

 PURNAA

*Impact Report*

2023/24





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# Welcome

## 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're grateful you are checking us out.

## Our Big Highlights



0% of Purnaa's material waste went to landfill in 2023



Purnaa grew from 210 to 231 staff over the past year



91% of Purnaa employees are female



48 people received life-skills & job skills training in 4 training batches

# Letter from the CEO

I'm excited to be sharing this impact report with you all. In early 2024 I assumed the role of CEO at Purnaa after having worked with Purnaa for 9 years as the Director of Operations.

In 2023, we saw tremendous growth in the number of new jobs created for marginalized people and in the services we could offer to our customers. We're excited to see continued growth in our knitting operations, new embroidery offerings coming online, and nearing completion of our new factory building.

This year Purnaa grew to 231 full-time staff. We created 21 new jobs and the majority of these went to women from marginalized backgrounds who received training and support from Purnaa to enter their first real job.

With the growth, we're excited to see improvements in wage satisfaction and employee health as well.

We also made progress in reducing our overall environmental impact. This year we converted our default product packaging to home compostable plastic made from corn starch. We also saw improvements in our energy consumption efficiency and percentage of sustainable materials used.

Looking ahead we are eager to continue to offer employment opportunities to those that need them most, further improve our environmental impact, expand our service offering, and fully utilize our new facility.

Thank you for checking out our impact through this report. We are grateful for the support of our many partners, customers, and friends who are working with us to make a difference in the lives of marginalized people in Nepal.

Sincerely,  
*Richard Faber, CEO*



# About Purnaa

## Our 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 world-class manufacturing to create good jobs for marginalized people in Nepal.**

At Purnaa we define marginalized people who are survivors of exploitation such as human trafficking 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. Our goal is that through gaining a good job staff can gain dignity and confidence and eventually become part of the solution to help create more opportunities for others.

Purnaa is a zero-dividend company, which means 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 listed below!



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



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



Offerings stipends during initial skills training for unskilled workers



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



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



Providing transportation support for employees to get to and from work

# 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.



## Love

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



## Excellence

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



## 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.



## Beauty

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



# This Year's Big Events

We estimate this will prevent over 100,000 traditional plastic bags from going to landfills each year!



## Mission Growth

We grew by 21 new employees. We trained 47 people in production skills and life skills in 4 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 Construction

Construction continued through all 2023. We progressed from foundation excavation to a completed steel and concrete structure, aiming for April 2024 construction completion.



## Outdoor Retailer Trade Show

We exhibited with a booth at Outdoor Retailer in Salt Lake City UT in June 2023. We loved meeting so many brands committed to sustainability. Purnaa's awards for commitment to fair trade, best use of sublimation printing, and print design were a big hit.



## USAID Embroidery Project

We received a \$28K USD grant from the USAID Trade and Competitiveness Program to provide training and marketing and sales resources for launching embroidery as an in-house service at Purnaa. At the same time, Purnaa invested \$40K USD in state-of-the-art embroidery machinery and began setup of the machines at the end of 2023.



## Sustainable Packaging

This year Purnaa made our default for all single-product packaging to home-compostable PHA plastic which is made from cornstarch. Home compostable is the highest standard for quickness and ease of biodegrading.

# Why Nepal?

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.

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

**40,000**

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

**86%**

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]



14% or 3.5 Million Nepalis work abroad [1]. This comprises 28% of its working-age population [2]



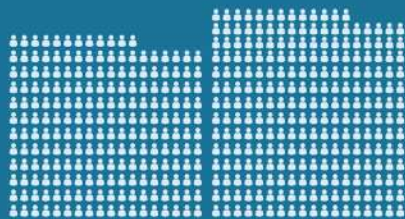
23% of Nepal's GDP comes from remittance income [3] which is the 2nd highest in the world among countries with populations above 1mil people[4].



Nepal's economy only grew **0.8%** in 2023 [5] In 2023, Nepal continued to recover from liquidity caused by a drop in remittances during COVID. Apart from the 1st year of the pandemic and the 2015 earthquake, Nepal saw its slowest growth in 2023 in 20 years [6].

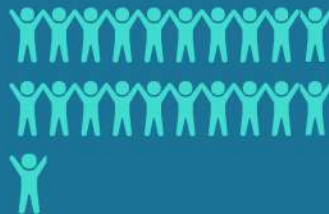


# 2023 by the numbers



**210 → 231 staff**

Purnaa grew from 210 to 231 staff in 2022



**21 New Employees**

Net increase of 21 new staff members



**91% Women**

91% of Purnaa's employees in 2023 were women (211 women and 20 men)



**42% Primary Income Earners**

42% of Purnaa employees were the primary income earner for their household



**37% Were once Marginalized**

37% of Purnaa's employees in 2023 came from marginalized backgrounds



**642 Individuals Supported**

642 family members were supported through 231 Purnaa salaries in 2023

# 2023 by the numbers



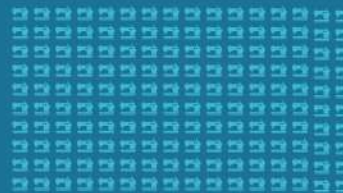
26,000 sq ft

Purnaa constructed a 26000sq ft new factory in 2023



165,064

Purnaa produced a total of 165,064 products



160 Machines

Purnaa had 160 machines



2,320 KG

Purnaa used 2,320 kilograms of sustainable materials

# 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.*

Gifts to Purnaa Empowerment Fund in 2023	\$92,497.00
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Empowerment Fund Expenses 2023	
New Employee Living Stipend for Initial Skills Training	\$6,916.21
Child Scholarships	\$8,961.74
Birthday and Holiday Celebrations	\$9,998.89
Counseling, Life-Skills Training, and Other Employee Development	\$895.58
Emergency Support (Medical or Family Crisis)	\$1,141.92
Adult Learning Scholarships	\$1,919.23
K2K Project	\$26,883.00
Total	\$56,716.57

Net Donations from previous years carried forward to 2023	\$100,590.88
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44

Child Scholarships

The Purnaa Empowerment Fund granted 44 child scholarships



38

Adult Education Scholarships

The Purnaa Empowerment Fund granted 38 adult scholarships



47

Received Skills Training

47 employees received life skills and production skills training



4

Gained Citizenship

4 employees who were previously stateless received professional support to gain citizenship in Nepal



17

Received K2K Support

17 women helped through the K2K Project



*"Since working at Purnaa, I can see many changes in my life. My health has improved, my financial situation is better, and I got my citizenship!"*

*Pipala Rai*

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# 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 mission to employ marginalized people in Nepal is worthless if we are contributing to the destruction of the environment through the jobs we create. Our goal is to make the 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.*

# Energy Consumption

Total KWH Consumed



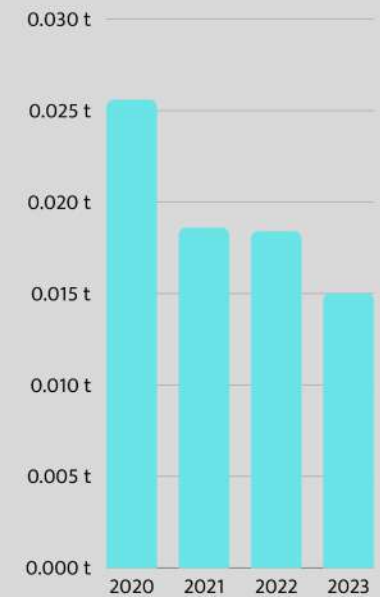
Total KWH Saved by Energy-Efficient Machines



Tons of CO2 Saved by Energy-Efficient Machine



Tons of CO2 per Employee from Electricity Usage

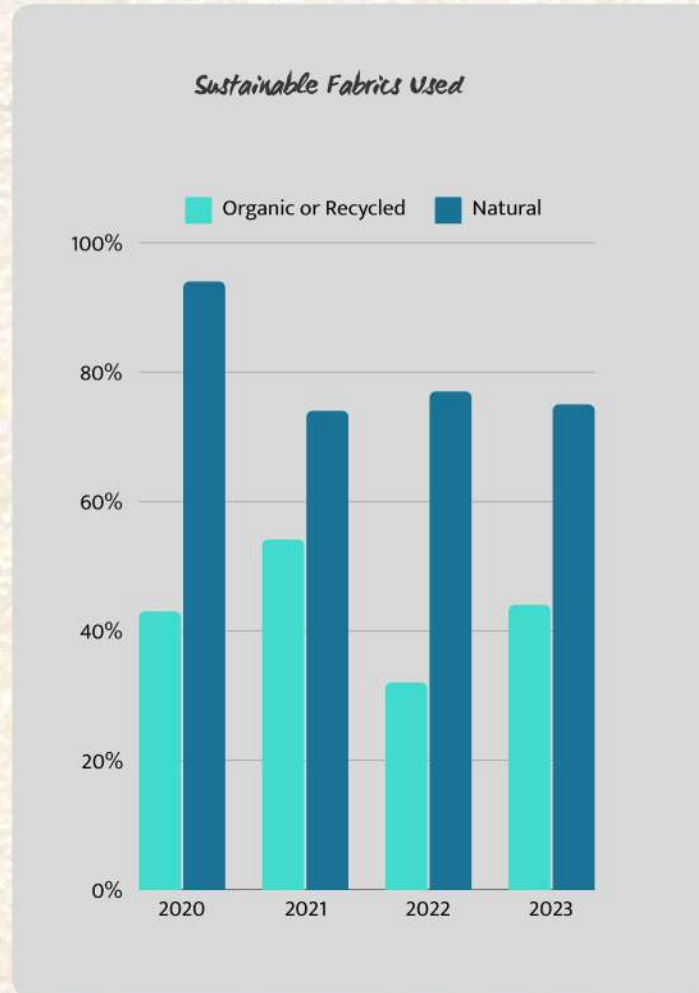


# Sustainable Fabrics

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 dirty 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 decrease in natural fiber percentage, mostly due to our increased usage of recycled polyester for sports headwear.

*We saw an increase in organic and recycled material consumption as more of our dolls and caps are made with these certified fibers.*



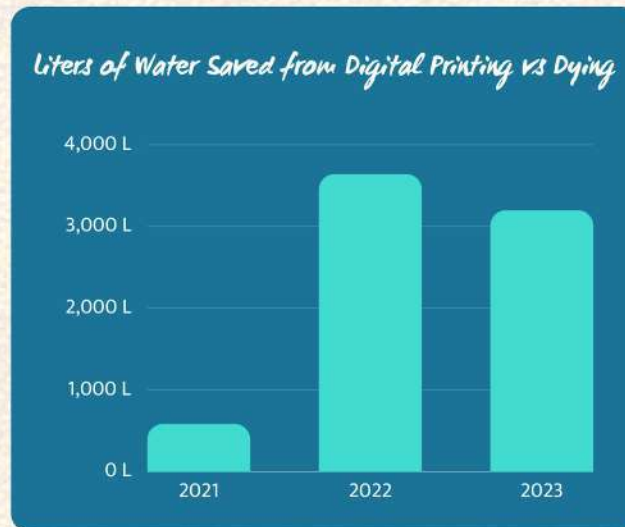
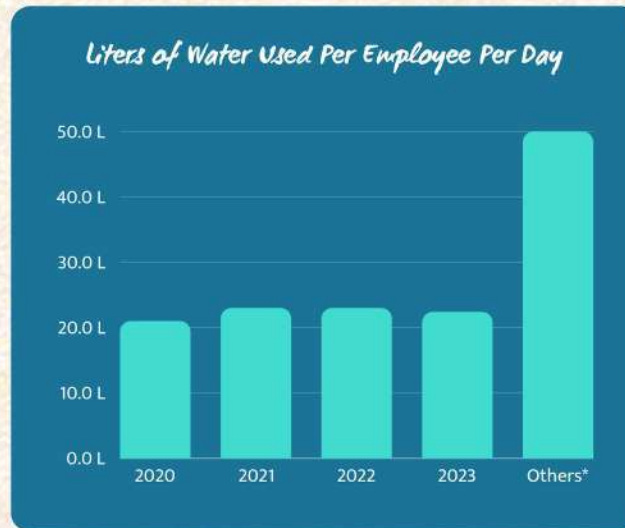


# Water Usage

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 over 200 employees, it is important that we carefully control water usage.

*\*Overall, Purnaa uses less than half of the water per employee than the industry average (50 litres per employee per day).*

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. We have been slowly scaling our production of dye-sublimated products and see a significant increase in water saved.



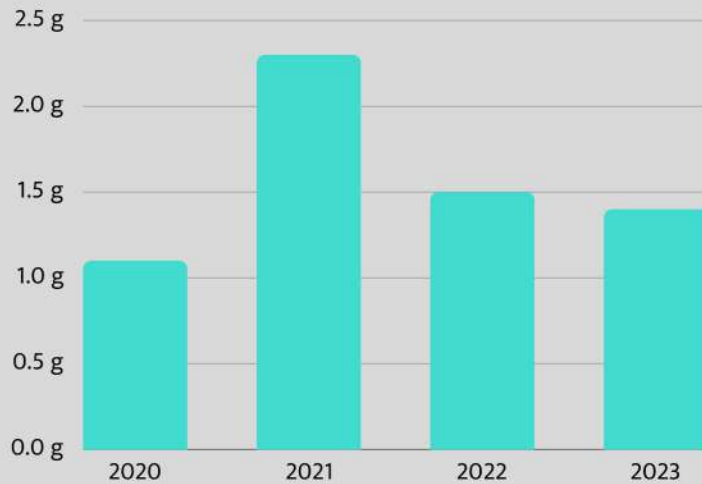
# Waste Control & Recycling

We work hard to reduce factory waste and ensure that any waste we produce is upcycled or recycled.

0%

of our material scraps go to landfill. We sell all scraps for use in making cushions in Nepal. In 2023, 1913kg (100% of fabric and yarn scrap) was upcycled into cushions and mattress stuffing.

Grams of scrap material per \$ of sales



Purnaa recycles all of its paper, plastic, aluminum, and e-waste. Our recycling company provides a report of environmental benefits from our company's recycling. In 2023 Purnaa's recycling efforts yielded the following results:



# Economic Situation

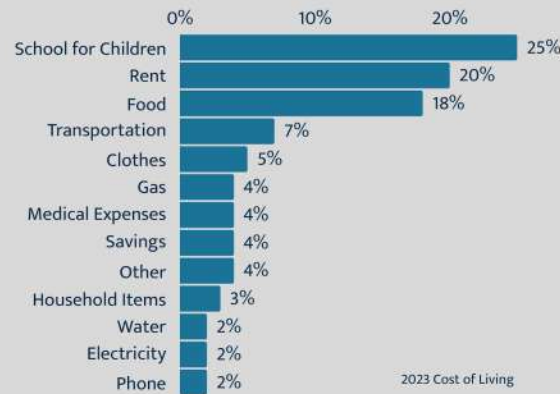
Good wages are key to our social mission of creating fresh starts and fulfilled lives for marginalized people in Nepal. We are committed to paying a Living Wage to all of our staff.

*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.

*Family of 4 Cost of Living Breakdown*



*Overall Economic Rating*



*3 = Moderately sufficient 5 = Very sufficient*

# Economic Situation

In our previous impact report, we showed a year-over-year decline in our worker's overall economic situation. The affect 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.

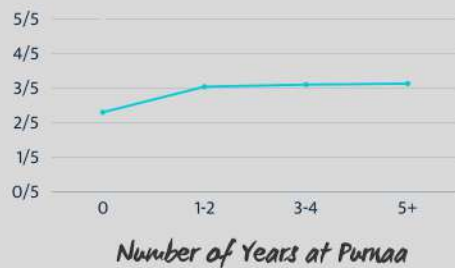
**In 2023, we raised our piece rate by an average of 15% for our knitting teams and adjusted other salaries for inflation. The result was an improvement in the overall economic score for Purnaa staff.**

However, in 2023 we see that we need to further increase wages. As our knitting unit has grown, the workers have been progressively doing a larger variety of tasks. This results in more time learning new designs and slower overall production speed and necessitates another piece rate increase. Additionally, we've noticed higher-than-average turnover of high-skilled managers and need to increase salaries at this level as well. Purnaa will be reviewing its compensation and living wage targets in July 2024.

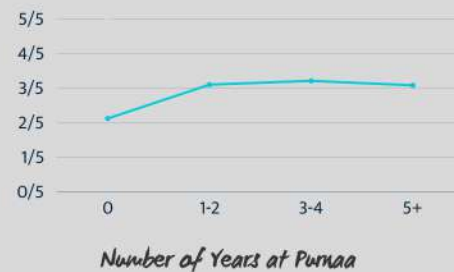
## Economic Need

As we have grown quickly from 2021 to 2024 many of our percentage of workers from marginalized backgrounds fell from 54% to 37%. However, many new hires came from desperate financial situations. The baseline responses for overall economic situations show that they came from the most difficult financial situations of any previous year's batches of hires.

*Sufficient Income to Meet Personal Needs*



*Ability to Pay off Debts*



*Overall Economic Baseline Score of New Hire*



*"After starting work at Purnaa I can pay my children's school fees and my financial status has really improved."*

*Bishwanath Thakur*

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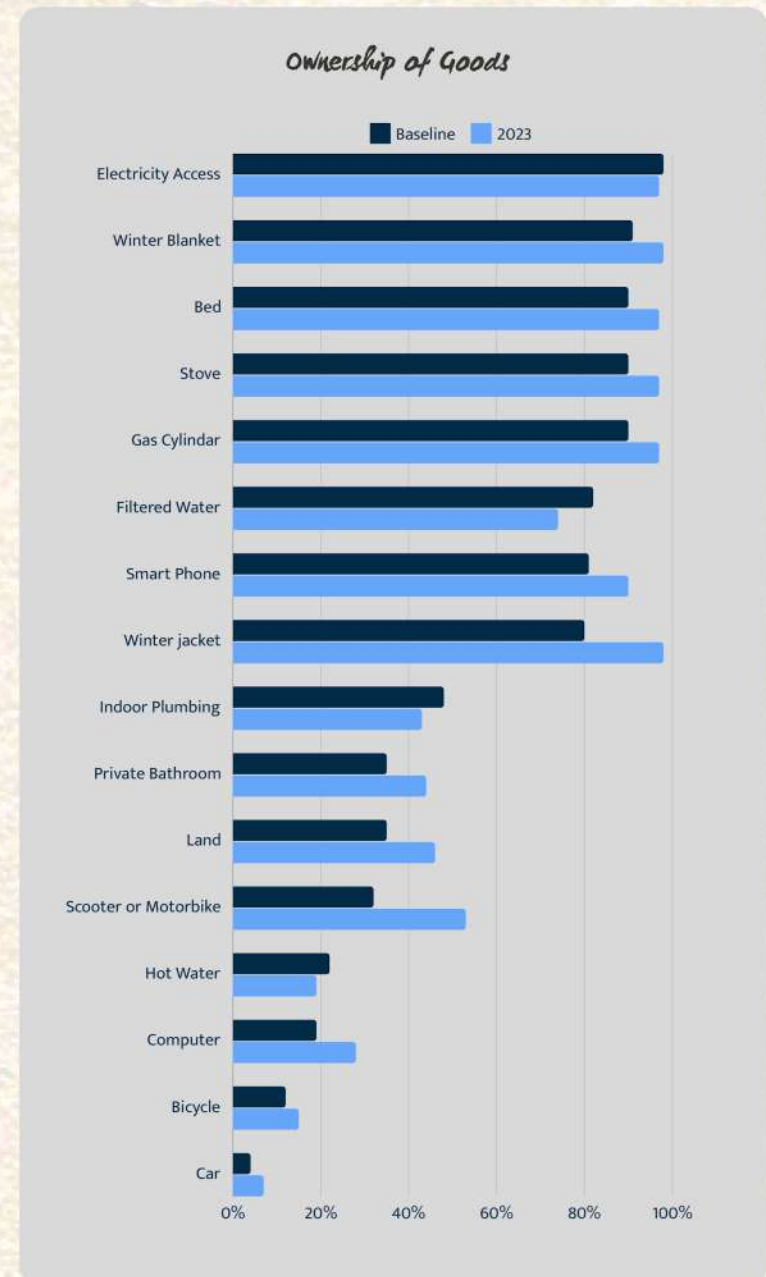
# Living Situation - Ownership of Goods

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 Kathamndu 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 is a primary driver of this increase.**

The use of filtered water has declined 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.

Access to indoor plumbing has decreased slightly. We think this is driven by employees moving to be closer to our factory, which is in an area with more traditional houses that might use outdoor pumps and outhouses.





*“After starting to work at Purnaa, I became independent, and I can give my children what they need.”*

*Anjana Shakya*

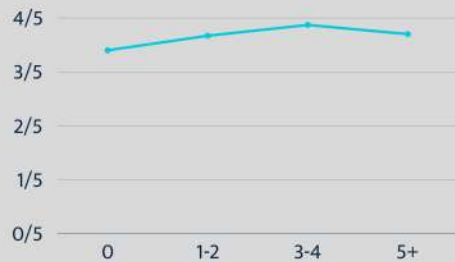
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# Physical Health

Post COVID and the 2022 dengue outbreak, we have seen two years in a row of improved physical health reporting from our staff, with overall health responses finally back to pre-pandemic levels. We also see improved health reporting with longer service at Purnaa.

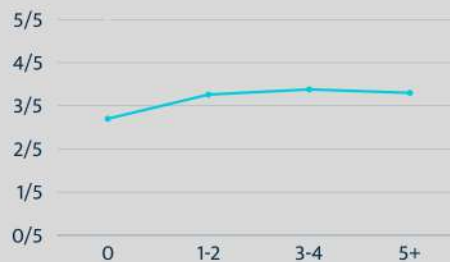
*An area that shows significant improvement with time worked at Purnaa is Confidence in Family members' health. A steady job and access to health insurance allow care-takers to feel more confident in their children's and elderly parent's health.*

*Overall Employee Health*



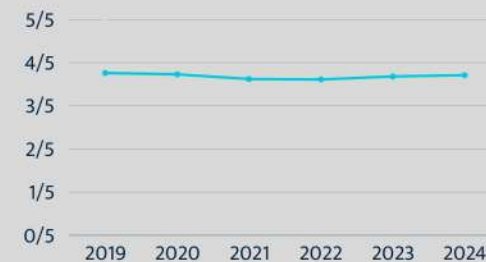
*Number of Years at Purnaa*

*Confidence in Family Member's Health*



*Number of Years at Purnaa*

*Employee Health Average Year by Year*



*Years at Purnaa*



*"I like that Purnaa cares for its staff. Many things stand out to me in how they show they care: good first aid supplies, fair treatment of workers, 2 days off on the weekends, a clean and healthy environment, and gifts for kids on their birthdays."*

*Nirmala Bhlou*

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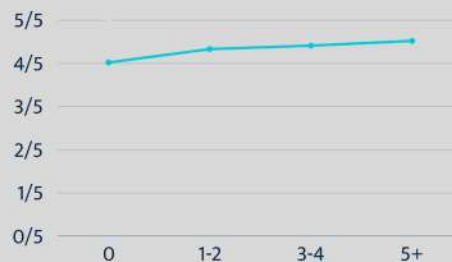


# Emotional Health

It is our hope that through finding dignity as a skilled worker, participating in a supportive community, and working in an environment free from discrimination and abuse that worker's emotional health improves after working at Purnaa. The average response to all emotional health questions continues to show a trend of increasing with longer time spent at Purnaa.

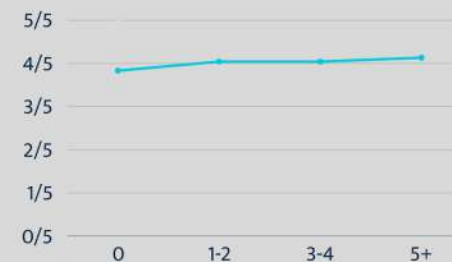
*We also see a marked increase in hope for the future after getting a job at Purnaa. "I feel proud to share where I work," continues to be a question in which we receive one of the highest overall ratings.*

*Overall Emotional Health*



*Number of Years at Purnaa*

*I Feel Hopeful for the Future*



*Number of Years at Purnaa*

*I Feel Proud of Telling People About My Work*



*Number of Years at Purnaa*

*I Generally Enjoy Life*



*Number of Years at Purnaa*



*"My life has changed a lot because I have been able to build self confidence after working at Purnaa."*

*Abina Rai*

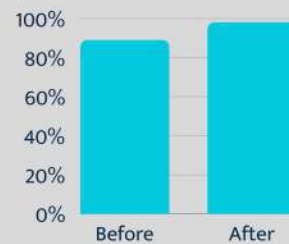
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# Relationships

We see that after getting a job at self-confidence are less likely to report experiencing discrimination and more likely to feel accepted in their community. Many employees previously experienced discrimination. The respect they now receive from their neighbors ranks as something they are most happy about.

Additionally, by joining the Purnaa community, staff are more likely to say they feel “surrounded by people who care.”

*I Feel Treated Fairly  
I Do Not Feel Discriminated Against*



*Before and After Working at Purnaa*

*Accepted by My Community*



*Number of Years at Purnaa*

*Healthy Relationships*

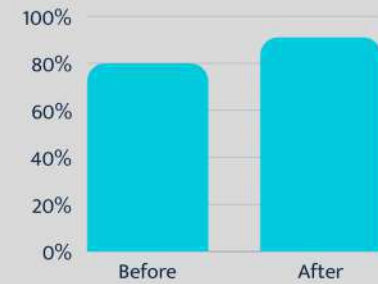


*Number of Years at Purnaa*





### Surrounded by People Who Care



Before and After Working at Purnaa

*"I used to be an introverted person, but Purnaa gave me the opportunity to make more friends and participate in teamwork. Now I am completely changed into an extrovert and enjoy making new friends."*

*Sarita Mangrati*

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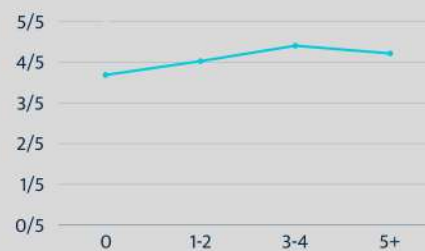
# Physical Environment

After joining Purnaa, many staff relocated to be near our workshop. It is important to assess if staff are satisfied with the housing options and community near our office. Next year as we move to our new factory, this will be increasingly important.

**We see significant improvement in employee satisfaction with their living situation as they work longer at Purnaa.**

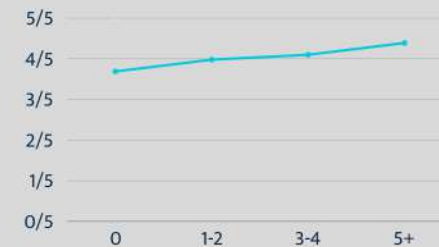


*I Feel Safe in My Daily Life*



*Number of Years at Purnaa*

*I Like Where I Live*



*Number of Years at Purnaa*

*“More than any other place I've worked, Purnaa feels like a family. The people at Purnaa have helped me to grow because they have given me the opportunity to continue my studies and take time off when needed.”*

*Anisha Tamang*

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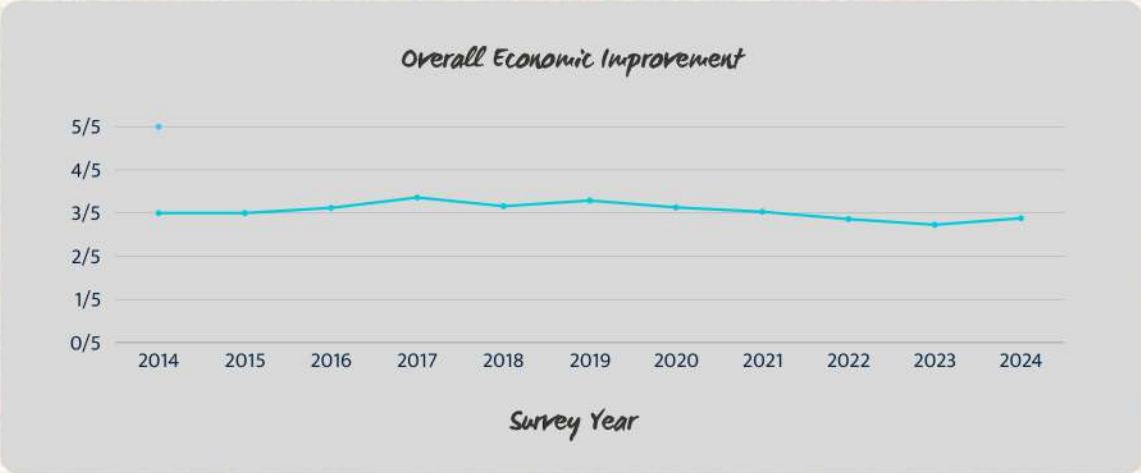


# Areas of Improvement

**Sustainable Packaging Metrics:** After upgrading upgrading to home-compostable corn-starch plastic packaging, we need to start tracking and reporting how many plastic bags are saved from landfills. Some of our customers send us their own traditional plastic packaging. Our goal is to next year be able to report the percentage of compostable vs traditional plastic consumed.

**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.

**Income Satisfaction:** Our overall economic indicator improved in 2023, but reversing a four-year decline. We made inflation adjustments to salaries and increased knitting piece rates by 25%. However, it is still not to where we'd hope to see this metric, our goal is to continue to share as much of Purnaa's income with staff as possible and bring this metric up about 3 "moderately satisfied" next year.





# Looking Ahead

## Our Goals

- In 2024 we will complete construction and move into our new factory.
- Create more than 50 new jobs, focusing employment on people from marginalized backgrounds
- Improve our embroidery offering for caps and other products
- Add new customers to our new knitting production unit through new stuffed animal designs

## How You Can Help

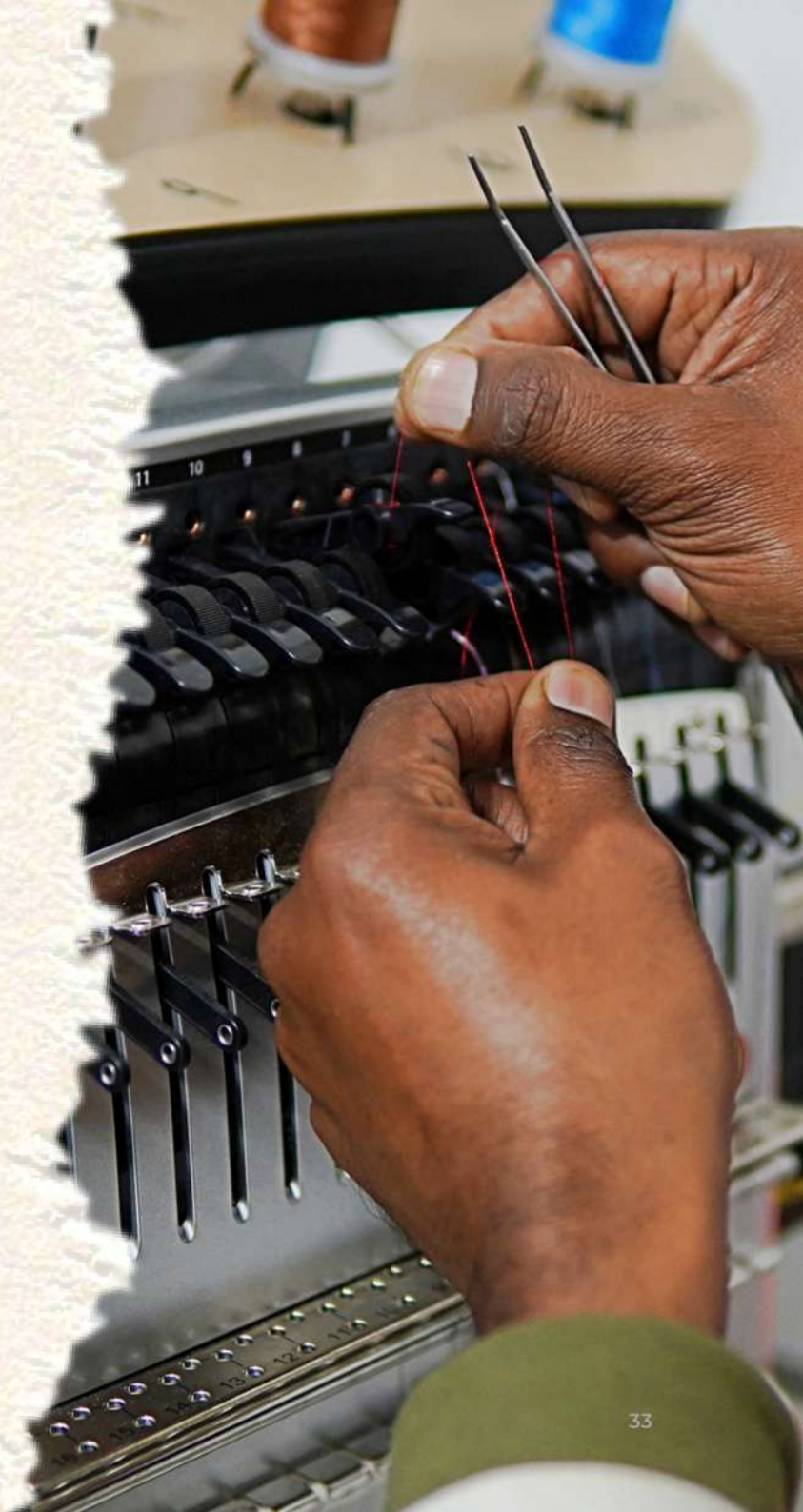
- Send good manufacturing clients our way, brands that share a commitment to clean supply chains and empowering people through business.
- Become a Purnaa Empowerment Fund sponsor and help trafficked Nepali women
- journey home and find freedom, scholarship Purnaa employees and their children, and provide counseling and other needed social services.

Contact us at [info@purnaa.com](mailto:info@purnaa.com) to find out how to give.



# Citations & Links

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