

*on* PURPOSE



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## notes from us

2018 marks the second year we've published our annual social impact report. at kate spade new york we're passionate about catalyzing the power and strength of women in the united states and around the world. we walk the walk: our company was founded by a woman, we are led by women and are largely comprised of women in our customer base, teams and supply chain.

this year we also saw positive action for women at a national level here in the united states. probably the most noticeable of which occurred this past november, when 127 women were elected to public office in the house of representatives and senate. and while, collectively, we still have a journey ahead of us to reach a level of gender parity, we at kate spade new york have been proud to help empower women to new levels of economic prosperity, leadership and self-confidence in the communities where they live and work.

on june 5, 2018, we lost our founder and visionary kate brosnahan spade. in her honor, we committed \$1 million dollars through the kate spade new york foundation toward mental health causes. we also launched an internal program called *mind body soul* that provides resources and education to our corporate associates about physical, emotional and mental wellbeing. the loss of kate brosnahan spade was felt throughout our organization and our customer base. it has made us reflect on our brand values, and our purpose. we are committed to mental health as an important aspect of our work with and for women as we take our next steps as a brand.

and in 2018, taking important next steps is exactly what we have been up to through our *on purpose* initiative. as you will read in this report, the initiative has not only grown in scale and impact, but the women who work at abahizi rwanda, our first *on purpose* supplier, are reaching new levels of empowerment, particularly in the areas of household decision making. moreover, these women are creating ripple effects that are improving the health, economy and education for all members of the community where they live and work.

we are incredibly proud of what *on purpose* and the women of abahizi rwanda have achieved this year. in the pages that follow, we will share with you some of these achievements, and hope they inspire you as they do us.



mary beech  
executive vice president and chief marketing officer

## notes from us

empowering women to be the heroines of our own stories. that is our statement of purpose at kate spade new york, and it embodies our social impact work. from our philanthropy and volunteerism, to our social enterprise portfolio, we are committed to empowering women and supporting them in that process.

to be the heroines of our own stories, we must also be the authors. we must have the confidence to pick up our own pens and change the story if we need to; the ability to find the strength to write another chapter when the current narrative doesn't do; the support of a community when we cannot turn the page alone.

2018 marked the fourth year of our *on purpose* initiative at kate spade new york. driven by our purpose to empower women, we took an idea and a dream and built what is now an established handbag supplier that is also a catalyst for community development. abahizi rwanda, a rural, employee-owned manufacturer, employs over 200 women. it not only provides sustainable wages and benefits, but also education and professional development through a life skills curriculum. over the past four years, we have seen these women begin to pick up their own pens and change their narratives: they are making more family planning decisions, stepping into local leadership roles, and creating support systems within their own communities so others can thrive as well. they are writing the next chapter for themselves, their families, and their communities. they are the heroines of their own stories.

inspired by the success and stories of these women, this past year we launched the *on purpose* fund to invest in women and local organizations that spur sustainable community change in three areas: health, economy and education. with each kate spade new york purchase during our shop with purpose events, 2% of net sales are donated to a donor-advised fund that is managed by tides foundation, a strategic grant-making service. these funds provide the infrastructure and training needed to fuel sustainable development for everyone in the community—women, men and children—where our supplier is based.

the women and men featured in this report have been so important in helping us fulfill our statement of purpose in 2018 and define our next steps in 2019. we are grateful for their partnership, and hope you feel inspired to become the heroes and heroines of your own stories. we are right here alongside you writing our next chapters, too.



taryn bird  
director, social impact

## about us

kate spade new york was founded in 1993 by a female entrepreneur, kate brosnahan spade, looking to fill a void in the handbag market. she had bold ideas and a singular vision to create products unlike any she had seen before. that was over 25 years ago, and her entrepreneurial spirit and commitment to innovation continues to drive our business today. we believe empowered women transform their communities and that they are all the heroines of their own stories.

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



## about *on purpose*

*on purpose* is our social enterprise initiative committed to improving the health, economy and education of the communities where our *on purpose* suppliers are based. we do this by empowering their greatest agents of change: women.

we invest in two forms of capital. through our commercial fund, we build for-profit handbag manufacturers that provide full-time employment, fair wages, maternity leave, career growth and educational resources to women. we then source products from these suppliers. with our philanthropic fund, we invest in local community programs. by contributing to both, we accelerate transformation and sustainable growth in the communities where our *on purpose* suppliers are based.



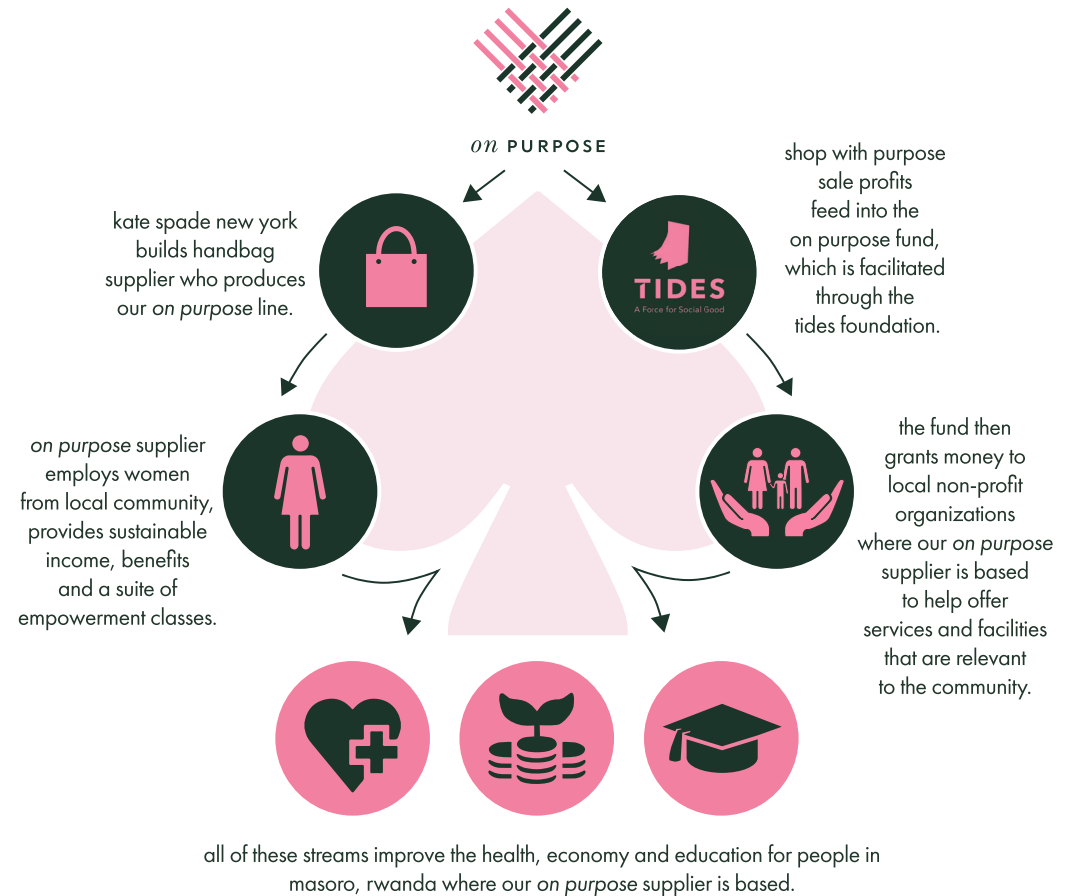
# our model

*on purpose* suppliers are set up as for-profit social enterprises and are employee-owned and locally run. they are globally compliant export companies that make product for kate spade new york and other companies, because client diversification is the most sustainable path for long-term financial growth. these suppliers charge each client a social impact fee that funds educational programs available to employees.

our *on purpose* philanthropic arm is a donor-advised fund managed by the tides foundation. we distribute grants to non-profit partners working in the communities where our *on purpose* suppliers are based. these programs are locally run and address local needs.

our first *on purpose* supplier is based in masoro, rwanda. abahizi rwanda employs 250+ women from the local community. they've been our partner since 2013.

# how it works





### customer engagement

throughout the year, we host shop with purpose events and donate 2% of net sales during each to our *on purpose* fund. to date, with the support of our customers, we have donated over \$1.8 million to partners committed to improving the health, economy and education for people in masoro, rwanda.



### employee engagement

because we sell the handbags and accessories from our *on purpose* collection around the world, many of our corporate associates are involved in its product development cycle, from design and logistics to compliance. each year corporate employees in kate spade new york's US, UK and japan offices host a fundraising day for the *on purpose* fund. in 2018, our US & UK offices raised \$67,327 to support mental health and wellness programs in masoro, rwanda.



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.

**2017**

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

**2016**

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

**2018**

abahizi rwanda adds coach as a second client, and its board of directors holds their first meeting. in celebration of international women's day, kate spade new york releases a documentary featuring the stories of the women who work at abahizi rwanda. the *on purpose* philanthropic fund is established in partnership with tides foundation.

2018

“  
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*

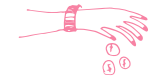
## how do we measure empowerment?

every year we verify our impact by partnering  
with a third-party professional research firm  
in rwanda. in 2018 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



# 2018

**33,000**  
handbags made

report

**250+**  
full-time jobs  
for women



**93%**  
of abahizi  
rwanda's workforce  
are women



**67%**  
of employees  
own land

## highlights

**41%**  
increase in women's  
decision making  
on purchases at home  
year over year

**86%**  
of leadership roles  
are held by  
rwandan women

**36%**  
increase in women's  
decision making  
on family planning  
year over year



our supplier is locally run and employee-owned. they provide high-quality products to the global fashion industry with a social commitment to empower their employees and transform their community.

they employ **250+ people full time, 93% of which are women, 86% in leadership roles. 72% are parents. 20% are single parents.** the majority of the workforce are mothers, daughters and sisters. most have worked at the company for over three years.

abahizi rwanda is nestled in the lush hills of masoro, rwanda, about a 45-minute drive from the capital, kigali. more than 20,000 people live in the community.



**jeanne mukaremera**  
production team member

before abahizi rwanda, jeanne worked part-time at various jobs and was considering relocating her two children to give them more opportunities.

in 2014, she joined abahizi rwanda as a production team member. as a full-time employee she receives a competitive salary that allows her to provide for her family. she invested in her home and recently purchased a sewing machine and plans to teach her family how to use it so they can capitalize on a new skill. through the company, she's enrolled in finance classes and is learning how to save for her future.

"having a sustainable job that has given me transferable skills brings me peace of mind. i can teach what i've learned to others, and create additional income for me and my family."



workplace empowerment



86%

of women were in formal leadership roles

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

(30% of these were senior roles. middle management was 100% female.)

full benefits

employees received health insurance for themselves and their entire families, paid maternity leave, sick days, vacation days and bonuses.

5

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

psychological empowerment



70%

of artisans felt a sense of self-empowerment

health care improved for mothers-to-be:

43%

increase in prenatal doctor visits since 2016

39%

of pregnant employees made 4 or more visits to the doctor, as recommended by international health standards

decision-making power is a key indicator of progress. we ended 2018 knowing that:

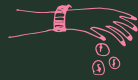
41%

more employees made purchasing decisions alone and with a partner

42%

more employees made decisions about family planning

economic empowerment



# 68%

of artisans were actively saving money

## 32%

secured a loan through a bank or other financial institution

## 68%

owned land

## 50%

owned a house alone or with a spouse

“because of my work, I was able to pay for my child’s education and assist with additional financial needs.”

— abahizi rwanda employee

community empowerment



# 1 in 3

families owned a side business

## 93%

of employees’ children were attending school

## 141

members of the community were employed by a side business owned by abahizi rwanda employees

“the company supports schools and the health center in our community. we’ve seen a decline in unemployment and employees of abahizi rwanda are hiring people in the community to assist with household needs.”

— abahizi rwanda employee





**darius habamenshi**  
general manager, abahizi rwanda

"i feel most empowered when i'm empowering others. the women at abahizi rwanda give me hope for a better future, as i strongly believe that investing in women is the best way to invest in the well-being of their families and ultimately the community. i see a lot of positive change in the lives of the women who work here. they have found their own voice and energy, and their leadership skills extend outside the workplace. i am very proud of all that we have accomplished so far."





GA Collaborative



Karisimbi  
Business  
Partners

Laterite

Elephant  
Stable

**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.

WCO

Africa  
Yoga  
Project

Health  
Systems  
Work



Middle  
Way



## about the tides foundation

in 2018, we began our *on purpose* fund with tides foundation to support local non-profit organizations in communities where our suppliers are based. tides has worked as a grant-maker in over 150 countries, making sure that funds are distributed appropriately and efficiently, and are positively impacting the community. our goal is to leverage their expertise, in collaboration with non-profit partners, so the social impact of the programs funded by our *on purpose* fund at tides foundation is sustainable for years to come.



AFRICA YOGA PROJECT

## partner spotlight: africa yoga project

africa yoga project (AYP) promotes well-being throughout the continent by educating, empowering, and leveraging employability using the transformational practice of yoga. through this practice, AYP delivers access to low-cost, high-quality well-being programming.

in 2018, AYP expanded their work to bring their program to masoro, home of abahizi rwanda. the partnership through our *on purpose* fund provides funding and consultation for a mind and body well-being program in the local community. they will be a featured partner at masoro's new learning and sports center, one of the community spaces kate spade new york helped build, which is set to open later in 2019.





## 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 2019, we plan to help the abahizi rwanda business grow by placing larger orders from our mainline and outlet businesses and partnering with our sister company, coach, as they begin to produce product there, too. we will bring more structure to our community investments through the *on purpose* fund and work with our rwandan colleagues to inspire the women of abahizi rwanda to be the heroines of their own stories.

thank you!

(or, *murakoze*, as they say in rwanda.)

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



kate spade  
NEW YORK