Impact Report
CREATING INNOVATIVE AND INCLUSIVE SUPPLY CHAINS
Dear Nest Supporter,

Consider the word “artisan” and the assumptions often attached to it. We have heard artisan referred to as marketing jargon, obsolete, and non-scalable. We have seen it written off as niche or, in the worst cases (in our still gender unequal world), overlooked because it is a field dominated by women. These assumptions run counter to everything that we at Nest know intimately about the artisan sector.

And while data on this workforce is alarmingly slim, certain figures cannot be ignored. Craft is the 2nd largest employer of women in emerging economies. If we discount this work, we risk contributing to the further economic isolation of homeworkers, who the ILO cites as including more than 300 million people globally. For many women, it is not only important to be able to work from home—it is vital. The World Bank's most recent study on global gender development found that 90% of 143 economies surveyed have legal restrictions on a woman's ability to work. Another survey, cited this year by The Economist, found that in India specifically, 70% of women feel unsafe working outside of the home. As you will see throughout this year's report, Nest is working to make sure that homework remains a viable, safe, and acceptable option, so that women's economic opportunity—and workforce participation—grows.

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For poverty stricken or displaced populations, hand production can be done with little training, limited infrastructure, and few resources. Often done in circles, it fosters community and gives women a critical support network. The repetitive motions of handwork also trigger similar brain chemistry to that of meditation, giving craft healing properties.

The population we are supporting is an important global workforce comprised mostly of women. All research points to the fact that women in developing economies are the key to positive change in our world. In this report, you will see a new word: handworker. Nest’s vision is for a new handworker economy fueled by innovation, big picture solutions, collaboration, and most importantly—action.

Please take a look at what you've made possible this year. We are just getting started!

With gratitude,

Rebecca van Bergen
**Our Mission**

Nest is a nonprofit 501(c)(3) building a new handworker economy with the power to increase global workforce inclusivity, improve women’s wellbeing beyond factories, and preserve important cultural traditions around the world.

In partnership with public and private sector collaborators, including artisan business leaders themselves, Nest’s programs are bringing radical transparency, data-driven development, and fair market access to a fragmented industry, unlocking handwork’s unmet potential to improve our world.

**Creating a Circular Value Chain**

Handworkers are major contributors to the world’s fashion and home supply chains, accounting for an estimated 40% of garment production alone.* For these workers to be visible, protected, and empowered, we need a new, circular value chain.

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*Lucy Siegle, To Die For, 2008
**1. TRANSPARENCY & ASSESSMENT**
Nest uses proprietary industry-adopted standards and assessment tools to map supply chains, verify home-based labor, and identify business development needs.

**2. CAPACITY BUILDING & DEVELOPMENT**
Nest delivers data-driven advancement programs mapped to the most pressing artisan business needs identified across a large industry cross-section.

**3. MARKET ACCESS & SUSTAINABILITY**
Nest’s transparent sourcing program fosters artisan-brand partnerships that increase market access and generate sustainable sales opportunities for handworkers.

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**ARTISAN NEED**
- Visibility of Informal Workforce
- Compliance for Homes and Small Workshops
- Strategy for Growth
- Strategic Growth Assessment

**NEST PROGRAM**
- Business & Design Fellowship Program
- Leadership Development Leadership Summit
- Fair Wages & Safe Working Conditions
- Compliance Training & Remediation
- Support Network Nest Connect (digital resource and learning center)

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**A Model for Systems Change**

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**05 Mobilizing our Network of Experts**

Nest’s Professional Fellowship Program leverages technology match-making and a network of skilled industry professionals to deliver targeted, high-impact, and scalable programs to an ever-growing handworker population.

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**FELLOWSHIP SPOTLIGHTS**

**Gucci**
- Media planner, Celia Wang, traveled to Indonesia to help fledgling shibori-batik business, Shibotik, find its niche

**PVH**
- Employees spent World Refugee Day giving product feedback to Heshima Kenya and Palmyra Designs, artisan businesses training and employing refugees in Kenya and Turkey

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**To create more opportunities to employ the many women in Syria who have been uprooted, I need to focus on growing this business. But we are so cut off here, that it can be very difficult to gain market insights and feedback. Our work with Nest has given us direct access to people who are experts within the jewelry industry. Their invaluable guidance will help us improve our product and brand. — Rania Kinge, Damascus Concepts**

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**FELLOWSHIP HOURS**

**TOTAL DOLLARS EQUIVALENT TO HOURS WORKED**

*Based on hourly rates determined by experience level of our volunteers.

**2,932**

**323,411**

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**FELLOWSHIPS DELIVERED BY CONTENT AREA**

- Sales & Merchandising: 29%
- Production & Quality Control: 8%
- Brand Strategy & Marketing: 23%
- Client Relations Management: 2%
- Design: 16%
- Ethical Compliance: 2%
- Financial Planning/Budgeting: 10%
- Shipping & Logistics: 2%
- Photography: 8%

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**2016**

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06 Artisan Leadership Summit

Nest’s Leadership Summit brings together a cohort of promising artisan business leaders in New York City for the rare opportunity to participate in industry immersion, peer-to-peer learning, and hands-on mentorship from professionals helping to propel the world’s top companies.

Nest’s 2016 Summit brought 15 artisan leaders from across the world to New York.

“The summit helped me think about the wider strategy of [The Anou in ways I hadn’t thought of before. I want to get more involved and understand the importance of knowing Anou’s customers so we can continue to grow.”

— Kenza Oulghada, The Anou, Morocco

07 The Nest Standards & Seal

Following more than two years of rigorous piloting The Nest Compliance for Homes and Small Workshops Program and consumer-facing Nest Seal launch industry-wide at the United Nations in 2017. The program, created with Nest’s Steering Committee of brands, stands to revolutionize the industry with its training-first model for assessing handworker wellbeing beyond the four-walled factory.

The following data, generated from on-site baseline assessments (prior to Nest programming) with 42 artisan businesses across 5 countries (India, Kenya, Mexico, Peru, and the Philippines), points to the pressing need for Nest’s compliance program within brand supply chains.

<table>
<thead>
<tr>
<th>WORKER RIGHTS &amp; BUSINESS TRANSPARENCY</th>
</tr>
</thead>
<tbody>
<tr>
<td>No businesses had a handworker manual, meaning that no formal policies or procedures were in place specifically for handworkers.</td>
</tr>
<tr>
<td>Only 4% of businesses had some form of a training program to educate handworkers on their rights.</td>
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<tr>
<td>None had a process for handworkers to report grievances.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>FAIR COMPENSATION &amp; BENEFITS</th>
</tr>
</thead>
<tbody>
<tr>
<td>21% had complete and accurate records of wages for handworkers.</td>
</tr>
<tr>
<td>40% of businesses factored minimum wage standards into wage setting for piece-rate handworkers and of those, only a small number could show written documentation of wage calculations.</td>
</tr>
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<table>
<thead>
<tr>
<th>WORKER WELLBEING</th>
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<tbody>
<tr>
<td>Of the workers surveyed, 33% felt that they were not being fairly compensated for their work.</td>
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<table>
<thead>
<tr>
<th>HEALTH &amp; SAFETY</th>
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<tbody>
<tr>
<td>41% did not have proper safety measures.</td>
</tr>
<tr>
<td>32% did not have sufficient first aid equipment.</td>
</tr>
<tr>
<td>30% of businesses using machinery were not properly maintaining the safety of equipment.</td>
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</table>

<table>
<thead>
<tr>
<th>ENVIRONMENTAL CARE</th>
</tr>
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<tbody>
<tr>
<td>Of those businesses whose production processes included some form of water disposal, None had waste water treatment systems in place.</td>
</tr>
</tbody>
</table>

HANDS-ON MENTORING
John Karlo Cruz of 33.3, a basket weaving enterprise in the Philippines, works alongside West Elm staff at the company’s headquarters.

PEER COLLABORATION
Delia Mendoza of Mercado Global in Guatemala compares craft techniques with Hiroshi Ishikawa of Asai Shibori in Japan.

IMMERSIVE LEARNING
Artisan leaders gather at Fashion Institute of Technology (FIT) for a crash course in pricing strategy.

CULTURAL EXPLORATION
Nicholas and Chris Kunz of Nicholas K lead artisan leaders on an inspirational walk through the MoMA.
08 A New Way to Source

Taking a concerted stance against some of the industry’s unethical middlemen, Nest connects brands and artisans directly, ensuring handworker visibility, independence, and opportunity for growth. By providing sourcing support and training to brand design and production teams, Nest ensures that artisan-brand relationships are set up for success.

MARKET ACCESS
Nest increased sourcing opportunities for artisans by 313%, addressing the 78% of artisan businesses in the Nest Guild who cite sales and marketing as a pressing need.

62 Brand Design Briefs Issued
Nest’s proprietary match-making platform is connecting brands directly with artisan producers.

108 Artisan Businesses Received New Market Access Opportunities

$5.5M in Brands Purchasing from Artisans

09 Shifting Mindsets

Nest is empowering consumers to make more ethical purchase decisions while helping to redefine handmade as a hallmark of value.

Advisory Board members show their support
Amanda Hearst and Nest partner for MAISON-DE-MODE Earth Month Pop-up in Bloomberg’s Park featuring products made by Nest artisans.

Randana Tewari and Nest team up with photographer, Briana Blasko, for a Vogue India feature taking readers “beyond the warp.”

Amber Valletta posts her selfie to support Nest’s Giving Tuesday partnership with QVC.

Over 75 Million Media Impressions

Co-op Membership and Salons
Nest is building, engaging, and educating a community of enlightened consumers.

San Festy hosted with Border & Field helps reverse stereotypes leading to the sari’s demise.

Talk with 3.1 Phillip Lim CEO Wen Zhou uncovers the place for craft in a digital world.

Summer of Love hosted by Mara Hoffman and Melissa Joy Manning inspires a sense of making and civic duty.

Advisory Board members show their support

0% 1% 3% 17% 38% 21% 11% 3%

PRODUCT CATEGORIES
Needles Jewelry & Accessories Packaging Home

In 2016, Nest expanded its brand partnerships by 170%.

In a Cienne jacket and pants featuring handloom silks from Sari Emaar in India.

Khokho handbag featured in Vogue and Matches Fashion uses traditional reed weaving techniques (Swaziland).

AMUR earrings hand cast by Fashion4Freedom (Vietnam).

Textiles
Jewelry & Accessories
Home

Apparel

A Cienne jacket and pants featuring handloom silks from Sari Emaar in India.

Khokho handbag featured in Vogue and Matches Fashion uses traditional reed weaving techniques (Swaziland).

AMUR earrings hand cast by Fashion4Freedom (Vietnam).

Leather jacket and pants featuring handloom silks from Sari Emaar in India.

Khokho handbag featured in Vogue and Matches Fashion uses traditional reed weaving techniques (Swaziland).

AMUR earrings hand cast by Fashion4Freedom (Vietnam).

LEADERSHIP AND RECOGNITION
World Economic Forum Young Global Leader
Ashoka Fellow
CFDA Lexus Challenge Advisor
Fabric of Change Award from C&A Foundation and Athle.$$
Our Impact

Nest has shown that intensive and targeted on-site business development yields significant impact for artisan businesses. To date, Nest’s completed in-depth projects drive business growth across the following four key metrics:

<table>
<thead>
<tr>
<th>WAGES</th>
<th>REVENUE</th>
<th>PRODUCTION</th>
<th>STAFFING</th>
</tr>
</thead>
<tbody>
<tr>
<td>above minimum standards</td>
<td>2X</td>
<td>average increase</td>
<td>average increase</td>
</tr>
<tr>
<td>56%</td>
<td>120%</td>
<td>136%</td>
<td></td>
</tr>
</tbody>
</table>

Nest is balancing depth and scope of work by leveraging technology to bring business development opportunities to its Nest Artisan Guild, a growing community of artisan businesses connected across the world.

2016 NEST GUILD SNAPSHOT

- 50+ countries
- 286 artisan businesses
- 67,186 individual handworkers

72% Women

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- **WAGES**: above minimum standards
  - 2X
- **REVENUE**: average increase
  - 56%
- **PRODUCTION**: average increase
  - 120%
- **STAFFING**: average increase
  - 136%

Nest is balancing depth and scope of work by leveraging technology to bring business development opportunities to its Nest Artisan Guild, a growing community of artisan businesses connected across the world.

Nest is a 501(c)(3) organization combining philanthropic capital with an earned revenue stream generated by fee-for-service work to ensure organizational and programmatic sustainability. Nest’s cross-sector approach encourages multi-stakeholder engagement, while ensuring that the best interests of the artisan community always come first.

A Sustainable Model

Nest’s Top Brand and Corporate Partners in 2016 and 2017

- Patagonia
- Eileen Fisher
- Kering Foundation
- Mara Hoffman
- PVH
- Sana Jardin
- West Elm
- Etsy
- Target
- Coca-Cola
- Place

Percent of Organizational Budget supported by Earned Revenue

- 2015: 4%
- 2016: 13%
- 2017: 30%
- 2018 Projected: 40%

2016 NEST GUILD SNAPSHOT

- 50+ countries
- 286 artisan businesses
- 67,186 individual handworkers
Nest Financials

### 2016 FINANCIALS

- **Programming:** 80%
- **Development:** 9%
- **Administrative:** 11%

### 2017 OPERATING BUDGET

- **Programming:** 83%
- **Development:** 10%
- **Administrative:** 7%

### REVENUES

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Foundations</td>
<td>$873,024</td>
<td>$846,000</td>
</tr>
<tr>
<td>Brand Partnerships</td>
<td>$170,475</td>
<td>$540,000</td>
</tr>
<tr>
<td>Individuals</td>
<td>$209,520</td>
<td>$342,000</td>
</tr>
<tr>
<td>Corporate</td>
<td>$20,000</td>
<td>$100,000</td>
</tr>
<tr>
<td>Events &amp; Donor Site Visits</td>
<td>$218,837</td>
<td>$332,000</td>
</tr>
<tr>
<td>Other</td>
<td>$16,702</td>
<td>-</td>
</tr>
<tr>
<td><strong>Allocation of Board-Designated Reserve Fund</strong></td>
<td>$48,688</td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$1,557,246</strong></td>
<td><strong>$2,162,000</strong></td>
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### EXPENSES

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Programming</td>
<td>$1,244,049</td>
<td>$1,800,000</td>
</tr>
<tr>
<td>Development</td>
<td>$133,268</td>
<td>$220,000</td>
</tr>
<tr>
<td>Administration</td>
<td>$179,929</td>
<td>$142,000</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$1,557,246</strong></td>
<td><strong>$2,162,000</strong></td>
</tr>
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### VOLUNTEER FELLOWSHIP

- **Consulting Value:** $323,411

- **Projected:** $363,926

More complete audited financials are available on our website (buildanest.org/financials)

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Nest Family

### Board of Trustees
- Jim Brigham
- Heather Wen Bowman
- Marty Corcoran
- Renée Cullen
- Julie Meyer
- Louise Patrick
- Michelle Perricone
- Monica Sackler
- Bane Ogilive-Thompson

### Founding Board
- Suzanne Boyd
- Molly Carter
- Karl Eckerson
- Lauren Han
- Alison Sheehan
- Amy von Almen
- David von Almen
- Sara Ogilive-Thompson

### Advisory Board
- Ashley Dhan-Scoth-Adjan
- Mike Hoffman
- Jill Iccol
- Kate Jackson
- Sean Amstut
- Debora Palmer Karas
- Nadja Swarovski
- Benioff-Tracey
- Laura Bush-Lason
- Lauren Calman
- Phoebe Campbell
- Melissa Jay Manning
- Anne Waris
- Wen Zhou
- Nabile Chinn
- Andrew Morgan
- Ami Cheetham
- Amanda North
- Amanda Horst
- All Saint’s Robinson

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More complete audited financials are available on our website (buildanest.org/financials)
Nest 2016 Family of Contributors

$100,000+
Bloomberg Philanthropies
Swedish Postcode Lottery—Culture Fund
Draper Richards Kaplan Foundation

$20,000 - $99,999
Cordani Foundation
Falke of Change Award, supported by C&A Foundation and Ashoka
Goldrich Foundation
Juli and Jim Mayer
Lovelace Populcs
Q2
Swarovsky Foundation
The Staples Trust

$10,000 - $19,999
Jerry and Diane Cunningham
Fullen-Smith Foundation Inc.
Kastory Family Foundation
Matthew Miller and Clare McCarr
Patagonia
Mariana Sadera

$5,000 - $9,999
Abbey Revocable Living Trust
Nicole Chasin
Curry Stone Foundation
Darci DeMatteo
Joshua and Carolyn Ezrin
Leah Friedman
IFF Hummingbird Foundation—Jill Iscol
JaMel and Tom Perkins Family Trust
James S. Peterson Foundation
Gail Mears
MJK Family Foundation
Mortar Foundation
Nicole Pechanec and Andrew Luck
Nicole Sorensen

$1,000 - $4,999
Anonymous
Julie and Donald Baldocchi
Jim Bleik
Julie Campbell Carter
Kroby Cathor
Laura Chantler Collins
Jane Clarke
Polo Daci
Priscilla Duine
Kim Easter
Aron Felker
Sarah Foley
Natalie Foster
Laura Froehlich and David Ams
Garvan Foundation
David Goldweitz
Mary Hoist
Jeremy Hupman
IMC
Maryaala Khan
Mariana de Castro

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buildnest.org