

ANNUAL BENEFIT REPORT 2018-2019



Photo by Tumbleweed Photography Studio, Lisa Armstrong

“Another world is not only possible, she is on her way. On a quiet day,
I can hear her breathing.” - Arundhati Roy





WHO WE ARE

Our model produces impact that echoes into the lives of many women and children.

Sudara is a certified benefit corporation that empowers women in India who have escaped from or who are at high risk of human trafficking by providing dignified employment opportunities. We start with choices. Women decide how they will provide for their families and receive skills training and education for their chosen vocation to complete their transition. Our success is not only measured by our long-term, positive social impact and systemic change but also through our profits that are reinvested in the women Sudara supports.

With our mission-aligned partners, we train approximately 1,200 women per year in 11 vocations with a 90% job placement rate. Sudara has an impact ecosystem that creates a cyclical movement of freedom, education, empowerment, economic stability, and hope. We create a beautiful line of pajamas and loungewear inspired by local Indian culture crafted by the brave women in the community who wish to remain free from the sex trade. The revenue generated from sales is reinvested in training for more women, leading to more economic independence and more gender equity.

Our ecosystem continues through Sudara Freedom Fund with wrap-around services to support the women and their families with services such as medical care housing, and counseling, to make this life transition possible. Our role is to provide opportunities to empower each woman; we do not rescue them. We give women a choice to live a life they have imagined, free from sex slavery, and break the cycles that lead to generational sex work. It is our experience that self-sustaining jobs create long-term economic change and lift entire communities from poverty.

In a world full of choices, benefit corporations like Sudara provide a way for every person and every company to give back to society. Over the five years Sudara has been a benefit corporation, we've seen a shift in consumer and corporate behavior with heightened awareness and compassion. People are realizing that where we spend our dollars has an exponential impact. Whether that impact does good, or does harm, depends on our choices today. Each of us has the power to shape the future, and we believe that harnessing dollars for good is the way of the future.

WE CREATE PATHWAYS FOR WOMEN TO
ESCAPE SEXUAL SLAVERY AND LIVE IN FREEDOM.

Growing inequality is detrimental to economic growth and undermines social cohesion, which increases political and social tensions and drives national instability and conflicts. While extreme poverty rates have fallen by more than half since 1990, one-in-five people in developing regions still live on less than US\$1.90 a day.

Women are more likely than men to live below 50 percent of the median income. Poverty and its many dimensions cause unemployment, social exclusion, and high vulnerability of specific populations to disasters, diseases, and other phenomena. Progress is still needed in many areas to:

- Increase employment opportunities, particularly for young people.
- Reduce informal employment and the gender pay gap.
- Promote safe and secure working environments to create decent work for all.



SUDARA FREEDOM FUND

Sudara Freedom Fund, a nonprofit, 501(c)3, enhances our impact in the lives of the women and children we serve. In cooperation with our partners and by investing contributions we provide housing, education, health care, and job training for the women and families at our partner centers. This synergy creates a unique and sustainable hybrid model and provides donors the opportunity to contribute to a robust and viable solution that reduces inequality through women's empowerment and financial inclusion.



WHEN WOMEN ARE GIVEN AN OPPORTUNITY, THEY REACH BACK AND ELEVATE THEIR ENTIRE COMMUNITY. OUR GOAL IS TO HELP WOMEN ACHIEVE FREEDOM, OPPORTUNITY, AND DIGNITY THAT CHANGES LIVES FOR GENERATIONS TO COME.

Our product development is inspired by the impact we make—not by profit. We first identify areas severely affected by sex trafficking. From there, we pull inspiration from the local culture including trades, crafts and textiles, and work with partners on the ground and in sewing centers to equip women with skills that lead them to fulfilling, long-term careers that support generational change.

“If you’ve come here to help me, you’re wasting your time. But, if you’ve come because your liberation is bound up with mine, then let us work together.”

- Lilla Watson

OUR FIRST IMPACT REPORT

Inspired by dignity, the women elevate live more purposeful and hopeful lives.

In 2017, we created a gender-responsive and holistic evaluation based on the United Nations Human Rights guidelines. In 2018, we interviewed 37 women and published our first impact report sharing the outcomes from our evaluation. We measured how dignified employment encourages empowerment and how freedom creates security, peace, hope for the future, and overall well-being. Our 2018 report explored and identified three themes that support our evaluation thesis: Financial Independence, Hope for the Future, and Supportive Community. The identified themes also included indicators and metrics that align with the United Nations Sustainable Development Goal (SDG) 5, Gender Equality.

Utilizing indicators and metrics that align with SDG 5 on Gender Equality, we found that access to sustainable living wages provides a pathway to financial independence and a sense of purpose and dignity, which in turn establishes self-empowerment. Inspired by dignity, the women we elevate live more purposeful and hopeful lives. Our constituents were also more likely to accept themselves and felt more confident and respected by others after working with our partners. Overall, our partners provide women a community that gives them exposure to social connectedness and offers them the chance to work their way out of poverty by building a sustainable future for themselves and their families.





90%

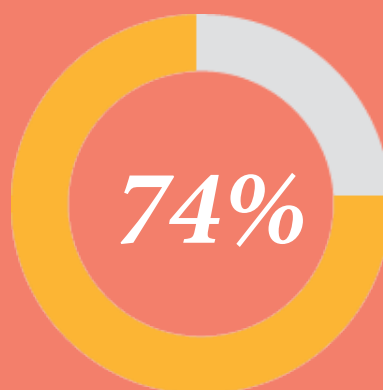
Reported increased decision making at the household level

“Now that I am earning, my family values my opinion.”

INCLUSION IN A CARING ENVIRONMENT LEADS TO SUSTAINABLE ECONOMIC, EMOTIONAL, AND COMMUNAL CHANGE.

Reported holding a senior or management position

“I am able to learn new things here, working with freedom without pressure.”



87%

Reported increased access to salary and savings

“Before I had to take loans to pay for my children’s education as my husband’s salary was not sufficient. Now that I am earning, I am able to contribute towards such expenses.”

2020 IMPACT GOALS

Our 2018 impact review provided us with a baseline understanding of our impact. In 2020, we aim to deepen how we measure and understand the connections between sustainable livingwages and financial independence that encompass purpose and dignity.

To prepare for our second round of interviews, we used our theory of change to strategize and determine the additional areas that needed further review. This empowered us to strengthen our framework and align our indicators with global metrics. Our framework focuses on four specific domains, where each field contains a set of metrics and indicators that directly or indirectly align with indicators and outcomes of standardized tools. Below are the four identified domains of impact.

Four identified areas expand our knowledge in the different types of impact we create.

Empowerment: Do you feel strong and healthy in your everyday life?

“Now I have more confidence in being a woman and raising my daughter.”

Supportive Community: Do you feel that you are surrounded with people who care and support you?

“I had no one to talk to about my problems. Now I have friends who I can talk to and make me feel better.”

Purpose: Do you have hope for the future and enjoy a meaningful life?

“Now I am joyous and grateful. I can help my mother and help my brother get an education. I am excited for what the future holds.”

Economic Sustainability: Have you earned enough money to meet your needs?

“Now I have the money where I can save and go to school as well as support my mother and brother.”



SUSTAINABLE DEVELOPMENT GOALS

Sudara aligns with 5 of the 17 Sustainable Development Goals (SDGs) created by the United Nations.

The United Nations (U.N.) Sustainable Development Goals (SDGs) were adopted in 2015 as a universal call to action to end poverty, protect the planet, and ensure that all people enjoy peace and prosperity by 2030.

The U.N. estimates about \$6 trillion a year is required to address all 17 SDGs adequately. That amount far exceeds what traditional sources such as government aid and private philanthropy can accomplish alone. According to Brian Moynihan, chairman, and chief executive officer of Bank of America, “Addressing these challenges will require the involvement of the entire global capitalist system.” At Sudara, we couldn’t agree more.

For fifteen years, Sudara has been on the front-lines of impact businesses that do good for the world. Our model, although unique in its “first dollar” living wage commitment, believes in supporting those on the margins to live their best lives on their terms through enterprise and self-sustainability. It is not enough to “give a person a fish.” We must support them in their endeavor to fish daily through opportunity, education, and community. Years of experience has proven that this is the path to ending poverty, raising the bar to equality, and bettering the lives of those less fortunate. Every life matters.

1 NO POVERTY



SDG 1 endeavors to **end poverty** in all its forms everywhere by 2030.

According to the U.N., 700 million people or 10% of the world population still live in extreme poverty and struggle to fulfill even basic needs.

Since 2005, **Sudara** has worked to lift 1,200 women out of human trafficking and sexual slavery and the risks of this posed by poverty, to find dignified and self-sustaining employment with our partner centers.

4 QUALITY EDUCATION



SDG 4 endeavors to ensure inclusive and quality education for all and promote lifelong learning. One goal aims to **eliminate gender disparities in education** and ensure equal access to all levels of education and vocational training for the vulnerable, including persons with disabilities, indigenous peoples, and children in vulnerable situations.

In concert with our partners in India, **Sudara** elevates the most marginalized women in the most impoverished communities and offers them the choice of a way forward. We illuminate their path out of an unthinkable life of slavery through education, community, and hope for their posterity.





SUSTAINABLE DEVELOPMENT GOALS

5 GENDER EQUALITY



SDG 5 endeavors **to end all forms of discrimination against all women and girls everywhere.**

Gender equality is not only a fundamental human right, but a necessary foundation for a peaceful, prosperous, and sustainable world, and many women experience further marginalization through gender-based violence and enslavement. One specific goal is to eliminate all forms of violence against all women and girls in public and private spheres, including trafficking and sexual and other types of exploitation.

At **Sudara**, gender equity is at the core of **who** we are and **why** we do what we do. When a woman is not free anywhere in the world, women everywhere are not free. With 1,200 women freed from the dangers of human trafficking and life in the sex trade, we stand with the U.N. in freeing more women in 2020 and beyond from a life of sexual slavery.

8 DECENT WORK AND ECONOMIC GROWTH



SDG 8 endeavors to take immediate and effective measures to eradicate forced labour, end modern slavery, and end human trafficking.

At **Sudara**, we promote a life free of slavery and oppression. We give the women in our centers a choice for their future. They can provide for their families, live in dignity, and create a life of hope to end poverty and the risk of human trafficking for generations to come.

10 REDUCED INEQUALITIES



SDG 10 endeavors to reduce inequalities globally, but economic growth is not sufficient to reduce poverty if it is not inclusive and if it does not involve the three dimensions of sustainable development – economic, social, and environmental. One goal is to reduce inequalities by empowering, and promoting the social, economic and political inclusion of all, irrespective of age, sex, ethnicity or race.

With gender equality at **Sudara's** core, we ensure we promote social inclusion and reduce inequality by providing women access to increased income, savings accounts and managerial roles. Together with our partners in India, we will continue to work to progressively push women out of poverty, promote a life of freedom and contribute to systemic social change.

BENEFIT CORPORATION 2019 BEST FOR THE WORLD HONOREE



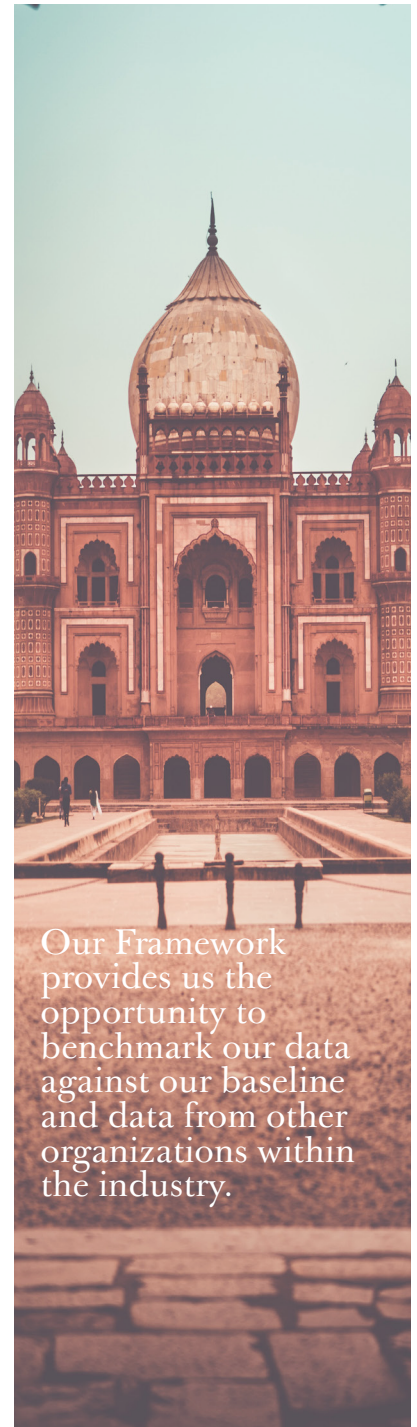
Sudara has been identified for the second year in a row as Best for the World: Governance Honoree

The Governance honoree award is granted to companies who incorporate their mission into the DNA of their company structure and embody what it means to use business as a force for good. Companies in this category are recognized for building their vision and values into their company bylaws with full transparency and accountability. Governance Honorees are selected by earning a score in the top 10% on the B Impact Assessment, as well as a list recognizing B Corps with the greatest impact improvement (the changemakers).

Sudara's overall B impact score is roughly 30 points higher than the median score for traditional companies.

OUR INDIA BASED OPERATIONS

In 2019, we moved our warehousing and shipping operations to Chennai, India. This new model presents us with the opportunity to increase the number of women and families we impact because having a local presence gives us a direct connection with our partners in India, and with the women who work in our partners' sewing centers. This proximity strengthens our operations and better positions us to benchmark our data against data from other organizations and standardized metrics within the industry. The accessibility to our partners furthers our relationships to launch our next round of interviews to gain a more expansive understanding of our impact directly from the women we serve.



Our Framework provides us the opportunity to benchmark our data against our baseline and data from other organizations within the industry.





OVERCOMING OBSTACLES

Sudara experienced three significant challenges in achieving its mission in 2019. The first was the cyclical nature of apparel production and keeping a consistent flow of work in an industry subject to seasonality. During low-demand times of limited capital needed for supplies and labor, we remained committed to finding solutions to overcome industry volatility, keeping our partner center operations healthy, and providing the women in our partner centers a sustainable income. These gaps in productivity have not deterred Sudara from our mission. In 2020, we have deployed new communications and messaging strategies to align with likeminded corporations, which will enable us to reach more customers and donors while creating more consistent work for the centers.

Our second challenge centers around the changing social media algorithms and its resulting landscape rendering direct-to-consumer advertising too expensive. Moving forward, we have diversified our revenue model to include wholesale and corporate channels with early successes in corporate partnerships who have committed to shifting their dollars to social impact for positive social change. The alignment of these corporations with Sudara bolsters our commitment to the empowerment of women in marginalized communities to provide economic stability and freedom from the entrapments of the sex trade for more women and their families in 2020.

Finally, models for accessing capital and financing for social impact and minority, women-led businesses currently stand at 2% of VC funding. Limited access to capital makes growth in the impact space slow and challenging. Sudara does things differently and does not fit the norm, which adds to our challenge. Sudara takes fair pay a step further and offers a living-wage upfront before any profits occur. We are not a one-for-one or back-end profit model, but a company that places the worker first. Thus, Sudara, Inc. is tasked with all product sales and revenue creation to subsidize training, opportunities, and freedom for more women and their families. We addressed this challenge by adding new business to business revenue channels while seeking grants and pursuing crowdfunding campaigns.

CONCLUSION

Our business model is designed for impact. As a Certified Benefit Corporation, we meet the highest standards of verified social and environmental performance, public transparency, and legal accountability to balance profit and purpose. When you support Sudara, you help our partners provide our beneficiaries the opportunity to work their way out of slavery by building a sustainable future for themselves and their families.

With our sights focused on expanding sales channels and entering new markets in 2020, we will create sustainable impact for even more women and children, thus contributing to reducing inequalities, lowering the poverty rate, and building a more inclusive and sustainable economy.

YOUR SUPPORT CREATES FREEDOM,
OPPORTUNITY, DIGNITY, AND A
SYSTEMIC CHANGE FOR THE WOMEN
AND CHILDREN IN OUR PARTNER
CENTERS IN INDIA.

~Thank You

