Nest is building a new handworker economy to generate **global workforce inclusivity**, improve **women’s well-being** beyond factories, and preserve **cultural traditions**. We are committed to the social and economic advancement of global artisans and homeworkers through **supply chain transparency** and **sustainable business development** and are demonstrating that industry-driven reform is a critical mechanism for connecting handworkers, brands, and consumers in a **circular and human-centric value chain**.
Dear Friends,

Thirteen years ago, I saw an opportunity for women to provide for themselves and their families—to enrich their communities and celebrate cultural traditions—using one unique mechanism: craft. As I reflect on the changes our world has experienced since 2006, I am struck by the rising preoccupation with my own early obsession. From craft beer to peanut butter to baskets, it would appear that the age of artisan everything is upon us. Research & Markets indicates that the global handicrafts market reached US $526.5 Billion in 2017 and is expected to reach $984.8 Billion by 2023, confirming that consumer interest in handcraft can translate to real economic growth.

The rising interest in craftsmanship has important social implications when we consider the world’s 300 million home-based workers, most of whom are women, and many of whom are practicing artisanal or hand techniques. 40% of artisan women surveyed by Nest and CCR-CSR reported that they left factory work to engage in home-based craftwork so that they could care for their families. 80% reported that they prefer working from home to any other place of work.

But in step with this surge in excitement about all things artisan, comes an ever greater imperative that we demand not just handcrafted items, but ethically handcrafted ones. When we fall into the trap of equating artisan with ethical, we fail to acknowledge the fact that craftwork is, in most cases, part of a complex informal economy. Craftspeople typically labor from home at the bottom of a dispersed web of middlemen. It follows that transparency to ensure fairness for the handworker workforce is actually more complicated, not less so, than it is for factory workers who are all under one roof, their safety more visible. Factory workers are most commonly paid a salary wage that can be more clearly mapped to the local minimum wage.

Artisan enterprises require a more robust suite of educational resources to help them establish verifiable systems. For Nest, this means creating easily replicable tool kits, video tutorials and translated guides for support in implementing standardized business operations—from conducting time and motion studies for calculating and benchmarking fair wages, to documenting and overseeing an age verification process that reduces risk of child labor. The good news? While challenging, our work is proving effective. We have seen a range of positive impacts outlined on the pages of this report that tell us we are on the right track.

As automation and technology change at lightning speed, we need to know that it is also okay to slow down—to support hand produced goods that carry soul and human spirit. Most importantly, the talented women who make our artisanal items deserve not only to make something beautiful, but also to have their wellbeing assured. The Nest Seal of Ethical Handcraft is now available on select products at West Elm, Pottery Barn, Pottery Barn Kids, and Target, helping every person play a role in making this possible.

We are excited to share that our partners at Bloomberg Philanthropies have recently renewed and expanded their support based on our shared belief that craft is a fundamental economic force—predominantly for women, but also for racial minorities, immigrants, refugees, rural communities, disabled persons, and other groups—often cut off from the mainstream economy and challenged to connect with work opportunities that we believe are a universal human right.

We hope you will continue to join us on this journey.

Warmly,

Rebecca van Bergen
Founder & Executive Director
A VIBRANT & CONNECTED
Handworker Economy

Artisan Guild members are predominantly producing for the fashion and home industries: 64% make fashion accessories, 55% produce home decor, and 50% create textiles.

NORTH AMERICA
18,407
ARTISANS

SOUTH AMERICA
13,329
ARTISANS
The Artisan Guild grew by over 30% in the past year alone.

109 COUNTRIES
626 ARTISAN BUSINESSES
197,576 HANDWORKERS
901,820 INDIVIDUALS
(Indirect Impact)
as of 9.9.2019

AFRICA
21,375 ARTISANS

AFRICA
21,375 ARTISANS

EUROPE
764 ARTISANS

OCEANIA
146 ARTISANS

ASIA
143,555 ARTISANS

Afghanistan
Argentina
Armenia
Australia
Bahamas
Bangladesh
Barbados
Belize
Bolivia
Botswana
Brazil
Burkina Faso
Burundi
Cambodia
Cameroon
Chile
China
Colombia
Côte d’Ivoire
Cuba
Djibouti
Dominica
Dominican Republic
DRC
Ecuador
Egypt
El Salvador
Eswatini
Ethiopia
France
Germany
Ghana
Greece
Grenada
Guatemala
Guyana
Haiti
Honduras
India
Indonesia
Israel
Italy
Jamaica
Japan
Jordan
Kenya
Kiribati
Kyrgyzstan
Laos
Lesotho
Libya
Madagascar
Malawi
Malaysia
Mali
Mauretania
Mauritius
Mexico
Mongolia
Morocco
Myanmar
Namibia
Nepal
New Zealand
Nicaragua
Niger
Nigeria
Pakistan
Palau
Papua New Guinea
Paraguay
Peru
Philippines
Poland
Portugal
Romania
Russia
Rwanda
Saint Lucia
Sainte Lucie
Samoa
Saudi Arabia
Senegal
Seychelles
Sierra Leone
Solomon Islands
South Africa
South Korea
Spain
Sri Lanka
Sweden
Syria
Taiwan
Tanzania
Thailand
Trinidad
Tunisia
Turkey
Tuvalu
Uganda
United Kingdom
United States
Uruguay
Uzbekistan
Venezuela
Vietnam
Zambia
Zimbabwe

NEST
PROGRAMS AND IMPACT

ARTISAN GUILD
Through the Artisan Guild, more than 600 social entrepreneurs are receiving sophisticated pro bono business support (via webinars, raw material giveaways and consulting projects with Nest Fellows) designed to help them grow their craft-based businesses and drive community impact.

PRO BONO CONSULTING FROM PROFESSIONAL FELLOWS

<table>
<thead>
<tr>
<th>Total Number of Fellowships</th>
<th>Fellowship Hours</th>
<th>Equivalent Fellowship Dollars</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018 Totals 242</td>
<td>2,736</td>
<td>$185k</td>
</tr>
<tr>
<td>Program Totals to Date 943</td>
<td>18,209</td>
<td>$1.25M</td>
</tr>
</tbody>
</table>

RAW MATERIAL DONATIONS TO GUILD MEMBERS

1,300 meters of premium fabric
750 Swarovski crystals

EDUCATIONAL WEBINARS

191 artisan business leaders participated in 13 hour-long exclusive live webinars led by 20 industry leaders
ARTISAN ACCELERATOR

The Artisan Accelerator is an application-based program to provide support to craft-based businesses at a critical inflection point. The program brings together an annual cohort of ten highly promising businesses to participate in an intensive year-long business development curriculum designed to help scale their work and impact.

2018 ACCELERATOR PARTICIPANTS

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Artisan Businesses</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>Countries</td>
<td>7</td>
<td></td>
</tr>
<tr>
<td>Female Business Leaders</td>
<td>90%</td>
<td></td>
</tr>
</tbody>
</table>

THE FOLLOWING IMPACTS WERE SEEN 1 YEAR AFTER PROGRAM COMPLETION

- **80%** of businesses maintained or increased their staffing
- **90%** of businesses increased or maintained revenue
- **8.6%** average revenue growth
- **$602k** net new revenue generated
- **+76** net new jobs created across all participants
- **1,181** total cumulative hours of pro bono consulting delivered
- **$85k** total dollars of pro bono consulting delivered
ETHICAL HANDCRAFT PROGRAM

By making home and small workshop-based production a safe and viable option, Nest’s Ethical Handcraft Program is opening up new doors for brands to source responsibly produced handmade items. With the Nest Seal, consumers are empowered to make responsible purchasing decisions based on point-of-sale education.

The Seal now appears on more than 70 handcrafted items across Target, West Elm, Pottery Barn, and Pottery Barn Kids

**PROGRAM OVERVIEW TO DATE**

<table>
<thead>
<tr>
<th>18</th>
<th>89</th>
<th>113</th>
<th>40,929</th>
<th>20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Countries</td>
<td>Artisan Businesses</td>
<td>Supply Chains</td>
<td>Artisans</td>
<td>Brands</td>
</tr>
</tbody>
</table>

**NEST IMPROVES WORKING CONDITIONS AND DECREASES RISK OF CHILD LABOR**

Worker policies are in place for all homeworkers

Age verification policies and wage records are in place

Homes contain all necessary health and safety equipment and supplies

**NEST PROMOTES FAIR WAGES WITH TIME MOTION STUDIES**

Businesses provide at least a minimum wage for all workers

Gap between artisan wages and minimum wages

Time motion studies are being used to determine proper piece rate wages
MAKERS UNITED

Makers United is creating a more inclusive maker movement across the United States by supporting diverse artisan entrepreneurs with city landscape mapping, business-building workshops, and exciting market access opportunities.

DATA AND EDUCATION

Nest’s annual New Handworker Economy Convening brings together cross-sector field experts to build holistic solutions to the challenges impacting today’s supply chains. With the support of Bloomberg Philanthropies, Nest launched its first State of the Handworker Economy Report, revealing 40 pages of descriptive data on artisan SMEs, homeworkers, and complex supply chains.

More than 100 Birmingham Makers participated in the Makers United pilot and 89% of educational workshop participants reported increase in knowledge.

<table>
<thead>
<tr>
<th>BIRMINGHAM RESULTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>103</td>
</tr>
<tr>
<td>Makers</td>
</tr>
<tr>
<td>35%</td>
</tr>
<tr>
<td>Minority Owned &amp; Led</td>
</tr>
<tr>
<td>85%</td>
</tr>
<tr>
<td>Female Owned &amp; Led</td>
</tr>
</tbody>
</table>

89% improvement in knowledge following Nest Clinics

$16k in revenue generated from Birmingham Market

Highest grossing market for many participating artisans

Left to right: Jill Filipovic (The New York Times), Karen Duffin (NPR), Helen Avery (Euromoney), and Marc Bain (Quartz) discuss what it takes to build the case for bottom of the pyramid investment at Nest’s second annual New Handworker Economy Convening hosted by BNP Paribas
Nest’s Measurement of Worker Wellbeing

Nest programs are creating a ripple effect of impact across individuals, families, and communities. Our proprietary worker wellbeing tool measures how worker transparency and fair employment translates to a handworker’s quality of living.

**Handworkers at a Glance**

- 65% are female
- 75% are literate
- 38% are homeworkers
- Average household size: 5.3 members
- 81% agree homework allows them to provide better childcare
- 59% have an elementary school education or less

**Nest Impacts on Wellbeing (between baseline and follow-up)**

- +17% increase in perception of fair pay
- +11% increase in ability to handle unexpected events
- +18% increase in expenditures on child education
- +6% increase in pride of work
- +10% increase in craft income used toward child schooling
- +10% increase in empowerment score
- +30% increase in encouragement of next generation to learn craft
- -9% decrease in those who would switch jobs for more pay
MEET ALL ACROSS AFRICA

All Across Africa’s participation in the 2018 Accelerator program has helped set the business up for success and significant growth in 2019. Since graduating from the program, the 90% female powered artisan business has realized $489,000 USD in sales from two large orders (totaling over 24,000 units) for handwoven baskets placed by major national and international brands. The brand connections were fostered by Nest, with All Across Africa proving design sophistication and high product quality, while meeting both quantities and timelines demanded by its partners. Overall, All Across Africa has grown its revenue between 60-70% YoY (as of September 2019). The economic wins are helping to spur broader social impact in the communities in Rwanda and Uganda, which takes on even greater significance when considering that unemployment in Sub-Saharan Africa falls somewhere between 80–96%.

“\nWeaving enables me to pay for all of my children’s school fees. Through my savings, I’ve been able to purchase two pigs, land, and I recently started my own chapati business. 
—Margret Nampina

Of all All Across Africa artisans:

80% are actively using a savings account

94% have purchased health insurance coverage

Of the 497 women engaged in fulfilling the international orders through Nest connections:

100% said their income enabled their children to complete high school or will in the future

100% said they are proud of their craftwork
### FINANCIALS

#### REVENUES

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Foundations</td>
<td>$1,535,089</td>
<td>$1,725,000</td>
</tr>
<tr>
<td>Fee for service Partnerships</td>
<td>867,546</td>
<td>1,125,600</td>
</tr>
<tr>
<td>Corporate Philanthropy</td>
<td>793,513</td>
<td>115,000</td>
</tr>
<tr>
<td>Individuals</td>
<td>386,576</td>
<td>453,000</td>
</tr>
<tr>
<td>Trips &amp; Events</td>
<td>236,307</td>
<td>207,500</td>
</tr>
<tr>
<td>Other</td>
<td>36,940</td>
<td>60,000</td>
</tr>
<tr>
<td><strong>SUBTOTAL REVENUES RAISED</strong></td>
<td><strong>$3,855,971</strong></td>
<td><strong>$3,686,100</strong></td>
</tr>
<tr>
<td>Fee-for-service Carry Over</td>
<td>(204,896)</td>
<td>215,000</td>
</tr>
<tr>
<td>Investment Return</td>
<td>3,901</td>
<td>20,000</td>
</tr>
<tr>
<td><strong>TOTAL REVENUES RAISED</strong></td>
<td><strong>$3,654,976</strong></td>
<td><strong>$3,921,100</strong></td>
</tr>
</tbody>
</table>

#### EXPENSES

##### PROGRAMMING

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nest Guild</td>
<td>$616,444</td>
<td>$1,425,063</td>
</tr>
<tr>
<td>Compliance &amp; Contracted Services</td>
<td>827,053</td>
<td>1,047,681</td>
</tr>
<tr>
<td>Research &amp; Advocacy</td>
<td>472,763</td>
<td>628,709</td>
</tr>
</tbody>
</table>

##### DEVELOPMENT

|                                | 318,892    | 398,240    |

##### ADMINISTRATION

|                                | 205,674    | 233,126    |

**SUBTOTAL EXPENSES**

|                                | **$2,440,826** | **$3,732,819** |

- 2018 Programming Asset investments | (58,380)     | —          |
- 2018 Administrative Asset investments | (15,482)   | —          |
- Write-off Assets (Land) | 129,611     | —          |
- Amortization & Depreciation | 2,256       | —          |

**TOTAL EXPENSES**

|                                | **$2,498,831** | **$3,732,819** |

$1.2M in revenues raised in 2018 has been allocated as restricted funds for specific projects taking place in 2019 and 2020.
Eco Tasar (India)

33.3 (Philippines)

All Across Africa (Rwanda)

Awamaki (Peru)
NEST SUPPORTERS

NEST FAMILY

BOARD OF TRUSTEES

Jim Brigham, Chairman
Heather Winn Bowman
Carmen Busquets
Marty Cordes
Brendan Cullen
Ivanka Mamic

Julie Meyer
Louise Parzick
Nicole Pechanec Luck
Hall Rockefeller
Iliane Ogilvie Thompson

FOUNDING BOARD

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

ADVISORY BOARD

Ashley Shaw-Scott Adjaye
David Adjaye
Sean Ansett
Pam Baer
Alex Bellos
Jim Brett
Jeffrey D. Brown
Burak Cakmak
Phoebe Campbell
Natalie Chanin
Amy Christiansen
Livia Firth
Amanda Hearst
Mara Hoffman
Jill Iscol
Donna Karan
Deborah Palmer Keiser
Niclas Kjellström-Matseke
Steven Kolb
Lauren Bush Lauren
Melissa Joy Manning
Susan McPherson
Andrew Morgan
Allison Whipple Rockefeller
Marissa Sackler
Ellice Sperber
Krista Stack
Nadja Swarovski
Bandana Tewari
Amber Valetta
Wen Zhou

2018 CORPORATE & OTHER KEY SERVICE PARTNERSHIPS

Nest is profoundly grateful for the pro bono legal support from Foley & Lardner
**2018 PHILANTHROPIC SUPPORTERS**

- **$250,000+**
  - Bloomberg Philanthropies
  - Oak Foundation
  - QVC
  - Winn Family Foundation

- **$100,000 – $499,999**
  - Imago dei Fund

- **$50,000 – $99,999**
  - HSN
  - Nicole & Andrew Luck
  - Mastercard Center for Inclusive Growth
  - Swarovski Foundation

- **$20,000 – $49,999**
  - Heather Winn Bowman
  - Cordes Foundation
  - Kathryn Harbert
  - Julie & Jon Meyer
  - Louise Parzick
  - Marissa Sackler
  - Lekha Singh
  - Ellice Sperber
  - Staples Trust
  - David & Ann VonAllmen

- **$10,000 – $19,999**
  - Ashoka Foundation
  - Bank of the West
  - Bruce C. Abrams Foundation
  - Jerry & Diane Cunningham
  - Doris Duke Charitable Foundation
  - Gudrun Sjödén Design AB
  - The Valerie Parr Company Inc.

- **$5,000 – $9,999**
  - Lindsey Abrams
  - Pamela Baer
  - Claudia Constantiner
  - Kellie & Michael DeFries
  - Darci DeMatteo
  - Jane Ehinger
  - Leah Friedman
  - James S. Peterson Foundation
  - Kastory Family Foundation
  - Levi Strauss & Co.
  - Hall Rockefeller

- **$1,000 – $4,999**
  - Molly Carter
  - Kari Erickson
  - Carolyn Ezrin
  - Gerson Family Foundation
  - David Grossman
  - IF Hummingbird Foundation
  - Jaya International
  - Anadil Johnson
  - Deborah Palmer Kieser
  - Warren & Kim Lane
  - MacDonough Foundation
  - Melissa Joy Manning INC.
  - Newman’s Own Foundation
  - Robert J Lieber Charitable Trust
  - Victoria Rovner
  - Susan Sandler
  - Sharon Davis Foundation
  - Alison Sheehan
  - Krista Stack
  - Vivian Blin Vose
  - Elliot & Sharon Zucker