

M PURNAA

SOCIAL IMPACT REPORT

Empowering fresh starts & fulfilled lives through excellent jobs



NAMASTE!



Welcome to Purnaa's 2020 Social Impact Report!

At Purnaa, we are not only deeply committed to being an excellent cut-and-sew manufacturer, but also to our social mission of empowering marginalized people and survivors of exploitation. We gauge our company's success by our customers' satisfaction with our work as well as by the impact we have through the jobs we create for those coming from marginalized backgrounds.

Many Purnaa staff persevered through and then exited exploitative, abusive and/or discriminatory situations prior to working with us. Some came out of sex trafficking situations, others from labor exploitation or abusive relationships and some from situations of extreme discrimination because of caste, religion, gender, or HIV status. Today these survivors join us in furthering Purnaa's social mission to create good opportunities for even more people.

As a social enterprise, we reinvest 100% of profits to help survivors and this marginalized demographic by offering both training and employment.

Some of the ways we do this are by:

- Fostering a great job environment that is free of discrimination and abuse
- Paying Living Wages as defined by the World Fair Trade Organization
- Offering Life-skills training to equip better quality of living

- Providing on-the-job, role-specific training
- Giving scholarships for remedial formal general education and personal development training

In order to evaluate our social impact and to assess where we can improve, we conduct an annual survey that is filled out by each of the staff at Purnaa. It is a condensed version of a WHO quality of life assessment¹ and has 33 questions. Individuals answer with their overall perceptions of quality of life or health. Most questions have a 5-point scale ranging from Strongly Agree to Strongly Disagree. The questions assess quality of life in 5 areas:

Economic

Physical Health

Emotional Health

Living Situations

Relationships With Others

This is our sixth consecutive year running this survey and we are encouraged to see continuing evidence that when offered good training and opportunities, people can transform their lives. You'll notice we have new categories in our graphs for respondents who have been with us for 4 and 5 years. Previously these were all grouped together. We are committed to transparency so please let us know if you have any questions after reading this report. In the meantime, enjoy our summary of some of Purnaa's social impact during 2020.

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OUR VALUES



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

Love

When we discussed love we considered ways we can choose to do what is best for our co-workers, friends, family and customers.

Excellence

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

Integrity

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

Justice

Many Purnaa staff survived and fled from exploitative and/or discriminatory situations prior to working with us. Some came out of sexual exploitation. Others from labor exploitation and some from situations of extreme discrimination because of caste, religion, gender, or HIV status. At Purnaa, we give equal opportunity, fair rewards and consequences, and champion the rights of those who do not receive just treatment in society and as you'll see in this report, this is one of the things about our company that our staff love the most.

Beauty

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

MEMBERSHIPS

As a social enterprise committed to doing things better while operating in an often-exploitative industry, Purnaa prioritizes our memberships with Common Objective (CO), the World Fair Trade Organization (WFTO) and the Freedom Business Alliance (FBA).



CO Leadership Awards

As a Common Objective member we are committed to building a successful business, with a positive impact for people and the environment. Our ambition, working in collaboration with our partners, is to take sustainable fashion from niche to norm.

In 2019, Purnaa was given a Common Objective Leadership Award. The awards exist to champion the fashion businesses that are pushing the boundaries of creativity, combining great products and services with business practices that change lives and solve environmental challenges.



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



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

“There are businesses that profit FOR people, not from them. They share bold vision and an even bolder model of operations. They evaluate success using multiple metrics, some of which cannot be measured by numbers. Their leaders work tirelessly on behalf of the exploited because the work of justice is not done. From hand crafted goods to coffee shops to technology and everything in between, these businesses are united by the common vision of freedom. Freedom Business Alliance exists to help them succeed.”²

WHY NEPAL?

Nepal's Employment challenges

- Child Labor rates are VERY high in Nepal, 11% of boys and 15% of girls aged 5-9 were already in the labour force, and 47.2% of boys and 58.7% of girls aged 10-14.³
 - 96.2% of workers in Nepal are not formally employed but are mostly self-employed subsistence farmers.⁴
 - “More challenging (than unemployment) for Nepal is the quality aspect of employment, which is associated with predominance of employment in the informal segments of the economy where productivity and earnings are low and conditions of work are poor. This, in turn, is manifested in large numbers being underemployed – the so-called working poor.
- And an important part of the employment challenge is to raise the productivity and earnings of these workers and improve their working conditions.”⁵**
- In Kathmandu Valley, an estimated 11,000-13,000 women and girls are working in the “night entertainment industry”, (cabin restaurants, dance bars, dohari restaurants and massage parlours), of which many are forced to engage in sexual activities and all are vulnerable to trafficking. Nearly one half of all workers entered the industry before they were 18 years old.⁹
 - 50 women from Nepal were being trafficked to India every day, activists estimated last year.^{10,11} Despite the government's ban on women going abroad for the first time for domestic work, traffickers found new routes to get women out, often through the border with Myanmar and then on to the Middle East.¹² Unexpected consequences of the ban are the illegal fees desperate people are now paying to the traffickers to “help” them go abroad for work.¹³

– International Labour Organization on Employment Promotion in Nepal.

- 1 in 180 Nepali people are living in modern slavery.⁶
- 44% of the population is vulnerable to slavery.⁷
- Almost 50% of the population depends on some form of remittance from a family member working abroad.⁸ Often the overseas work is exploitative.

2019 IN NUMBERS



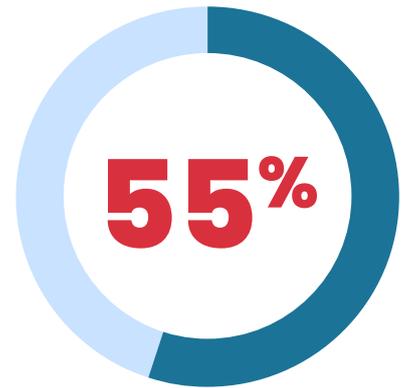
75 employees (13 new since 2018)



81% female
19% male



52% are primary
income earners



55%
marginalized
background



85,656
products made

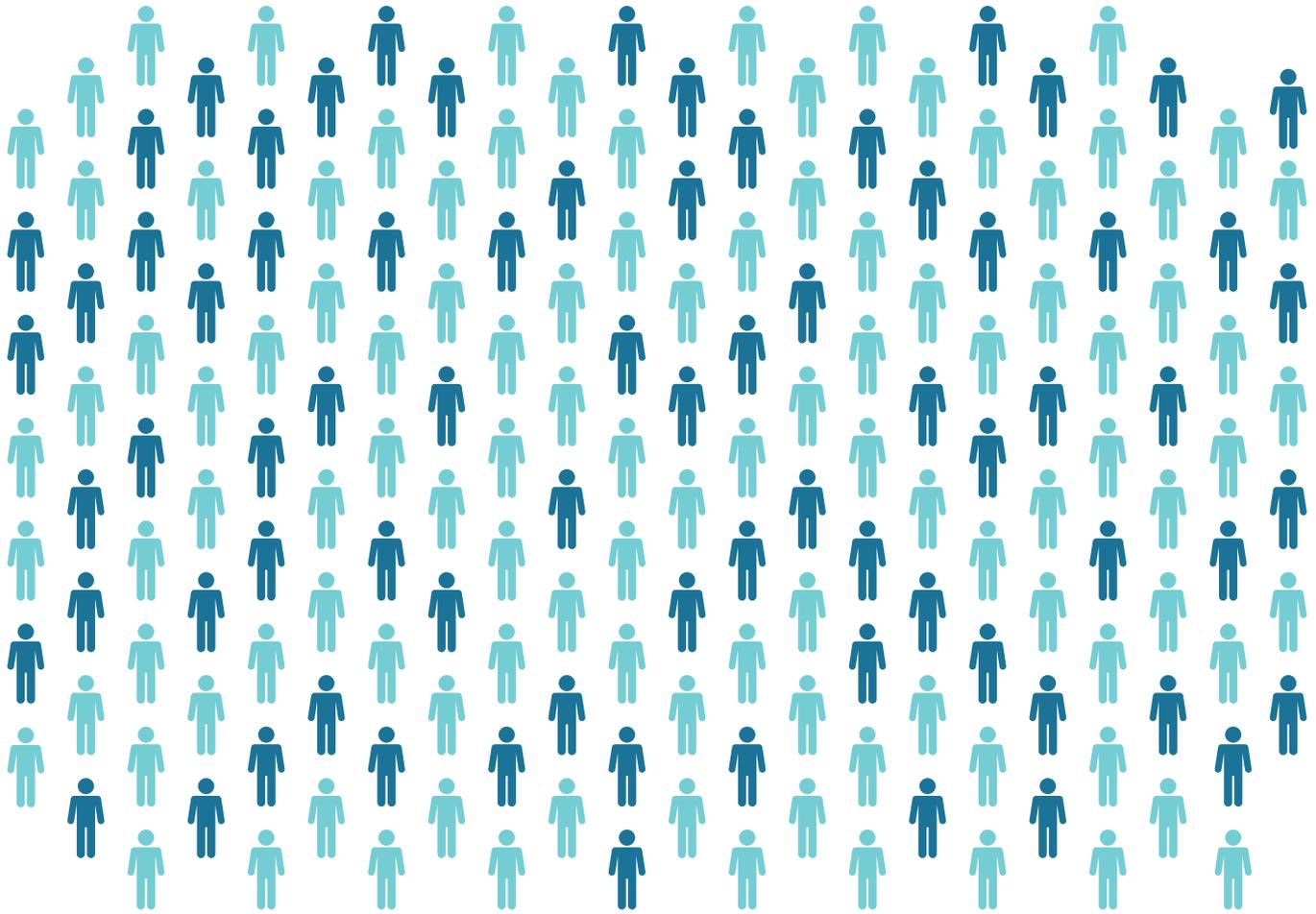


67
unique styles

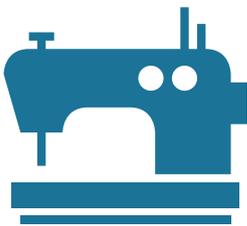


140,250
man-hours of work

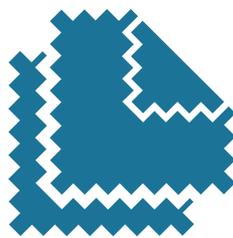
2019 IN NUMBERS



183 people supported by **75** salaries



85
sewing
machines



5,680m
of sustainable
material sourced



56
children given
scholarships

NEW IN 2019



New Hires and Training for Survivors

We hired and trained 10 new people into sewing teams. This group of employees included our first hires from among the women helped by the Kolkata 2 Kathmandu partnership we began last year. Through this initiative, Nepali women, previously trafficked into the sex trade in Kolkata, are equipped with the help they need to exit the trade, return to Nepal and get training and assistance finding a new job in the transition into healthy lives.

Promotion of Production Staff to Management

We trained and promoted 3 women from our entry-level production positions into new roles as team leaders. They were equipped to prepare materials, oversee their team's cut-sew-trim work, and coach and support their team members on a personal level.

Growth in Productivity

With this focus on training and upskilling, we saw increased production output per person by at least 15% in terms of dollars of sales.

Fundraising for Land Purchase and Building

In order to make Purnaa sustainable in the long-term, we fundraised for donations and loans to use for buying land and constructing a new factory building.



Skills Development for the Sampling Team

Master trainer, Suzanne Allibone, ran a weekly training to develop and improve pattern and sample making skills. Sabina, the sample team leader, said, "We felt lucky to get the chance to have an advanced course offered in-house on patterning and sampling. The focus on new techniques like the Cut and Spread Method and Pivot Method, as well as an in-depth focus on collars and skirts, helped us gain confidence and an increased capability to take on hard and complicated projects."

WAYS TO IMPROVE

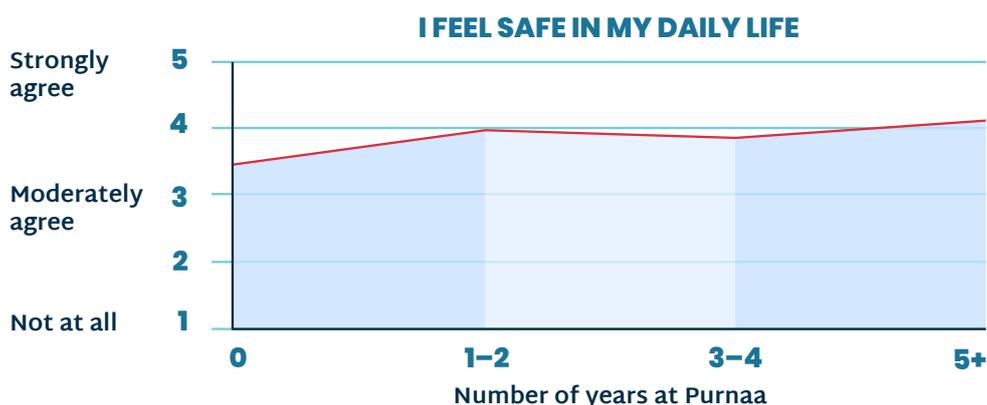
Each year, a part of the survey process is to review the results and identify areas for growth. In previous years this led Purnaa to, among other things, get better health insurance, increase wages and offer new focused skills training and personal life-skills training. Aligning with our company value of “Integrity” and our commitment to transparency, we are sharing the results from this year’s survey and some of the areas we hope to grow in in the future. Here are some results that stood out:

We noticed that overall, employees who have worked with us for 3-4 years generally score lower in their quality of life responses. We are not sure why this is. Perhaps it is because their expectations change over time and now they want to improve their lives even further. Or perhaps it is a natural feeling of being in a rut which occurs after being in a job for 3-4 years. When we compare our survey results with other Nepali companies we see that they also have a dip at the 3-4 year mark.



To address this, we’d like to look at ways to engage this demographic at Purnaa through activities that foster community outside work. We believe a strong Purnaa community can address many elements that affect responses in the emotional, relationships, and living situation categories. We’d also like to look at ways to improve salaries for excellent performers to address economic concerns but also feelings of fulfillment at work. However, increased compensation will have to come from increased efficiency because Purnaa did not meet its overall 10% net profit goal during the last fiscal year.

Some lower rankings of healthy situations outside work were in the categories of relationships, security at home, and feeling discriminated against in society. We are working to understand these issues and see what we can do to help. We suspect many of these lower ratings are the result of unhealthy family relationships, and we will work to train tools for addressing these problems through our life skills training.



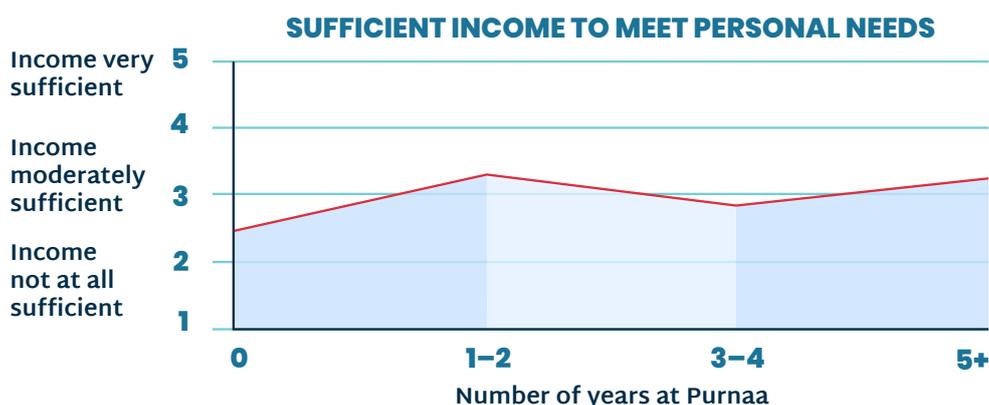
ECONOMIC INSIGHTS

2019 Survey Results & Highlights

Wages

Our commitment to paying a Living Wage is one of Purnaa's key differentiators from exploitative sewing manufacturers. As members of the World Fair Trade Organization, we went through a process using a WFTO calculation tool to determine what a fair living wage in Nepal actually is. We took into consideration Nepal's minimum wage, what our employees could make in other forms of employment, and also factored in other organizations' research regarding living wage in Nepal. WFTO's calculator estimated that the living wage in Kathmandu would be around NPR 14,975 per month.

However, we also highly value input from our staff. So Purnaa leaders met with the employee-selected "Collective Bargaining Committee" for an Annual Living Wage and Increment Meeting. Together, they decided that Nrs 17,500 would be a fair living wage. **Purnaa increased wages to be higher than minimum wage and the WFTO recommended living wage.**



Ability to Pay Off Debts

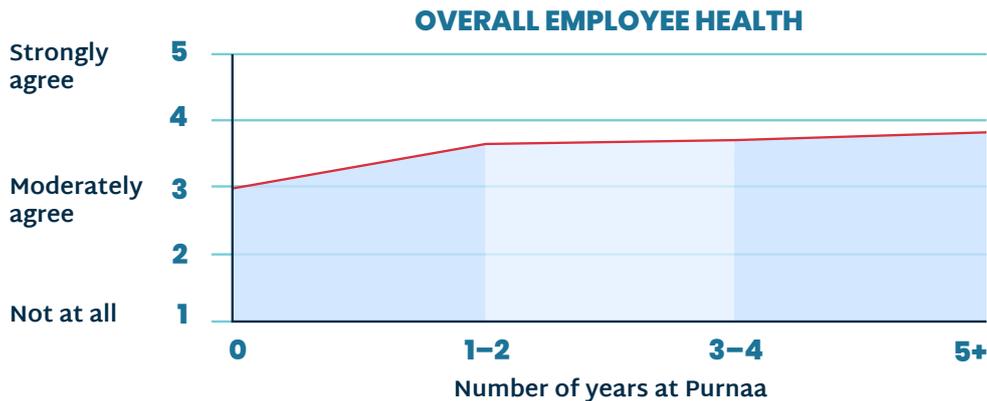
In Nepal it is common to take loans from one's close friends and family for everyday expenses (eg. health expenses or children's education). We see that before individuals joined Purnaa they often were not confident they would be able to pay back their debts. After joining Purnaa and receiving a steady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



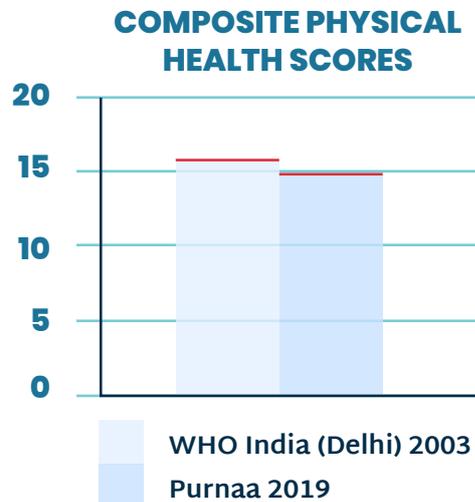
PHYSICAL HEALTH

2019 Survey Results & Highlights

Last year, we expanded Purnaa’s health care reimbursement program to include comprehensive medical and accidental insurance. However, we found that was insufficient. Concurrently, the government of Nepal launched a new government healthcare system. But it is not well established or understood yet. So Purnaa continued to supplement with private healthcare insurance of 100,000 NPR for in-patient treatments and up to 700,000 NPR for accidents or death.



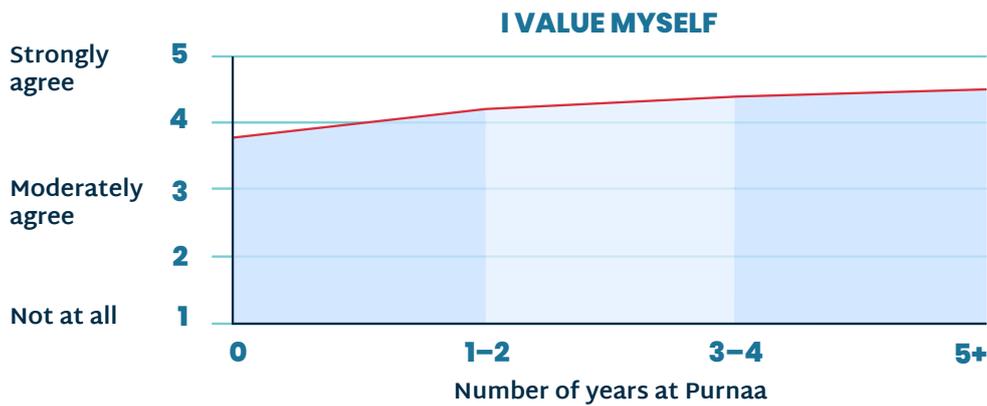
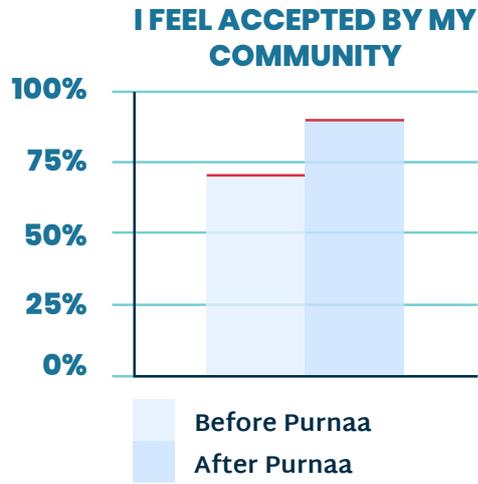
- Compared to the WHO India baseline, we see we are lower than average scores of overall society in India (our closest baseline data). However, Purnaa intentionally hires marginalized people and often these are people who have health issues that contribute to the discrimination they face in society (for example those with HIV+ or TB). Because of this, our population’s baseline for health will likely always be lower than the general population in India.
- Another significant concern for staff health are the high pollution levels Kathmandu residents are exposed to and the general effect of pollution and congestion. The Energy Policy Institute of University of Chicago (EPIC) modeled what would happen if Nepal reduced the PM2.5 concentrations to meet the WHO guideline. They showed that Kathmandu residents would potentially gain another 5.27–6.75 years of life.¹⁴



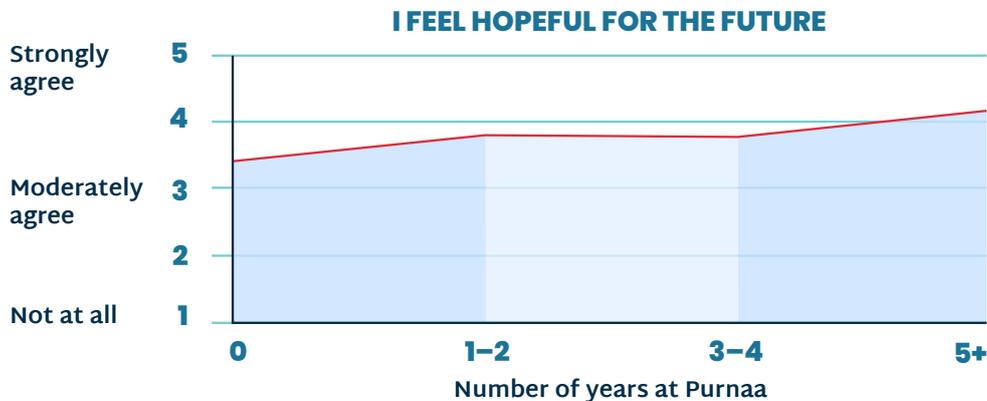
EMOTIONAL HEALTH

2019 Survey Results & Highlights

In the survey results from previous years, this was consistently a section with high results, showing that after getting a job at Purnaa, acceptance in the communities where staff lived improved a lot! This was the first year to show a decrease in this area. When we read the accompanying comments explaining the responses given, multiple Christians shared feeling discriminated against by their communities for their faith and others wrote feeling discriminated against because of their HIV+ status.



We are delighted to see that there is consistent annual growth in both self-esteem and in Purnaa employees' levels of hope for the future. This indicates a transformation in recognizing their inherent value and in believing they can actualize a better future for themselves.



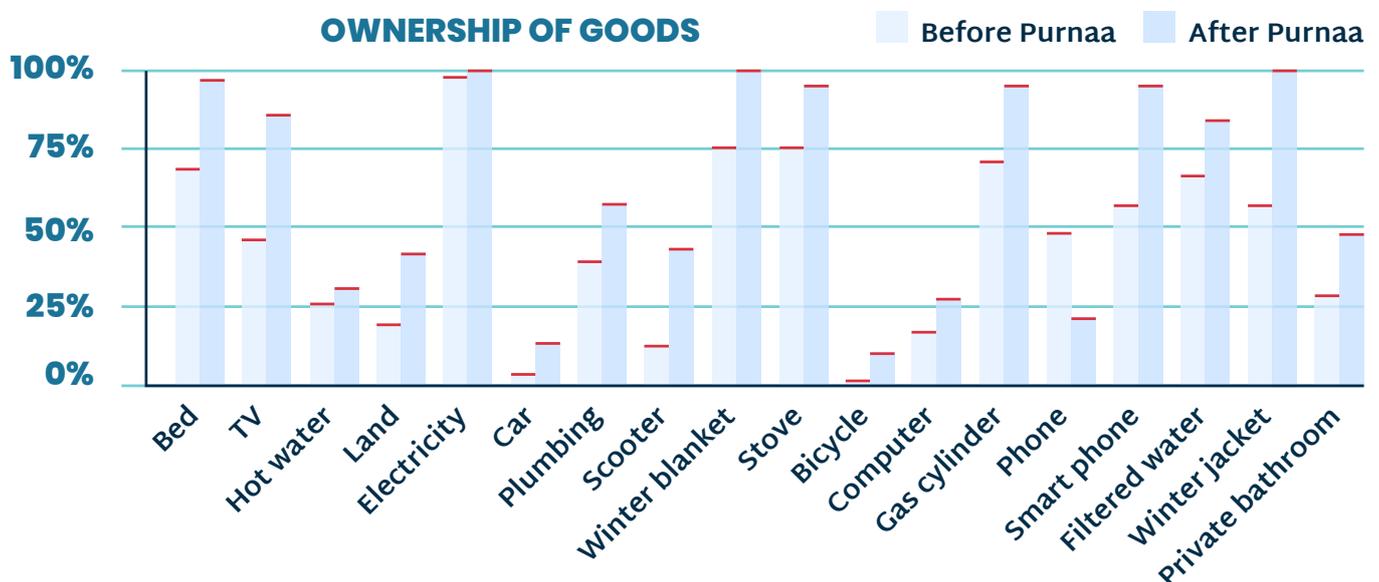
LIVING SITUATIONS

2019 Survey Results & Highlights



This chart demonstrates what a 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, stove, and electricity.

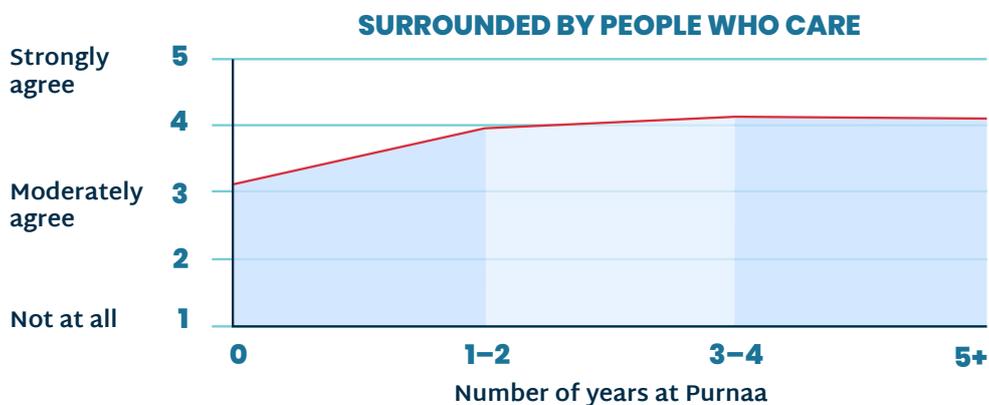


RELATIONSHIPS

2019 Survey Results & Highlights



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



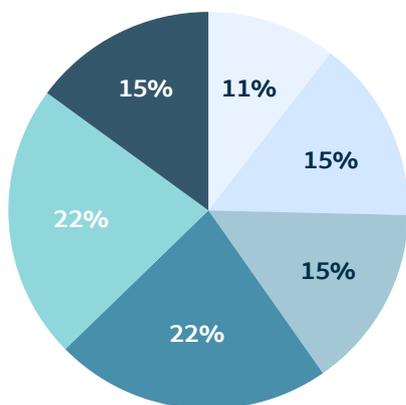
THE PURNAA EMPOWERMENT FUND



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

- 42 of our staff did not get to graduate from high school and many of them had little to no schooling at all.

STAFF EDUCATION LEVEL



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

In 2018, 12 staff members used scholarships for Adult Education. Some worked towards a high school equivalent education and others to access other needed life skill training.

Many chose to pursue scooter driving classes so that they could pass the driving exam to get a license.

This accessibility to transportation improves employee quality of life immensely. Not only does it save them time and energy, but also travelling by scooter is safer for women than travelling on the public bus where they are often groped.



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

Trauma Counseling & Mentoring by a Social Worker

Many Purnaa staff join us after exiting traumatic and difficult situations. Having the option to meet with a social worker and trained trauma counselor equips them with needed assistance as they process and heal.

- In 2019, 7 people chose to meet with trained counselors.

Assistance Transitioning from Exploitative Situations

We work to equip survivors to live in freedom and independence by offering them good jobs, but recognize that it can take time to prepare and learn needed life skills. For this reason, in 2018 Purnaa started a partnership with a local Nepali transition home and with an NGO in India helping Nepali women exit the brothels there and return to Nepal. That NGO realized 20% of the women were Nepali in the brothels where they offered help. Purnaa's Empowerment Fund made it possible for 4 of Purnaa's Nepali women leaders to go down to Kolkata and share with the Nepali women there about the better work options possible in Nepal should they choose to take the risk to try leaving their traffickers, pimps

and the sex work they were caught up in. They have to overcome pressure by family members in Nepal benefiting from the money they send home to Nepal. And they have to find ways to protect their younger relatives from then being pressured to take their place should they leave. Truly, it is a complicated choice for them.

- 4 brave women chose to leave in 2019 with help from this partnership and return to Nepal.
- 3 of them joined Purnaa.

Getting Identification

Nepal has a serious social problem. Many people do not have official citizenship. This is because they do not receive citizenship at birth but instead have to apply for it at age 18 and prove their father was a citizen. For many marginalized people, this is not possible. Therefore, Nepal has the largest number of stateless people in the world! Purnaa's Empowerment Fund helps cover the fees of lawyers and social advocates to help our staff get their citizenship, which opens up the doors to government programs that they do not otherwise qualify for, like social security, the right to vote, the ability to have a bank account, the option to get a driver's license, plus the ability to vouch for their children's right to citizenship.

- In 2019, 4 Purnaa staff got their hard fought for citizenships, after trips to their villages and meetings with government officials.

55 children were given school scholarships

Here are a few of their photos submitted by proud parents.



QUOTES

Each section of the annual quality of life survey has open space for employees to share in their own words, the good and the bad they are experiencing. They wanted to share these words with you.



“I love to share about Purnaa’s mission and goals and feel proud to see the impact it has created for people. It is not just a manufacturing company but a second home”

– Manjita



“I work in a place where there is no discrimination, has good work environment and encourages to be better”

– Sandya



“Yesterday, we were marginalised ladies. Now we have become independent and are able to fulfill the family responsibilities well. I hope other ladies will get the same chance in the future.”

– Kalpana Rai



“Because of training at Purnaa, I have changed my behaviour towards my daughter.”

– Sweta



“I have been able to afford the things I need and even some wants. And help my daughters. I was able to make a citizenship card with the help of Purnaa and have an official identity now. Now I have hope for the future.”

– Parbati



“I had no work before. Now I can use and manage money.”

– Sharmila



“While learning to do Quality Control, I learned how to read and write”

– Sangita



“I am happy in life because I work in safe place, like Purnaa.”

– Urmila Maharjan

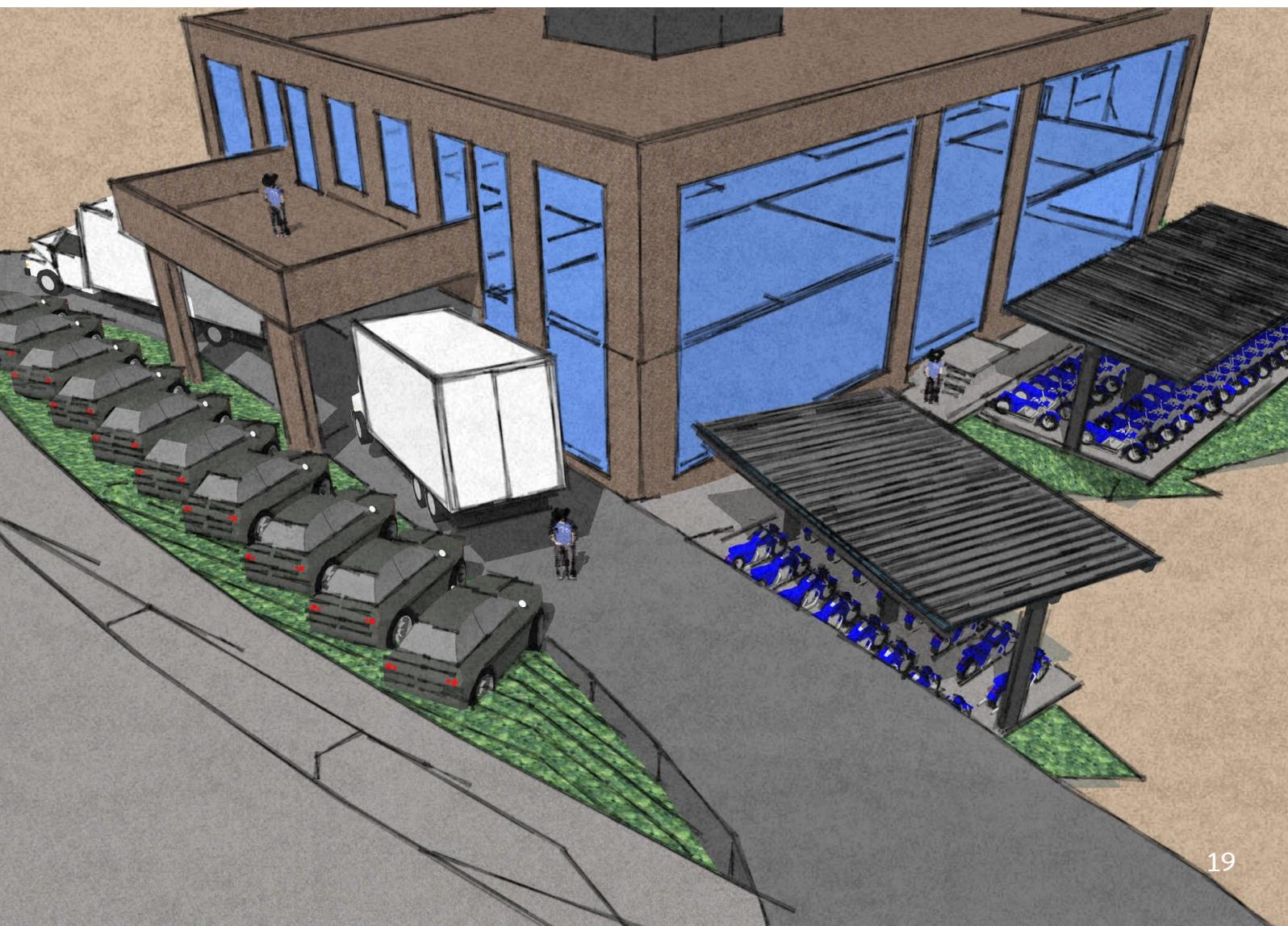
LOOKING AHEAD

Our Goals For 2020

- On the manufacturing side, we would like to add more continuous production clients to enable further job creation for survivors and marginalized people
- Purchasing land and building a factory will equip Purnaa for long-term sustainability.
- Launch a new product offering of digitally printed products, which will mean getting new machinery and training a new skill set
- Assisting Nepali women trafficked to Kolkata to find freedom and return to Nepal will be a continued focus in 2020

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 counseling and other needed social services.
- www.ywamcos.org/partners/purnaa



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