

NEST

IMPACT REPORT 2014



Dear Nest Supporter,

2014 has been a year of unprecedented growth for Nest; through the ripple effect of job creation within the craft sector, Nest is currently positively **impacting more than 28,000 people** across the world. In 2014, we strengthened our valued strategic partnership with luxury brand, **Maiyet**; we received generous backing from influential philanthropists such as **Draper Richards Kaplan** and **The Swedish Postcode Lottery Culture Foundation**; the media continued to highlight our innovative work via feature stories in **Vogue**, **TIME** and **The New York Times**; our partnerships with leading fashion and design brands more than doubled; and we added two new full-time team members to our internal staff with the hire of a CFO and Communications Director. As we come up on our nine-year anniversary, Nest is committed to making 2015 our strongest year yet.

Nest's impact numbers increased this year at staggering rates across our six existing project sites (India, Kenya, Swaziland, Bali, West Java, and Mexico) as we deepened our programming to include intensive planning for four new safe and eco-friendly workshop-community centers. In 2015, Nest seeks to expand its reach to as many as **four additional project sites**, which include our first two US-domestic projects, already confirmed. In **Colorado**, Nest will join a fourth-generation family ranching business to rescue a dying tradition through the launch of a line of hand-cut leather accessories created in partnership with design professionals with experience honed at brands like Rag & Bone; In **Alabama**, Nest will help to restore organic textile jobs to women in need of employment post-NAFTA.

Because we know that women are more likely than men to reinvest earned income in securing food, education and health services for their families, in 2014, Nest continued its **focus on women**, who comprise roughly **89% of the artisan population** we work with. Across *all* project sites, in addition to championing empowerment of women, alleviation of poverty and promotion of peace, Nest has incorporated environmental preservation into our core social values by seeking **carbon-negative solutions to production**. In Oaxaca, Mexico, Nest is proud to help our partner launch the first kilns to run primarily on restaurant waste oil.

Understanding the paramount importance of strong leadership in ensuring sustainable artisan business growth, in July 2014, Nest launched the inaugural **Nest Artisan Summit**, which brought together **19 artisan business leaders** from eight nations around the world to New York City (some for the first time), to share insights common across their small businesses, as well as to receive hands-on training from professional volunteers hailing from NY-based brands like West Elm, Public School and Nanette Lepore.

In 2014, the Nest Professional Fellowship program continued to attract participation from industry leaders with prior experience in senior roles at brands like **Saks**, **Oscar de la Renta**, **Anthropologie**, and **Tiffany & Co**. Nest expanded its reach into all categories of sustainable global development by spearheading cross-industry collaborations with leaders like **world-renowned architect, David Adjaye**, and award-winning **National Geographic photographer, Alison Wright**. Nest continues to prove that the private and public sectors can, and should, work together to change lives and to transform the social and economic landscape we share.

On behalf of the talented Nest artisans, we are proud to share with you the following 2014 Nest Impact Report. Thank you for your continued partnership; we look forward to what we will most certainly accomplish in 2015.

With Gratitude,



Rebecca van Bergen
Nest Founder & Executive Director

MISSION STATEMENT

Nest is partnering with the world's most promising artisans to build sustainable businesses within the competitive landscape of today's global economy, while simultaneously transforming their communities through the alleviation of poverty, empowerment of women and promotion of peace.

NEST PROGRAMS HAVE A GLOBAL REACH



NEST PROJECT OVERVIEW

Nest programming is highly customized in order to best address each artisan community's unique barriers to growth and sustainability. Following completion of in-depth needs assessments carried out across Nest's six current project sites, Nest is currently implementing the following programming.



Varanasi, India

- Business Consultancies
- Professional Training
- Leadership & Management Training
- Design Mentorships
- Workshop & Community Center
- New Equipment
- Upgraded Technology
- Partnership Curation



Nairobi, Kenya

- Business Consultancies
- Professional Training
- Leadership & Management Training
- Design Mentorships
- Workshop & Community Center
- New Equipment
- Partnership Curation



Bali, Indonesia

- Business Consultancies
- Leadership & Management Training
- Design Mentorships
- Workshop & Community Center
- New Equipment
- Partnership Curation



Oaxaca, Mexico

- Business Consultancies
- Professional Training
- Leadership & Management Training
- Design Mentorships
- Workshop & Community Center
- New Equipment
- Partnership Curation



West Java, Indonesia

- Business Consultancies
- Leadership & Management Training
- Professional Training
- Design Mentorships
- Workshop & Community Center
- New Equipment
- Partnership Curation



Malkerns, Swaziland

- Business Consultancies
- Professional Training
- Leadership & Management Training
- Design Mentorships
- New Equipment
- Partnership Curation

THE NEST MODEL

The Nest Model for change is focused on helping artisan communities to build both economic and social environments that are successful and sustainable. We achieve this through a four-pronged approach that unites in-depth artisan research and hands-on business development programming with market access and socially responsible community enrichment.

ARTISAN RESEARCH: IN-DEPTH SOCIAL & ECONOMIC ANALYSIS

+

BUSINESS FOUNDATION: CUSTOMIZED PROGRAMMING

+

MARKET ACCESS: RETAIL PARTNERSHIPS

+

COMMUNITY STABILITY: SOCIAL PARTNERSHIPS

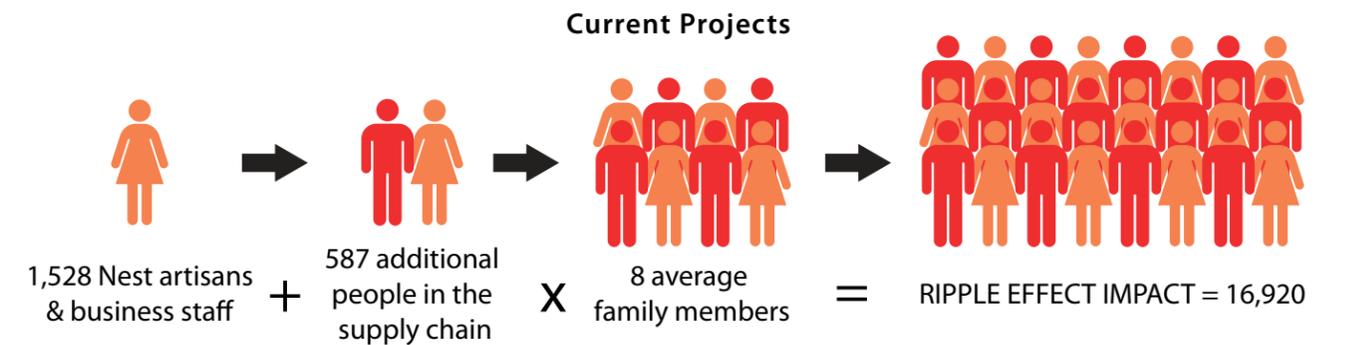
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LONG-TERM BUSINESS SUSTAINABILITY & SOCIAL ENRICHMENT

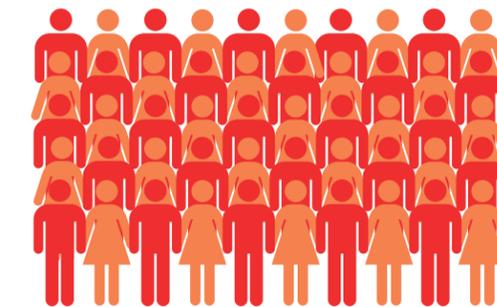


THE NEST RIPPLE EFFECT

Treating every artisan as not just an individual, but a family provider and community leader too, Nest maximizes its impact through the powerful ripple effect that job creation has been proven to engender. Nest estimates an additional 20 lives touched for every one Nest artisan employed.



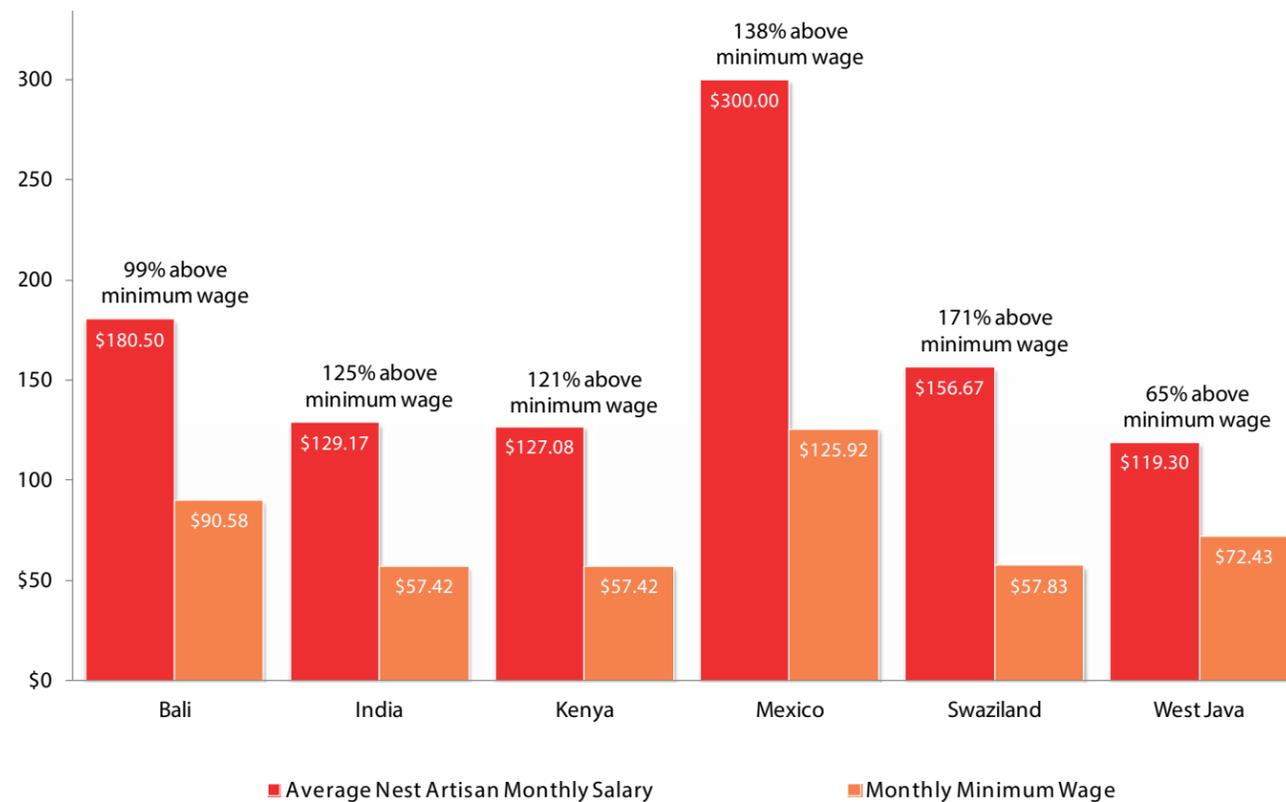
Including community enrichment programs



RIPPLE EFFECT IMPACT = 28,220

NEST ARTISAN BUSINESSES PAY FAR ABOVE MINIMUM WAGE

Nest artisans earn on average 120% more than minimum wage, enabling them to move past the constraints of poverty.



Designing New Approaches to Fair Wage Calculation: Varanasi Case Study

In Varanasi, India, Nest's artisan partner has designed a new system for fair wage calculation: working side by side with members of the community within which his business operates, he sat down with families to determine their daily needs for food, fuel and medical care.

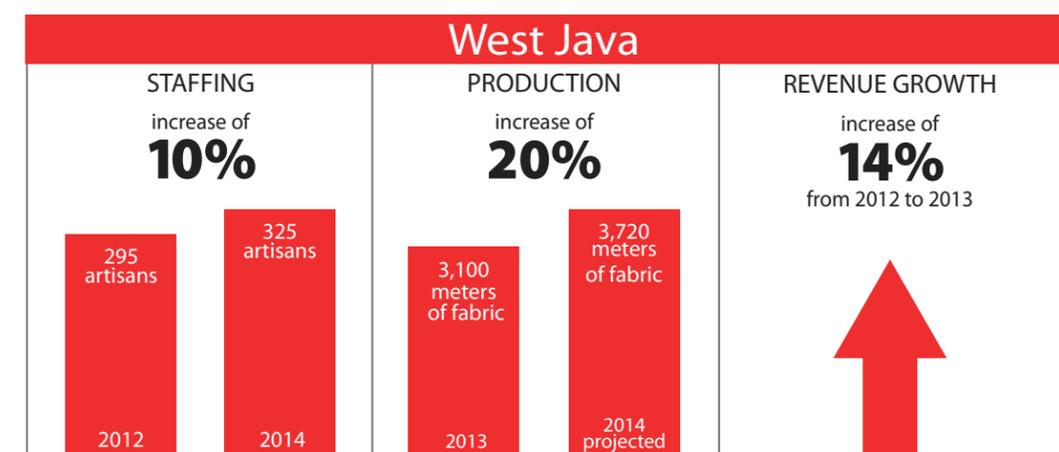
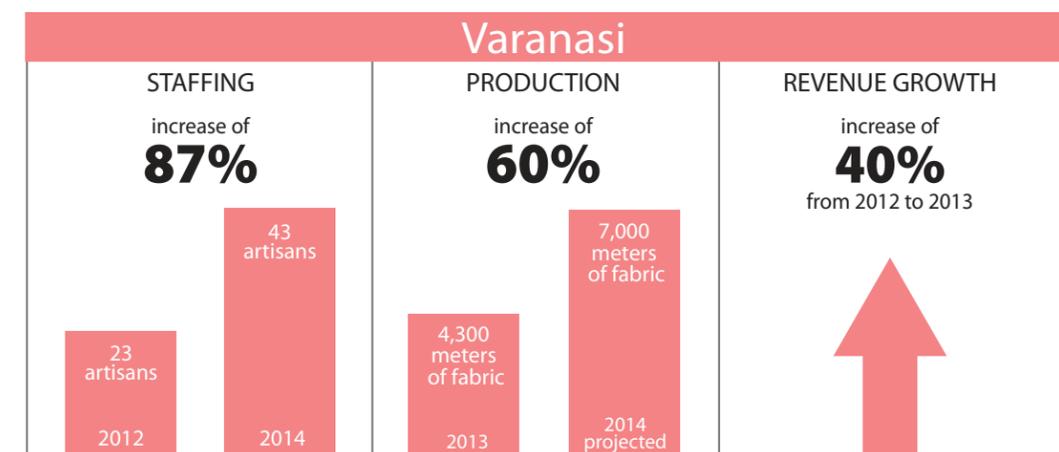
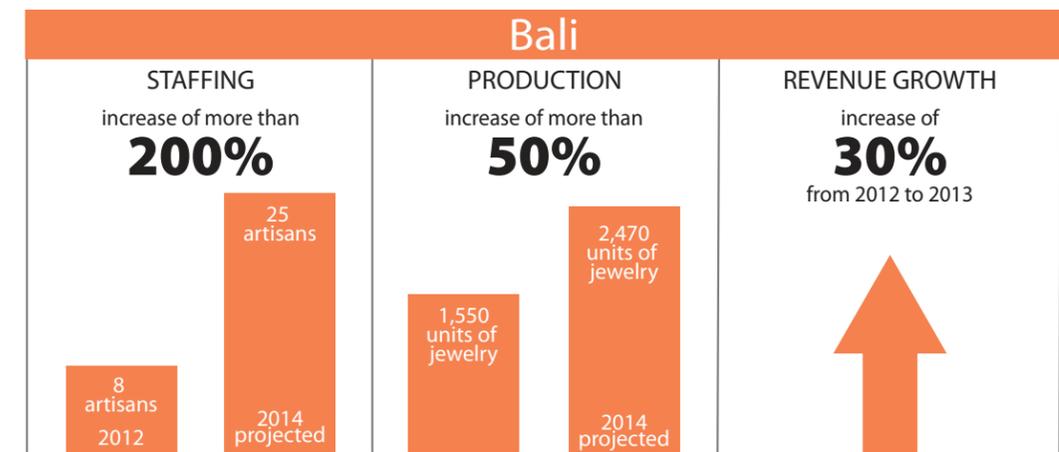
Following the below breakdown of average needs per household, he was able to arrive at a fair wage compensation of 240 Rps/day, far exceeding the national average minimum wage of 140 Rps/day.*

*Calculations were made with the assumption that there are 1-2 sources of income for each family and that each family is comprised of 8-10 family members.

The needs per day per family	Cost breakdown per day
4 1/2 kg of rice	Rice 72 INR
750 g wheat	Wheat 10.5 INR
750 g dal	Dal 60 INR
Vegetable (1 kg potato, 1/2 kg greens)	Vegetable 25 INR
Fuel for 4.5 hours	Gas 10 INR
Spices 50g	Spice 25 INR
	Additional needs (basic medications, education, family needs) 37.5 INR

NEST ARTISAN BUSINESSES ARE GROWING RAPIDLY: CASE STUDIES

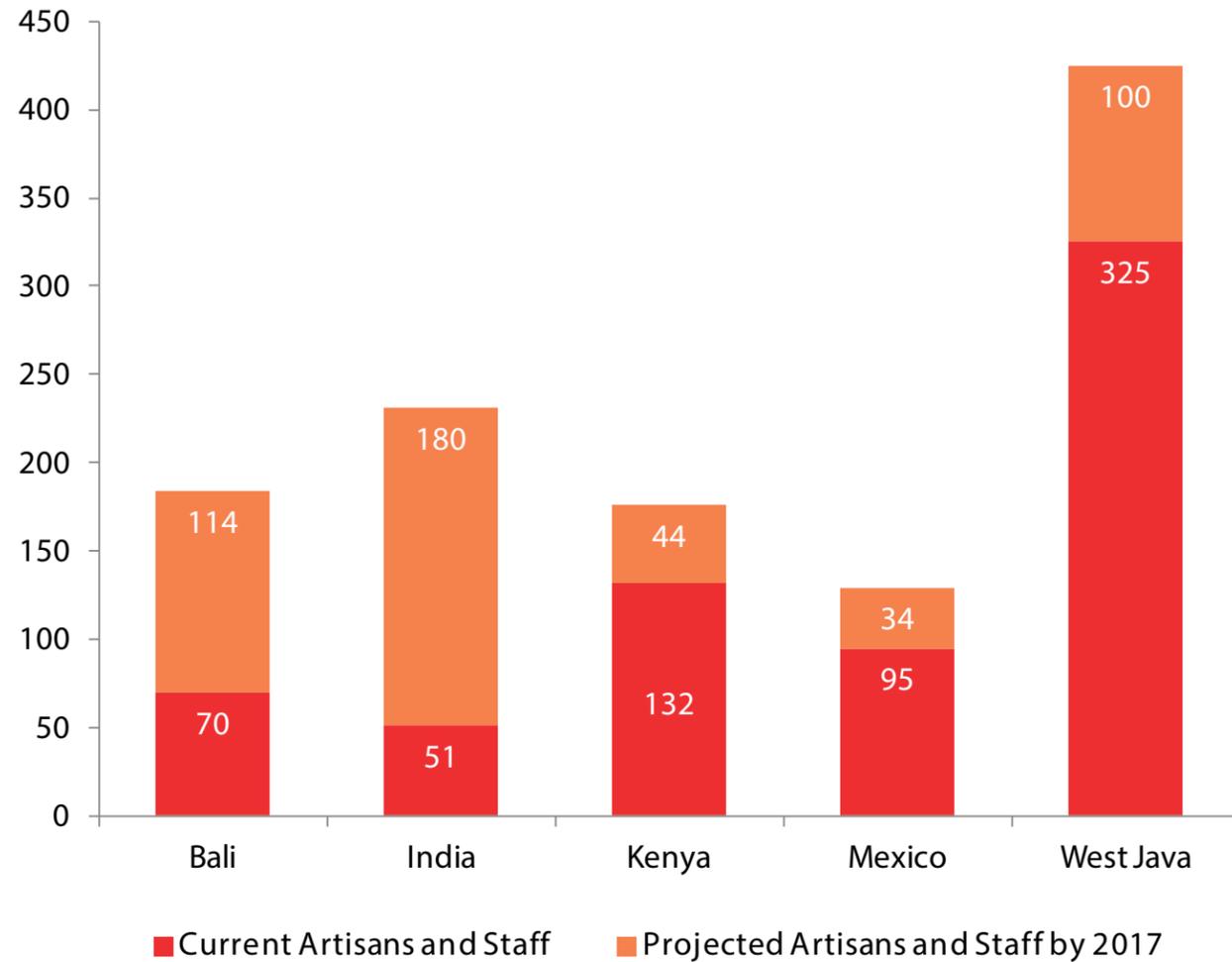
Nest works side by side with artisan business to develop strategic business plans aimed at sustainably scaling production capacity, increasing staffing, and reaping the rewards of revenue growth year after year.



NEST IS HELPING TO SUSTAINABLY INCREASE ARTISAN STAFFING

Nest seeks to help artisan businesses increase their staffing over time, as a means to optimize business capacity while creating new employment opportunities.

Anticipated employment growth of Nest artisan businesses in the next 3 years.*

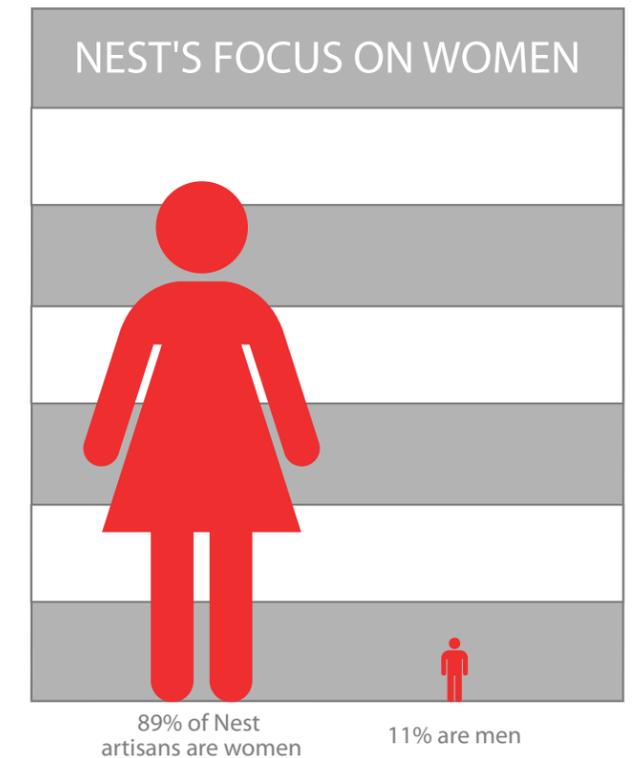


* Please note: Swaziland artisan groups plan to increase hours and wages, not total number of artisans.



NEST IS EMPOWERING WOMEN

National unemployment rates within surrounding Nest project sites are alarmingly high, demonstrating an opportunity and a need to generate greater economic opportunities for women. 89% of Nest artisans are impoverished women—a demographic with a proven record of reinvesting earned income in food, education and community enrichment.

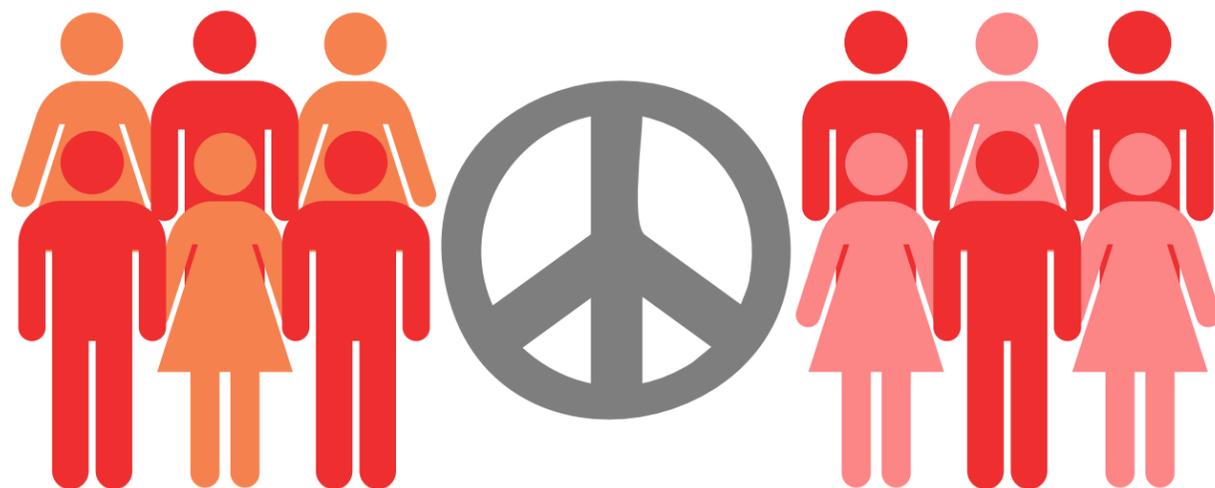




NEST IS PROMOTING PEACE

Nest promotes peace by bringing together artisans from historically opposed ethnic and religious groups to work side-by-side; by constructing state-of-the-art workspaces that serve as international hubs for artistic learning and cross-cultural exchange; and by fostering overseas trade as a means to encourage conversation.

67% of Nest artisan businesses use their craft to promote peace



NEST IS COMMITTED TO ENVIRONMENTAL CONSERVATION

In 2014, Nest expanded its definition of sustainable change to include an emphasis on environmental responsibility. Nest seeks to implement programming that conserves natural resources by sourcing green energy solutions; ensuring responsible waste disposal; securing artisan access to clean water; facilitating use of recycled, natural or organic raw materials; and helping to provide eco-friendly production machinery.

CLEAN ENERGY	
	<p>67% of Nest Projects incorporate clean energy features</p> <p>In Varanasi, India, Nest is working with star architect, David Adjaye, to design a carbon-negative, solar-powered workshop and day-lit, open-space community center that will provide Nest handloom silk-weaving artisans with clean water and green energy.</p>
RESPONSIBLE WASTE DISPOSAL	
	<p>100% of Nest Projects incorporate responsible waste disposal features</p> <p>While jewelry artisans often unknowingly dispose highly toxic cyanide in waste water as a byproduct of the chemical reaction involved in gold-plating, Nest's artisan partner in Bali is not only taking the extra steps to turn the toxic chemical into an inert substance before disposal, but they are also conducting in-depth research surrounding alternative gold-plating processes that do not result in toxic waste.</p>
CLEAN WATER	
	<p>67% of Nest Projects incorporate clean water features</p> <p>In Swaziland, Nest has partnered with Voss Foundation to bring clean water and sanitation services to 6,300 people through the construction of five water pumps and 30 pit latrines. Simultaneously, Nest is working with Voss to help provide hands-on training in proper usage, management, and maintenance.</p>
RECYCLED, NATURAL OR ORGANIC RAW MATERIALS	
	<p>67% of Nest Projects incorporate responsible raw materials</p> <p>In Kenya, Nest's artisan partner sources bone and horn as byproducts of the natural food chain, preserving the area's endangered natural wildlife.</p>
ECO-FRIENDLY MACHINERY	
	<p>100% of Nest Projects incorporate eco-friendly machinery features</p> <p>Nest is working with its artisan partner in Oaxaca, Mexico to convert production to the first-ever kiln to operate with the use of local restaurant waste oil; this will help to reduce deforestation and pollution; to promote artisan health; and to ensure product quality through a more precise and safer firing technique.</p>

NEST INNOVATES IN ORDER TO PRESERVE CULTURES

The advent of mechanized mass production and homogenized “fast fashion,” is endangering diverse ancient craft forms that are deeply engrained in artisan history. Nest is committed to helping artisans preserve and celebrate these cultural traditions by identifying artisans working with ancient art forms; reviving traditional crafts with modern innovation; celebrating and showcasing the past, and training the next generation of artisans.

IDENTIFYING ANCIENT ART FORMS	
3,500 <i>years</i>	Nest artisan partners are producing with diverse traditional techniques dating back as many as 3,500 years.
100% <i>of current Nest projects</i>	100% of current Nest projects work with indigenous populations.
REVIVING TRADITIONAL CRAFT	
44 <i>fellowships</i>	Nest has completed more than 44 professional fellowships, aimed at merging ancient and traditional art forms with modern techniques and contemporary aesthetics.
30 <i>brands</i>	Nest has brokered turnkey partnerships between artisan businesses and more than 30 high-end fashion and home brands, reintroducing craft to the modern western marketplace.
CELEBRATING & SHOWCASING THE PAST	
33% <i>of Nest projects</i>	One third of Nest projects include the establishment of a museum facility that preserves craft through the cataloging and showcasing of ancient craft techniques and designs.
TRAINING THE NEXT GENERATION	
83% <i>of Nest projects</i>	83% of Nest projects include a next-generation training or youth apprenticeship initiative, aimed at equipping future artisans with traditional knowledge paired with modern methods and design.

ORIGINS OF ANCIENT NEST CRAFTS: TIMELINE

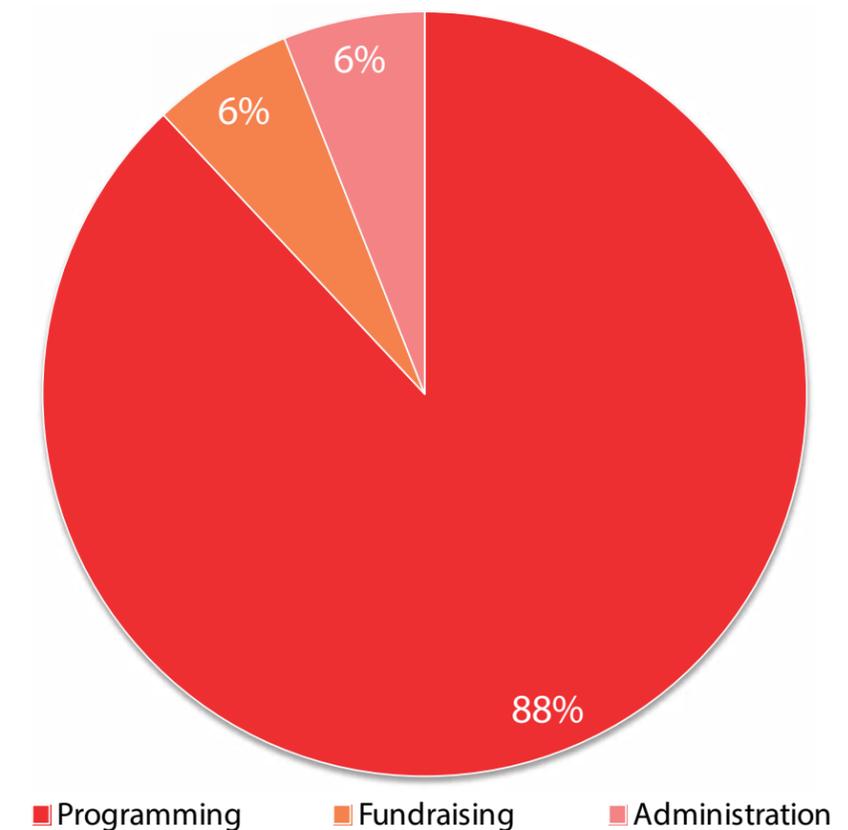


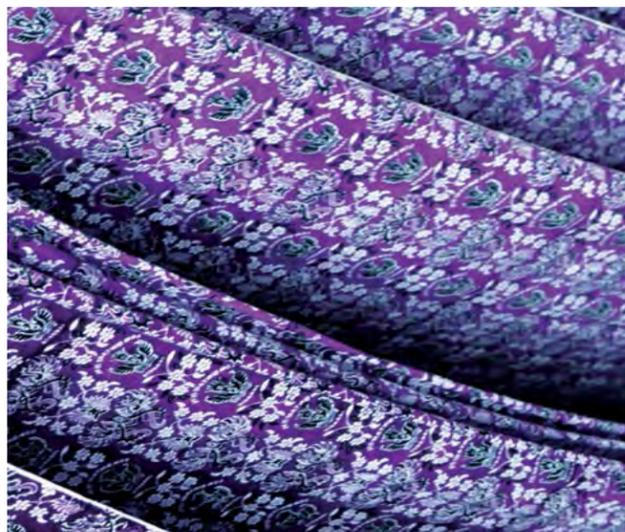
YOUR DONATION TO NEST DIRECTLY FUNDS ARTISAN PROGRAMMING

Nest’s programming expenditures continue not only to keep in pace with, but to exceed revenue growth. Between 2012 and 2014, Nest’s revenue grew by 230% while programming expenditures grew by 248%.

	2012	2013	2014 (budgeted)
REVENUE	\$822,018	\$1,737,109	\$2,710,000
EXPENSES	\$781,255	\$1,214,732	\$2,443,954

2014 EXPENSES BY CATEGORY





Equally as immersed in the ever-changing western marketplace as it is in the daily socio-economic realities of rural artisans, Nest is strategically positioned to transform the artisan-made market opportunity into tangible social change, with your help.

THE FOLLOWING IS A SAMPLING OF KEY NEST INITIATIVES NEEDING YOUR CONTRIBUTIONS:

- **The Nest Artisan Summit 2015:** Nest believes in investing in leadership—and as *The New York Times* attested to, the 2014 summit set a high bar for what can be achieved when artisans leaders are brought together. With your donations, we can serve a greater number of artisans in 2015, linking them up with best professionals from the fashion & home design industries.
- **Workshop Construction & Program Implementation:** In West Java, India and Mexico, new workshops need to be built to improve product quality, to increase artisan safety and to inspire artisan pride. With your help, we can ensure that these workshops are much more than floors, walls and ceilings—they are also community centers, museums, and majestic places that inspire the next generation of talented artisans to revive endangered ancient techniques.
- **Empowering Women:** In Indonesia, where the government continues to pass new discriminatory regulations against women, your donations can help fund the training of hundreds of young women in batik textile production. With your help, we can leverage craft a means to provide women with economic independence and a greater appreciation for their own self-worth.
- **Domestic Launch:** With more than 50 million Americans living in poverty, Nest is gearing up to tackle our needs at home. Following massive job losses in the manufacturing sector as caused by NAFTA regulations, Nest aims to bring the fabled textile industry of Florence, Alabama back to life. In Colorado, as the average age of the American rancher is climbing to 55, Nest seeks your contributions to fuel the expansion of a leather workshop that will help turn modern-day cowboys into skilled producers of high-end leather accessories.

The Nest family is fortunate; **we are supported by brilliant, creative, intelligent minds and generous hearts.**

As you consider your year-end giving, we hope that you think of the talented artisans of Nest. Please [click here](#) to donate online or send an email to info@buildanest.org to learn about more ways to support Nest.

Thank you.

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