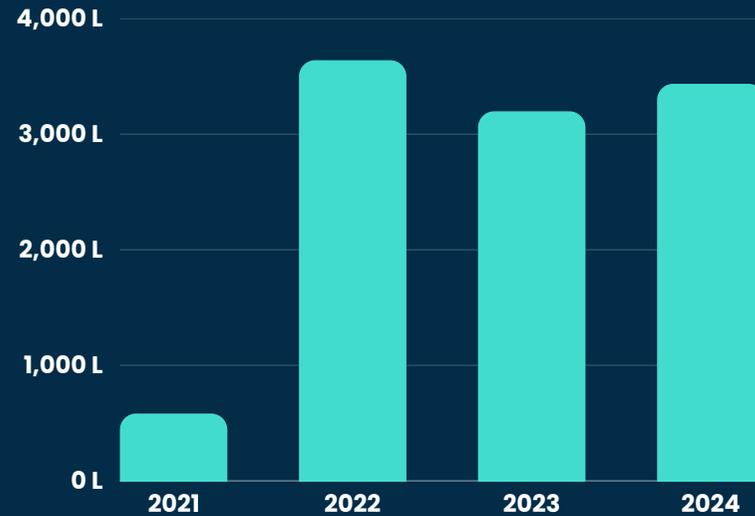
To make our baseball caps, instead of traditional water-based fabric dyeing, we use a Dye Sublimation Printer, which saves an average of 3.96 liters of water per kg of fabric.¹¹ We continue to see water savings by utilizing this method of fabric dyeing.

Overall, Purnaa uses less than half of the water per employee than the industry average.

Liters of Water Used Per Employee Per Day



Liters of Water Saved from Digital Printing vs Dyeing

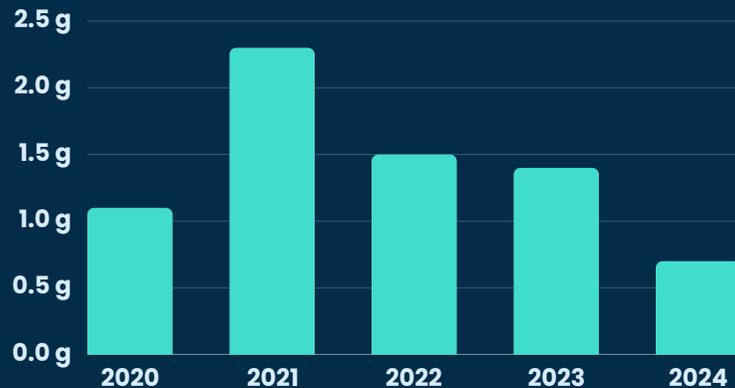


Waste Control and Recycling

We work hard to reduce factory waste and ensure that any waste we produce is upcycled or recycled. We segregate waste, up-cyclable material scraps, and recyclable materials at source, and contract with companies to responsibly use or process these materials.

In 2024, 1056kg of material scrap was sent to be upcycled into cushions and mattress stuffing. This was a decrease from previous years, primarily due to the road blockage for more than 6 months of the year.

In addition, as our production of knit dolls increases we see a natural drop in the amount of scrap generated as these dolls generate very little waste. This has led to an overall decrease in the amount of scrap / \$ sales.



Grams of Scrap Material per \$ of Sales

Purnaa recycles at source its paper, plastic, aluminum, and e-waste. Our recycling company provides a report of environmental benefits from our company's recycling. In 2024 Purnaa's recycling efforts yielded the following results.

16
trees saved

15,590
KwH of Electricity Saved

1,641,000
Liters of Water Saved

1,282
1282 Kg of CO2 Saved

Economic Situation

Good wages are key to our social mission of creating fresh starts and fulfilled lives for marginalized people in Nepal. We are committed to paying a Living Wage to all of our staff.

Each year we go through a WFTO-defined process with our staff to update our estimate of living wage in Kathmandu. The process involves considering the cost of a basket of certain goods in our local area compared to Nepal's minimum wage, potential wages earned in alternative forms of employment in our area, and published studies about living wage in Nepal. Finally, we conduct collaborative meetings with a committee of staff elected by their peers to update our living-wage target which becomes Purnaa's lowest wage for the next fiscal year and the lowest basis for piece rate calculations.

In 2024, we determined the living wage in Kathmandu to be Rs 42,600 for a family of 4 people (which includes two working adults and two children). Therefore Purnaa's living wage per worker is half of this at Rs 26,300.

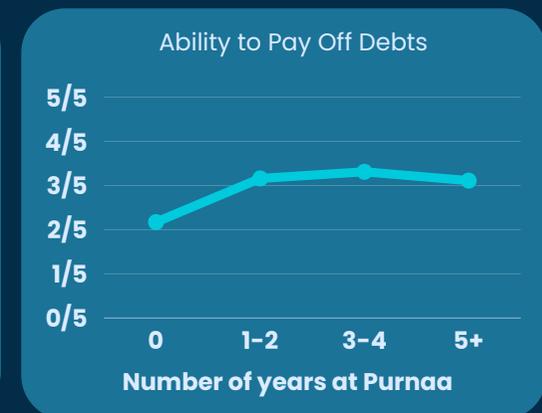
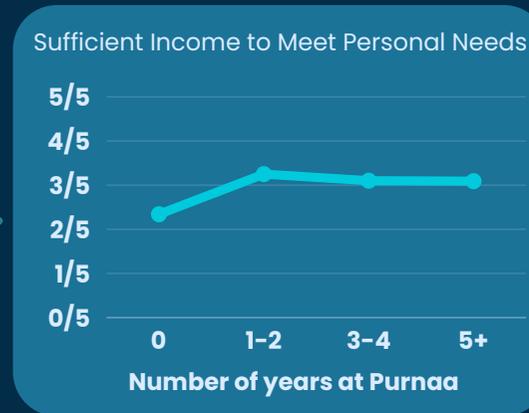


Economic Situation

In our previous impact reports, we showed a year-over-year decline in our worker's overall economic situation from 2019 to 2023. The effect of down-days during COVID, high inflation, and taking a long time to learn new skills in our new knitting team had a negative impact on Purnaa's worker's earnings.

In 2023, we raised our piece rate by an average of 15% for our knitting teams and adjusted other salaries for inflation. In 2024 we raised our piece rates again for all workers by an average of 10% and admin staff by an average of 13%. While financially challenging from a business perspective, the result was an improvement in the overall economic score for Purnaa staff year on year, nearly recovering to pre-pandemic levels. When surveyed anonymously, over 80% of production staff report that their earnings exceed what they could reasonably earn elsewhere.

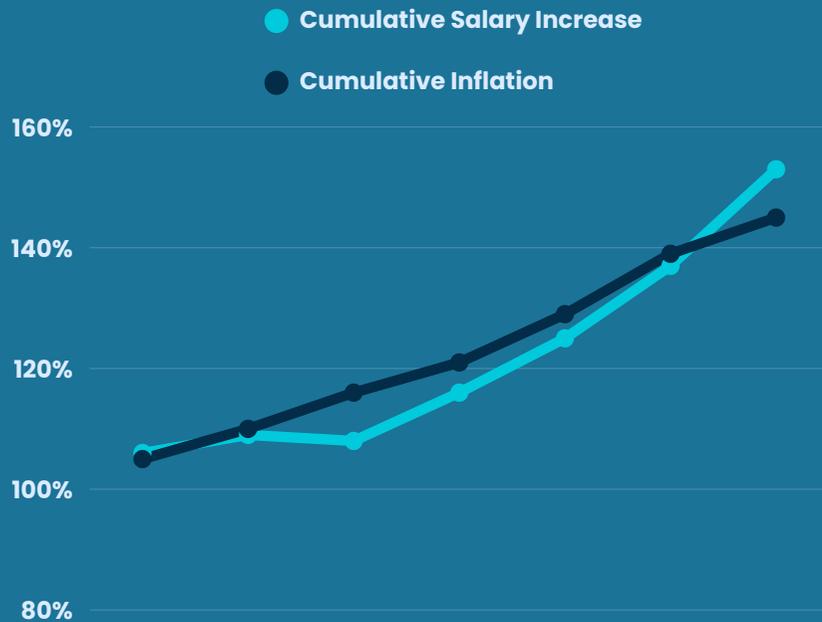
We continue to see that working with Purnaa over time increases employees' perception of economic security, especially in the first few years, as shown by a gradual increase in scores in "Sufficient Income to Meet Personal Needs" and "Ability to Pay off Debts."



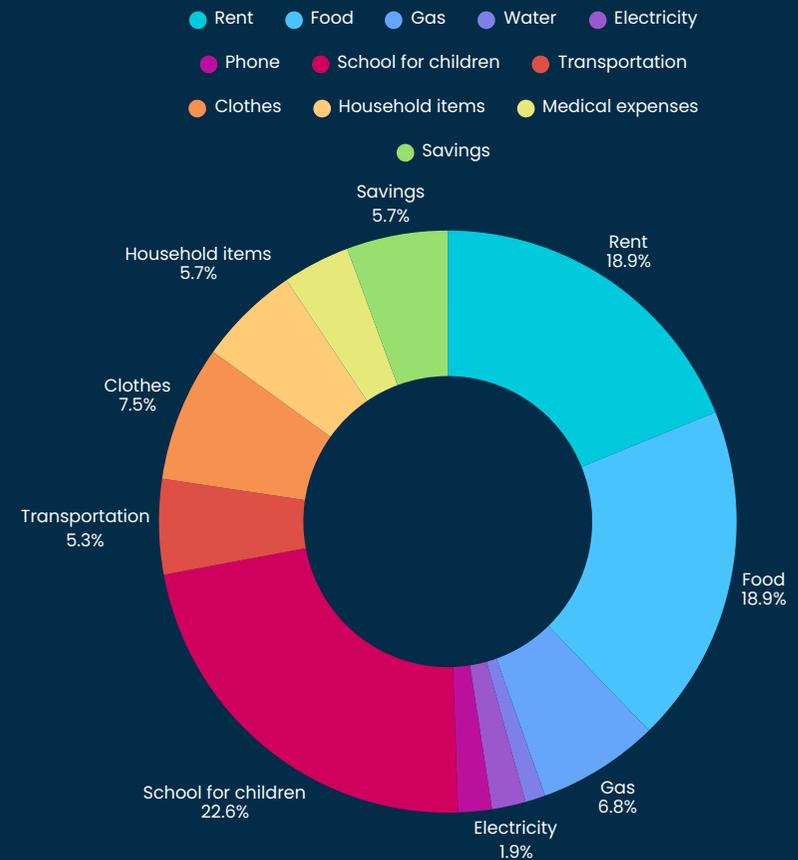
Economic Situation

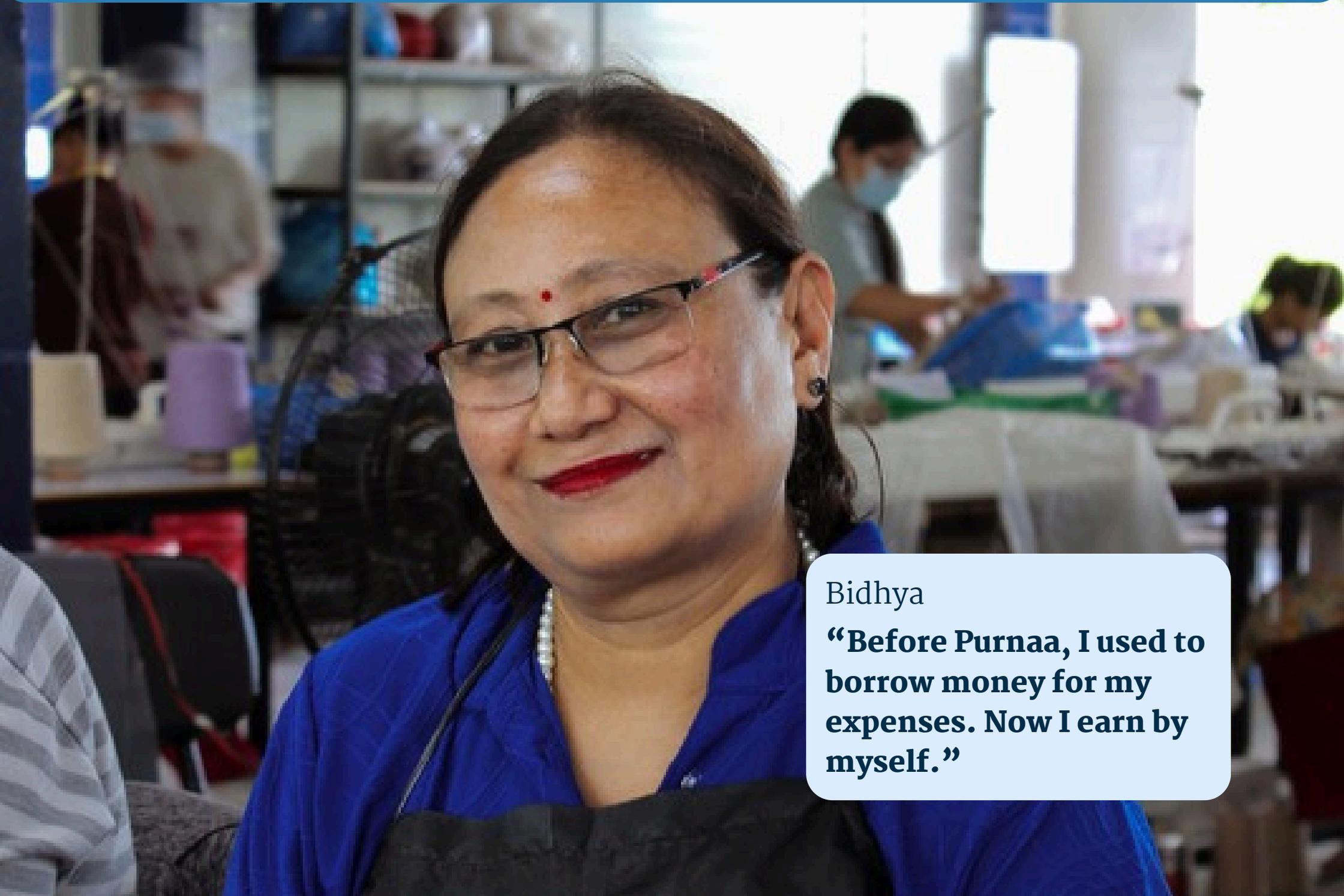
As a developing nation, inflation in Nepal is typically higher than the global average. Since 2017, inflation has cumulatively increased costs by approximately 45%, while Purnaa's salary growth for the lowest paid workers in the same period has increased 53%.

Purnaa's Lowest Paid Worker Salary vs Inflation



Cost of Living Breakdown Family of Four Rs52,602





Bidhya

“Before Purnaa, I used to borrow money for my expenses. Now I earn by myself.”

Living Situation - Ownership of Goods

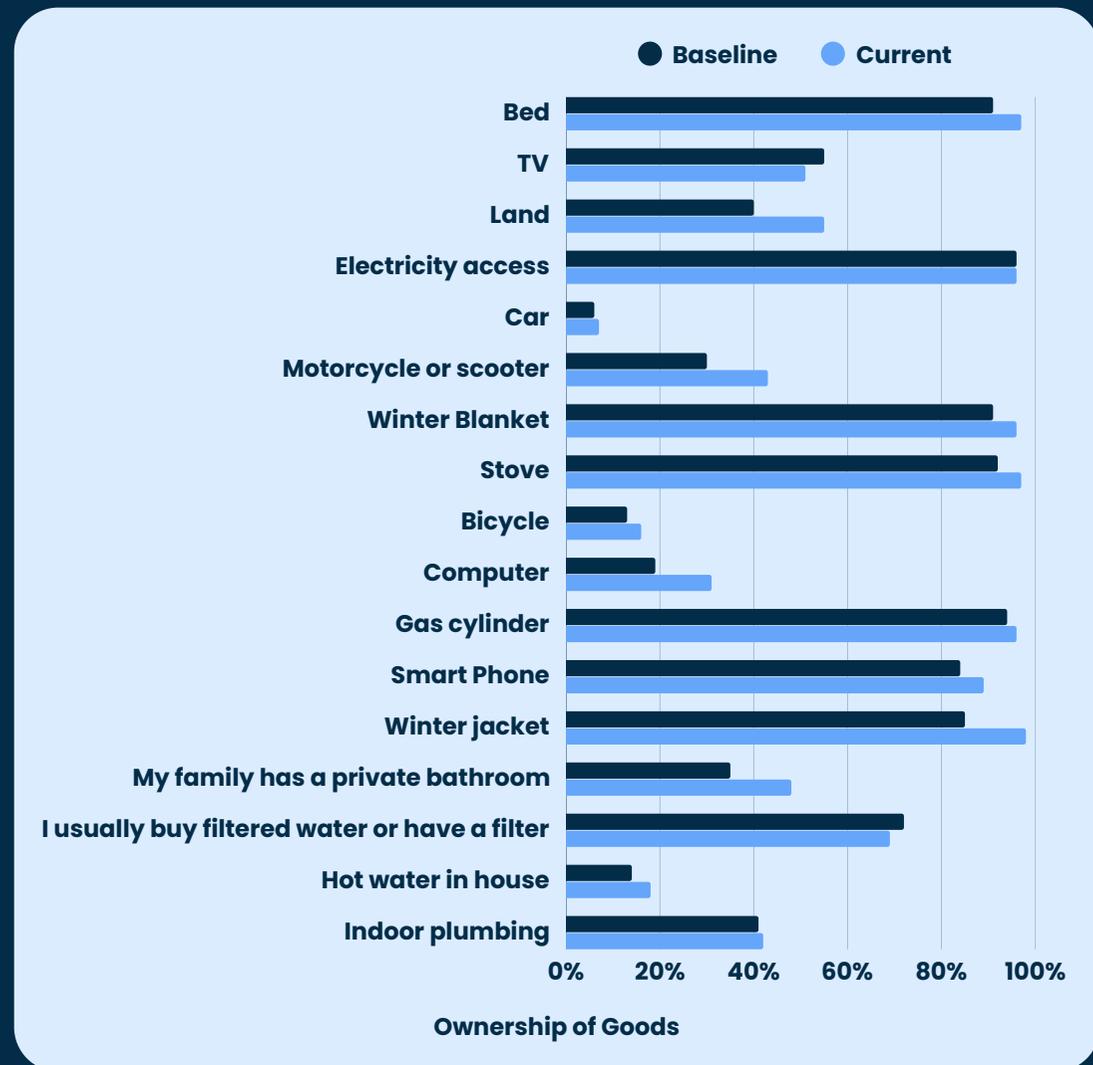
Although employee ratings of their economic situation can be subjective, we are pleased to see very concrete evidence for improved quality of life after getting a job at Purnaa by reported ownership of certain household items. This chart demonstrates the difference a good job can make in the quality of living standards for employees and their families.

The biggest single increase in ownership of an item is a scooter or motorbike. Public transportation in Kathmandu is disorganized, overcrowded, and cumbersome. Scooters and motorcycles are the most practical way to get around. Purnaa's adult learning program which helps staff get driver's licenses along with our interest free scooter loan program is a primary driver of this increase.

Other strong increases include access to a private bathroom for the family, computers, and winter jackets.

The use of filtered water has declined slightly with time. We think this is primarily because municipality-supplied water access has improved and some employees have stopped buying jugs of filtered water, opting for the un-filtered, but usually clean municipal water.

TV ownership has also declined over time, likely due to the increase in smart phone access.



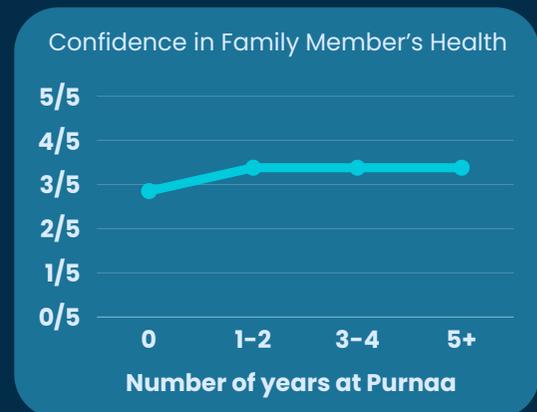
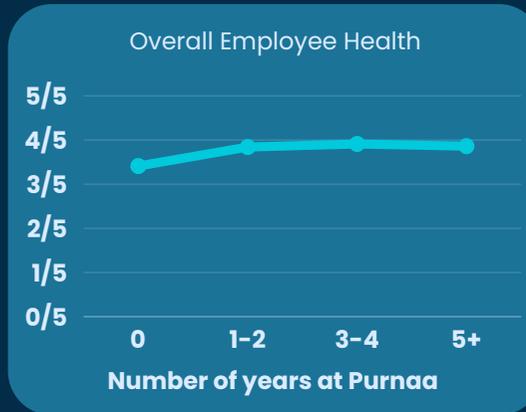
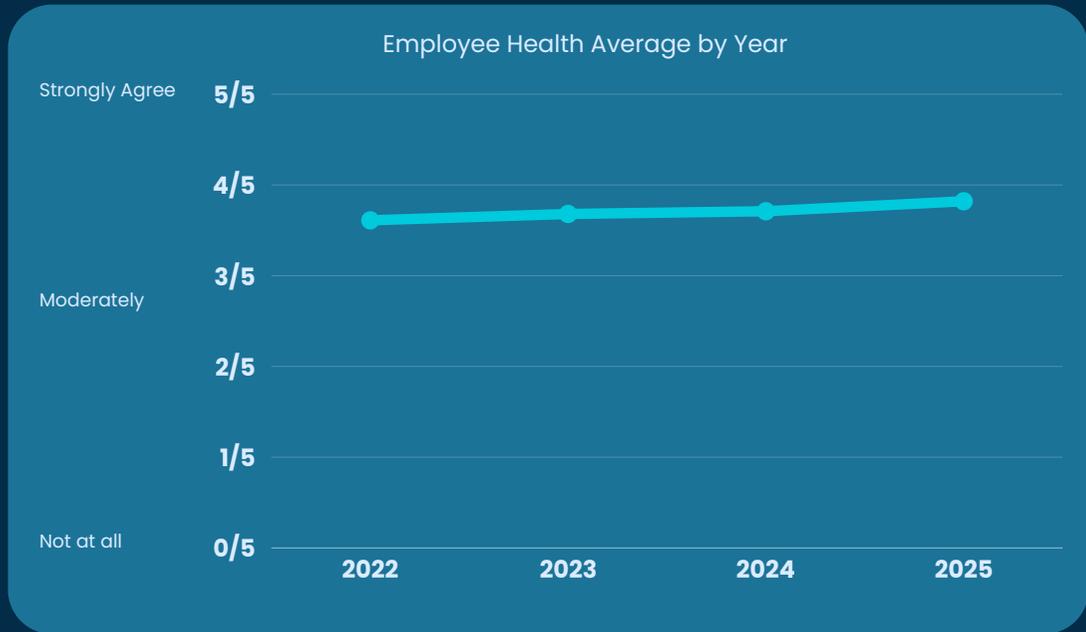


Juhi
“After working at Purnaa I am able to provide food, education, and clothes to my children.”

Physical Health

We have seen steady increases over the last 3 years in overall employee health. Up from a 2022 low post COVID and the 2022 dengue outbreak. We also see improved health reporting with longer service at Purnaa.

An area that shows significant improvement with time worked at Purnaa is **Confidence in Family members' health**. A steady job and access to health insurance allow care-takers to feel more confident in their children's and elderly parent's health.



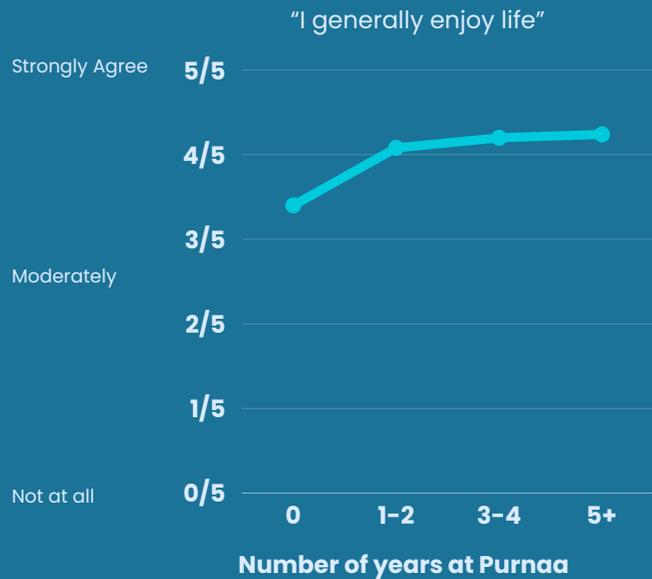


Hari
“I receive good medical treatment when I get sick.”

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.

"I value myself" and "I generally enjoy life" in particular show significant increases.





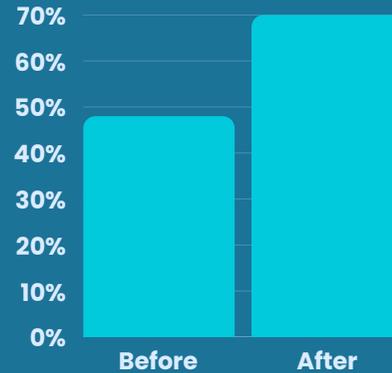
Bina
“I feel confident and believe in myself to do something.”

Relationships

We see that after getting a job in a supportive environment, staff are much more likely to say they feel "surrounded by people who care."

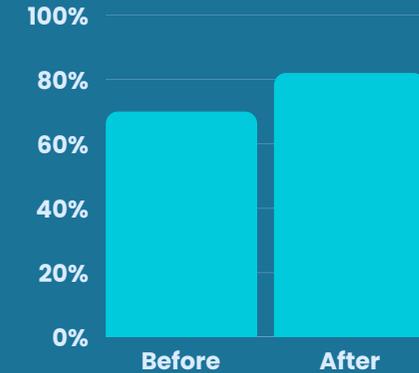
Additionally, by empowering women economically we see their participation in family decisions increase over time.

Surrounded by People Who Care



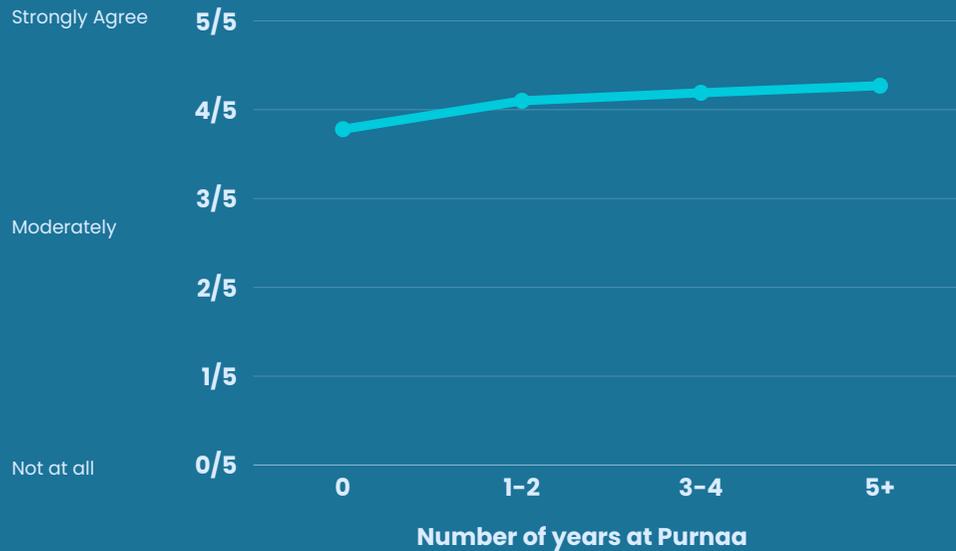
Before and After Working at Purnaa

I Feel Treated Fairly

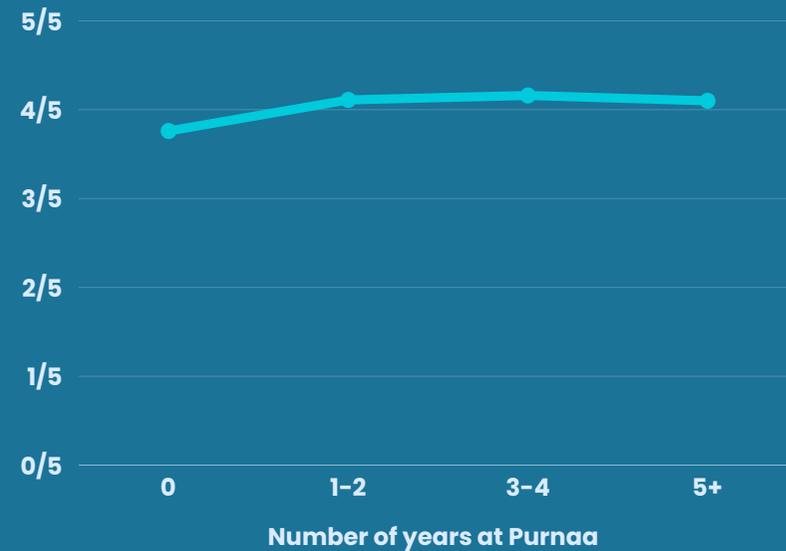


Before and After Working at Purnaa

Participation in family decisions



Relational Satisfaction





Sunaina

“I am surrounded with people who have good thoughts and value my feelings.”

Physical Environment

After joining Purnaa, many staff relocate to better living situations and report an increase in their feeling of safety. This increase is sustained over time.

This year we see significant improvement in staff's ease of coming to work corresponding to an increase in scooter ownership and the launch of free bus transportation to and from work.

We are also pleased to see a significant increase in staff that report they have time outside of work to pursue personal interests.

I Have Opportunities For Spare Activities Outside of Work



"I like where I live"



"I feel safe in my daily life"



Ease of Coming to Work

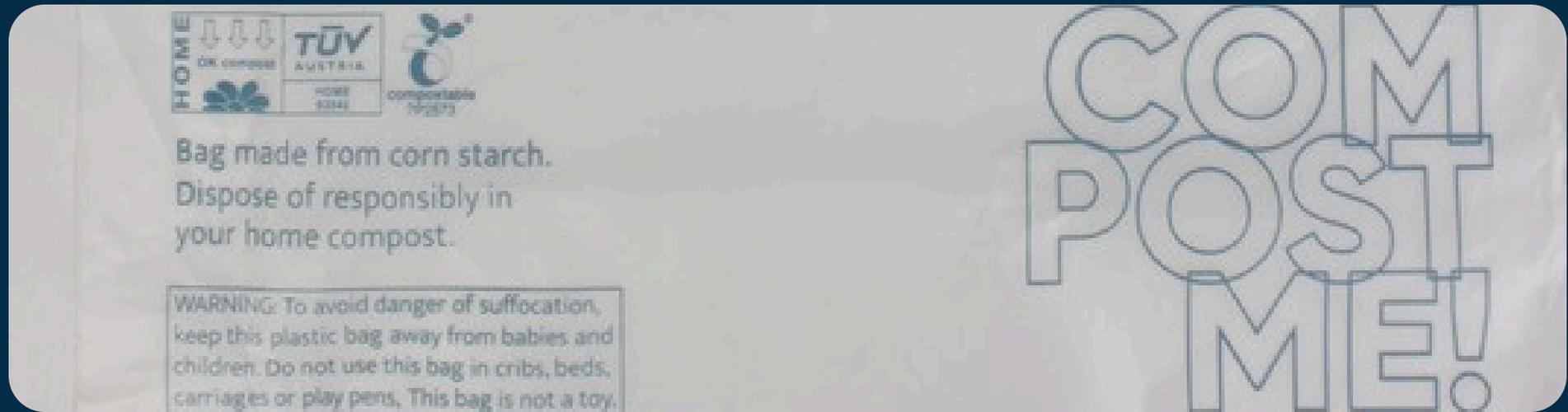




Salina

“With the help of Purnaa, I now own my own scooter”

Areas for Improvement



Sustainable Packaging

Purnaa upgraded to home-compostable corn-starch plastic packaging as the standard packing material and we have started tracking and reporting how many plastic bags are saved from landfills. However, some of our biggest customers send us their own traditional plastic packaging. This could be due to the need for consistency across supply chains, cost, customized branding, or other business requirements. We see that a majority of products shipped are not taking advantage of our sustainable packaging, and we would like to see this change in 2025.

CO₂ from Shipping

A large environmental impact of our business is the CO₂ emitted from shipping products and receiving materials. By far the largest share of our shipment CO₂ emissions comes from air shipping. Our goal is to eventually start reporting our total emissions from import and export air shipping.

Living Wages

While more than 80% of production staff indicate wages at Purnaa exceed what they could earn elsewhere, we see that some production staff are not able to earn a living wage. We would like to see the percentage of workers meeting or exceeding living wage increase in 2025.

Looking Ahead

Our Goals for 2025

20 New Jobs

Create more than 20 new jobs, focusing employment on people 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, especially those seeking an ethical cap factory or stuffed toy factory.
- Become a Purnaa Empowerment Fund sponsor and help trafficked Nepali women journey home and find freedom, scholarship Purnaa employees and their children, and provide counseling and other needed social services.

Contact us at info@purnaa.com to find out how to give.

Improved Efficiency

Improve our production efficiency and increase training to improve the wages of the lowest-earning staff

Crochet Partnerships

Add new customers to our knitting production unit through new crochet partnerships.



Notes + Links

1. Mideq, 2019. [https://www.mideq.org/en/resources-index-page/nepal-brief/#:~:text=Approximately%203.5%20million%20Nepalese%20\(14,\(GCC\)%2C%20and%20India.](https://www.mideq.org/en/resources-index-page/nepal-brief/#:~:text=Approximately%203.5%20million%20Nepalese%20(14,(GCC)%2C%20and%20India.)
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