



The Nest Ethical Compliance Program Vendor Introduction



building a new handworker economy
www.buildanest.org

ABOUT NEST

Founded in 2006, Nest (www.buildanest.org) is a nonprofit organization that is building a new handworker economy to generate global workforce inclusivity, improve women's wellbeing beyond factories, and preserve cultural traditions of craft. Working hand in hand with brands, philanthropists, and artisan businesses, Nest is using radical transparency, data-driven development, and fair market access to connect craftspeople, brands, and consumers in a circular and human centric value chain.

OVERVIEW OF ETHICAL COMPLIANCE PROGRAM

- Focused on artisan, small workshop, and home-based producers
- Program begins with training first and is designed to work hand-in-hand with your business to establish viable compliance policies and procedures
- Based off of traditional factory compliance models, but translated into a context that makes sense for non-factory production, including subcontracted production
- Created in collaboration with leading brand partners, compliance experts and artisan business leaders
- SCOPE: production that falls outside of 4-walled factory production
 - › Small workshop definition = 20 or fewer workers, and no more than 10 using power machinery, open flame or chemicals
 - › Home-based workshops
- Not designed as Pass/Fail, but a consumer-facing Seal is awarded to groups that meet a particular threshold of compliance

TOPICS INCLUDED IN NEST'S ETHICAL COMPLIANCE STANDARDS

During the project, the Nest team will work with you, your management team, subcontractors and workers to develop systems and policies around the following topics:



WORKER RIGHTS & BUSINESS TRANSPARENCY

- Record Keeping
- Worker manual creation and training programs



FAIR COMPENSATION & BENEFITS

- Piece-rate wage setting
- Standardized pay systems



CHILD ADVOCACY & PROTECTION

- Educating workers on anti-child labor policies
- Putting oversight measures in place, especially in home-based workshops



HEALTH & SAFETY

- Performing a risk assessment of the production process
- Fire and medical emergency preparedness
- Personal Protective Equipment
- Handling of chemicals



ENVIRONMENTAL CARE

- Creating an environmental policy for your business to reduce negative impacts

HOW IT WORKS: STRUCTURE OF THE PROGRAM

1. Initial Supply Chain Mapping and Self-Assessment
 - a. Detailed mapping of your artisan/home-based supply chain, including the layers of subcontractors and agents
 - b. Unsourced self-assessment to identify the areas that we will focus on together
2. Compliance Training
 - a. Leveraging existing practices, and creating new ones, to strengthen compliance processes
 - b. Discuss hurdles to meeting compliance and developing customized solutions
3. Post-Training Implementation
 - a. Nest delivers recommendations that outline the areas that need attention
 - b. Via remote check-ins, Nest works with you to implement new policies and practices, brainstorming solutions for trouble spots
4. Assessment
 - a. At the 6–9 month mark, Nest comes back to perform an on-site assessment
 - b. The assessment has a very different look and feel from an audit and is designed gather information in a sensitive and respectful way
 - c. The process involves the review of records and policies, conversations with your management team, subcontractors and workers, as well as a review of the workshops and homes where production is taking place
5. Post-Assessment Remediation Plan
 - a. The assessment results in a corrective action plan, and Nest works with you to develop strategies that will help address any gaps found
 - b. If your business meets a threshold of compliance, your business will be awarded a Seal of Assurance by Nest

TIMELINE OF INITIAL YEAR PROGRAM



RESPONSIBILITIES OF PARTICIPATION

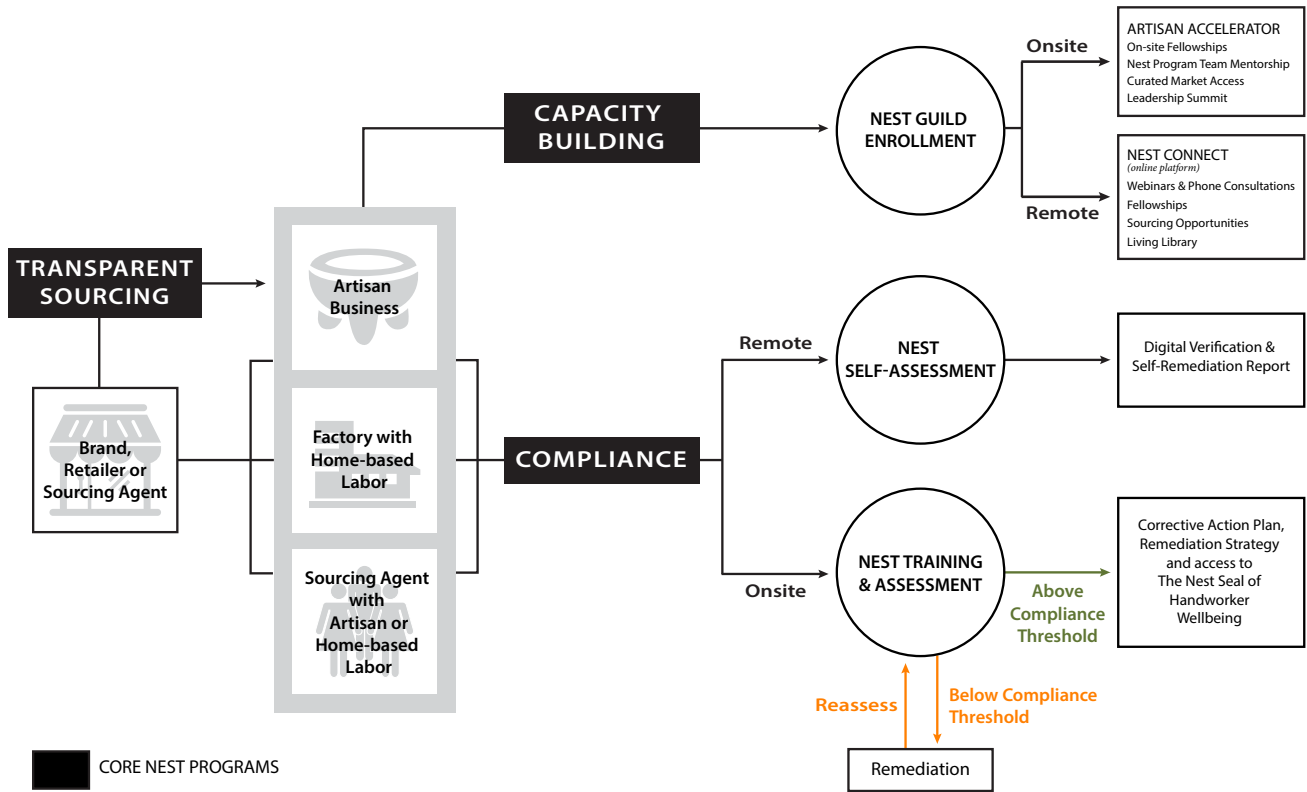
- Transparency regarding the subcontractors and homes with whom you work
- Commitment to bringing compliance practices all the way down your supply chain
- Nest will actively ensure that you and your team have the resources needed to implement compliance, and help you navigate the challenges we may face together

BENEFITS OF PARTICIPATION

We appreciate that this program will require you to invest time and bandwidth into creating strong compliance systems for your decentralized production supply chain. But the work will benefit you in a variety of ways:

- Your brand partners (and potential partners) will be prone to stronger sourcing relationships with the knowledge that you can demonstrate compliance
- Participation in this program can act as a differentiator for your business within an increasingly competitive market
- Stronger, more productive workforce, stronger communication channels between you and your workers
- Clear record keeping leads to increased production efficiency
- You will become a member of the Nest Guild:
 - › A global network of 488 businesses across 92 countries
 - › Gain access to Nest's suite of free business development resources via the Nest Connect web platform

NEST PROGRAMMING MODEL



For further questions, you are welcome to contact Nest directly at compliance@buildanest.org
 We look forward to working with you!

