



*on* PURPOSE

2017 SOCIAL IMPACT REPORT

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## as a company created for women,

founded by a women, and predominantly staffed by women in our shops and our headquarters, we have always believed in the power of women.

this belief led us to our social good mission of empowering women to transform their communities. and this belief also led us in 2013 to a small village in rural rwanda where we set into motion steps that would financially and personally empower a group of women artisans. it began by partnering with them as our supplier for a special collection of products, called *on purpose*, that we proudly sell in our shops and on our ecommerce sites around the world.

when we set out, we had no inkling of the global women's movement that would ignite in 2017, spurring awareness and inciting change to the systematic injustices and universal challenges faced by women everywhere. we are proud to have our own role in this transformative era, and feel more passionate and committed than ever to our women's empowerment work.

abahizi rwanda is our first *on purpose* supplier. they opened their doors to the global marketplace four years ago. now we are excited to launch our first social impact report, providing more insight into our work, with a focus on the progress made in 2017. from rising confidence levels to increased decision-making to maternal health visits, employment at our first *on purpose* supplier is creating positive change.

it is also clear that through *on purpose*, a significant shift has occurred in the lives of not only abahizi rwanda's majority female employee base, but also in the community in which they live. it's created ripples of impact at our organization and with our customers. we are inspired daily by the women who make our *on purpose* collection, and are pleased to give you more insight into the work and impact of this program we hold dear.

thank you,

mary beech  
executive vice president and chief marketing officer

## BACKGROUND



## about *on purpose*

kate spade new york was founded in 1993 by a female entrepreneur looking to fill a void in the handbag market. she had bold ideas and a singular vision to create product that no one had ever seen before. that was 25 years ago, and that entrepreneurial spirit and commitment to innovation continues to drive our business forward today. it also fuels our commitment to empowering women. we believe empowered women transform their communities.

at kate spade new york, we have two channels of our company dedicated to empowering marginalized women. the kate spade & company foundation focuses on distributing philanthropic grants to non-profits in the new york and new jersey area. our *on purpose* initiative utilizes the power of our supply chain to empower the women who make that label's products.

*on purpose* is a social enterprise: we build premier handbag suppliers in underserved communities that provide full-time employment to women, and source product from those suppliers.

these companies are set up as for-profit social enterprises and are employee-owned and locally run.

kate spade new york provides all start-up capital, ongoing training and commercial orders needed to sustain the suppliers in their formative years. we ensure employees have job security and fair wages and offer five life skills training programs: health education, financial literacy, counseling, leadership training and english.

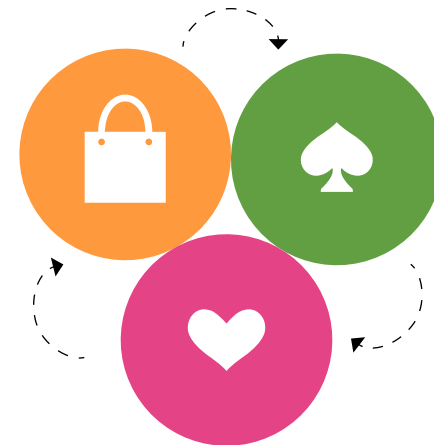
we then make sure these suppliers are set up to take on other clients, because buyer diversification is a sustainable path for long-term financial growth.

our first stop: masoro, rwanda. today, abahizi rwanda employs over 200 women from the local community. they've been our partner since 2013.

## how it works:

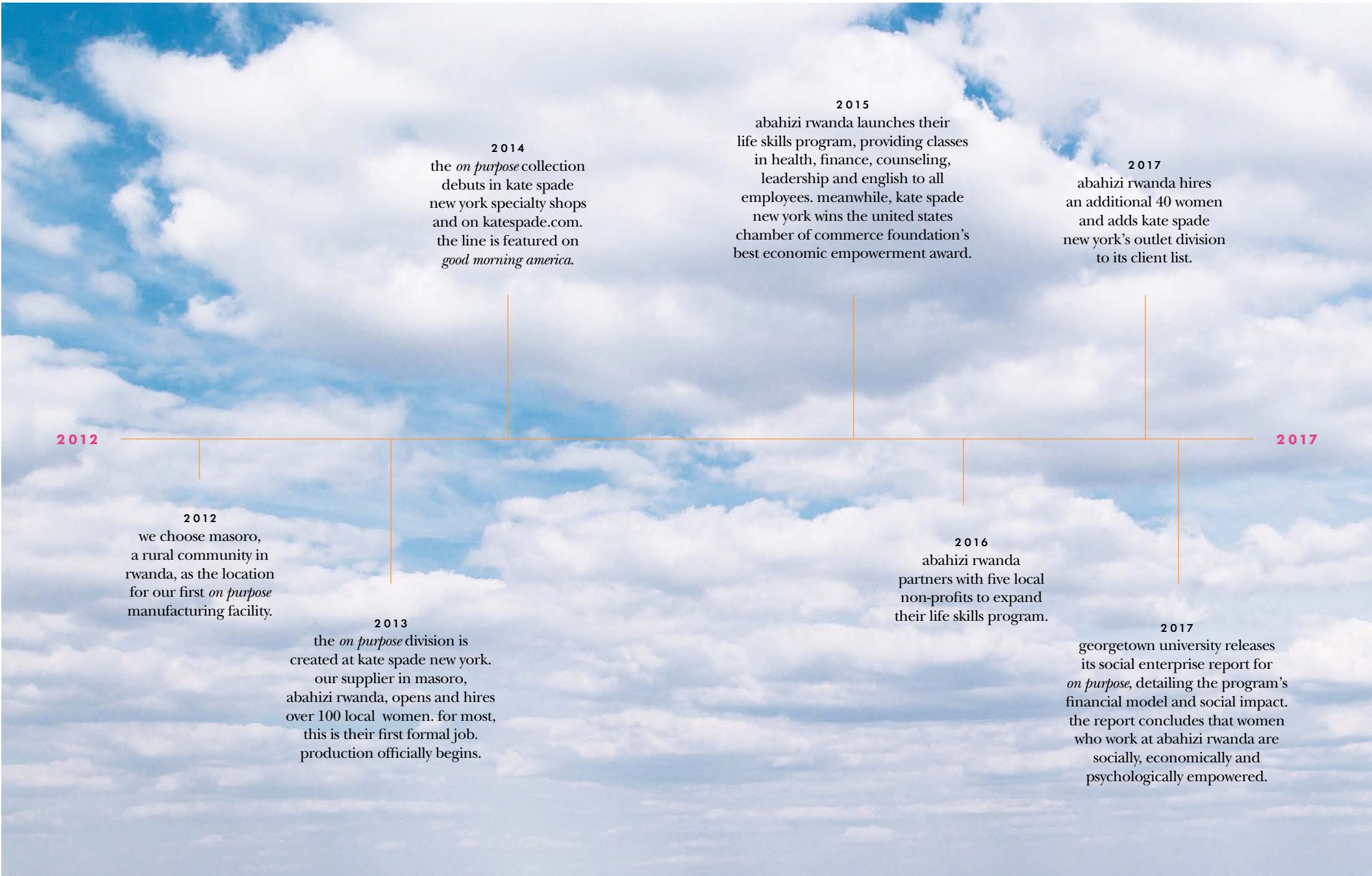
abahizi rwanda supplies handbags to kate spade new york and profits from the sale.

abahizi rwanda employees spend their salaries at local businesses and make long-term investments that grow their assets and the community.



we sell the bags in our specialty shops and online. our customers love them, buy them—and we place another order at abahizi rwanda.

with *on purpose*, we've evolved the more common per-product donation approach. instead, our supplier is fully integrated into our system.



2012

**2012**  
we choose masoro,  
a rural community in  
rwanda, as the location  
for our first *on purpose*  
manufacturing facility.

**2013**  
the *on purpose* division is  
created at kate spade new york.  
our supplier in masoro,  
abahizi rwanda, opens and hires  
over 100 local women. for most,  
this is their first formal job.  
production officially begins.

**2014**  
the *on purpose* collection  
debuts in kate spade  
new york specialty shops  
and on katespade.com.  
the line is featured on  
*good morning america*.

**2015**  
abahizi rwanda launches their  
life skills program, providing classes  
in health, finance, counseling,  
leadership and english to all  
employees. meanwhile, kate spade  
new york wins the united states  
chamber of commerce foundation's  
best economic empowerment award.

**2016**  
abahizi rwanda  
partners with five local  
non-profits to expand  
their life skills program.

**2017**  
abahizi rwanda hires  
an additional 40 women  
and adds kate spade  
new york's outlet division  
to its client list.

**2017**  
georgetown university releases  
its social enterprise report for  
*on purpose*, detailing the program's  
financial model and social impact.  
the report concludes that women  
who work at abahizi rwanda are  
socially, economically and  
psychologically empowered.

2017





women's empowerment  
is the freedom to make  
life choices and the  
resources to exercise it.



— from georgetown university's  
2-year study of *on purpose*

## how do we measure empowerment?

every year we verify our impact by partnering  
with a third-party professional research firm  
in rwanda. in 2017 we partnered with laterite to  
administer an all-employee survey at abahizi  
rwanda based on the following metrics.



### WORKPLACE EMPOWERMENT

- competitive wages
- female leadership
- life skills training



### ECONOMIC EMPOWERMENT

- savings and loans
- land ownership
- financial security



### PSYCHOLOGICAL EMPOWERMENT

- self confidence
- household decision making
- health
- life satisfaction



### COMMUNITY EMPOWERMENT

- family well-being
- employment of others
- school enrollment

SOCIAL IMPACT



# 2017

**32,000**  
handbags made

REPORT



**96%**  
of children are now attending primary school

**162**

full-time jobs for women



**5**

life skills programs offered at *on purpose* supplier

## highlights

**53%**

own a home

**89%**

of women are in formal leadership roles for the first time ever

**88%**

of worker households own another business



our supplier employed **165 people full time** in 2017, **98% of which were women**. the average worker age was **36 years old**, with a range of **20-65**.

of the **162 women**, **65% were married**, up **32%** from the previous year. **75% were parents** with, on average, between **2 and 3 children** each. women are often their household providers; abahizi rwanda employees **financially supported an additional 4.4 people** in their community, on average.

abahizi rwanda's average employee has worked at the company for approximately **3 years**. **81% never had a formal job** until working for our supplier.



**APPOLINARIE MUKARUGIRA**  
team leader, beading

appolinarie didn't pay much attention when she first heard about abahizi rwanda, but with four children and a growing list of expenses, her interest was piqued when she saw an ad in 2015 for temporary employment. her plan was to work for a few weeks and return to raising her family. to her surprise, she loved the job and applied for a full-time position.

now, because of the income appolinarie brings in, she and her husband put all four children in school, made updates to their home, including brick walls and a new kitchen, and have hired a young man to take care of their land, who they're also putting through school. appolinarie has been promoted to team leader in the beading department.

what's next for her and her family? they plan to install solar panels in their home soon and make sustainable investments for their family.



## WORKPLACE EMPOWERMENT



# 32

women were in formal leadership roles

i.e. decision-making, buy-in, increased responsibility and, with it, higher pay.

(43% of these were senior roles. middle management is 100% female.)

### RE: COMPANY WAGES

georgetown university's research found that the lowest artisan salary was considerably higher than the median salary for private sector jobs in rwanda, and it exceeded the salary of comparable jobs in masoro.

# 5

life skills training programs were provided to all employees: health education, financial literacy, counseling, leadership training, english classes.

## PSYCHOLOGICAL EMPOWERMENT



# 70%

of artisans felt a sense of self-empowerment

# 60%

reported high levels of life satisfaction

# 55%

of pregnant employees made 4 or more visits to the doctor (39% increase from last year)

DECISION-MAKING POWER IS A KEY INDICATOR OF PROGRESS. WE ENDED 2017 KNOWING THAT:

# 48%

made decisions about their children's education

# 55%

made decisions about household purchases

# 66%

made decisions about healthcare issues

# 29%

made decisions about family planning

ECONOMIC EMPOWERMENT



72%

of artisans were actively saving money

62%

secured a loan through a bank or other financial institution

33%

purchased land

53%

owned a house alone or with a spouse

95%

felt prepared for expected future expenses as well as unexpected ones

COMMUNITY EMPOWERMENT



67%

of artisans perceived an increase in family well-being

87%

of employees' children were attending school

96%

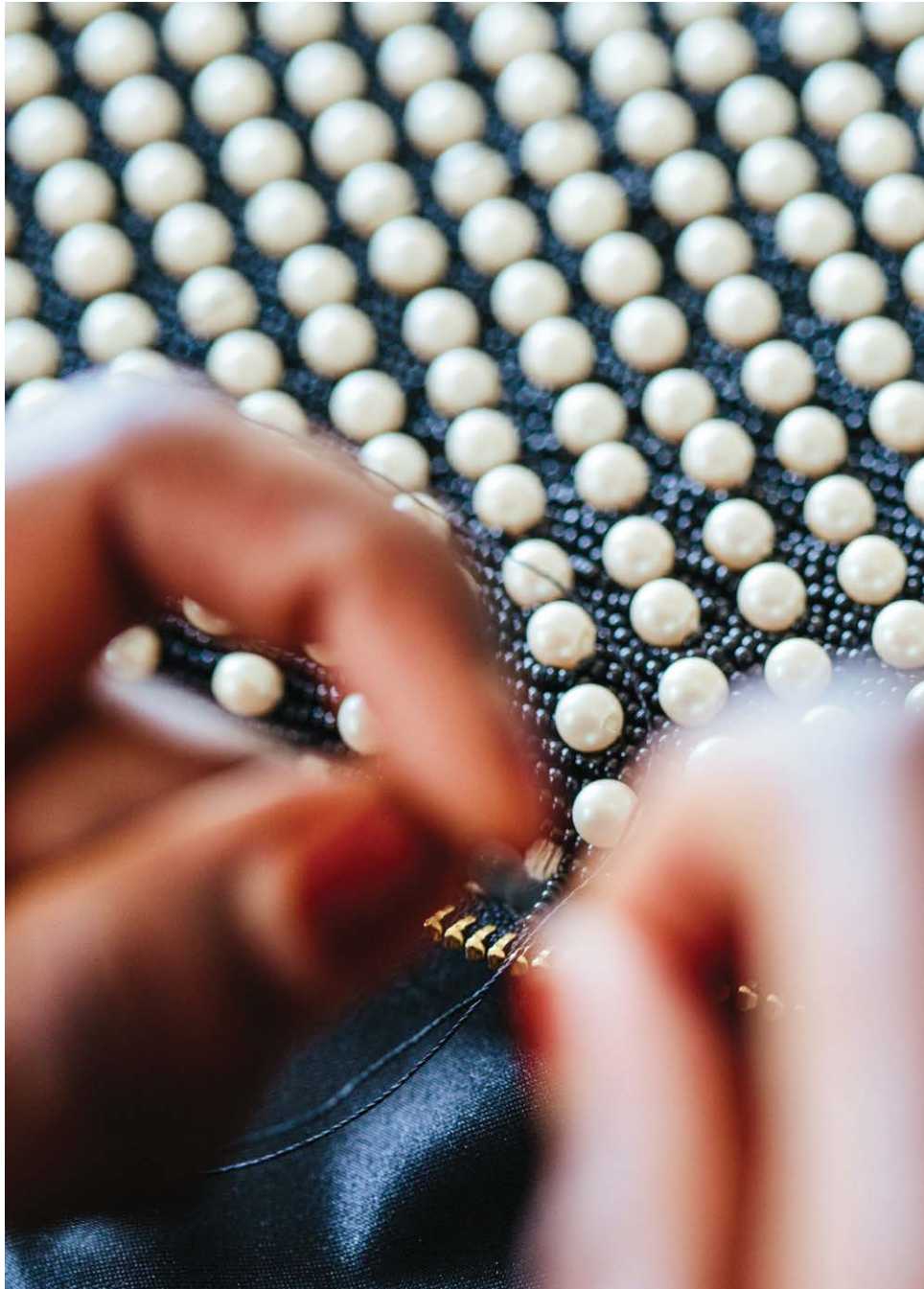
were in primary school

88%

of employees' households own a business

93

members of the community were employed by businesses owned by abahizi rwanda employees



**CLAUDINE UMULISA**  
sample manager

before joining abahizi rwanda, claudine owned a shop in kigali where she designed, manufactured and sold beaded jewelry. she loved the creativity but found securing affordable materials and regular customers a challenge. one of our kigali-based consultants noticed claudine's craftsmanship skills, and in july 2013, hired her to train artisans to bead handbags and jewelry. while there, she learned how to make samples and quickly rose the ranks. by october 2014, she'd assumed leadership of the entire sample team.

in this role, claudine liaises with the kate spade new york design team to manage sample quality, costing and production and recently decided to further her education by going back to school. on weekends, claudine studies information technology at akilah institute.





GA Collaborative

Karisimbi Business Partners



Urwego OPPORTUNITY Bank

# our partners

*on purpose* wouldn't be what it is today without incredible partners that share our vision. kate spade new york collaborates with a team of local and international non-profits, businesses and consultants to deliver the impact we envision for the *on purpose* suppliers and their communities.

AKILAH Institute for Women



Strategic Good

her network

Laterite



## CUSTOMER ENGAGEMENT

each *on purpose* purchase directly supports our supplier and helps improve the quality of life for their employees and everyone around them.

in addition, we host shop with purpose events throughout the year. 2% of net sales during the event are reinvested in four ongoing community projects: a playground, a community center, a health center and a sport and learning center.

to date, we have donated over \$1.48 million to these community projects through our non-profit partner, GA collaborative.



## kate spade new york employees take part, too.

each year corporate employees in our US, UK and japan offices host a fundraising day for the same four community projects our shop with purpose sale events support.

on november 14, 2017 employees in the US and UK raised over \$45,000 for our non-profit partner GA collaborative to reinvest.





## the future is bright

we are committed to innovating. we are committed to scale. and we are deeply committed to our *on purpose* suppliers and the communities where they are based.

in 2018, we plan to help abahizi rwanda's business grow by bolstering governance, investing in productivity trainings and stream lining our metric collection systems. in addition we will be sharing lessons learned with industry and sector partners who are looking to empower women in their supply chains, too.

thank you!  
(or, murakoze, as they say in rwanda)

we are incredibly grateful for all you do.  
together we will continue to empower women the world over.





this report was authored and compiled by:  
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