

GRI REPORT 2015

YEAR ENDING DECEMBER 2015



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We BUILD
clean energy
markets for
Asia's energy
poor

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A MESSAGE from our executive director

Welcome to Empower Generation's first sustainability report. This report follows the Global Report Initiative (GRI) in-accordance with framework (G4-32). Our team is excited to share with you the many sustainability milestones we have completed, as well as our future growth plans for our NGO operations. Empower Generation (EG) focuses on the three pillars of sustainability - people, planet, and profit. We strive to offset our impact on the environment by providing sources of clean, renewable energy to energy-poor consumers in developing parts of Asia.

The nonprofit sector plays an enormous role in positively impacting the global environment. We understand that it is our responsibility to contribute to global issues regarding climate change, greenhouse gas emissions, and fair and equal labor opportunities. We are fully committed to understanding where sustainability can be enhanced throughout our supply chain processes and distribution network, in the lives of our beneficiaries, and within our internal operations.

As Empower Generation's Executive Director and Co-Founder, I am excited to embrace sustainability reporting and implement it as an integral part of our company. While building this report, we have received diverse stakeholder feedback. This has helped us discover what is necessary for our business and how an emphasis on sustainability can continue to help Empower Generation grow and be successful. Sustainability reporting is a system of continuous feedback and, with that in mind, we see this opportunity as the beginning of a journey Empower Generation will happily continue on in the future.



Anya Cherneff
Co-Founder & Executive Director

ABOUT US

Empower Generation (EG) is a 501(c)(3) (G4-5) (G4-7) social business that identifies, trains, capitalizes, and mentors rural women to distribute clean energy solutions in Nepal (G4-6). We are headquartered in San Francisco, California (G4-5). Through our training program, women become entrepreneurs who then manage their own businesses and are able to directly access clean, safe, and reliable energy sources. Since 2011, Empower Generation has enabled 13 women to start their own businesses, who would otherwise be subjected to unemployment and vulnerable to slavery. Nepalese women working in Empower Generation's network earn income and respect, while providing their communities with the much needed energy solutions. This energy solution allows families to work, study, and thrive in homes that are safe and clean (G4-8).

Empower Generation extends beyond its operations in order to achieve a stronger impact. It is that passion of always striving do a little bit more that has allowed us to make important partnerships with other associations (G4-16) (G4-15). These partnerships have resulted in successful projects.

Following the 2015 Nepal earthquake Empower Generation partnered with Kopernik, an organization that sources technologies designed for the developing world and connects simple technology with the people that need it most. Together, we distributed solar lights to earthquake survivors. The operation's success relied on our well established networks in Kathmandu, which enhanced our distribution process

Our strategic partnerships are instrumental in supporting local communities. We partner with Mercy Corps, an organization dedicated to alleviating suffering, poverty, and oppression. Empower Generation and Mercy Corps organized a 3-day Business Skills and Sales Marketing Training course in Kailali. Through this event we were able to reach out to 30 women. 13 of our participants received job offers at the end of the course.

Another critical partnership is with The Unitarian Universalist Service Committee, a human rights organization that fosters social justice around the world. In 2015, we launched a program called Project Sol, that targeted relief efforts for Nepal's earthquake survivors.

Our earthquake relief contributions were the following:

- ▶ 72, 343 survivors reached with clean, safe light and power to help build a more resilient Nepal
- ▶ 45 women and girls trained to join our network of business leaders and sales agents
- ▶ 10, 995 solar lights, mobile chargers, and home systems distributed across 15 districts

We also work with Adwan, an organization that seeks to empower Dalit women and reclaim their rights to live with dignity and help them develop social enterprises.

Finally, we have partnered with Rebuild with Sun, an organization that brings solar power for earthquake relief in Nepal. Together, we crafted a campaign to bring solar lights to Nepal through a campaign where the public could purchase a T-shirt for \$30 USD and, in exchange, Empower Generation would deliver a solar light to those in need.

We are thankful for our partners, we realize that the magnitude of our impact is achieved in collaboration. We rely on our partners to create an ecosystem of accelerated impact in communities.



SUSTAINABILITY REPORT

The Empower Generation Sustainability Report follows the Global Reporting Initiative (GRI) G4 Core Guidelines. The Global Reporting Initiative uses a rigorous framework for companies to report sustainability performance based on standard practices.

The GRI report will focus on a long-term sustainability strategy in the areas of people, profit, and planet. The report will serve as a tool to develop greater sustainability practices with our suppliers and employees. This report is based on our 2015 performance and impact (G4-28)(G4-30). During this fiscal year, Empower Generation witnessed a significant growth in the number of team members, with the addition of more advisory board members and a new cohort of Fellows (G4-13).

Empower Generation is a social enterprise dedicated to making the world we live in a little bit better for all. We envision a world where women living at the base of the economic pyramid are empowered. Our mission is to empower women, so that they can power communities with clean energy, both enriching their livelihoods and the lives of those around them. Sustainability is important to EG because we understand our place in the world and have created a business that is in service to the larger global community.

CODE OF CONDUCT

Empower Generation aims to make an active social contribution as a good corporate citizen by following the subsequent goals and standards:

- › We respect the law
- › We show respect to all those involved in our mission
- › We think ethically
- › We act fairly
- › We do not discriminate anyone on the basis of race, color, religion, national origin, sex, age, disability, or any other status protected by law or regulation
- › We are as transparent about our business as possible
- › We do not exploit the company's resources
- › We take the safety of our employees and program members into every account
- › We promise to deliver the best products and services possible

These internal standards highlight our commitment to our employees and society as a whole. (G4-56)

Our first sustainability report will not be verified by an external assurer, as this is our first report we do not have a baseline for comparison or any changes and restatements to report on (G4-22 & G4-23). (G4-29)(G4-33).

For questions regarding content and report please email:

Anya Cherneff, Executive Director, info@empowergeneration.org (G4-31).

STAKEHOLDER ENGAGEMENT

Empower Generation values the voices and opinions of its diverse stakeholder group. Our stakeholders are key components in developing our report and understanding items of materiality. The diverse group of stakeholders we work with is valuable at every stage of our operations. Their feedback provides us with external viewpoints needed to develop our business goals and strategies (G4-25). In order to make this possible, we developed and sent out surveys to 30 internal and external stakeholders from 3 of the 4 groups: Suppliers, Board Members, and Employees (G4-24), (G4-26). Our detailed surveys included information on understanding the ways our suppliers integrate environmental, social, and governance into their supply chains, gauging what sustainability meant for our employees and board members. This allowed us to see what improvements we can make in subsequent reporting cycles, and aided us in understanding the life cycle of our products and the end of life process. We have highlighted our findings from our stakeholder engagement process in this section.

ENGAGING BOARD MEMBERS

Our 9 board members are professionals in clean energy innovation, development and operation of renewable energy power plants, innovation in the social sector, green jobs, retail and clean energy software, mobile payments, private equity, marketing and sustainability, in general (G4-24). Our board members are vitally important to Empower Generation's success, since they are both the decision makers and the link between the organization and its funders.

The board members of Empower Generation believe that the organization has a positive social and environmental impact. However, they believe that they could be even more sustainable, specifically with regards to fundraising. The GRI report aims to disclose the required information to understand Empower Generation's performance in terms of sustainability. Therefore, the organization will be able to make better decisions and develop more accurate strategies to be more sustainable. Moreover, the board members believe that a sustainability report can improve their performance even more if it includes recommendations.

ENGAGING SUPPLIERS

Our Technology Suppliers are clean energy technology partners that we connect to our distribution and service network. This is done in order to commercialize their products in the EmpowerGrid. Greenlight Planet and d.light provide us with solar lights, mobile chargers and home systems, while Smart Paani provides us with water filters. We now have two new clean energy technology partners: Omnivoltaic and Fosera (G4-24).



Our suppliers inform us about where sustainability can be introduced throughout the supply chain and what modifications are possible. In our material aspects and boundaries we delve deeper into these takeaways. We sent our suppliers two surveys, one on supply chain management and the other on the integration of sustainability in their business. We also conducted interviews for both our current suppliers and potential suppliers to assess the life cycle considerations of their products.

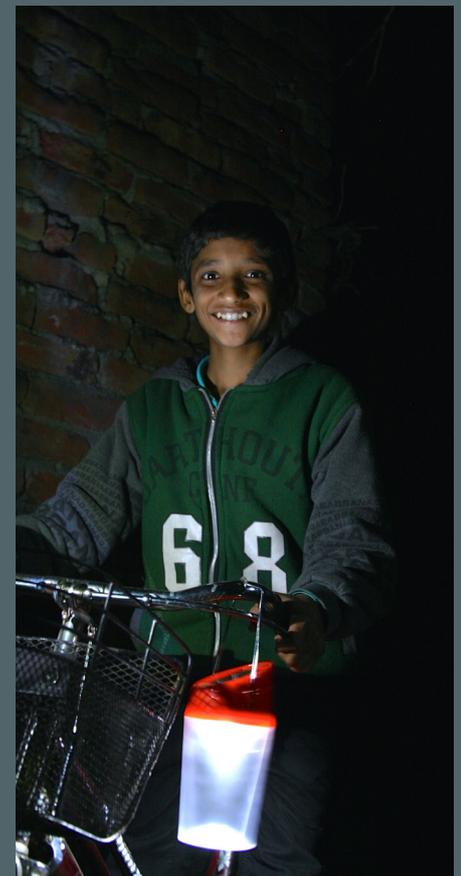
Supply chain sustainability is a key component of responsible business practice. Our dynamic and diverse suppliers are essential in helping us address opportunities for waste reduction, as well as assessing the lifecycle of our products. Supply chain sustainability is extremely important to Empower Generation because it ensures compliance to appropriate laws and regulations. It also allows us to adhere to both international and national principles (G4-25).

By publishing its first GRI report, Empower Generation has made a commitment to understand and insert sustainability throughout our supply chain processes.

Our suppliers are focused on sustainability by doing the following:

- ▶ 40% of our suppliers identified that 51% - 75% of their products are recyclable. 60% of our suppliers identified that 75% - 100% of their products are recyclable.
- ▶ All of our suppliers have indicated that they do not use any toxic chemicals in their supply chain. *Any chemicals used in our supply chain have been approved by the EU's Restriction of Hazardous Substances Directive.
- ▶ 1/5 of our suppliers have a waste buyback program
- ▶ *Waste management is the greatest challenge we face in our supply chain.
It is a goal for our business to expand our buyback options and look for ways to handle waste better (G4-EN33).
- ▶ One of our suppliers, Smart Paani, has created a rainwater harvesting system and re charge system for water conservation. In this system the drinking water is purified without electricity and through a biological filtration system.
- ▶ All of Empower Generation's suppliers apply environmental criteria when making purchasing decisions. The criteria includes purchasing products that are recyclable, reusable, non-toxic, biodegradable, and made from post consumer recycled materials. Our supplier also invest in third-party quality controllers to ensure that they are operating using best practices.
- ▶ None of our suppliers use toxic chemicals in the manufacturing process.
- ▶ Our suppliers advance sustainability within their operations by purchasing eco-friendly materials, focusing on durability and using products with the longest lifespans.

According to the life cycle analysis, a process for buyback programs was only a priority for some of our suppliers. All of our supplier respondents identified having very low replacement rates for their products in the range between 0% and 20%, with the products of some suppliers needing repairs in 2-year time spans and battery replacement after a 5-year time period. Most of them even showed interest in adjusting the raw materials for their products to provide for a more sustainable life cycle.



Overall, the major hurdle for our current suppliers is the issue of requiring repair facilities at a far distance from our operations in Nepal. We also found that, besides the current repair offerings of our suppliers, they generally did not expect much accountability from our target consumers, which is an ideology that we hope to change. From the potential suppliers' responses, we found that many of them either had product buy back or repair processes in place with product failure rates at less than 1%. Where the problem of recycling came up frequently with our current suppliers, potential suppliers identified both local recyclers and recycling through their partners as options for taking their products through to the end of their life cycles.

For the 2016 FY, Empower Generation is screening all new suppliers to understand their sustainability and environmental criteria (G4-EN23).

Empower Generation's approach to sustainability focuses on upholding environmental standards that extend beyond laws and required actions. Investing in a more sustainable future for Empower Generation means developing a buyback program for our products and services. Empower Generation is concerned with better managing waste and developing systems to improve waste management.

Our supplier goals are tied to Sustainable Development Goal (SDG) #12, which aims to ensure sustainable consumption and production patterns. A core element of our mission is to promote resource and energy efficiency while providing access to basic energy services and decent jobs. Responsible consumption and production means that we will track waste, reduce in appropriate areas, and monitor the life cycle process of our products (G4-27).

EMPLOYEES & WOMEN ENTREPRENEURS

The employees of Empower Generation believe strongly in the work they do. It is clear to them that they are helping Nepali women become both financially independent and respected by their community members. The initial goal of the organization was to, first and foremost, empower the women, especially those who no longer were receiving an education. For other employees in the organization, it was vitally important to give the women value within their communities. It was crucial that the communities view women as powerful, valuable and, most importantly, equal members of society. Each staff member has a professional development budget and participates in approximately 80-100 hours of Professional Development (includes attending workshops, conferences and trainings) per year (LA-9). Many of the team members believe that, without the women's participation in Empower Generation's projects, many of them would not be the successful entrepreneurs they are today (G4-24).

Empower Generation plans to continue measuring its social impact by meeting with the beneficiaries (time cycle to be determined) and by keeping track of economic independence and social respect from the women's communities. To measure this, Empower Generation interacts directly with the women in order to learn their personal stories. Thankfully, the vast majority of the women return and are very willing to share how EG has impacted their lives (G4-25).

Empower Generation does not only see itself as a social enterprise, but also an organization that positively impacts the environment and economic status of these women. The employees of EG believe that all three pillars of sustainability are met through the work they are doing. With this attitude and outlook, EG is sure to meet its goal of helping many more thousands of women by 2020. (G4-27)

MATERIALITY PROCESS



In assessing the material issues for Empower Generation we put together an extensive list of 19 aspects that could present potential problems for our operations and mission, according to the GRI principles. We also added aspects to the list that our Co-Founder, Anya, felt were the most detrimental to the success of the organization. Next we reached out to a variety of Empower Generation's interest parties including our Funders, Community Banking Cooperatives, Women Entrepreneurs, Impact Investors, and Suppliers to get a better grasp on the issues that are important to these groups. While some ranked certain issues higher, in terms of materiality and importance to the specific group, others ranked them lower and vice versa. In compiling all of these diverse perspectives and with feedback, an overarching graph was established as items shifted upwards. Eventually we compressed the list down to achieve 10 material aspects, which are of high importance to both our stakeholders and the company's purpose. We also focused on aspects in relation to the UN's Sustainable Development Goals, as aiding others towards achieving a sustainable future is part of our mission at Empower Generation. This is because we understand the importance of and hope to be part of the solution for positive change around the world, starting with entrepreneurs in Nepal. These aspects incorporate everything from supplier operations and women entrepreneurs in business to our product offerings.

As displayed by our materiality matrix, all of our final 10 aspects rank in the high region of importance between our stakeholders and Empower Generation. While Empower Generation operates as a non-profit organization in the United States, we also have our women entrepreneurs operating a for-profit business located in Nepal. For the purposes of defining boundaries, we highlighted both entities as bodies within our organization, while impact on our suppliers and consumers are outside of our organization.

Our table on page 11 lays out how our material aspects relate to the GRI Aspects and GRI Indicators. As illustrated, they are separated according to their relation to Economic, Environmental, and Social aspects and we have identified the Sustainable Development Goals (SDGs) that each cover. For some of these aspects, we have yet to begin tracking data to provide detail on their impacts. However, in accordance with the GRI Guidelines, we are putting together plans for processes in managing our material aspects and understanding the level of importance that they have on our social enterprise (G4-18).

For each of our material aspects we have provided brief disclosures on our management approach for them along with explaining why these aspects are material issues which are highlighted in the environmental, societal, labor, and governance portions of this report.

	Aspect	G4 Category/ Aspect and Indicator	Stakeholder Affected	Sustainable Development Goal
Economic	Expanding Operations	Market Presence (G4-EC6)	Empower Gener- ation & Entre- preneurs	#8: Good Jobs and Economic Growth
Environment	Reducing Waste & End of Life Process	Effluents and Waste (G4- EN23)	EG, Entrepreneurs & Suppliers	#12: Responsi- ble Consumption
	Supplier Energy Used & GHG Emissions	Energy (G4- EN4); Emissions (G4-EN18)	Suppliers	#7: Renewable Energy
	Product Quality	Products and Services (G4- EN27)	Empower Generation, Entrepreneurs & Consumers	#12: Responsi- ble Consumption
Social	Social Investing	Local Communities (G4-SO1)	Empower Generation, Entrepreneurs & Consumers	#8: Good Jobs and Economic Growth
	Energizing Consumers/ Communities	Local Communities (G4-SO1)	Empower Generation	#7: Renewable Energy & #1: No Poverty
	Supplier Labor Conditions & Environmental Practices	Supplier As- sessment for Labor Practices (G4-LA14)	Suppliers	#8: Good Jobs and Economic Growth
	Consumer Demand	Product Responsibility (G4-PR5)	Empower Gener- ation & Entre- preneurs	#12: Responsi- ble Consumption
	Labor Wages & Job Security	Employment (G4-LA1)	Empower Gener- ation & Entre- preneurs	#10: Reduced Inequalities
	Business Growth for Entrepreneurs	Training and Education (G4- LA11)	Empower Gener- ation & Entre- preneurs	#5: Gender Equality

GOVERNANCE & LABOR

Empower Generation is comprised of an international team which allows us to incorporate a variety of perspectives into our business model. Our main operation works in the Nepal region and surrounding areas (G4-9). Our Nepal EmpowerGrid, the EG supply chain, is comprised of independently owned and operated energy service companies, which are all 100% women led, at all points of our supply chain, including a wholesale solar importer and retail distributor. Our supply chain (G4-12) is based on creating a circular loop of impact.

Our impact lenders provide capital for our clean energy funds and for the women's entrepreneur funds. Clean energy tech suppliers provide quality products to meet energy needs of the energy poor. The clean energy fund and the women's entrepreneur fund are the two markets we create in order to provide clean energy and improve lives. We finance these markets by using a clean energy fund, which gives low interest loans for the purchased supplies and for the repair of clean energy products. The women's entrepreneur fund gives low interest start-up loans to support our energy businesses as they grow and become profitable. EG administers these loans to ensure repayment. As loans are repaid, we start a new enterprise or provide credit to a new community, a sustainable cycle of improvement and development.

The impacts of our organization have led to energized consumers and communities, strong community banking cooperatives, and powerful women entrepreneurs. Our diverse and global team is a big part of our strategic success. (G4-34)

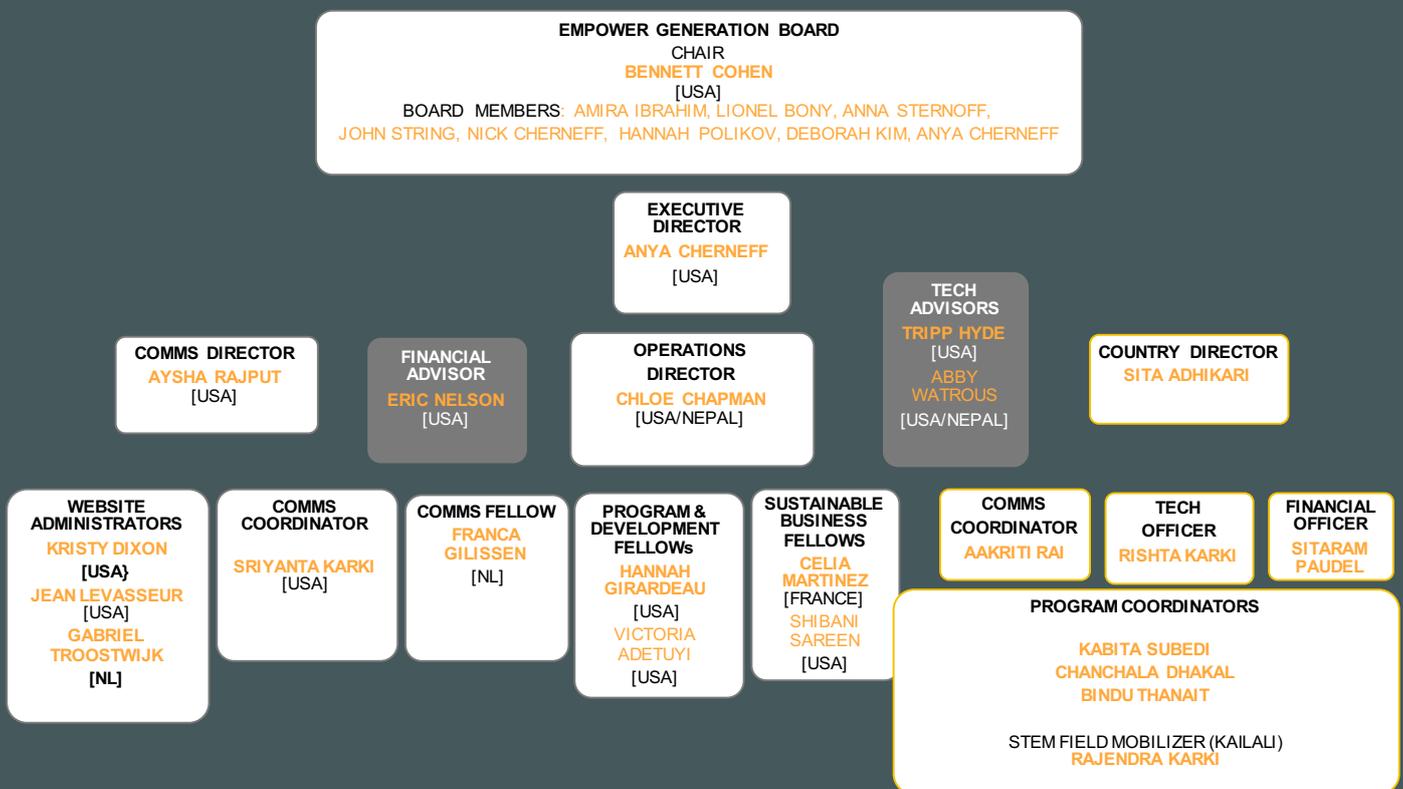
Empower Generation has 6 employees currently: 1 Executive Director (female, US), 1 Director of Operations (female, US but based in Nepal), 1 Communications Director (female, part-time, US), 1 Communications Coordinator (female, part-time, US), 1 CFO (male, part-time, US), and 1 Financial Officer (male, part-time, US). The rest of the staff consists of unpaid fellows and volunteers.

Our partner NGO, Energy Society Nepal, has 9 Nepal-based employees: 1 Country Director (female, full-time), 3 Program Coordinators (female, full-time), 1 Communications Coordinator (female, full-time), 1 Technical Officer (female, part-time), 1 Financial Officer (male, full-time), 1 Field Mobilizer (male, full-time), and 1 Office Assistant (female, full-time). In total, there are 15 employees working under the Empower Generation umbrella and the vast majority are women.

Empower Generation provides equal labor opportunities and does not discriminate on the basis of religion, color, sex, age, national origin or any other status. Our organization manages a distribution network of members -- this is where the enterprises fall under. Our international team overlooks 21 women entrepreneurs and 158 sales agents in Nepal, both men and female (G4-10). Our staff regularly organizes business, sales and technical trainings, works with brand design, mentors, monitors and supports women entrepreneurs in order to oversee the program's effectiveness (G4-45). Empower Generation engages with students and business professionals through our Fellowship Volunteer Program. This program allows fellows to manage team communications, program and development, and operations. This adds valuable talent to our team and allows students to develop global perspectives on social entrepreneurship (G4-LA10).



We value everyone's input in our organization because we know the impact that their work has on Nepali women. At this time, Empower Generation does not have any collective bargaining agreements for their employees (G4-11). Empower Generation believes in fostering a safe and stable working environment. We ensure the safety of our Nepal operations through our detailed risk register - this allows us to track and address issues in operations immediately (G4-SO3). Through our rigorous safety workplace standards, we monitor all our operations, ensuring our workers are not in danger of severe injuries or illnesses. Empower Generation follows the best practices and our workers are held to strict ethical standards. Our no tolerance policy for corruption and bribery has led to the dismissal of one employee. We are confident in our worker assessment policies and we will continue to support an ethical working environment.



Empower Generation is devoted to improving labor wages and job security in Nepal and beyond.

Due to the fact that our women led businesses have a for profit structure, it is important that they are able to make sales and meet the demand of their customers. It is also essential that they have the skills necessary to keep their businesses profitable and maintain growth within their operations. Currently, the employment of our entrepreneurs remains within the hands of our women-led businesses. However, we need to ensure that entrepreneurs security within their positions. If entrepreneurs cannot meet demand, their business suffers along with the ability to provide jobs which helps to bring women in countries like Nepal out of poverty and allows them to establish energy security for their communities. We have offered many of our entrepreneurs training for developmental skills, trainings in sales and marketing and sales, and mentor support to keep them at the forefront of their businesses. We also select women leaders in these communities who possess the abilities to drive change within their communities. We provide them with tracking software and new product offerings to ensure adequate supply of products to meet consumer demand. These aspects are currently under control of our women-led enterprises, but to date, turnover among women entrepreneurs has been very low, with new hires growing steadily with the formation of new businesses. We currently have 130 sales agents among our 13 women-led businesses (G4-LA1).

SOCIAL IMPACT



Empower Generation believes in fostering transparency throughout its supply chain. Our stakeholders agree that increasing sustainability throughout our value chain is an instrumental component of business growth and brand development. Integrating long-term sustainability in our business will have a positive impact on the communities we deliver services to. Since it reduces carbon emissions in the region, Empower Generation is transforming the energy demand in Nepal and ensuring a greater reliance on clean energy sources. Adhering to sustainability principles will allow Empower Generation to grow and expand its market presence. Empower Generation targets the 7.4 million women between the ages of 15-64 that are unemployed in the formal economy and provides them with sustainable employment opportunities. Today, 4.8 million households in Nepal live in energy poverty where monthly earnings are as low as \$38 dollars. Over a quarter of the households' monthly spendings is used on electricity. Success for Empower Generation means building a future where communities no longer rely on dangerous kerosene products.

At the core of our business are the communities we impact and our women-led businesses. We believe that women are the backbone of these communities and, as such, have the greatest influence in altering living standard. If our entrepreneurs and the communities they engage with are not positively affected, we are not reaching our potential nor achieving our vision. An inability to do so would leave these communities in a worse state than when we began our mission. It could also lead to higher GHG emissions in the area, something EG aims to decrease. We have put together testimonials from our entrepreneurs to assess our impact on communities. To date, we have impacted 246,793 people by integrating solar systems into energy poor communities and 100% of our operations include local community engagement, impact assessments, and developmental programs. At the end of 2015, with the work of 13 women-led businesses, we were able to displace over 8,000 tons of CO₂ and help to save the equivalent of \$2,304,336 million in household energy expenses with the distribution of 49,866 portable units (G4-SO1). Social investing while energizing consumers and local communities is fundamental to the work that we do.

The ability to inspire and meet demand directly affects our success in generating positive social change. Expanding our operations is material for our stakeholders because expansion equates to higher profit margins and a greater impact on the communities we are working with. It is an important material aspect because replacing traditional energy and light mechanisms with solar power displaces the impact of CO2 generation on a broader environmental scale. By the end of 2016, we plan to establish 22 new enterprises in 10 new districts, in addition to establishing operations in other countries by 2020.

Empower Generation provides training and mentoring within our business model to provide women entrepreneurs with the tools for success.

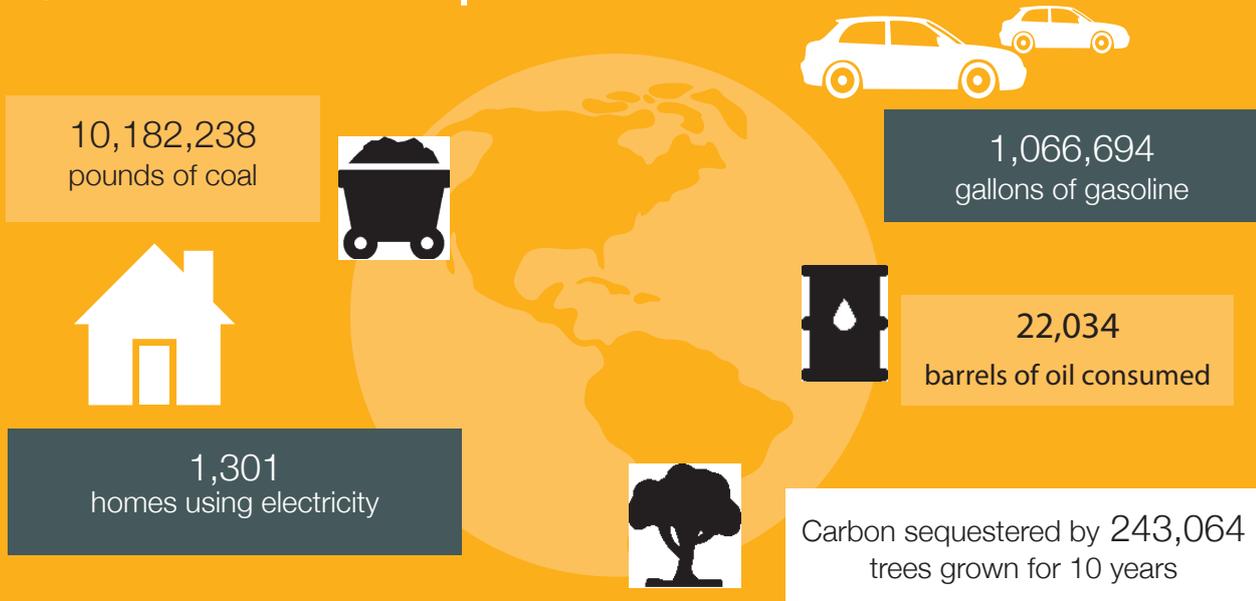
The training sessions focus on the following areas: sales and marketing training, a sales promotion program, refresher training, and regular mentor support. Also, we support product offering considerations by investing in the provision of basic necessities first and then expanding on offerings once those needs are met. We also have sales tracking systems in place so that our entrepreneurs can stay on top of their businesses. As mentioned earlier, we have used community and entrepreneur testimonials to understand the impact of development on these entities. We have learned that our women entrepreneurs originate from these communities of focus having the best knowledge of demand and importance for new products (G4-EC6).

While we currently offer the SunKing Home 60 that offers 3 lighting modes and provides a greater range of light, there are other energy systems in demand in energy impoverished countries like Nepal. We need to work to make sure that our current suppliers can offer these advanced solar systems and to ensure that this is viable within the industry of solar, as many developed countries with similar products do not even use solar as a power source. It is also important that these products are affordable to energy poor countries. Without such, we cannot hope to have demand for these products. At the end of the day, the women entrepreneur businesses are for profit, establishing more maintenance for a supply-demand based structure. We are currently offering a variety of introductory solar technology to provide basic lighting and charging needs to consumers and are looking to suppliers to diversify our product offerings in the area of home solar systems. To understand the demand for home solar systems by consumers, we are surveying our women entrepreneurs who live in these communities to identify the feasibility of these products. So far we have distributed over 49,000 units with the help of 13 women-led businesses and we plan to have a specified total for home solar systems by the next reporting cycle. While we have entrepreneur testimonials and data on their sales, we would also like to gather information on customer satisfaction with our products for future reporting (G4-PR5).

Sustaining business growth for our current women entrepreneurs is a critical component to the work that we do. In order to lift women in energy poor areas out of poverty and allow them to maintain profitable enterprises, growth and expansion are essential. This involves fostering the proper training of our women entrepreneurs and providing equitable products for their businesses. Without sustainable business relationships between our entrepreneurs and their customers, we cannot achieve sustainable business growth. Also, there are millions of people in numerous countries without electricity, meaning that the demand for our services is out there. However, it is vital that we continue expanding our business among the communities already influenced. The inability to do so would put our entrepreneurs at the risk of job instability. Currently we are promoting business growth by offering: at the least 2 sales and marketing trainings per enterprise, at least 2 sales promotion programs for each enterprise, at least 1 refresher training for each enterprise, and regular mentor support every few weeks. We are also adding to our product portfolio in order to allow for new diverse business ideas, meet a greater variety of needs and to ensure that 100% of our women entrepreneurs receive regular career development (GA-LA11).

ENVIRONMENTAL IMPACT

9,737.2 tons displaced



Empower Generation understands that we play a small role in the overall function of the ecosystem. We recognize that we must do our part to deal with a changing environment. 2015 marked the year when global leaders met in Paris to determine the state of the environment and craft future goals to reduce greenhouse gases and commit to a sustainable future. Global climate change is impacting people and the environment in a variety of ways. Some of these impacts are catastrophic to the communities where we operate. Nepal is vulnerable to monsoons and dangerous earthquakes. The results of these catastrophic events increase levels of poverty and inequalities in the region. This region is susceptible to rapid and slow onset climate events. Empower Generation understands these risks impact our communities so by providing financial opportunities, access to resources, and business growth it reduces vulnerability for communities. The EmpowerGrid we created is a system solution that increases functionality and resiliency in communities.

Our solar products are at the core of our business and the ability to provide solar technology to the energy poor in Nepal is a high priority because it has severe impacts on the health outcomes and quality of life of these populations. Currently, in Nepal and other countries of similar energy status, there are large numbers of women and children burning kerosene and firewood for lighting and heat. With kerosene being the common source of energy health issues, it is of primary concern as breathing in its toxic fumes has led to 1.5 million deaths per year worldwide. As a result, children attending school do not have safe resources to study after dusk and other necessary activities have also involved harmful implications. Currently we are working with suppliers to ensure that our products meet their intended purposes and have a positive environmental impact. To date, we have displaced 9,737.2 tons of CO₂. In regards to our product life, we are also encouraging our current suppliers and new suppliers to ensure that recycling and repair are of greater concern moving forward (G4-EN27).

Empower Generation places importance on all aspects of the life cycle of our products, meaning that we need to take into account not only what our products do and how they are made, but also have a sustainable process in place to manage our products when they can no longer be used for their intended purposes. We realize we cannot reduce pollution, while adding to the impact of landfills as a consequence of production. In developing countries like Nepal, the natural action to take when a product breaks would generally be to throw it out and, less commonly, to try and fix it. If everyone is doing this we only add to the environmental problem, which is why we need to have solutions in place to develop a system between our women entrepreneurs and their customers to eliminate this response. Moreover, the technology simply does not exist yet for our products to last forever. We are currently working to set up product buyback programs between our suppliers and we are looking for new suppliers that offer this option or viable alternatives. At the moment we are gathering products that have reached their end of life cycle and we are investigating recycling programs around Nepal, emphasizing the need for this consideration at the beginning of the production process. By 2020 we expect to have a buyback or recycling program in place to manage the processing of products. So far we have gathered unusable products, but they have not been disposed of because of the product material (G4-EN23).

The focal point of Empower Generation's mission is to provide light and energy to the electricity poor and to do so with technology that alleviates GHG emissions. The emissions of our suppliers and energy used by suppliers affects the overall impacts of our products. Our operations in Nepal aim to mitigate its GHG footprint and make way for cleaner energy sources. Increasing these impacts in other areas of the world to support this goal goes against our established principles. Currently we do not have a process for monitoring our suppliers' operations, however, we plan to have a process in place by the next reporting cycle (G4-EN18).

We put high importance on sustainability in all aspects of our operations, including the employment and labor conditions of suppliers because our mission is to impact the lives of those living in energy poverty and providing products made with environmentally conscious considerations goes hand in hand with that vision. Positive labor practices enhance the retention rates and overall workplace atmosphere, allowing for a healthy work culture. While 100% of our suppliers undergo environmental screening, we are currently working on a process to manage these areas and plan to have more information during the next reporting cycle. We plan to adopt more stringent assessments for the next reporting cycle for all new and current suppliers (G4-LA14).

Empower Generation understands the importance of sustainability as fundamental to business operations. Waste in our supply chain from end of life processes requires the most attention. In our next reporting cycle we look forward to sharing how we are improving waste management in our supply chain. Understanding our suppliers capabilities was an important goal for this report. In following years, we want to expand our efforts in managing our waste and improving the end of life of our products.

FINANCIAL PERFORMANCE

Through our impact lenders, visionary donors and technology suppliers, Empower Generation can fulfill its everyday operations. We strive to build a strong relationship with external stakeholders that would like to become part of Empower Generation's network. We seek financial security through fundraising and direct donations on our website that can go towards a solar light, a solar light with a phone charger or the EmpowerGrid. Impact lenders can participate through revolving credits with a minimum of \$10,000. Technology suppliers are always welcome to introduce themselves to our staff and continue to bring solar light to the energy deprived. Empower Generation's 2015 net sales totaled \$481,125. Our capitalization for total equity was \$173,304 in 2015 and accounts payable were \$30,530 (G4-EC-1). To date, Empower Generation has sold 49,866 solar products (G4-9).

As a social enterprise, financial security is extremely important to Empower Generation. Empower Generation has a diverse set of funder and donor groups who support our growth through their contributions. We produce annual reports to depict our financial performance (see our website for more details). Empower Generation complies with local and national fundraising standards. We have hired a Program and Development Fellow to manage our donor and fundraising process. This way we can track our donor sources. Empower Generation is grateful for our diverse pool of funders and contributors who value social impact and community development. Our Board of Directors is also fundamental to our donor process and a critical part of the donor engagement process. The table below highlights our top funders and key financial contributors (G4-17) (NGO-8). We aim to be completely transparent about our financial resources. All information regarding our annual report and major donors can be found on our website.

Our largest annual fundraising event is Empower Ball - a dodgeball tournament in San Francisco or New York, where we reach out to local communities to raise awareness about our mission. Empower Generation realizes that our fundraising stream needs balance and greater reliance from other sources. Empower Generation is actively looking to expand our sources of funding in subsequent years.

Our fundraising and donor process is exclusively used to build our mission and increase our impact in Nepal and beyond. (NGO-8)



ASMITA, JIBANPUR DISTRICT, EG ENTREPRENEUR

With encouragement from the team at Empower Generation I believed I could do something to help my society and myself. I started believing in myself, I got the strength to make my own decisions and I learned I have capacity to work as a qualified professional."

Top Donor Organizations (NGO-8)

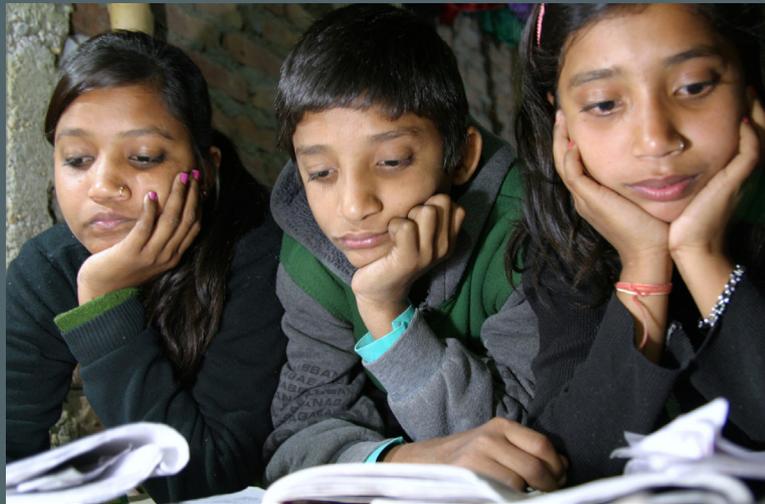
Name	Sector	Amount
Jewish Foundation of New York	Private	\$40,000
Unitarian Universalist Church	Private	\$22,000
Vanguard Charitable Endowment Program	Private	\$20,000
Network For Good	Private	\$14,900
D. Light Energy Design	Private	\$14,500



CONCLUDING WORDS

We believe that sustainability reporting is a system of continuous improvement.

Empower Generation began its journey in 2011, however, there are data points that we are still improving and each day we continue to more fully define our business. As Empower Generation further implements sustainability reporting, there are many aspects that will be left inconclusive or out of this report's scope. The reason is that, in order to create a robust report, a lot of data needs to be included. Some of this data is new to us, and while we are working towards recollecting this data in the best possible manner, these discoveries will not be reflected right away. We intend to use this report as a benchmark for consecutive years, and we are confident that as we gain experience in reporting, we will be able to provide the necessary information to fill in the gaps of this year's report. Although we believe our first report is well-balanced, we look forward to better aligning future reports with the GRI standards, as well as continuing to share our vision and data with the public. Empower Generation understands the value of the precautionary principle and is looking to implement and ensure that we are accounting for all risks in our operations. In times of uncertainty we are working with our suppliers and communities to conduct more research before making any changes to business operations (G4-14).



KEY PARTNERSHIPS



ADWAN



foserera



smart
paani



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LIFE CHANGING OPPORTUNITIES

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