



NETS *Impact Report*

CREATING
INNOVATIVE AND INCLUSIVE
SUPPLY CHAINS



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01 From our Founder



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.

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,

A handwritten signature in black ink, appearing to read 'RMB'.

Rebecca van Bergen

HANDWORKER

n. A person who works with her or his hands, in contrast to using a machine exclusively

Related Terms: artisan, craftsperson, maker, homemaker, manual laborer

02 Our Mission

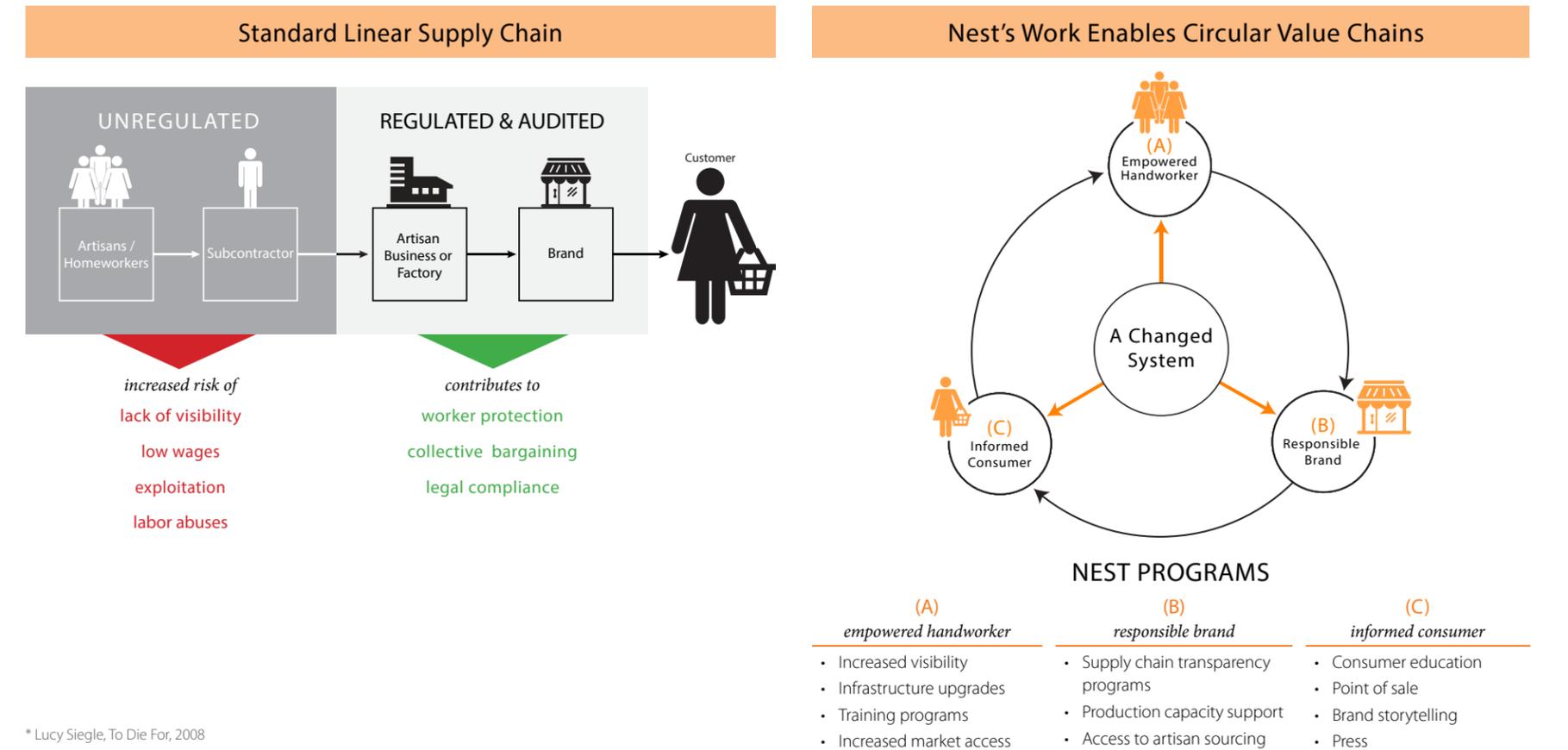


Nest is a nonprofit 501(c)(3) building a new handworker economy with the power to increase global workforce inclusivity, improve women's wellbeing beyond factories, and preserve important cultural traditions around the world.

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.

03 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.



* Lucy Siegle, To Die For, 2008

04 A Model for Systems Change



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

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

ARTISAN NEED	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)

ARTISAN NEED	NEST PROGRAM
Increased Orders & Business Growth	Ethical Sourcing
Increased Consumer Demand	Consumer Awareness & Advocacy
Better Communication	Brand Training Programs

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.

2016 FELLOWSHIP HOURS

2,932

TOTAL DOLLARS EQUATED TO HOURS WORKED*

323,411

* based on hourly rates determined by experience level of our volunteers

FELLOWSHIP SPOTLIGHTS



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

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%		

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



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



Professional photographer, Paisley Dee, photographed the sheering of the sheep in Alabama, helping 1818 Farms market new organic knitwear

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



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 for Technology (FIT) for a crash course in pricing strategy



CULTURAL EXPLORATION
 Fashion designers like Nicholas and Chris Kunz of Nicholas K lead artisan leaders on an inspirational walk through the MoMA

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.



WORKER RIGHTS & BUSINESS TRANSPARENCY

No businesses had a handworker manual, meaning that no formal policies or procedures were in place specifically for handworkers

Only **4%** of businesses had some form of a training program to educate handworkers on their rights

None had a process for handworkers to report grievances

CHILD ADVOCACY & PROTECTION

Only **21%** of businesses had a formal policy around child labor for handwork



WORKER WELLBEING

Of the workers surveyed, **33%** felt that they were not being fairly compensated for their work

FAIR COMPENSATION & BENEFITS

21% had complete and accurate records of wages for handworkers

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



HEALTH & SAFETY

43% did not have proper fire safety measures

32% did not have sufficient first aid equipment

30% of businesses using machinery were not properly maintaining the safety of equipment

ENVIRONMENTAL CARE

Of those businesses whose production processes included some form of water disposal, **None** had waste water treatment systems in place

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

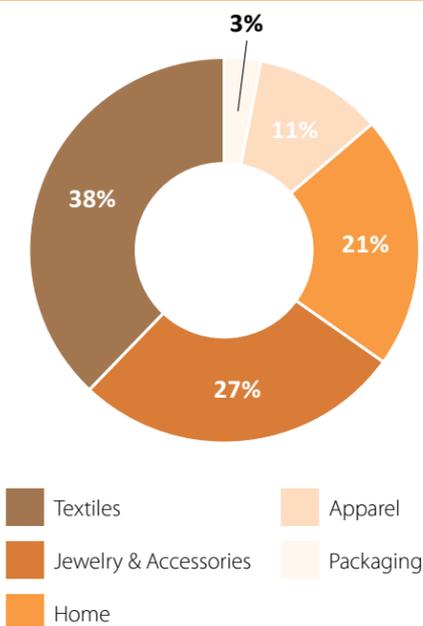
108 Artisan Businesses Received New Market Access Opportunities

\$5.5M in Brands Purchasing from Artisans



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

PRODUCT CATEGORIES



- A Cienne jacket and pants featuring handloom silks from Loom to Luxury (India)
- B Khokho handbag featured in Vogue and Matches Fashion uses traditional reed weaving techniques (Swaziland)
- C AMUR earrings hand cast by Fashion4Freedom (Vietnam)

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 Popup in Bloomingdale's featuring products made by Nest artisans



Bandana Tewari and Nest team up with photographer, Briana Blasko, for a Vogue India feature taking readers "beyond the warp"!



Amber Valletta posts her selfless 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



Sari Party hosted with Border & Fall 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

LEADERSHIP AND RECOGNITION



World Economic Forum Young Global Leader



Ashoka Fellow



CFDA Lexus Challenge Advisor



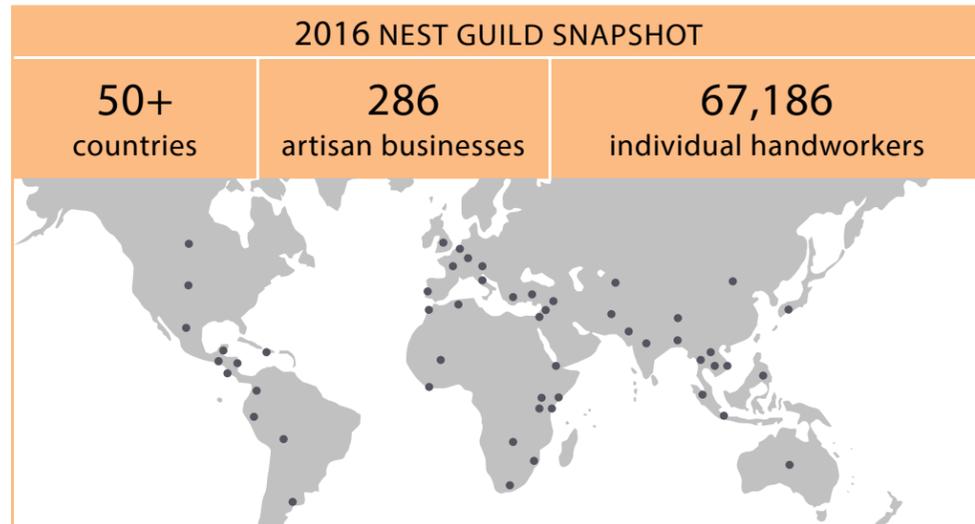
Fabric of Change Award from C&A Foundation and Ashoka

10 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.

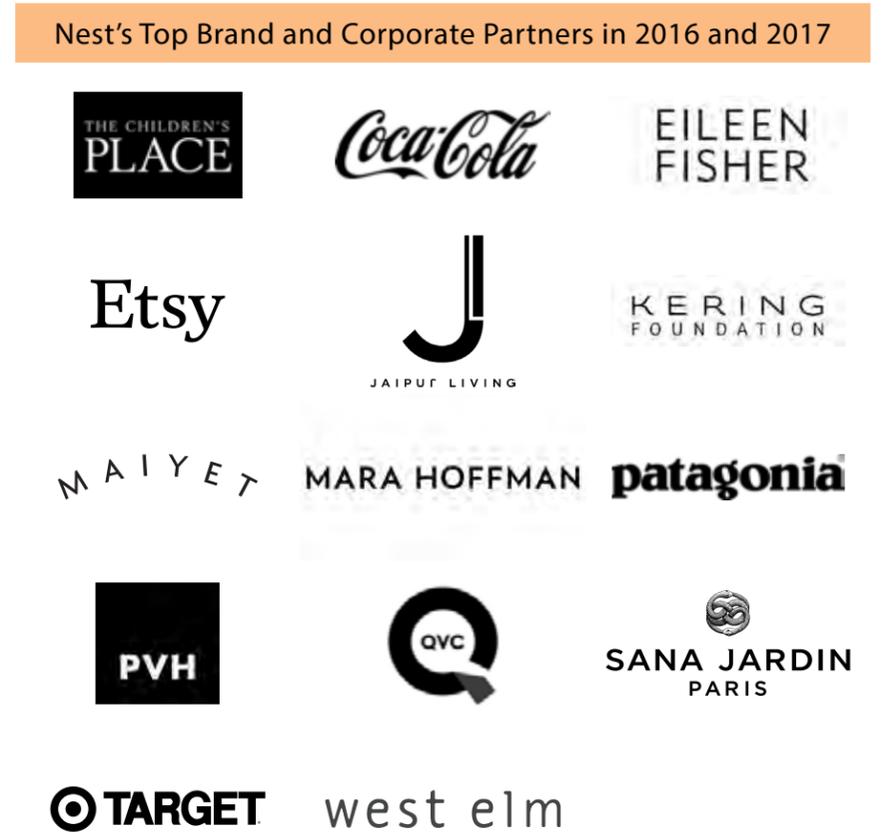
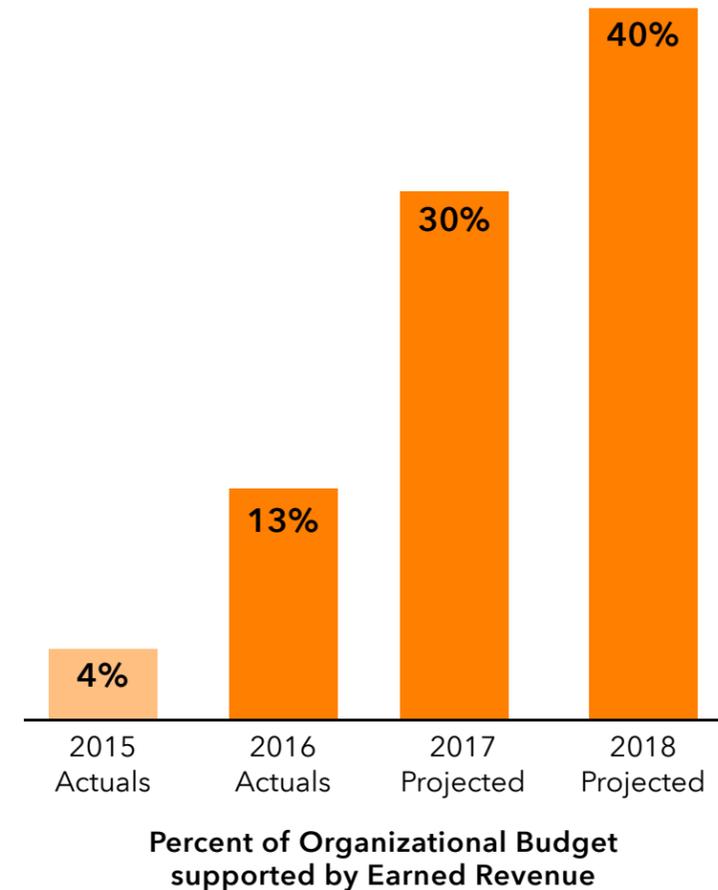


Nest is balancing depth and scope of work by leveraging technology to bring business development opportunities to it's Nest Artisan Guild, a growing community of artisan businesses connected across the world.



11 A Sustainable Model

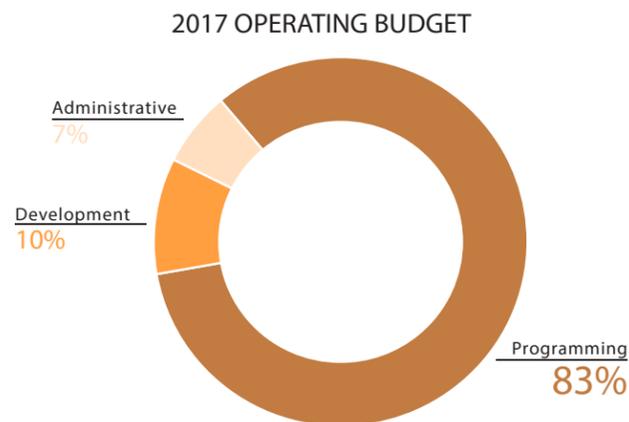
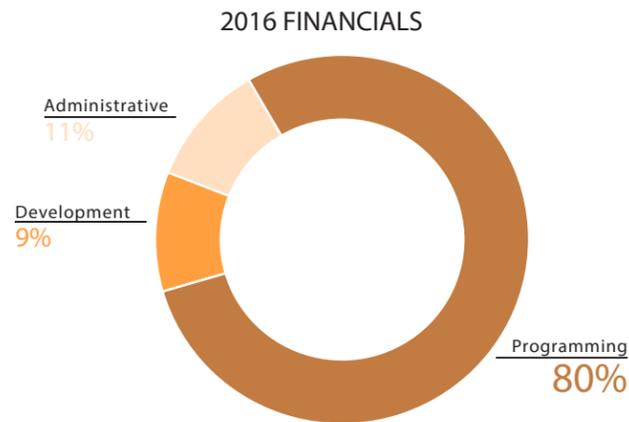
Nest is a 501(c)(3) organization combining philanthropic capital with an earned revenue stream generated by fee-for-service work to ensure organizational and programmatic sustainability. Nest's cross-sector approach encourages multi-stakeholder engagement, while ensuring that the best interests of the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



12 Nest Financials

	Actuals 2016	Projected 2017
REVENUES		
Foundations	\$873,024	\$848,000
Brand Partnerships	170,475	540,000
Individuals	209,520	342,000
Corporate	20,000	100,000
Events & Donor Site Visits	218,837	332,000
Other	16,702	-
Allocation of Board-Designated Reserve Fund	48,688	-
TOTAL	\$1,557,246	\$2,162,000
EXPENSES	2016	2017
Programming	\$1,244,049	1,800,000
Development	133,268	220,000
Administration	179,929	142,000
TOTAL	\$1,557,246	\$2,162,000
VOLUNTEER FELLOWSHIP	\$323,411	\$363,926
CONSULTING VALUE		

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



13 Nest Family

Board of Trustees

Jim Brigham
Heather Winn Bowman
Marty Cordes
Brendan Cullen
Julie Meyer
Louise Parzick
Nicole Pechanec
Marissa Sackler
Iliane Ogilvie Thompson

Founding Board

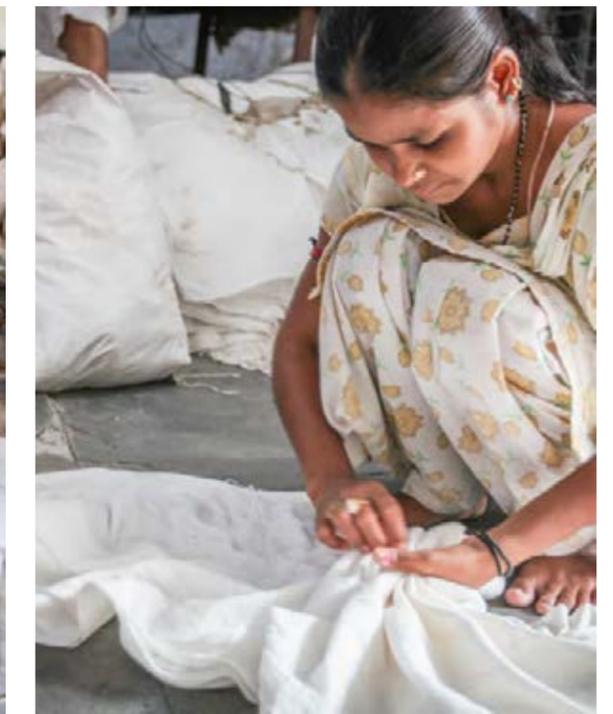
Susanna Bird
Molly Carter
Kari Erickson
Lauren Hurst
Alison Sheehan
Ann VonAllmen
David VonAllmen

Advisory Board

Ashley Shaw-Scott Adjaye
David Adjaye
Sean Ansett
Jim Brett
Burak Cakmak
Phoebe Campbell
Kristy Caylor
Natalie Chanin
Amy Christiansen Si-Ahmed
Amanda Hearst

Mara Hoffman
Jill Iscol
Deborah Palmer Keiser
Niclas Kjellström-Matseke
Lauren Bush Lauren
Melissa Joy Manning
Susan McPherson
Andrew Morgan
Amanda North
Allison Whipple Rockefeller

Ellice Sperber
Krista Stack
Nadja Swarovski
Bandana Tewari
Amber Valletta
Anne Wattis
Wen Zhou
Paul van Zyl



14 Nest 2016 Family of Contributors

\$100,000+

Bloomberg Philanthropies
Swedish Postcode Lottery—Culture Fund
Draper Richards Kaplan Foundation

\$20,000 – \$99,999

Cordes Foundation
Fabric of Change Award, supported by
C&A Foundation and Ashoka
Goodrich Foundation
Julie and Jon Meyer
Louise Parzick
QVC
Swarovski Foundation
The Staples Trust

\$10,000 – \$19,999

Jerry and Diane Cunningham
Fullen-Smith Foundation Inc.
Kastory Family Foundation
Harrison Miller and Clare McCamy
Patagonia
Marissa Sackler

\$10,000 – \$19,999 (cont'd)

Ellice Sperber
Iliane Ogilvie Thompson
Ann and David VonAllmen

\$5,000 – \$9,999

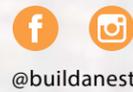
Abbey Revocable Living Trust
Nicole Chasin
Curry Stone Foundation
Darci DeMatteo
Joshua and Carolyn Ezrin
Leah Friedman
IF Hummingbird Foundation—Jill Iscol
JaMel and Tom Perkins Family Trust
James S. Peterson Foundation
Gail Mears
MJK Family Foundation
Mortar Foundation
Nicole Pechanec and Andrew Luck
Vicki Rovner
Krista Stack

\$1,000 – \$4,999

Anonymous
Julie and Donald Baldocchi
Jim Brett
Julia Campbell Carter
Kristy Caylor
Laura Truettner Coles
Jane Cook
Paolo Diacci
Patricia Dunne
Kari Erickson
Devon Fisher
Sarah Foley
Natalie Foster
Laura Friedman and Dan Picus
Gerson Family Foundation
David Goldweitz
Mara Hoffman
Jeremy Hopwood
IMC
Haniya Riaz Khan
Maxandra Short Kramer

\$1,000 – \$4,999 (cont'd)

Warren and Kim Lane
MacDonough Foundation
Melissa Joy Manning
Michael and Alison Mauze
James Monto
Genevieve Nestor
Alisa H W Ng
Allison Rockefeller
Mikelynn Salthouse
Genevieve Saylak
Steve and Mary Schoolman
Alison and Tom Sheehan
Tara Sher and Kelly Currie
Jane Siegel
Zoe Slocum
Blin Vose
Wen Zhou
Sharon and Elliot Zucker



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