

 PURNAA

IMPACT REPORT

2026



CONTENTS



Contents

- 03 — Welcome
- 04 — Letter from the Director

About Purnaa

- 06 — Our Mission
- 07 — About Purnaa
- 08 — Why Nepal
- 09 — Values

Our Year in Review

- 11 — This Year’s Big Events
- 13 — 2025 at a Glance

Our Impact

- 15 — Empowerment Fund

Community Wellbeing

- 18 — Economic Situation
- 21 — Living Situation - Ownership of Goods
- 23 — Physical Health
- 25 — Emotional Health
- 29 — Relationships
- 31 — Physical Environment

Environmental Impact

- 33 — Environmental Sustainability Overview
- 34 — Electricity Consumption
- 35 — Sustainable Fabrics
- 36 — Water Usage
- 37 — Waste Control & Recycling

Wider Impact & Accountability

- 39 — SDG Contributions
- 40 — Partnerships & Memberships

Reflection & Future

- 42 — Areas for Improvement
- 43 — Looking Ahead
- 44 — Notes and References

WELCOME TO THE IMPACT REPORT

Each year we track and analyse our impact to understand whether our work delivers real, measurable change. Impact reporting allows us to assess trends in team satisfaction, social outcomes, and environmental performance, so we can make informed improvements.

We are registered as a Public Benefit Corporation, which makes annual impact reporting mandatory. However, we have published impact reports for more than a decade, long before it was required.

The process is rigorous. Each year, we survey our entire workforce, all 300 team members in production manually using paper forms. The HR and staff development team gathers data in the factory over a two-week period. Data aggregation and analysis take a further month.

The impact report allows us to evaluate our progress against our mission to create life-changing employment opportunities. It provides assurance to customers, staff, and other stakeholders that we operate to the ethical standards we set for ourselves.

This report presents a clear and honest assessment of where we are, where we have met our goals, and where more work remains. It reflects our social and environmental progress over the past year. Thank you for taking the time to read it.

332

CURRENT STAFF MEMBERS

32

NEW JOBS (NET) CREATED

11%

GROWTH IN STAFF

33

PEOPLE RECEIVED LIFE-SKILLS AND JOB SKILLS TRAINING

93%

OF OUR STAFF ARE FEMALE

52%

OF NEW STAFF HAD THEIR FIRST JOB AT PURNAA

99,800

RIDES ON PURNAA BUSES

84

COUNSELLING SESSIONS RECEIVED

PURNAA

LETTER FROM THE DIRECTOR

Welcome to our 2026 Impact report! Every year we release this updated report to take a look at how well we are doing in accomplishing our mission of creating “fresh starts and fulfilled lives” for marginalized people in Nepal. I am excited for the opportunity to share with you some of this year's highlights and progress as we have continued to build momentum in several key areas.

Our trend of expanding employment opportunities continued with the addition of 32 new staff. Alongside our production staff, we made additions in Marketing, Business Development, and Product Development in order to better support our current and future customers.

Through the empowerment fund, Purnaa was able to offer life skills training to more than 33 staff, double the number of interest-free scooter loans to staff, and expanded the number of school scholarships to 42 students. In addition, we launched a new trauma healing program, which was highly effective at healing past wounds for more than 20 of our staff.

On the environmental side, we doubled the amount of fabric scraps upcycled and also doubled the amount of plant based packaging.

Looking ahead we are eager to continue to grow our mission in both depth and breadth. We hope to expand our customer partnerships and offer more employment opportunities where they are needed most, while at the same time bringing deeper healing and growth to all of our staff.

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

Sincerely,
Richard Faber, CEO





ABOUT PURNAA

OUR MISSION

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

ABOUT PURNAA

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 as 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. Some of the ways we do this are by:



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



Offering stipends during initial skills training for unskilled workers



Providing transportation support for employees to get to and from work



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



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



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



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



WHY NEPAL?

Nepal is a country of immense potential, with a young population, rich culture, and a striking natural landscape. As a developing nation, it continues to face structural challenges that limit access to stable employment. Each year, hundreds of thousands of Nepalis leave the country in search of work abroad, which can be due to a lack of opportunities at home.⁵ Nepal also remains vulnerable to labour exploitation and human trafficking, particularly affecting women and marginalized communities.

At Purnaa, we chose to operate in Nepal because we believe fairly paid employment can play a role in addressing these issues. By creating safe, long-term jobs, we aim to reduce the need for unsafe migration and provide economic stability.

14%

or 3.5 Million Nepalis work abroad. This comprises 28% of its working-age population and reflects the limited availability of employment opportunities within the country.¹

28%

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

109th

Nepal ranks 109th out of 181 countries on the global corruption index. Although there have been recent political changes, ongoing governance challenges continue to impact public trust.²

40,000

An estimated 40,000 people are trafficked from Nepal each year, including 15,000 women and 5,000 girls.⁴

Risk of Long-Term 'Brain Drain'

Continued migration, particularly among younger and educated individuals, raises concerns around long-term 'brain drain,' where skilled workers leave the country permanently, reducing the potential for local economic development and innovation.³

VALUES

Our values influence how we work, make decisions, and grow as a business. They guide our day-to-day actions as well as our long-term direction.

To keep these values embedded in our work we hold twice-monthly, company-wide sessions focused on how they show up in practice, from how we collaborate as a team to how we approach our work. We express our values simply and clearly, so they can be remembered and lived by everyone across the organization.



Beauty

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



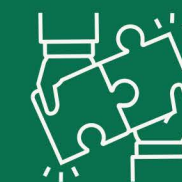
Justice

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



Excellence

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



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



OUR YEAR IN REVIEW

THIS YEAR'S BIG EVENTS

Community Cleanup

Guided by our core value of beauty, more than 250 team members came together for a community clean-up initiative, helping create a cleaner and safer environment for the wider community while strengthening a shared sense of care and responsibility among our team.

Purnaa Receives Recycling Award from Doko Recyclers

We were recognized with a Recycling and Waste Management Award from Doko Recyclers, reflecting over eight years of collaboration in reducing landfill waste and supporting more sustainable practices within our operations.

Purnaa Marg (Purnaa Street) Open for Business

Following flooding in Kathmandu in 2024, road access to our new factory became a key concern. In collaboration with the local municipality, we supported the reopening of Purnaa Marg, improving access for staff, logistics, and the surrounding community.

Trauma Support at Purnaa

As a member of the Freedom Business Alliance, we continued supporting a trauma-informed workplace through trauma healing groups and in-house counseling. Three sessions were completed during the year, helping employees better understand and navigate mental health challenges.

Expanded Cap Catalog, New Styles, and Sublimation Guide

We released an updated cap catalog featuring two new styles - Mid-Pro 5-Panel Flat Visor and Mid-Pro Trucker Flat Visor - alongside an updated sublimation guide to support better customization and reduce material waste.

Sublimation Printer Upgrade

We strengthened our production capabilities with the installation of a new sublimation printer, improving print precision, reducing material waste, and supporting more efficient production.



THIS YEAR'S BIG EVENTS

New Hires

In 2025, we expanded our team by welcoming 30 new knitters - nearly half entering formal employment for the first time - alongside new hires in business development, product development, and marketing.

New Business Development and Product Development Teams

We reorganized our sales and project management teams to concentrate on two priorities: understanding customer needs more deeply and ensuring production readiness — so customers get better outcomes and higher-quality products.

Higher Ground 5K Fun Run

Over 150 team members joined the Higher Ground 5K Fun Run, helping raise funds for scholarships and training programs for women and children. Held around International Women's Day, the event brought together organizations working toward similar community-focused values.

Celebrating Together – Christmas and Easter

More than 300 team members gathered to celebrate Purnaa's 12th annual Christmas party, and over 600 employees and family members joined our Easter picnic at Sikali - our largest gathering yet.

Child Labor Free Ward Declaration – Godawari Municipality

We were invited to attend Godawari Municipality's Child Labor-Free Ward Declaration program, recognizing local efforts to eliminate child labor and child marriage while improving access to education. During the event, Purnaa was also acknowledged for its contributions to the local community.

Generosity Campaign

Employees and the company collectively chose to support local communities affected by the Gen Z protest aftermath. The team donated water dispensers and essential computer accessories to local police stations in Bhainsepati and Chhampi to help restore daily operations.



2025 BY THE NUMBERS

835



People Supported

32

Net Increase in Staff. Each staff member supports an average of 2.5 people

130,000

Products shipped

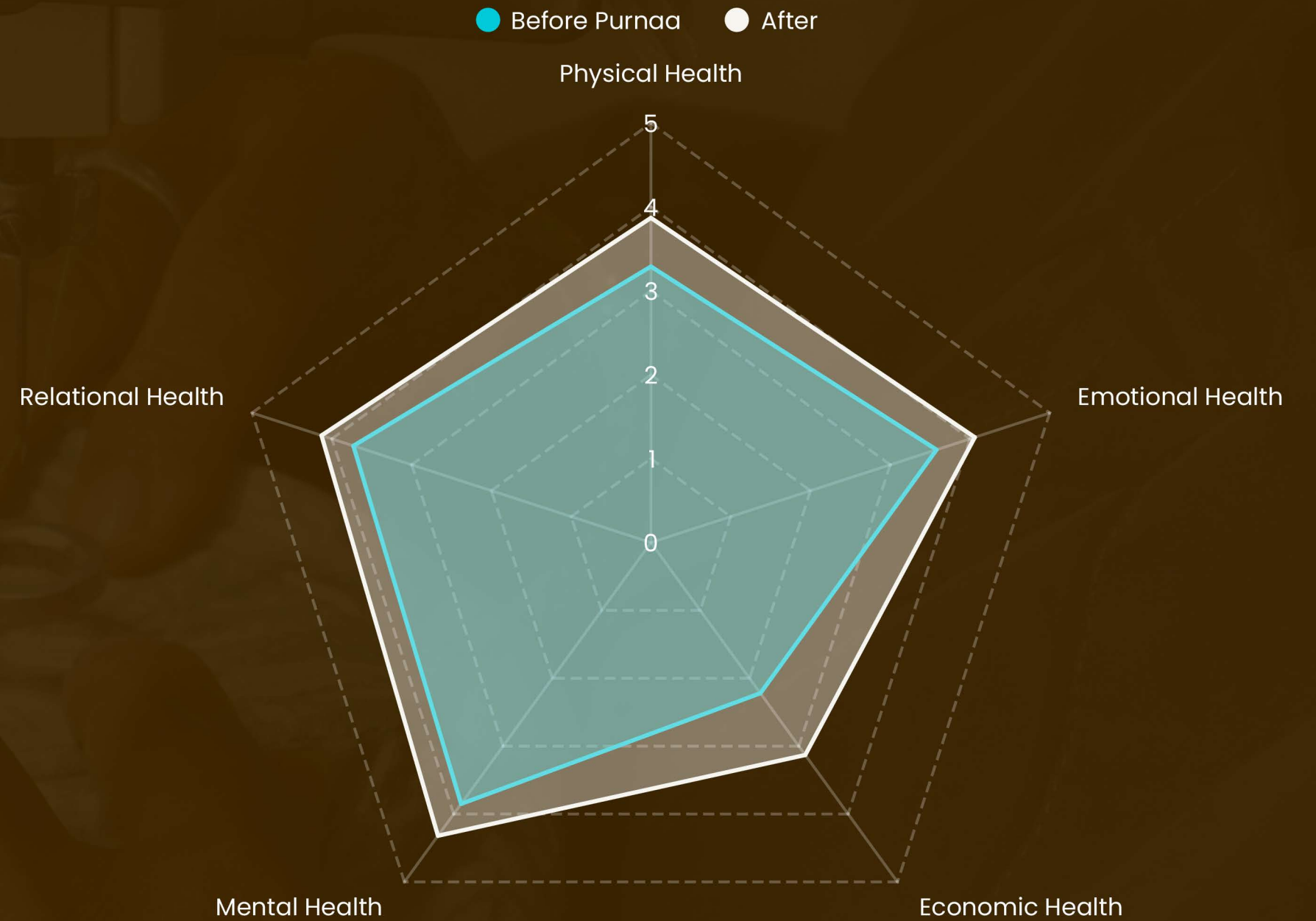
48%

of our employees come from Empowerment Backgrounds.

30%

of our employees come from severe exploitation or discrimination.

Employee Health After Joining Purnaa





OUR IMPACT

EMPOWERMENT FUND

Purnaa’s Empowerment Fund operates in partnership with a US-based non-profit to support Purnaa’s employees, their families, and the surrounding community 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 offers life skills training and development, adult education, school allowance 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 to encourage employees through celebrating birthdays, anniversaries and Christmas and Easter holidays.

Highlights from the year include 33 new employees receiving life-skills and production-skills training, 43 children awarded school scholarships, 42 adults supported through learning scholarships, six employee emergency cases assisted, and 84 counseling sessions provided — all administered transparently to ensure timely, needs-based support. These investments not only eased immediate crises and increased access to education and training, they also strengthened workplace morale and community resilience, turning donor generosity into measurable local impact.



33

New employees received life skills and production skills training

43

Children supported through school allowances

42

Adult learning scholarships disbursed

84

Counseling sessions provided

6

Employee emergency cases assisted

EMPOWERMENT FUND INCOME AND EXPENSES 2025

Empowerment Fund Expenses 2025

Gifts to Purnaa Empowerment Fund	\$42,150.00
School Allowance	\$16,317.89
Birthday and Holiday Celebrations	\$9,703.91
Training and Development	\$7,313.46
Emergency Support (Medical or Family Crisis)	\$1,305.28
Life Skill Training	\$1,089.60
Employee Welfare	\$753.81
Corporate Social Responsibilities	\$2,107.91
Total Expenditure	\$38,591.87



COMMUNITY WELLBEING

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.

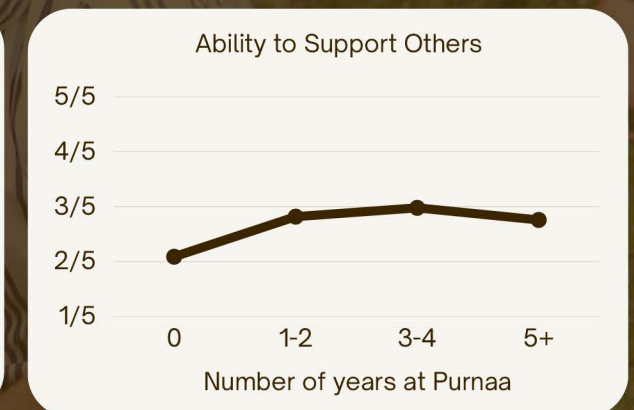
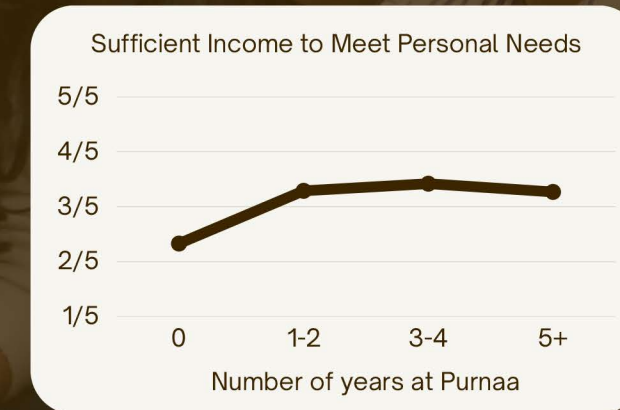
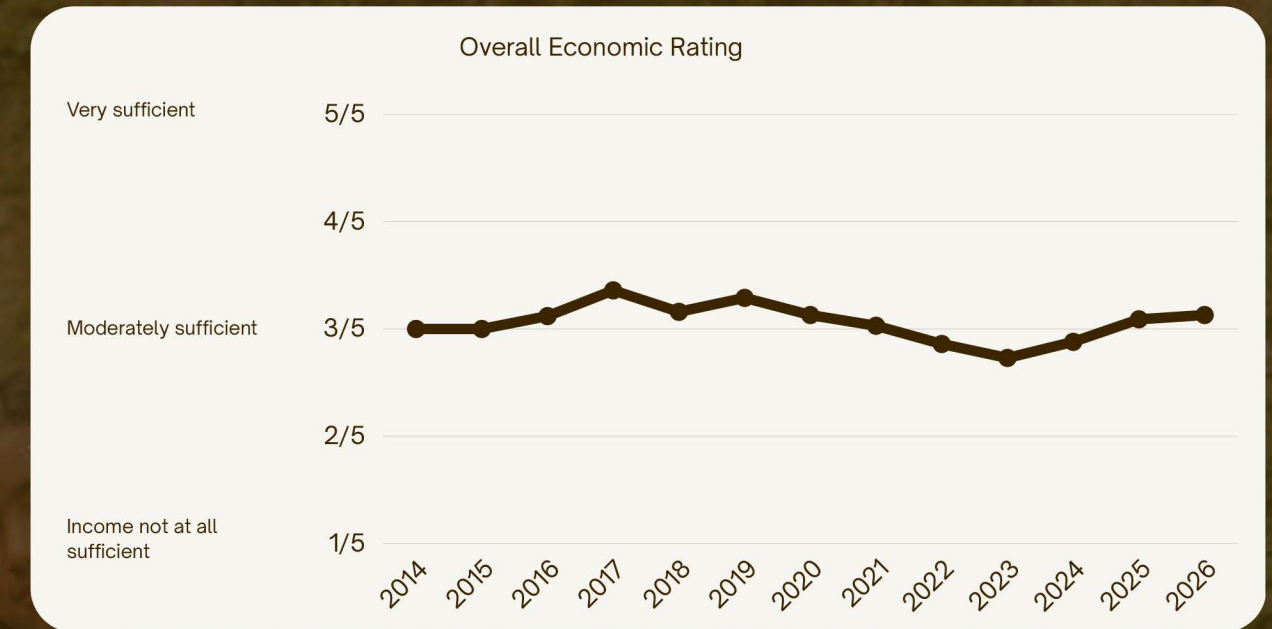
Each year, we go through a WFTO-defined process with our staff to update our estimate of the living wage in Kathmandu. The process involves considering the cost of a basket of certain goods in our local area compared to Nepal’s minimum wage, potential wages earned in alternative forms of employment in our area, and published studies about the living wages 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.

Following wage and piece-rate adjustments made in recent years, Purnaa continued to review compensation in response to rising living costs in 2025.

Alongside salary revisions, transportation allowances were also increased to better support employees with daily commuting expenses.

Several operational improvements also contributed to stronger earning opportunities for production staff. Ongoing skill trainings helped employees improve productivity and efficiency, while updates to the production system reduced delays and waiting periods within workflow processes. By creating a smoother and more efficient system, employees were able to maintain more consistent production output.

In addition, the continued use of performance-based bonus systems provided further opportunities for employees to strengthen their income. Together, these changes contributed to improvements in employees’ overall economic situation and earning stability throughout the year.

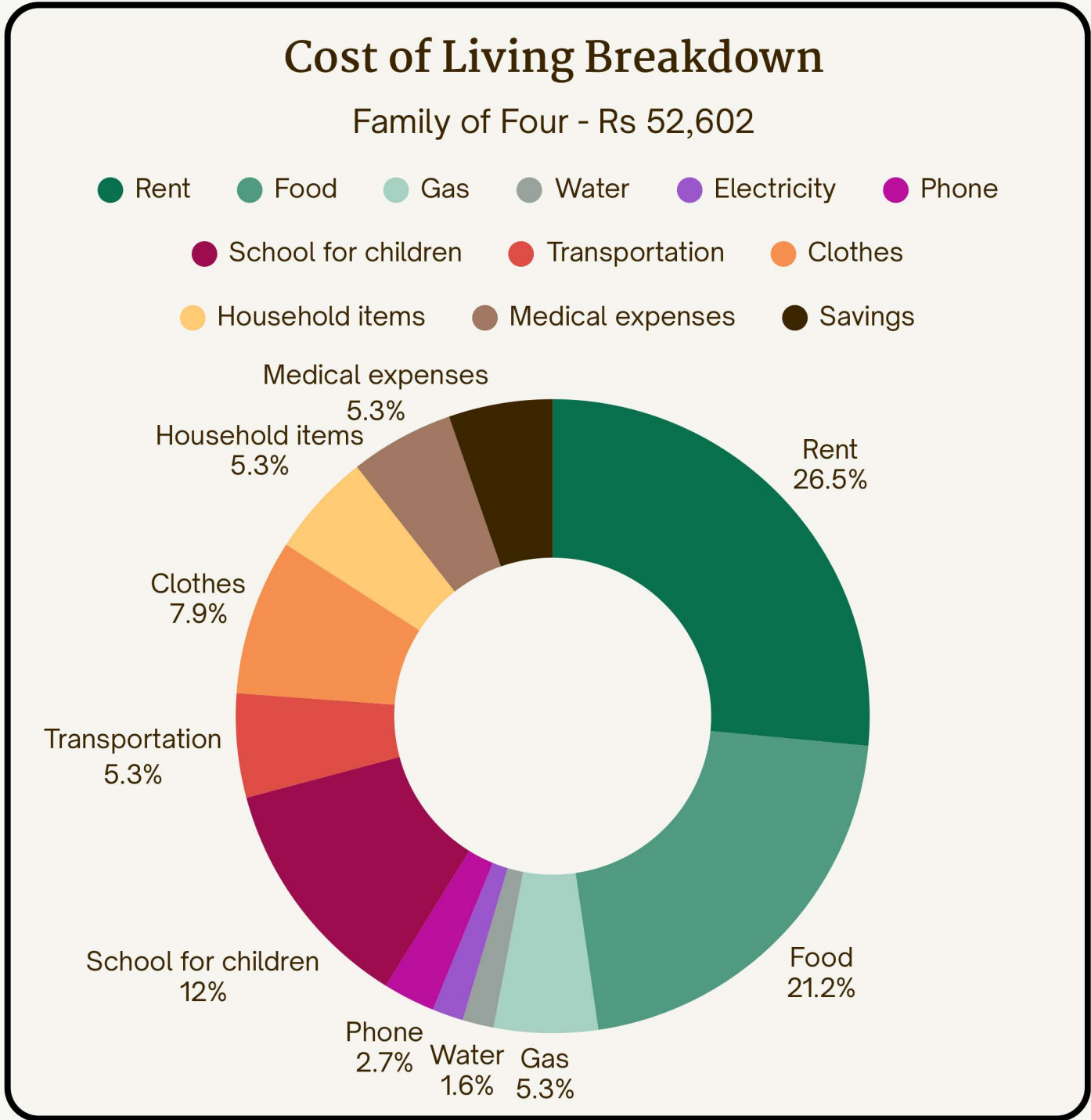
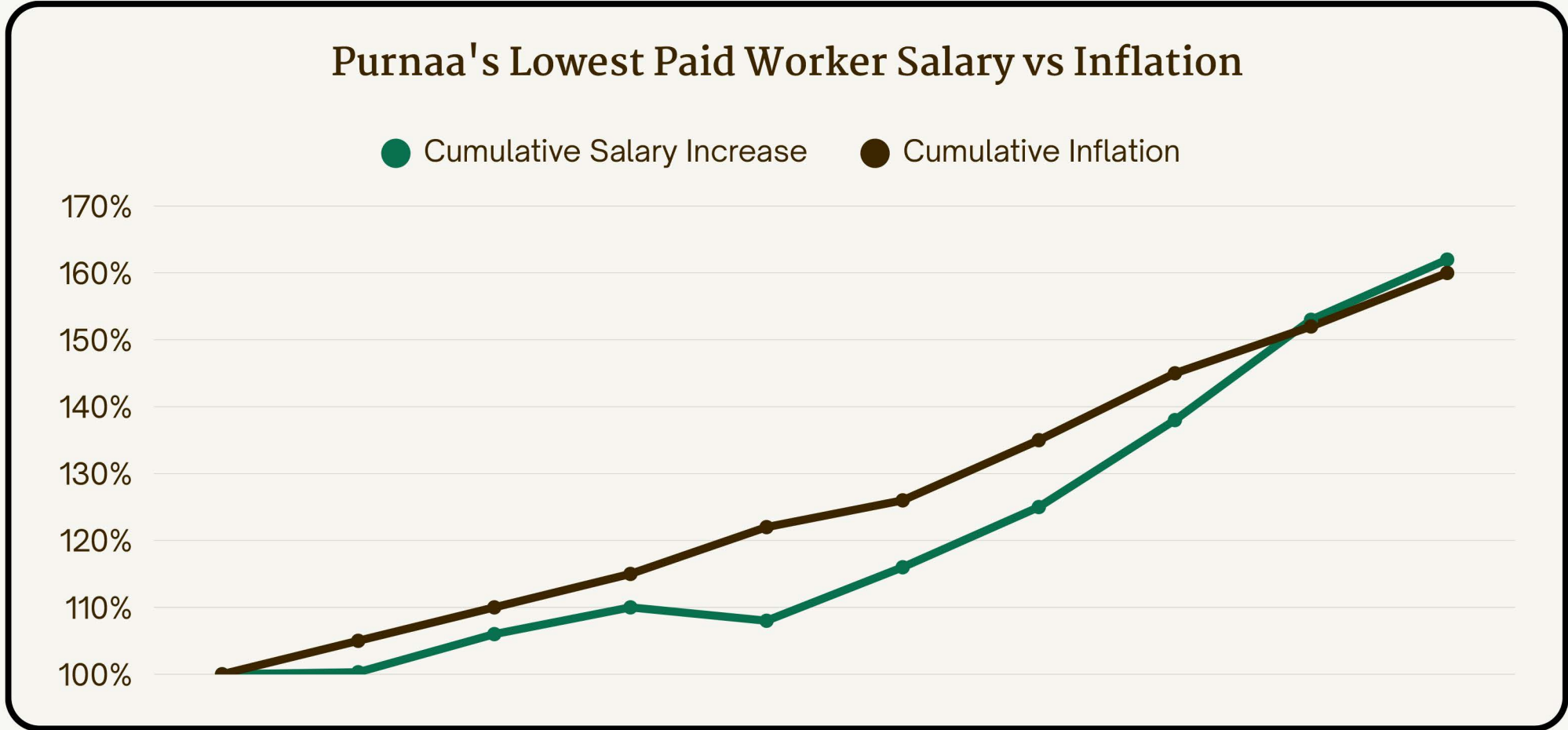


We continue to see that working with Purnaa over time increases employees’ perception of economic security, especially in the first few years, as shown by a gradual increase in scores in these charts.

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 60%, while Purnaa’s salary growth for the lowest-paid workers in the same period has increased by approximately 62%.

This high inflation environment challenges Purnaa to seek operational efficiencies and upskill workers to be able to increase salaries while limiting price increases.



A woman with reddish-brown hair, wearing a yellow floral patterned shirt and a black apron, is smiling and looking towards the camera. She has a bindi on her forehead and is wearing a necklace and earrings. In the background, there is a classroom setting with other people seated at desks. The background is slightly blurred.

"I have been able to fulfill my children's needs & mine too."

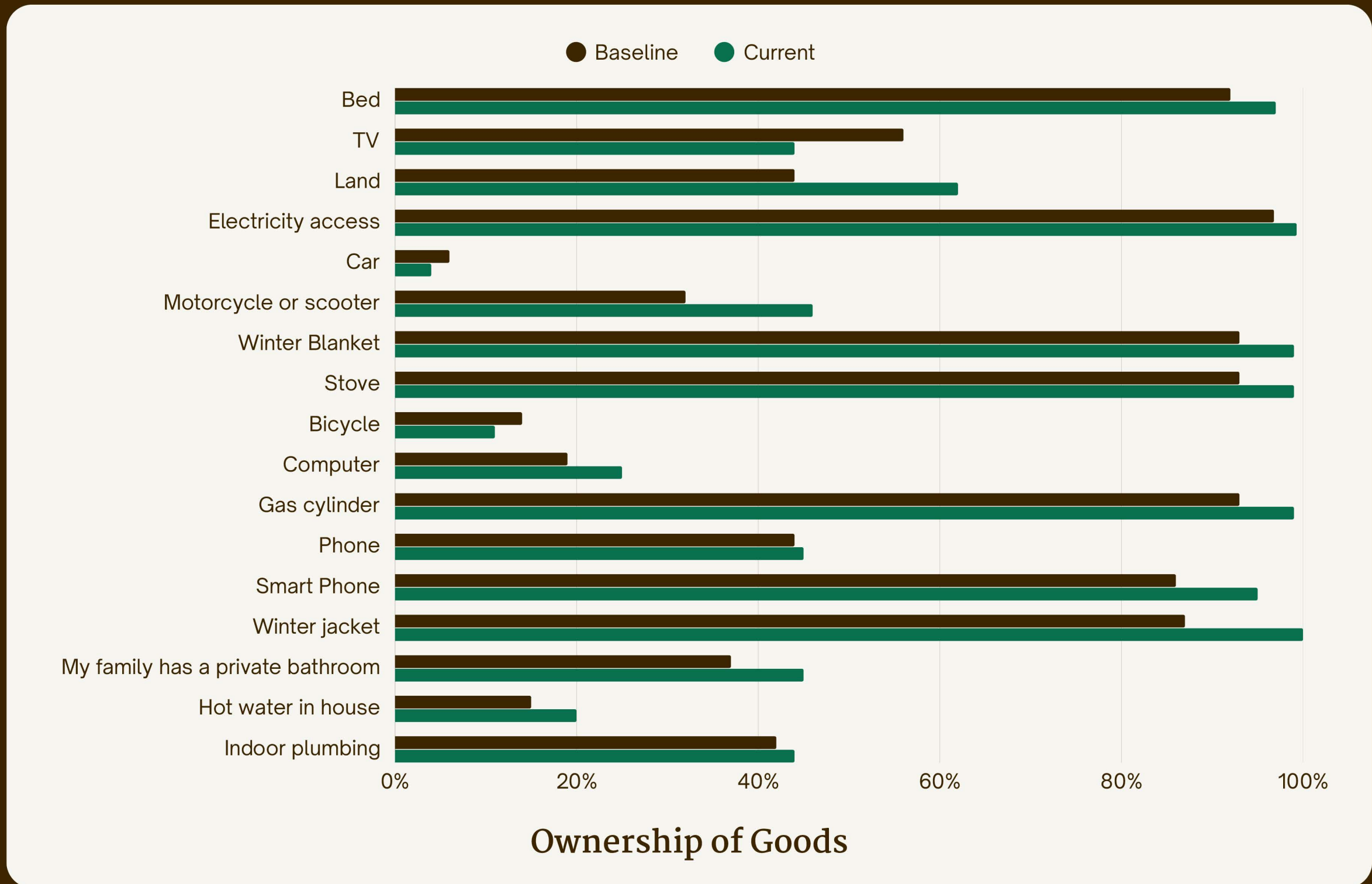
ANITA

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, such as the ownership of certain household items reported by employees. This chart demonstrates the difference a good job can make in the quality of living standards for employees and their families.

One of the biggest increases 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. A primary driver of this increase is through Purnaa’s adult learning program, which helps staff get driver’s licenses, and our interest-free scooter loan program.

To date, 29 employees have purchased scooters through the scooter loan program.





"Working in Purnaa I am able to earn and be independent."

AMBIKA

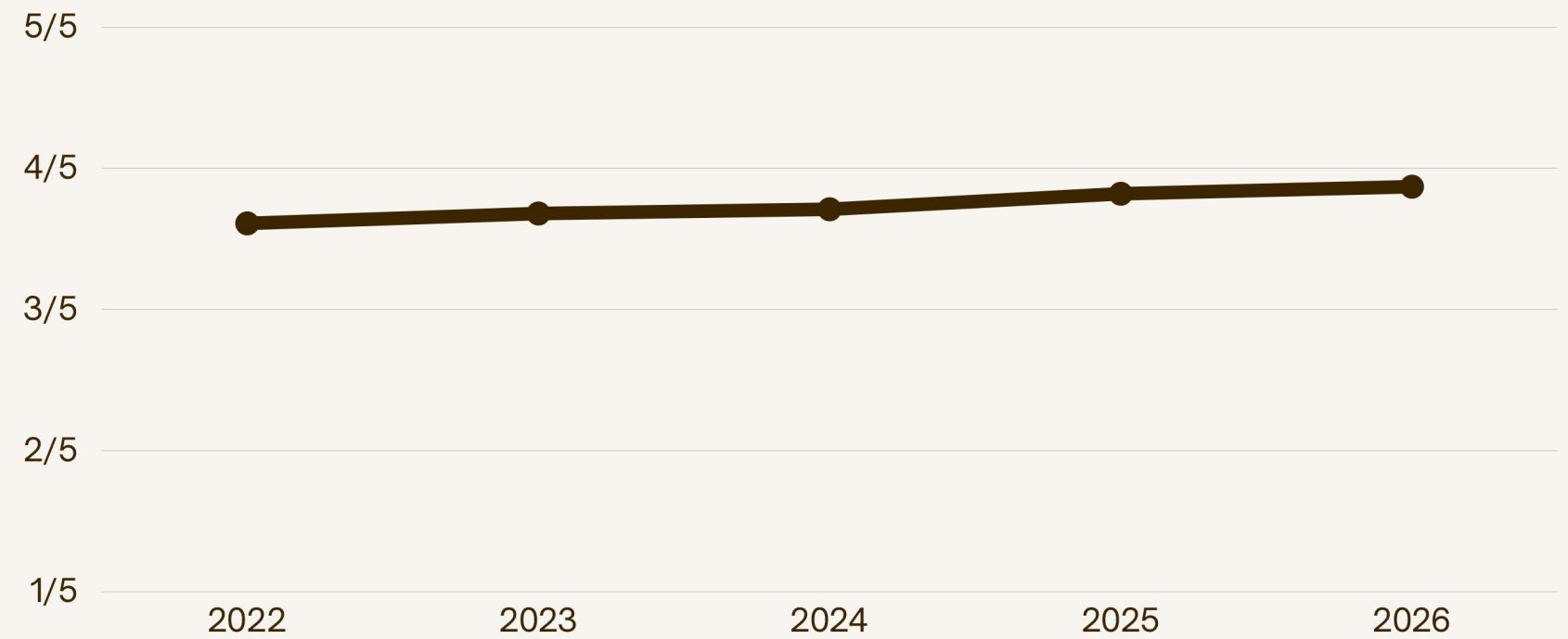
PHYSICAL HEALTH

Over the last three years, we have seen a steady increase in overall employee health scores. We also continue to see that employees who have been with Purnaa longer tend to report better health - something we believe reflects the stability that comes with secure employment over time.

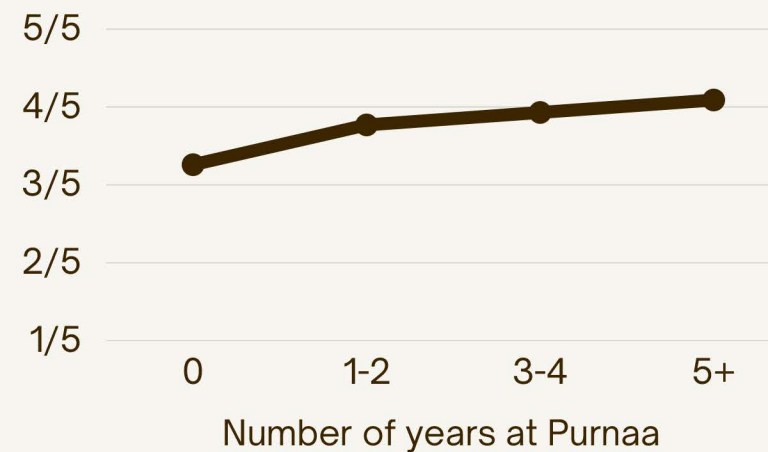
One factor contributing to this improvement is access to healthcare support through Nepal’s Social Security Fund (SSF), which Purnaa contributes to for employees. The medical claim system under SSF helps reduce the financial burden of healthcare, while coverage for immediate family members has also improved employees’ confidence in their family’s health and well-being.

An area that shows significant improvement with time worked at Purnaa is confidence in family members’ health. Stable employment, together with access to health insurance and medical support, continues to help caregivers feel more secure in supporting the health needs of their children, elderly and vulnerable family members.

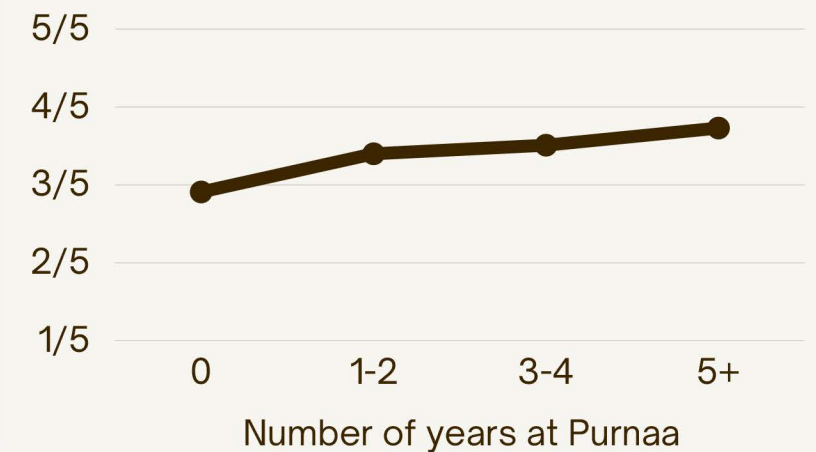
Employee Health Average by Year



Overall Employee Health



Confidence in Family Members Health





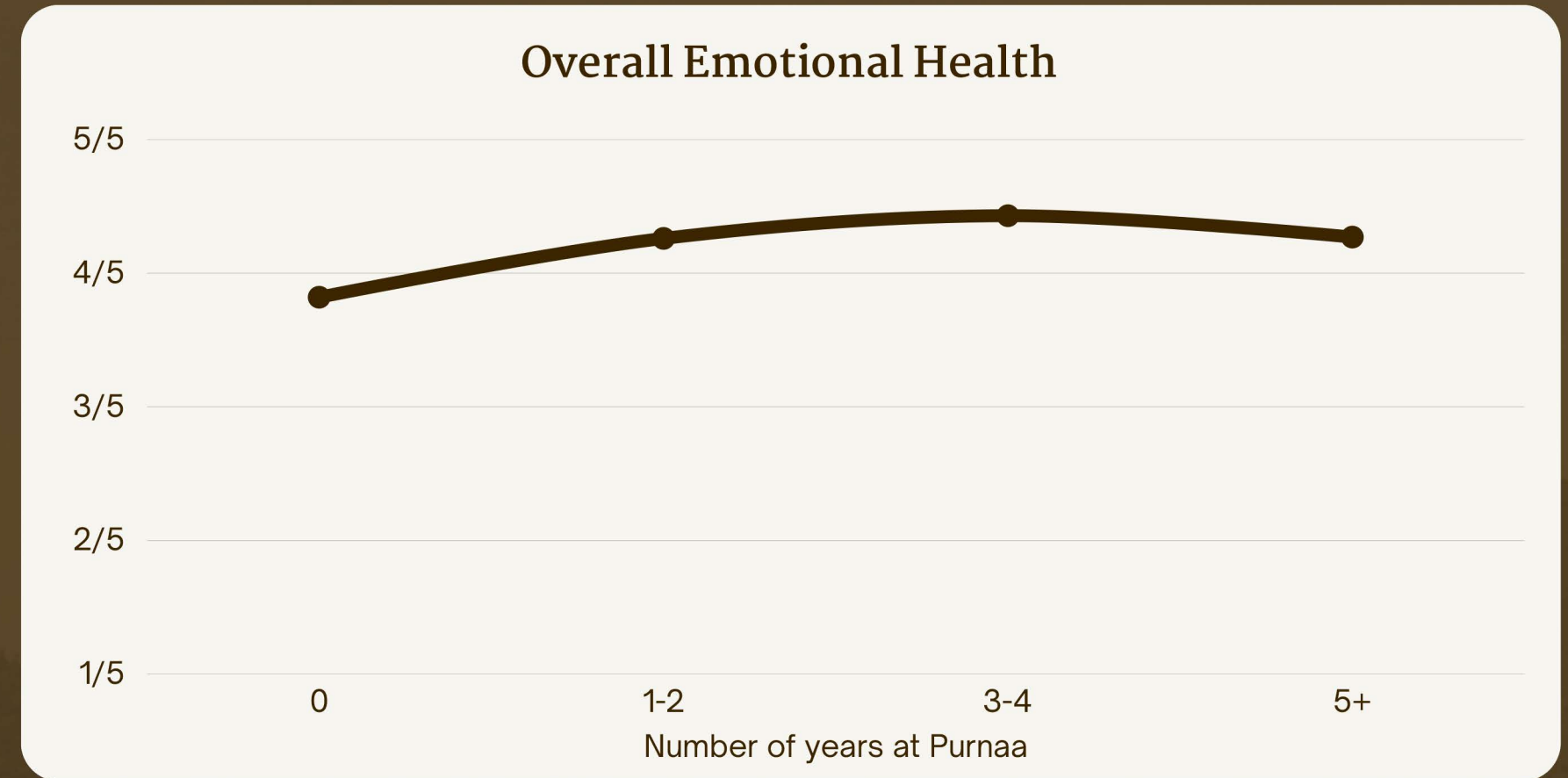
"Since joining Purnaa, I feel healthier."





SANJA

EMOTIONAL HEALTH


It is our hope that through finding dignity as skilled workers, participating in a supportive community, and working in an environment free from discrimination and abuse, employees' emotional health improves over time at Purnaa.

One factor contributing to this improvement, we believe, is the continued availability of in-house counseling support, which provides employees with a safe space to discuss personal challenges, stress, and emotional difficulties. In addition, Trauma Healing Groups introduced this year have helped employees better understand trauma, grief, and mental health, while encouraging open conversations and access to support when needed.



 35	 3	 8-10	 3
<p>Employees participated in Trauma Healing</p>	<p>Trauma Healing Groups</p>	<p>Sessions per group</p>	<p>Employees trained as facilitators</p>





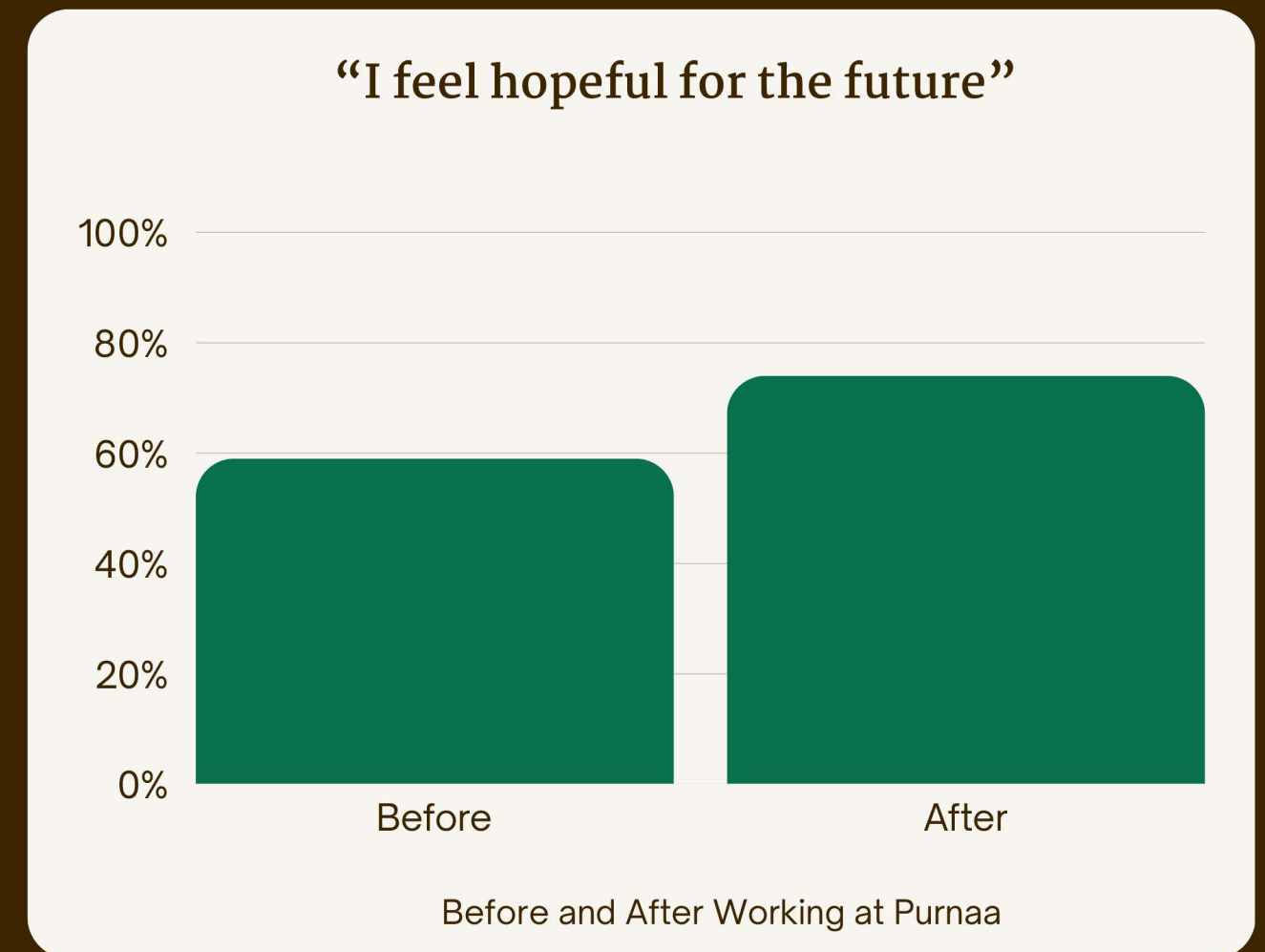
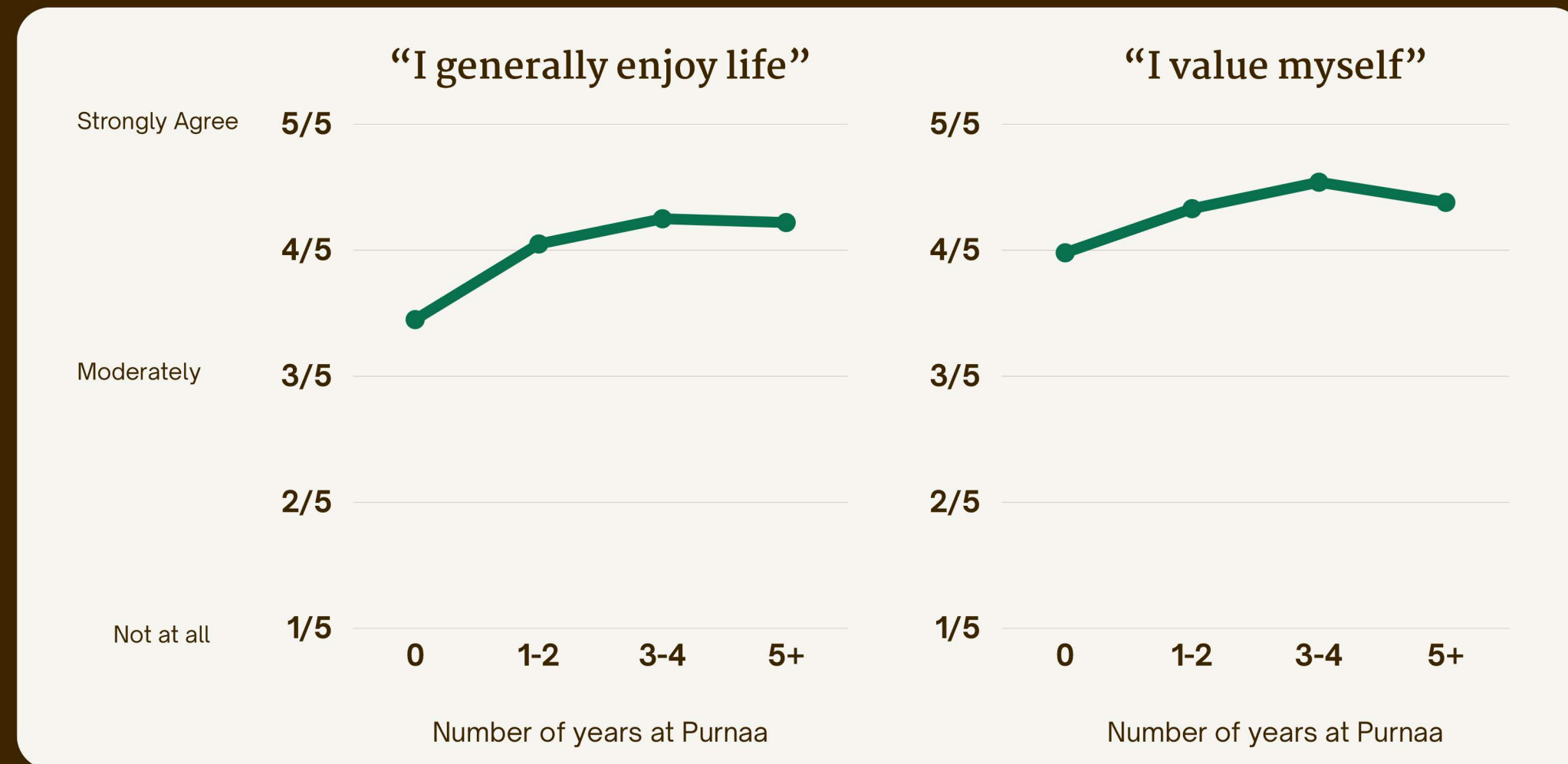
"Before joining trauma healing, I never learned how to share my pain. Instead, I used to hurt myself and keep everything bottled up inside. Through the healing group, I learned that it is not healthy to carry pain alone. I learned how to share my struggles, how to be a good listener, and I have experienced healing from my pain."

PABITRA

EMOTIONAL HEALTH

In our emotional health survey results, overall scores show a positive baseline and the largest gains occur during the first one to two years at Purnaa. Scores continue to improve in years three to four, though more modestly, and then level off—or dip slightly—after five years. This pattern suggests our onboarding and early-career support are strong, while longer-term career progression or sustained wellbeing supports may need strengthening. In recent years, we have increased focus on leadership development and targeted training in an effort to improve career growth and long-term emotional health.

“I value myself” scores are consistently higher than “I generally enjoy life,” indicating strong self-worth but room to improve day-to-day wellbeing.



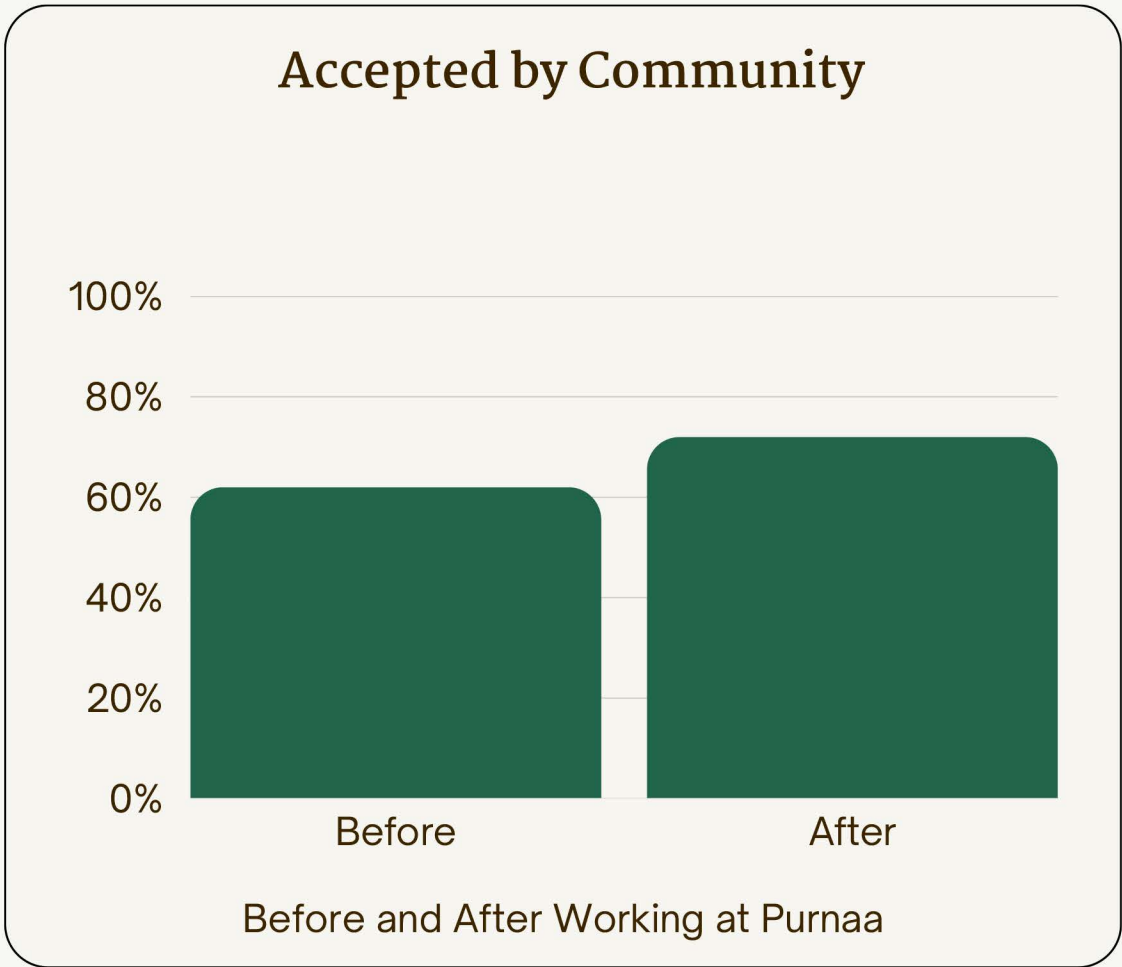
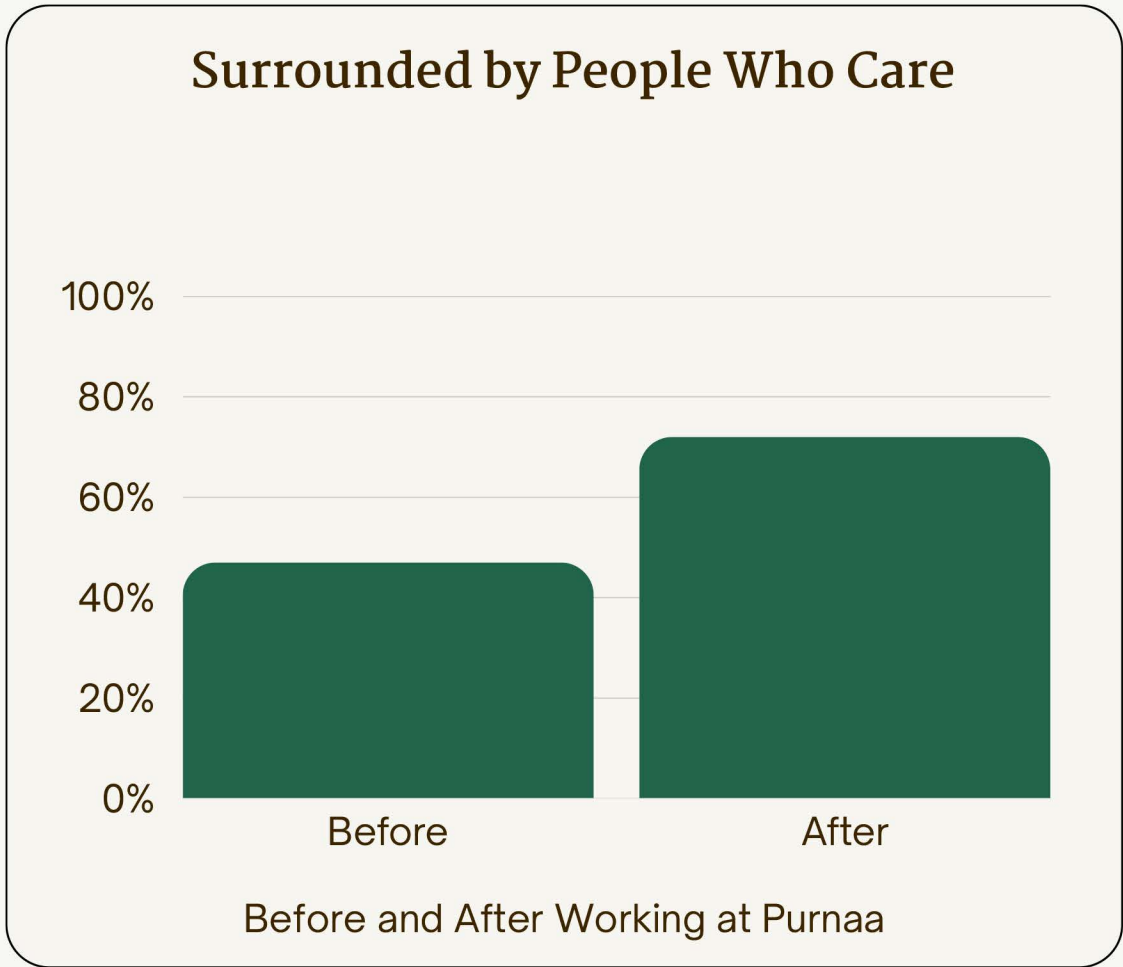
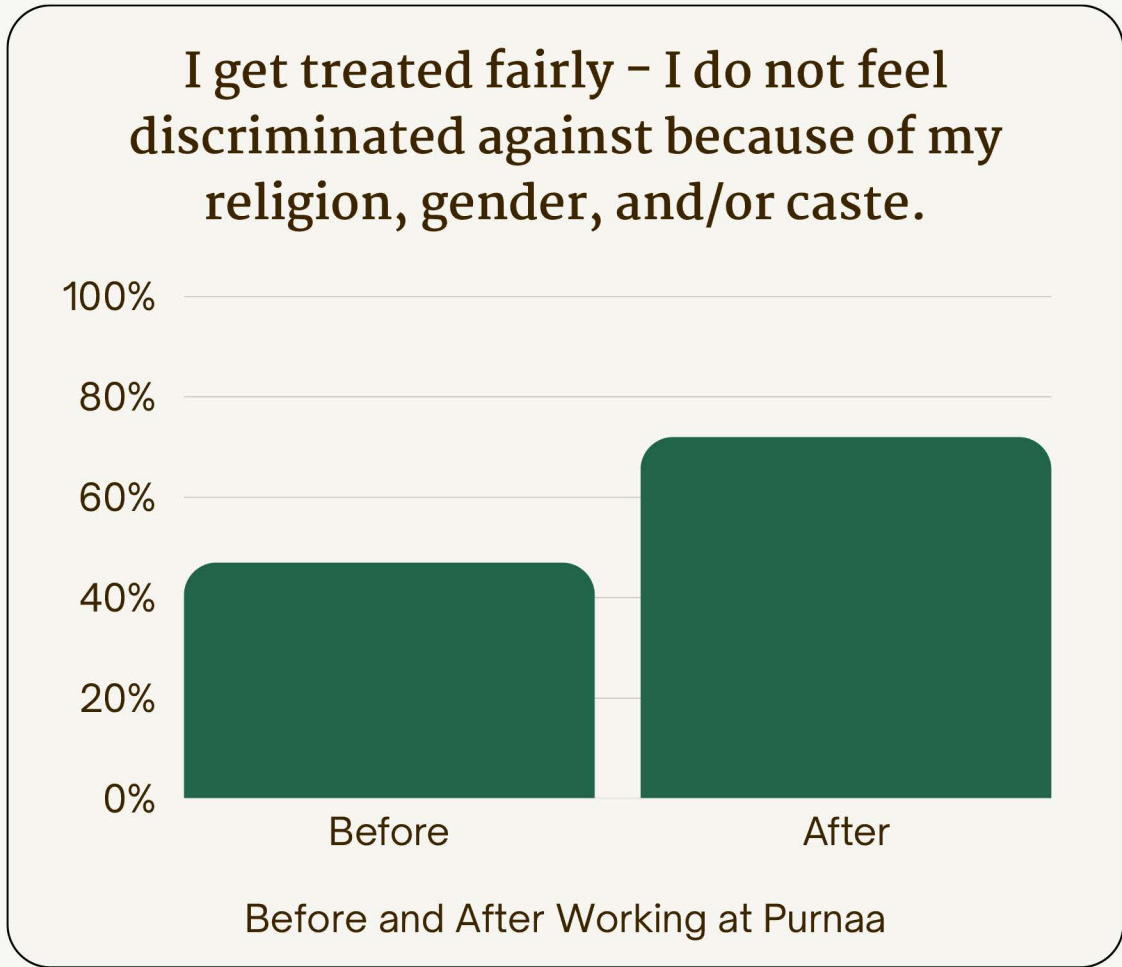


“I feel like I have got a new life.”

NISHA

RELATIONSHIPS

We continue to see that after gaining employment in a supportive environment, staff are more likely to report feeling surrounded by people who care and are accepted within their community. Employees also continue to report strong feelings of fairness and inclusion, with many saying they do not feel discriminated against because of their religion, gender, or caste.



"I feel Purna has helped me a lot and made me feel loved as family."

SABITA



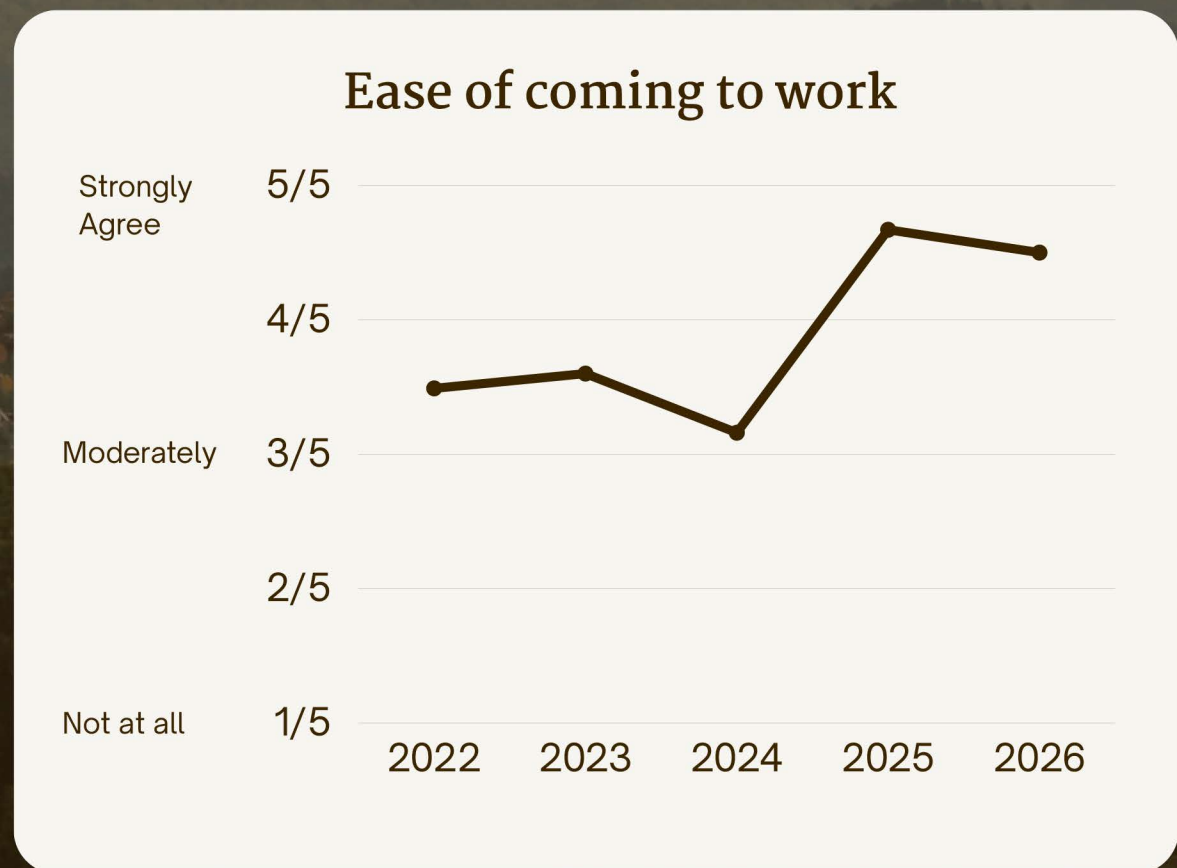
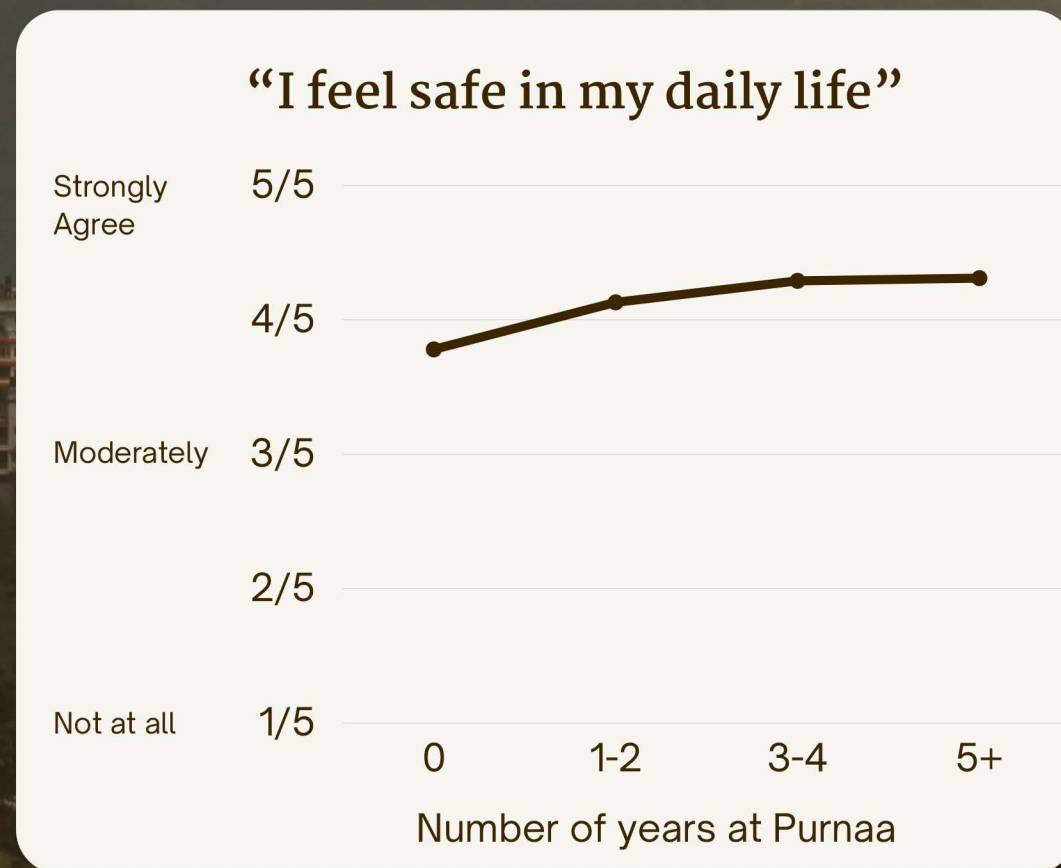
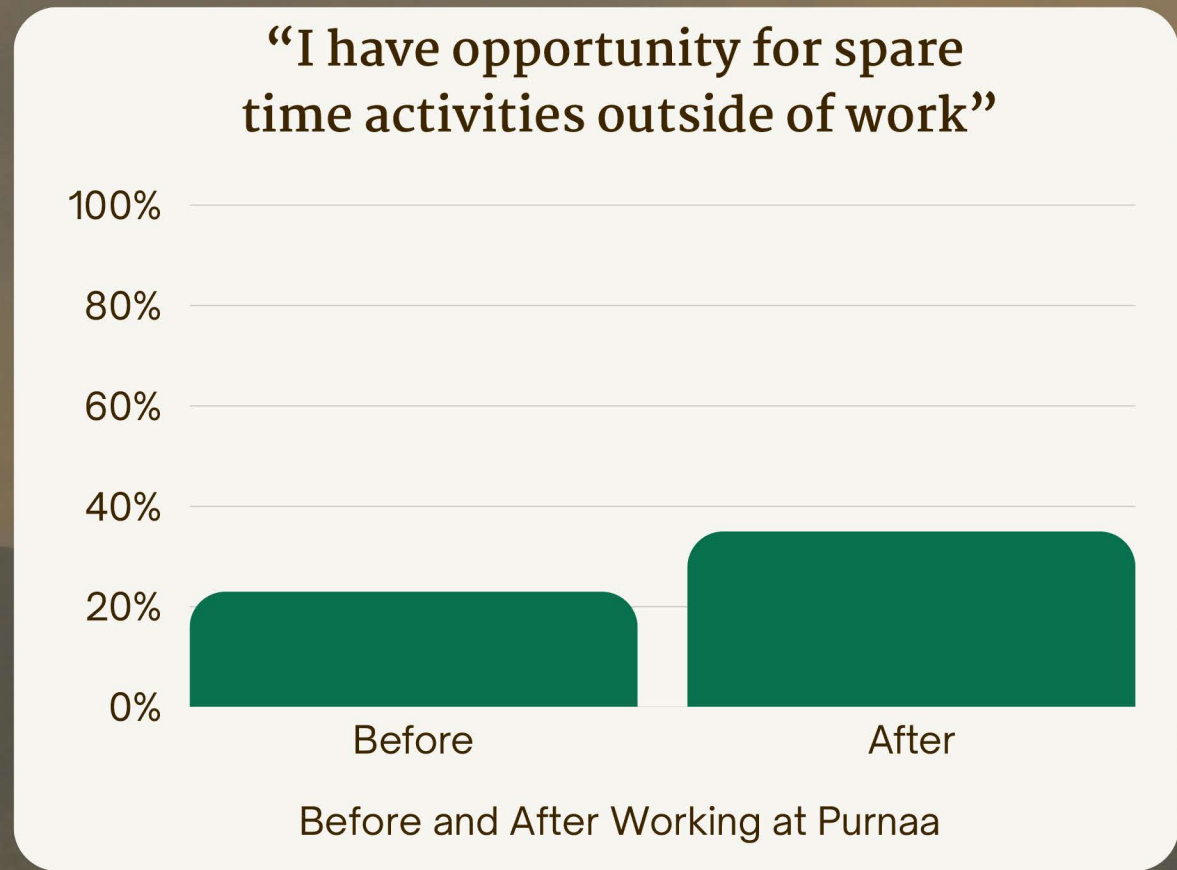
PHYSICAL ENVIRONMENT

After joining Purnaa, many staff members continue to report improvements in their living situations and overall sense of safety, with these changes remaining stable over time.

We continue to see positive results related to transportation and access to work even after our factory moved to a location further from the city center. This is likely due to increased scooter ownership as a result of Purnaa’s scooter loan and adult education program which, along with the continued availability of free bus transportation to and from work, has helped improve mobility for many employees.

While ease of coming to work showed a slight decline compared to last year, we believe this might have been influenced by the large number of new employees who joined this year and are still adjusting to new travel routines and commuting arrangements.

We are also encouraged to see that many employees continue to report having time outside of work to pursue personal interests and spend time with family.



ENVIRONMENTAL IMPACT

ENVIRONMENTAL SUSTAINABILITY

Nepal is home to extraordinary natural landscapes, from the mountainous Himalayas to the jungles of the Terai. As climate change intensifies, contributing to heavier rainfall and extreme weather events, we recognise the growing responsibility businesses have to reduce their environmental impact and operate more sustainably.

We continually work to integrate more responsible practices across our operations. This includes working with suppliers and customers who value sustainability, recycling production scraps, harvesting rainwater, and composting food waste. We also aim to reduce resource consumption through operational choices such as LED lighting and lower-impact production methods.

Our environmental footprint is influenced by several interconnected factors, including:

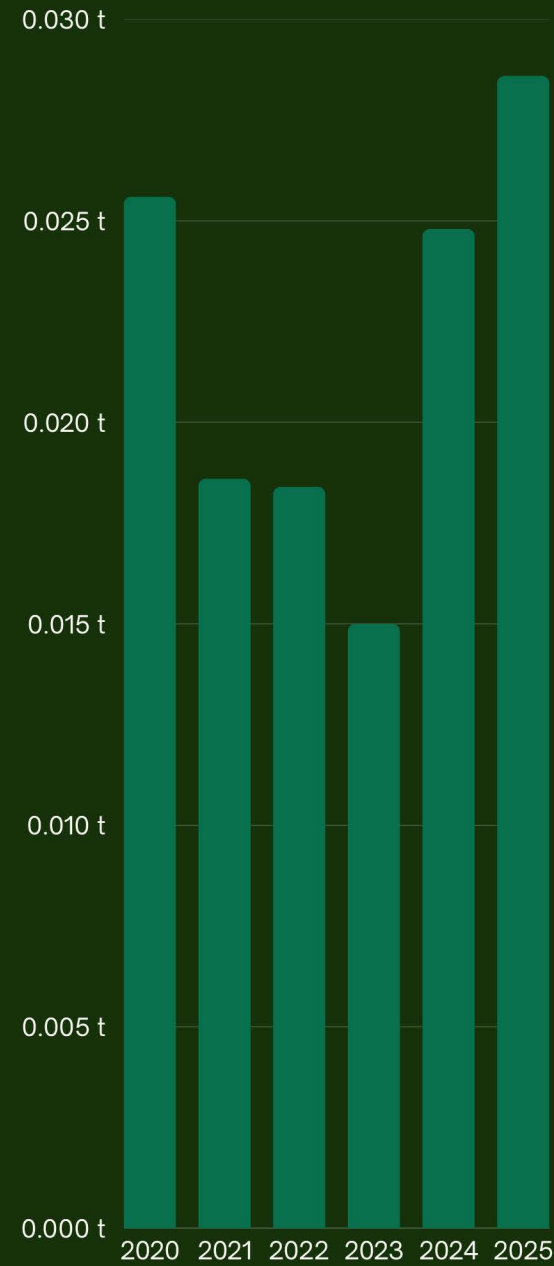
- Water usage across a growing workforce and facility
- Energy consumption from production and machinery
- Raw material usage and material supplier practices
- Waste generated during production processes
- Emissions from shipping and logistics

ELECTRICITY CONSUMPTION

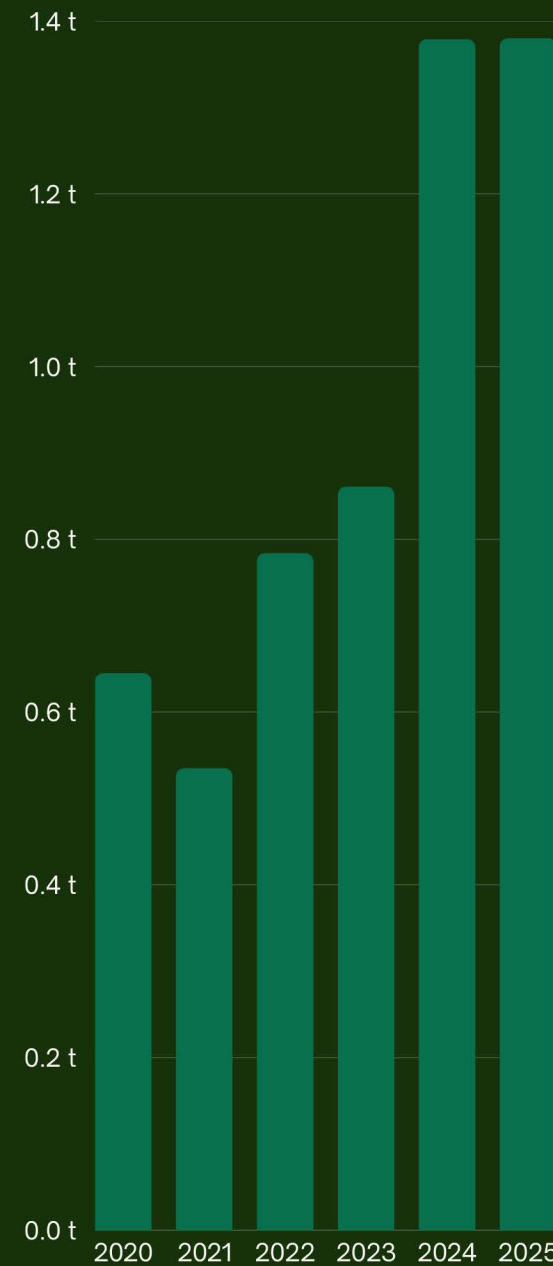
Purnaa prioritises energy efficiency through the use of sublimation printing, energy-efficient sewing machines, hand-powered knitting equipment, LED lighting, and a factory designed for natural heating and cooling. Total energy savings reached 9,200 kWh in 2025, due to investment in machinery including our new, more energy-efficient Sublimation Printer which reduces our energy consumption.

In the last year, increased production and higher order volumes, particularly in cap manufacturing, have led to a rise in energy use across operations. Printing has expanded to include two shifts and the continuous use of rolling heat press machinery has contributed to an increase of over 6,000 kWh in electricity consumption.

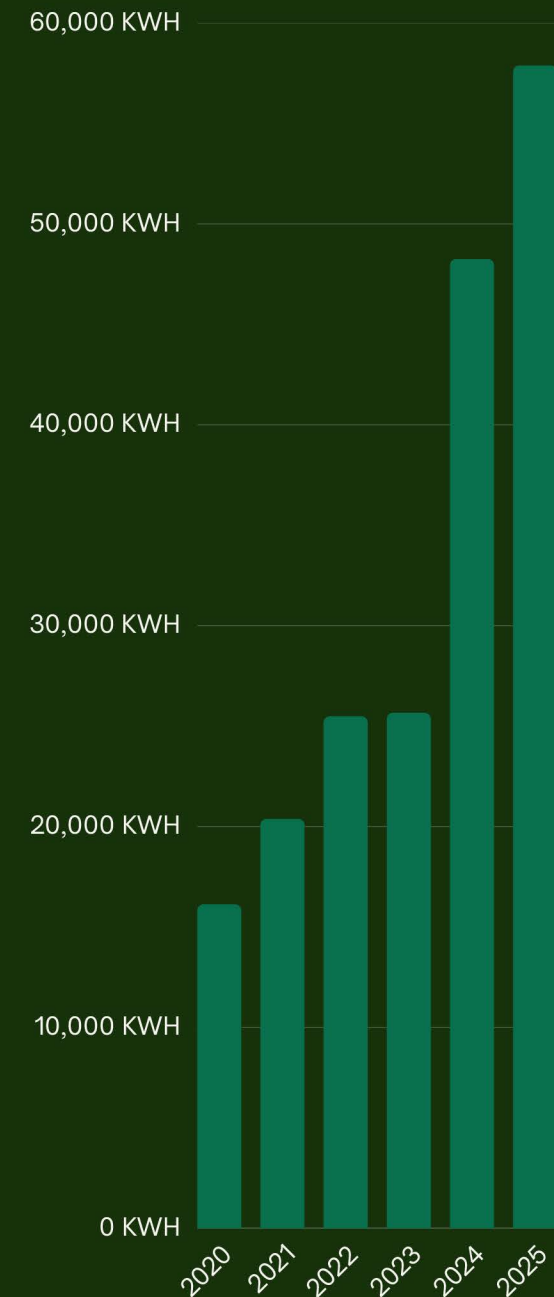
This data illustrated our growth and the ongoing challenge of balancing operational expansion with environmental sustainability.



Tons of CO2 per Employee from Electricity Usage



Tons of CO2 Saved by Energy-Efficient Machines



Total KWH Consumed



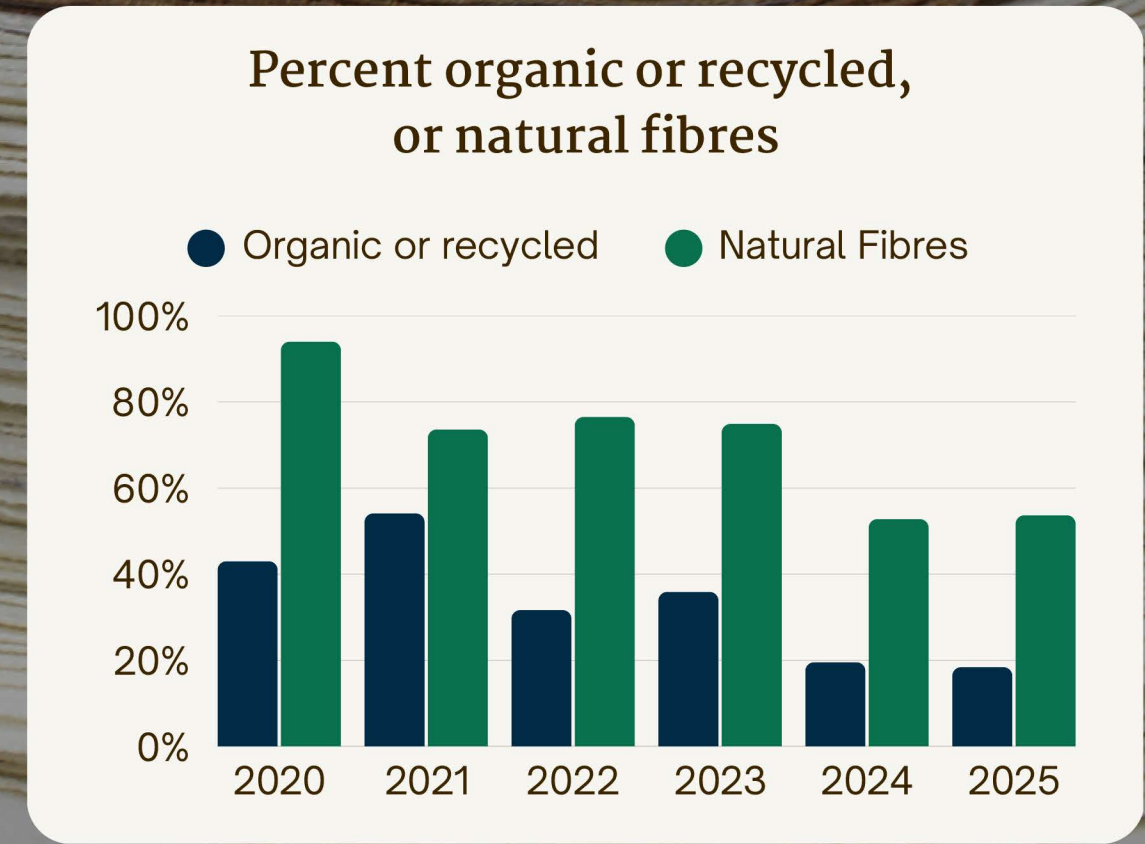
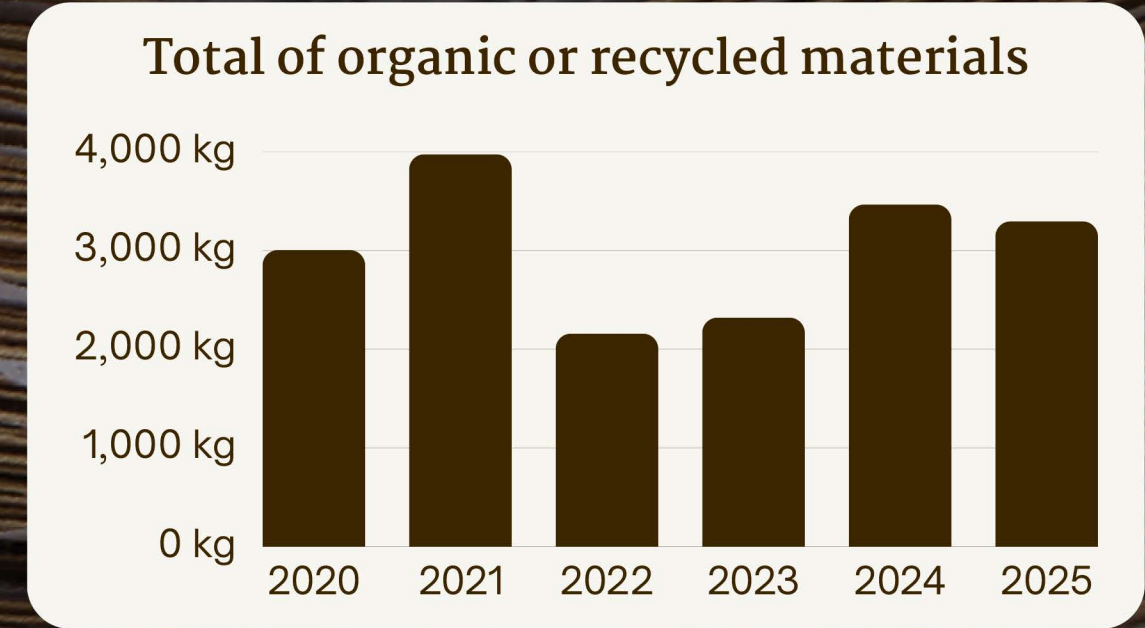
KWH Saved: 9,282 kWh saved (2025)

SUSTAINABLE FABRICS

The materials we use are one of the most significant contributors to our overall environmental impact. We work closely with customers to encourage the use of more sustainable material options, including organic cotton, recycled polyester, and fabrics produced using environmentally responsible dyes and processes.

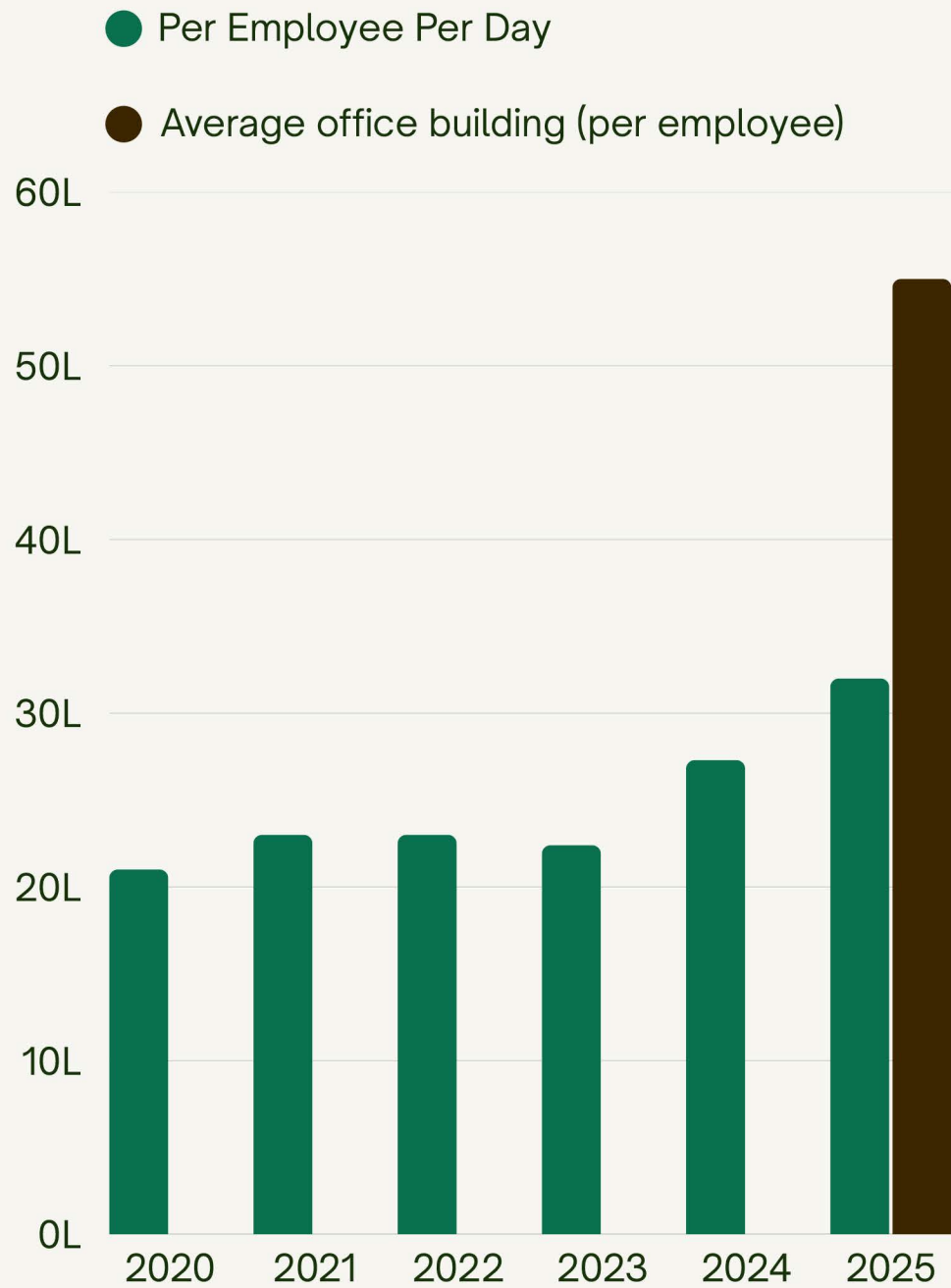
Although the proportion of natural fibres and recycled materials has declined since 2021, the total volume used has remained relatively stable, with over 3,200 kg utilised in 2025. This shift reflects changes in product mix, particularly increased stuffed toy production, and customer-led sourcing decisions, rather than a reduction in our commitment to sustainable materials.

In addition, through offering home-compostable packaging, Purnaa saved 21,624 plastic bags from going to landfills.

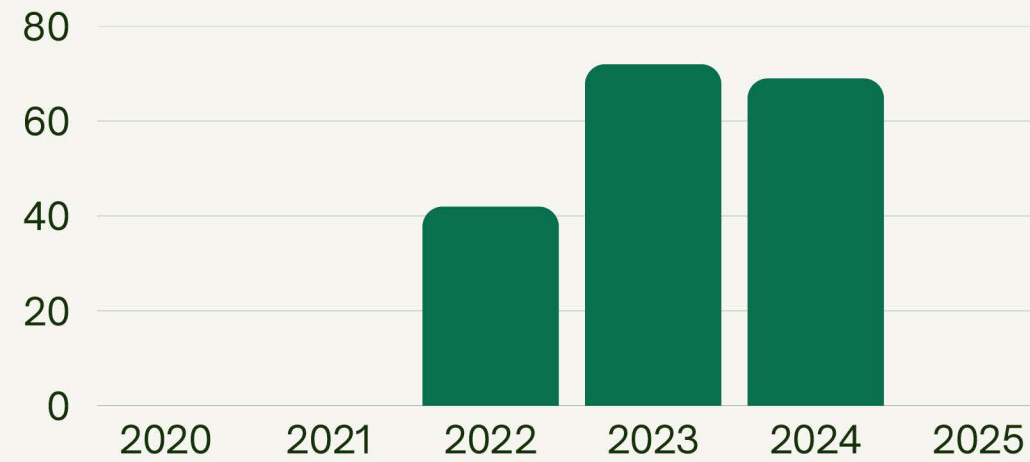


In 2025, we didn't use any water from external sources!

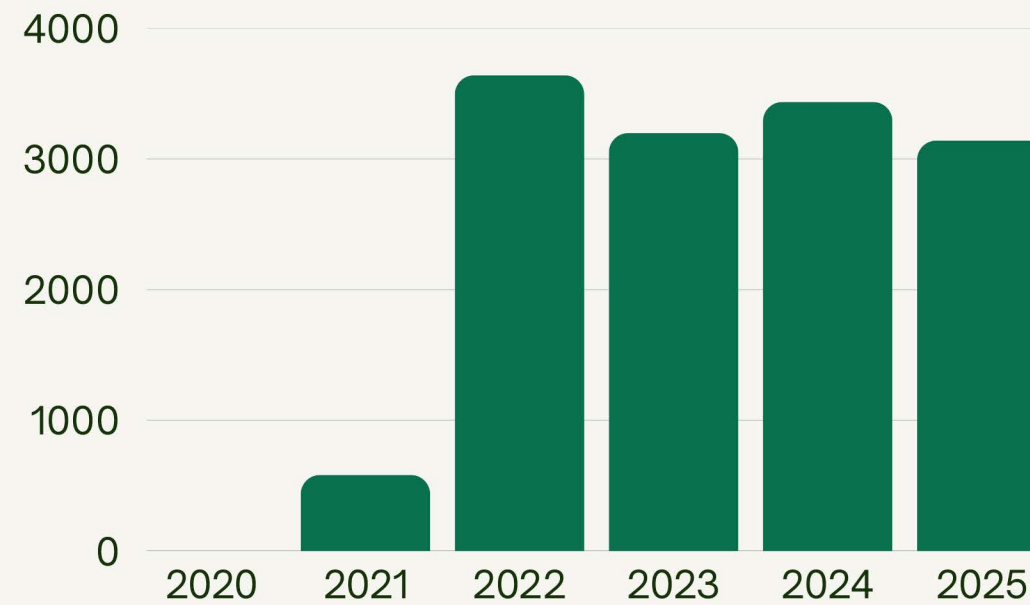
Litres of water usage



Water tanks purchased



Liters of Water Saved from Digital Printing vs Dying



WATER USAGE

Kathmandu faces water shortages for much of the year, making responsible water management a key priority. Our building is designed to be self-sufficient for water; with a rainwater-harvesting system in place, we meet the majority of our water needs.

Data shows an increase in water use per employee, this is based on estimated pump usage and is likely due to evolving operational needs, such as more frequent cleaning and the expansion of green spaces that require watering. Despite this, water usage per employee is less than half the industry average of 55 litres.⁶

We prioritize low-impact methods in production. By using dye sublimation printing instead of traditional water-intensive dyeing, we save an average of 3.96 litres of water per kilogram of fabric.

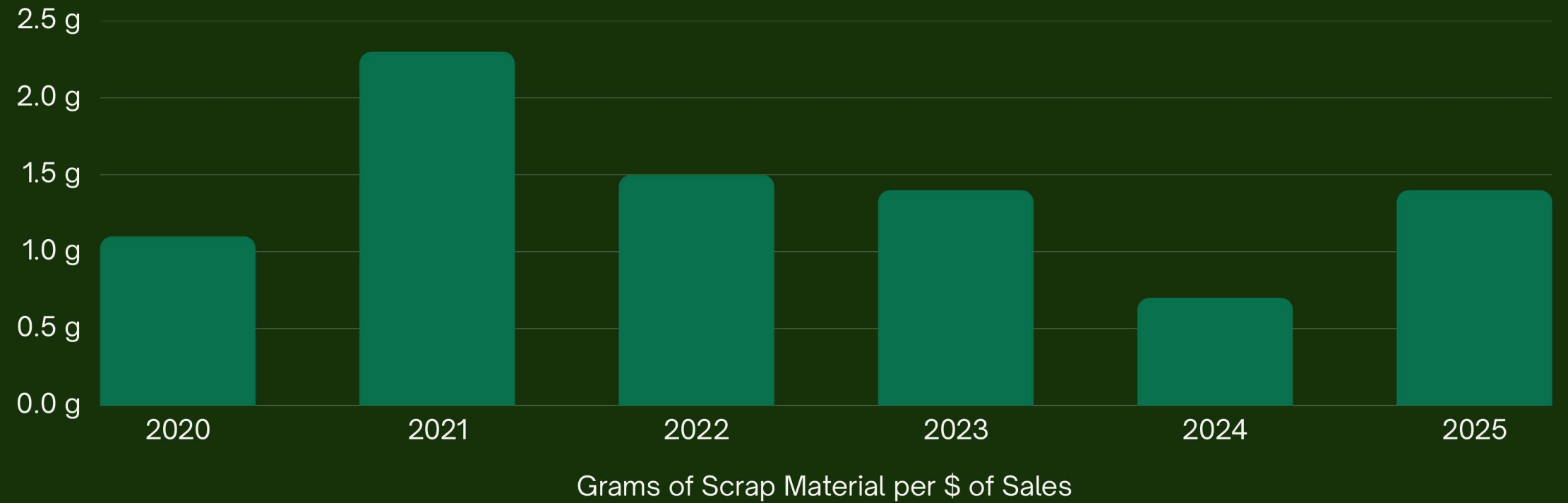



WASTE CONTROL & RECYCLING

We aim to minimize waste across our operations. Waste is segregated at source, including recyclable and upcycle-able materials, and managed with our recycling partner Doko Recyclers.

The amount of material scrap increased slightly in 2025 due to a printer outage. The disruption led to material losses as smaller printers were used as a workaround, resulting in reduced efficiency and higher reject rates from unsuccessful production runs. We learned that choosing the right equipment is critical - inefficient equipment or poor equipment selection can increase environmental waste.

Rather than discarding waste materials, we collect and sell almost all production scrap for repurposing, keeping materials in the value chain. In 2025, we diverted 2,048 kg of scrap into products such as cushions and mattress stuffing. Similarly, food waste is composted and reused as animal feed.







27
Trees saved



1950 L
Water saved



1700 kg
CO₂ saved



677 ft³
Landfill space saved



WIDER IMPACT & ACCOUNTABILITY

SDG CONTRIBUTIONS

We align our work with the [United Nations Sustainable Development Goals](#), to contribute to a global framework for a more equitable and sustainable future by 2030.



Empowering women to lead and thrive.

93% of our team are women, including 37% who have experienced exploitation, trafficking, or abuse. Through safe employment, skills development, and leadership opportunities, we support women to rebuild their lives and thrive. As one woman shared: *“Purnaa has been a big part of my life. During difficult times for me and my family, I have felt very supported. I’ve learned so much and feel more skilled, confident, and motivated.”*



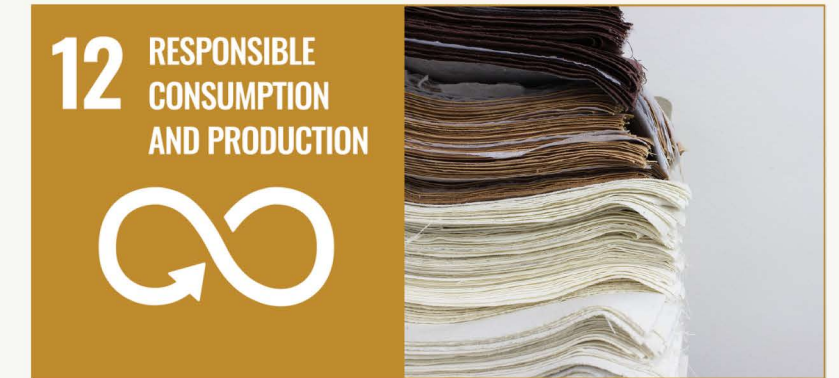
Creating decent work & long-term economic stability.

We create safe, fair, and dignified employment for over 300 employees, with pathways for long-term stability and skills development, and a commitment to expanding job opportunities further. In partnership with an anti-trafficking network, we provide employment for survivors of trafficking, alongside holistic support through our SFS Fund, healthcare allowance, in-house counselling, and trauma healing services. 81% of employees reporting improved financial well-being since joining Purnaa.



Promoting inclusion & equal opportunities for all.

We provide inclusive employment opportunities for individuals from marginalized backgrounds, particularly women affected by exploitation and poverty. Through skills training in knitting and sewing, we enable long-term, stable employment and economic independence. We further reduce inequality by providing holistic support, including access to education, transport, and essential services, reducing barriers to work and promoting lasting social and economic inclusion.



Using resources responsibly and reducing our impact

In 2025, 3200kg of our materials were organic or recycled, reflecting our ongoing efforts to shift towards more sustainable inputs. We also work with certified safe dyeing suppliers (including OEKO-TEX and GOTS), 70% of materials have been sourced through these standards in recent years. We partner with Doko recyclers and upcyclers to embed circular practices across our operations.

MEMBERSHIPS

Purnaa is a member of several amazing 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 a WFTO Guaranteed Fair Trade Member, 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).



Common Objective

We are Co-Leaders on the Common Objective platform which is a global network of socially and environmentally responsible manufacturers.

A scenic mountain landscape. In the foreground, there are two buildings: one with a blue corrugated metal roof and another with a stone wall and a blue roof. The background features rugged, rocky mountains with patches of snow and a large, snow-capped peak partially obscured by mist. The overall atmosphere is serene and majestic.

REFLECTIONS & THE FUTURE

PROGRESS & AREAS FOR IMPROVEMENT

Living Wage

In 2025 we reported that we would like to see a higher percentage of workers meeting or exceeding living wage earnings. Through a combination of improvements in lean manufacturing, an increase in workers wages, and further investment in skills development, we have seen good progress. However, we would like to see a further increase in the next year. The major barrier to meeting this goal is maintaining price competitiveness with other factories around the world.

Continued Improvement on On-Site Recycling

While it is very encouraging that we doubled the amount of upcycled fabric over the last 12 months, there remains some onsite recycling that cannot be processed due to improper mixing with non-recyclable waste. Further, there remains some materials that could be recycled that are not. We would like to ensure that all employees recycle as much as possible and segregate appropriately.

Sustainable Packaging

In 2025 we reported that plant based biodegradable packaging accounted for 10% of our total packaging used. This year, we have doubled the number of products using biodegradable packaging, which now accounts for 20% of packaging used! However, one of our major clients who accounts for 72% of all packaging uses non-sustainable plastic to maintain consistency across their entire supply chain. We would like to explore the potential of converting this customer over to sustainable packaging.

LOOKING AHEAD

In the next 12 months, we would like to...

1. Hire 20 New Employees

- Steadily creating good employment opportunities

2. Add New Key Admin Staff to our team

- HR officer for increased connection with our employees
- Director of Business Development and Marketing
- Sewing Production Manager
- Special Projects Fellowship

3. Install a Laser Cutter

- Adding New Capabilities
- Improving operational efficiency
- Creating higher skill workers

4. Focus on Skill Development across all levels of the organization

- Expanding career development programs for Admin Staff
- Increasing our supervisor's skills in people and process management
- Increasing production employee's skills



NOTES & REFERENCES

1. <https://www.mideq.org/en/inequalities/inequalities-resources/nepal-brief/>
2. <https://tradingeconomics.com/country-list/corruption-rank>
3. <https://www.adb.org/sites/default/files/linked-documents/cps-nep-2025-2029-isga.pdf>
4. https://www.nhrcnepal.org/uploads/publication/TIP_Report_Inner_compressed.pdf
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