



The Nest Ethical Compliance Standards  
for Home and Small Workshops



# Introduction

## NEST'S MISSION AND VISION

Founded in 2006, Nest is a nonprofit 501(c)(3) 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 handworker businesses, Nest is using radical transparency, data-driven development, and fair market access to connect handworkers, brands, and consumers in a circular and human centric supply chain.

## NEST'S THEORY OF CHANGE

Recognizing craft as the second largest employer of women in emerging economies, Nest is leveraging data-driven development of the global handwork sector to drive social change across three pillars: expanding global workforce inclusivity, improving women's wellbeing beyond factories, and preserving endangered cultural traditions.

Nest's data-driven programs map directly to the most pressing needs faced by today's handworker economy. By combining grassroots support with macro-scale solutions, Nest is driving sustainable change on the global scale.

Nest's approach to sector change begins with both compliance and capacity assessments that are context specific and co-created with the handworker population Nest supports. Nest uses assessment data to inform its capacity building, compliance training, and development programs, leveraging cross-sector partnerships to drive change.

Nest programs are made sustainable through fair market forces that expand transparent, global market access for handworkers. The organization couples this with widespread consumer and brand education so that demand for ethically handmade products continues.

To date, more than 17 handworker businesses in across 16 countries have participated in the Nest Compliance for Homes and Small Workshops program, contributing to improved transparency and increased wellbeing to an estimated 27,500 handworkers.

## OBJECTIVE OF THESE STANDARDS

Artisan craft production is cited as a more than \$526 billion global industry<sup>1</sup> and the ILO cites that there are more than 300 million home based workers in the world.<sup>2</sup> The World Bank cites craft production as the 2nd largest employer of women in rural India<sup>3</sup>, and Lucy Siegle's book "To Die For" cites that somewhere between 20–60% of garment production alone is done in homes, not factories.<sup>4</sup> While the fashion and home industry's home-based labor force represents an enormous global population, these workers, who are predominantly women, have been largely overlooked and underserved.

The purpose of the Nest Standards is to make home and small workshop-based labor for the fashion and home industries (with potential application for broader industry types) visible and safe, in accordance to standards agreed upon across the entire retail industry.

To address the complexities of decentralized supply chains, the Standards uniquely use a matrix outlining responsibilities for multiple members of complex supply chains including multiple middlemen, intermediaries or subcontractors between the business and the final worker. Nest maps out specific responsibilities for every layer of the supply chain with the goal of making sure that even the primary producer (in this case, the handworker/artisan) is educated on his/her rights and wellbeing.

1 Research and Markets, Ltd. "Handicrafts Market: Global Industry Trends, Share, Size, Growth, Opportunity and Forecast 2018-2023." Research and Markets - Market Research Reports - Welcome, June 2018.

2 Gupta, Neelam (2001) Invisible labor: social security for home-based workers of the garment, agarbatti and papad industries, Delhi, SEWA Bharat, p v and vi

3 (Jain, 1986)

4 Siegle, Lucy. *To Die for: Is Fashion Wearing out the World?* Fourth Estate, 2011.

Nest's goal is to move beyond assessment to assist homemaker businesses and their brand partners in making positive improvements in current compliance practices. Every single Nest Standard maps directly to remediation that Nest already has the tools to implement, as built upon its 13+ years in handworker development.

Lastly, Nest's Standards were designed with the goal to ensure handworker ownership and a sense of trust. Assessments are conducted with respect to cultural context and sensitivity of informal economy vendors. Nest works hand-in-hand with the handworker business, empowering them to draw from their experience and expertise in order to develop processes that have the greatest likelihood of adoption while still conforming to the Nest Standards. Nest holds that the ability to build trust with the vendor as critical in ensuring a reliable assessment outcome.

## DEVELOPMENT OF THE STANDARDS

Nest's 13+ years working onsite alongside homemaker businesses around the world informed its deep understanding of the existing barriers to transparency and wellbeing for this global, historically invisible workforce.

After being approached by brand partners on industry-wide standards for assessing labor beyond factories, Nest conducted a double-blind brand survey conducted by consulting firm, GLG. Survey results indicated high prevalence of subcontracting without consistent tools for third party assessment of non-factory-based labor. Nest further conducted a competitive analysis of 30 of the top supply chain auditing and certification systems to uncover that none sufficiently addressed labor in a home-based or small workshop setting.

Using its internal assessments as starting point, Nest carried out comprehensive reviews of existing factory auditing standards including SA 8000, FLA and Fair Trade USA, to build the foundations for the Nest Standards. Nest consulted with compliance experts as well as numerous homemaker business leaders, to further weigh in on the Standards.

Nest refined the Standards alongside its Steering Committee of brand partners to ensure industry-wide applicability and buy-in. Steering Committee members include: Eileen Fisher, Patagonia, PVH, Target, The Children's Place, and West Elm. Nest began piloting the compliance program onsite in 2014. Since 2014 through the Standards' launch on December 7, 2017, Nest completed 42 assessments in 5 countries. To ensure wide applicability of the program across a range of business structures, craft types, and geographies, Nest and its partners diversified the businesses engaged in the pilots.

## PUBLIC REVIEW AND GRIEVANCES

This version of the standards includes feedback from a period of public review held in 2018. The public review and revision process for Nest's Standards takes place every two years. The next review is scheduled for 2021.

The Nest Standards Committee, a permanent multi-stakeholder governance body, is responsible for overseeing the revision process, reviewing feedback and suggestions, and collectively approving any revisions to Nest's Standards or refinement to our methodology.

Nest values feedback and suggestions from stakeholders and the public for the continued evolution and relevance of these Standards. If any stakeholder or member of the public wishes to submit any complaints, grievances, or suggestions for improvement to the Nest Ethical Compliance Standards for Homes and Small Workshops, they may submit their feedback by completing [this survey](#). Responses may be submitted confidentially. Responses will be reviewed by Nest and its Standards Committee who will decide how the concern will be addressed and resolved.

**These standards are effective as of July 15, 2019. All stakeholders must demonstrate compliance by November 15, 2019.**

## TERMS AND DEFINITIONS

### Members of the Supply Chain

handworker	People who work predominantly with their hands, as opposed to relying exclusively on the use of machines
artisan	A subset of handworker, skilled workers and those whose products embody cultural attributes
homeworker	A subset of handworkers or artisans who conduct their work from a home-based setting rather than carrying out their work in a central or community based production workshop
manager	Anyone in the supply chain who is overseeing or responsible for the work of other workers
business leader	Person who owns and/or heads a business or organization and is also generally the main contact person to Nest in terms of ethical compliance responsibilities
central business	The handworker business leadership, who either interfaces directly with retailers and brands or works through an agent. They are responsible for the running of the overall business, distributing orders to either subcontractors or directly to handworkers
subcontractor/agent	This individual distributes orders from the central business to either subcontractors below them in the supply chain or directly to handworkers, taking a small profit or fee for their services. Subcontractors are often referred to by different titles including, but not limited to, coordinator, team/village/community leader, jobber, or master artisan

### Workshop Definitions

small workshop	A stand alone production space that does not qualify as a factory and is not a work space within a home. In the context of Nest's Standards, a small workshop is a workshop with less than 20 workers producing by hand work without the use of machinery or less than 10 workers if using machinery in the production process.
production workshop	This is a workshop where production is occurring outside of the home setting, including small workshops managed by the central business or a subcontractor. Often, the finished products from this workshop flow to a central factory for QC, finishing and packaging
community workshop	An informal workshop, often a public place where workers from the same community can come together and work casually as independent contractors
home workshop	Production activities occur inside or around the home, where workers are all related family members. Once workers are from outside the family, the home workshop will be considered a small or community production workshop
factory	Either a facility that has 10 or more workers simultaneously involved in production with the aid of power machinery or utilizing hazardous processes such as toxic chemicals or open flame that require the use of Personal Protective Equipment (PPE) at any day of the preceding 12 months OR a facility that has 20 or more workers simultaneously involved in production without the aid of power machinery at any day of the preceding 12 months. If there is a combination of production happening (with electricity/PPE and without) then the total must fall under 20 workers, and within that calculation the total of workers utilizing machinery/PPE must be fewer than 10

Ethical Compliance Definitions	
assessment	The evaluation of applicable elements of a supply chain to ensure that Nest's ethical compliance standards are being met and are being implemented in practice
benefits	Non-wage compensation provided to employees in addition to their normal wages or salaries
child labor	Children employed under the age of 15 or the local legal minimum age, whichever is higher
discrimination	The unjust or prejudicial treatment of workers on the basis of race, color, religion (creed), gender, gender expression, age, national origin (ancestry), disability, marital status, sexual orientation, union affiliation or military status, pregnancy status, or any other characteristic unrelated to abilities in any of its activities or operations. These activities include, but are not limited to, hiring and firing of staff, selection of volunteers and vendors, and provision of services
forced labor	Work or service exacted from a person under threat or penalty, which includes penal sanctions and the loss of rights and privileges, where the person has not offered him/herself voluntarily (ILO 2001a)
grievances	An official statement of a complaint over something believed to be wrong or unfair
harrassment and abuse	Unwelcome verbal or physical conduct directed toward, or differential treatment of, a worker because any prohibited basis such as race, gender and/or gender identity or expression, color, creed, religion, age, national origin, ethnicity, disability, sex, sexual orientation, pregnancy, genetic information, marital status or citizenship status. The abuser can be the worker's supervisor, a supervisor in another area, a co-worker, or someone who is not employed by the business such as a client or customer
hazardous work	Any work that is performed using a hazardous production process including use of chemicals, open flame, and sharp or electrical tools relating specifically to physical personal harm
hazardous production	Production which includes the use of open flames, electrical equipment, sharp cutting tools, and/or toxic chemicals
living wage	The remuneration received for a standard work week by a worker in a particular place sufficient to afford a decent standard of living for the worker and her or his family. Elements of a decent standard of living include food, water, housing, education, health care, transport, clothing, and other essential needs including provision for unexpected events
loan	Money given to upon request to workers against their future wages that will be repaid in full or in installments as deductions from future payments
local law	Refers to existing laws in a region or country where a business is based or operating and these regulations supersede Nest's standards in the case that they are more stringent.
MSDS	Material Safety Data Sheet is a document that contains information on the potential health effects of exposure to chemicals, or other potentially hazardous substances, and on safe working procedures when handling chemical products
piece rate	Wages paid to workers based on a unit of product or output quantity
personal protective equipment (PPE)	Equipment worn to minimize exposure to hazards that cause serious workplace injuries and illnesses
REACH regulation and SVHC list	REACH is a regulation of the European Union, adopted to improve the protection of human health and the environment from the risks that can be posed by chemicals and its SVHC list contains any substances fulfilling one or more of the below criteria and requires specific authorization for use or exporting products containing these chemicals
remediation	The act of correcting or improving business practices in order to meet ethical compliance standards

seal	Consumer-facing mark on product tags and all POS to indicate handworker wellbeing, issued to those businesses which meet a defined level of compliance during an assessment
supply chain mapping	The process of engaging the supply chain in order to understand and document the full scope of activity that happens in order to complete a final product. This includes documentation of all subcontractors, workers, their locations, and their production activity and is updated on a regular basis as production changes
time and motion study	A tool used to determine the average amount of labor time that goes into the production of a product which can then be used to determine the minimum baseline piece rate wage that must be paid to compensate the worker for their labor.
wage advances	Money given upon request to workers against their future wages that will be repaid in full at the time of their next regularly scheduled wage payment
worker manual	A set of uniform, written policies in place to ensure that all workers are treated equally and fairly in regards to all business activities
young worker	Workers between the ages of 15 and 17 who are legally employed



## USE OF THESE STANDARDS

It is intended that the verifications of these standards reflect the various layers within the complex supply chains of informal and subcontracted labor that takes place in home and small workshop production, outside of traditional factories and/or four-walled facilities, as defined below. These supply chains can take a variety of forms, with numerous layers of subcontractors operating between the central business leadership and the actual producers, and can span production facilities from small workshops to individual homes. These standards provide the structure for the Nest Assessment Tools and inform all recommended remediation programming following an assessment.

These standards address various aspects of the supply chain, business relationships among workers, sub-contractors and wholesale and retail businesses. The standards do not supplant any local laws, rules or statutes that may apply. All standards are required to be implemented down to the worker level and the responsibility of ensuring proper and ongoing practice rests on the intermediaries to ensure that compliance is met for the whole supply chain beyond the factory.

The standards are used to verify the ethical compliance of the decentralized aspects of production, ensuring that policies and procedures dictated by the central business are understood and carried out by all subcontractors. The standards must also be present in all workshops. If the business is employing multiple subcontractors, it is expected that all subcontractors follow the same guidelines. In situations by which multiple craft types are being produced (i.e. both weaving and ceramics are taking place under one roof), it is conceivable that Nest will be verifying only one specific craft technique. If the assessment shows that the business meets a threshold level of compliance, Nest will award a seal of assurance. If so, the seal will dictate the specific product line which has been verified for the business. The use of a seal will be approved only after the completion of a qualified assessment. For more information about the Nest seal, please refer to [www.buildanest.org](http://www.buildanest.org).

The Nest standards should be viewed by all partners as the starting point to remediation and development. Given the nuance and variability of these supply chains, key players at every level of the supply chain—whether it be the central business, subcontractor, small workshop, or homemaker, will have its own unique compliance expectations placed upon it. It takes participation and cooperation across all levels to create a successful, compliant system. The Nest Standards should be viewed as active material subject to future review and revision.

**CONTACT:** [compliance@buildanest.org](mailto:compliance@buildanest.org)

**VERSION:** July 2019 Final

*The official language of this standard system is English.*

*In the case of inconsistency between versions, reference shall default to the official language version.*



# Worker Rights and Business Transparency

STANDARD CODE	SUBHEADER	STANDARD
Whether at home or in a workshop, production must be free of any form of discrimination, harassment or abuse.		
1.1.1	Discrimination	A written anti-discrimination policy exists in the worker manual.
1.1.2	Discrimination	Anti-discrimination policy includes a statement that discrimination does not occur in hiring, training, termination, promotion, or advancement activities of the business.
1.1.3	Discrimination	All decisions in the workplace are based solely on the skills of the worker and no discrimination is made based on age, gender, race, ethnicity, religion, sexual orientation, nationality, disability, marital status, political opinion, union affiliation, etc. Any reports of discrimination have been properly investigated and resolved.
1.1.4	Discrimination	Policy includes a system for documenting and handling any cases of discrimination, including a standardized system of anonymous reporting, investigating and correcting behaviors of discrimination, which is posted in the workshop(s). Workers must be able to report without the fear of retaliation.
1.2.1	Harassment/Abuse	A written anti-harassment and abuse policy exists in the worker manual and prohibits all abuse—physical, sexual, psychological, verbal or otherwise.
1.2.2	Harassment/Abuse	Any reports of harassment and abuse have been properly investigated and resolved.
1.2.3	Harassment/Abuse	Anti-harassment and abuse policy includes a system for documenting and handling any cases of abuse, including a standardized system of anonymous reporting, investigating and correcting harassment situations which is posted in the workshop(s). Workers must be able to report without the fear of retaliation.
All production must be done by individuals working of their own free will. Production must not be performed by individuals working who are forced, bonded, indentured or trafficked.		
1.3.1	Free Work	A statement exists in the worker manual guaranteeing a worker's right to free work.
1.3.2	Free Work	A worker's employment is strictly voluntary and not agreed to upon any threat of penalty, debt, or obligation.
1.3.3	Free Work	Pay, benefits, or documents are never held by the business in order to force continued employment.
1.3.4	Free Work	There are no unreasonable restraints on workers' freedom of movement related to toilet use, access to water, access to necessary medical attention or access to religious facilities.
Workers must have a clear and documented means to voice their opinions and to report concerns to management, without fear of recrimination. In central production facilities, workers' lawful rights to freedom of association and collective bargaining must be respected.		





1.4.1	Complaints and Grievances	A written policy and clear procedure for workers to report complaints or grievances exists in the worker manual. Workers must be able to report without the fear of retaliation.
1.4.2	Complaints and Grievances	Proper documentation of any reports of complaints or grievances is kept on file and all reports have been handled as per written procedure.
1.5.1	Collective Bargaining	If local law allows, a written policy exists in the worker manual which recognizes each workers' right to collective bargaining and states that the business will not interfere with any such process or discriminate based on union affiliation.
<p><b>Production, including home-based and piece rate production, must be tracked and completed within cumulative hours of work that are in full compliance with all local laws and regulations, with an appreciation for the ebbs and flows of both a worker's demand for work and the irregularity of the production calendar.</b></p>		
1.6.1	Hours of Work	Workers are not required to work more than 48 regular hours per week or the legal limit, whichever is less.
1.6.2	Hours of Work	The total hours worked in any week, including overtime, must not exceed 60 or national/ local law limit, whichever is less.
1.6.3	Hours of Work	Workers receive at least one full day off for every 6 consecutive full days worked.
1.6.4	Hours of Work	A written work hours policy exists in the worker manual which defines regular and overtime work hours for temporary, permanent, part-time, full-time and piece rate workers, including any special regulations for women or young workers.
1.6.5	Hours of Work	Work Hours policy states that overtime hours are strictly voluntary and that there is no negative repercussion for refusal to work overtime.
1.6.6	Hours of Work	Attendance records are kept for tracking work hours and break times, including start and stop times, for salary and hourly workers in which the worker also signs off in approval. Work hours of piece rate workers can be estimated by reviewing production records and time motion studies. With proper methodology, time motion studies provide a viable average of production times for each product
1.7.1	Time Off	A written time off policy exists in the worker manual, including the amount and types of time off workers receive, limits of time off, and the procedure for requesting time off.
1.7.2	Time Off	Workers must receive the legally required daily breaks. If no legal limit is set, workers must receive a 15 minute break for every 4 hours worked and a 30 minute meal break for every 8 hours, totaling 60 minutes for a standard 8-hour work day.
<p><b>All managers and subcontractors within the supply chain are expected to uphold the principles contained within the Standards, Worker Manual, and policies. Handworker businesses must document the supply chain thoroughly including all production site locations.</b></p>		
1.8.1	Supply Chain Transparency	All company policies must be clearly communicated to and understood by all subcontractors. Subcontractors must agree to uphold all policies to subcontracted workers by written agreement.
1.8.2	Supply Chain Transparency	An inspection of subcontractors and production workshops, including home workshops, is completed and documented on a quarterly basis by representatives of the central business. The scope of each inspection is relative to the size and structure of the supply chain. Inspections must include health and safety review as well as checking for any human rights abuses.

1.8.3	Supply Chain Transparency	A supply chain map is maintained and regularly updated with a list of all subcontractors and workers, including name, location, and production activity. The list includes all categories of production activities, and demographic information on all seasonal, part time, and household workers.
The compliance policies must be communicated to all handworkers in a manner that is intended to provide them with an understanding of their rights, in the local language, and with provisions for illiteracy. Production records must be kept documenting the accurate production of piece rate workers. Records from production elements must clearly demonstrate the businesses' operations, employment, subcontractor processes.		
1.9.1	Worker Manual	A complete, up to date worker manual has been created and is fully accessible to all workers.
1.9.2	Worker Manual	All policies and workshop postings must be written in a language all workers can understand and provisions must be made for illiterate workers.
1.9.3	Worker Manual	An orientation has been provided to all workers to ensure their comprehension of all company policies. Documentation is kept acknowledging orientation attendance, and receipt of the information contained within the worker manual.
1.10.1	Production Records	The business must maintain complete production records for all piece rate workers, including handworker names, production dates, product names, quantity of products made, piece rate of each product, and total earned, to ensure that accurate wage calculations can be made.
Handworker businesses must demonstrate commitment to transparency by keeping accurate and up-to-date records of their policies, operations, wages, and production site locations. Handworker production elements must comply with all statutory requirements—including legal status when required. These records must be kept onsite and, to the greatest extent possible, these records and policies should exist in digital format.		
1.11.1	Transparent Records	The business must maintain all documentation related to the compliance of Nest's Code and these documents must be available for review by Nest without prior notice. Documentation must be kept for a period of at least 12 months. For first time assessment, documentation must be in place for a minimum of 3 months.



# Child Advocacy and Protection

STANDARD CODE	SUBHEADER	STANDARD
<p>Children under lawful age of employment, consistent with <a href="#">ILO guidelines</a>, should never participate in production. While Nest recognizes and appreciates that the home is a place where parents may pass down craft skills to preserve endangered cultural traditions, children below the statutory minimum age must not participate in production.</p>		
2.1.1	Child Labor	The business requests and verifies the necessary documentation needed for age verification of all workers, including subcontracted and home workers. Valid age documentation is issued by a legislative authority including birth certificate, national identity card, driver's license and voting registration card. In locations where these identification proofs are not reliable, the business must find other ways to verify age. All verification copies must be kept in the worker files.
2.1.2	Child Labor	A written anti-child labor policy exists in the worker manual.
2.1.3	Child Labor	Anti-child labor policy includes a statement of the business' commitment to prohibiting the employment of children below the age of 15 (or the age for completion of compulsory schooling, whichever is higher).
2.1.4	Child Labor	Anti-child labor policy includes the business' minimum hiring age.
2.1.5	Child Labor	Anti-child labor policy includes a description of hiring procedures and a description of the acceptable age verification documentation that workers are required to provide upon hiring.
2.1.6	Child Labor	Anti-child labor policy includes procedures for reporting any instances of child labor in the workshop and this is posted in the workshop(s).
2.1.7	Child Labor	Training on how to recognize and prevent child labor in the workplace and why it is important to the central business, Nest, and retail partners is provided to management and subcontractors and documented on a yearly basis.
2.1.8	Child Labor	Workers under the age of 18 are not exposed to situations that may jeopardize their health, safety and development— such as handling chemicals or working at night—and must follow all employment regulations of local law.
2.1.9	Child Labor	Based on observations, interviews and the verification of compliance standards, Nest does not have any indication or evidence that child labor is being used within the supply chain assessed and all required systems are in place for the prevention, monitoring, and handling cases of suspected child labor.
2.1.10	Child Labor	There is signage prohibiting the presence of children or use of child labor in the workshop.





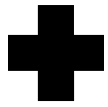
# Fair Compensation and Benefits

STANDARD CODE	SUBHEADER	STANDARD
Workers must be paid in a timely manner and are aware of the pay system and process for receiving wage payments..		
3.1.1	Pay System	There is a pay system policy which outlines the process for workers to be paid including the method of payment, how often wages are paid, where the workers are paid and by who, requirement that all wage payment receipts are confirmed by signature or thumbprint, and that a wage statement will be reviewed with the worker or available upon request.
3.1.2	Pay System	Pay system policy includes system for reporting and resolving incorrect wage payments and is posted in the workshop(s).
3.1.3	Pay System	Wages are paid at least once a month for both salary and piece rate workers.
3.1.4	Pay System	Wages are always paid on time as outlined in the company policy.
3.1.5	Pay System	Wages are paid in legal tender—cash or check or electronic transfer of funds.
Workers must be paid the equivalent of or above the statutory minimum wage relative to the amount of labor contributed for all production. Wages for production should constitute a living wage and homemaker businesses should work toward such wage levels. Guidelines for deductions and higher-rate overtime wages must be clearly defined and stated to the workers.		
3.2.1	Wages	There is a written skills-based wage policy which includes requirement that all workers receive at least the equivalent of minimum wage for their labor and a statement guaranteeing equal pay for equal work by men and women.
3.2.2	Wages	Wage Policy includes information on the methodology used to determine piece rate wages, if applicable, including the use of time motion studies and breakdown by product complexity.
3.2.3	Wages	Wage policy states that overtime hours are paid at a higher rate than regular hours, at least the legal minimum. If no local limit is set, then rates are 1.5x regular hourly wages.
3.2.4	Wages	All workers, including piece rate workers, are paid at least the equivalent of legal local minimum base wage relative to the amount of labor time expended by the worker. Additional benefits must not be factored into the calculation of wages when comparing against the acceptable minimums.
3.2.5	Wages	For all products which are paid by a piece rate, proper time and motion studies must be conducted before the distribution of production to workers to ensure wages meet at least minimum wage requirements and these records must be kept on file at least 12 months.
3.2.6	Wages	Each worker reviews a summary of their wage payments in a language they can understand and, if required by law, a written wage statement is provided to each worker. If not required by law, a written summary must be available to any worker upon request.
3.2.7	Wages	Wage records must include handworker name, pay period, pay date, wage calculation and any deductions including wage advances.
3.2.8	Wages	All wage records or receipts of wage payments are confirmed by the worker in the form of a signature or fingerprint.





<p>Businesses should utilize a system of incentives to promote meeting quality criteria, as opposed to penalizing with deductions or non-payment for substandard product. However, if deductions for quality are taken, then quality expectations must be standardized and clearly communicated to workers prior to the acceptance of a production order. If wage advances are provided to workers, they are properly documented.</p>		
3.3.1	Deductions	If the business takes wage deductions or rejects products based on quality, there is a clear, documented policy for these deductions that includes the distribution of clear quality specifications to workers to ensure all quality expectations are understood before production begins.
3.3.2	Deductions	If the business charges workers for the use of the equipment/tools needed to carry out their work, the fees are reasonable based on calculation using fair market rates and average hours of use. Fees are also documented on the wage payment receipt.
3.3.3	Deductions	If the business charges its workers for raw materials, the full cost of these raw materials is calculated into the wage payments paid for the final product and documented on the wage payment receipt. The cost of raw materials charged to handworkers must be equivalent or lower to the market rate.
3.3.4	Deductions	There is a policy for the deductions of wages which specifies that any deductions taken from worker wages that are not required by national/local law are done so with written consent of the worker.
3.4.1	Wage Advances and Loans	There is policy for the provision and repayment of wage advances.
3.4.2	Wage Advances and Loans	The policy for wage advances states that advance amounts cannot exceed the equivalent of three months pay.
3.4.3	Wage Advances and Loans	Advance transactions must be documented in writing and approved by the worker by signature or thumbprint.
3.4.4	Wage Advances and Loans	The policy for loans from the business to a worker states that the loan cannot exceed the equivalent of three months pay. However, in extreme cases of emergency, a separate agreement may be put into place between the worker and the business, but if interest is charged on loans the rate must be less than 10% and the required repayment terms must not exceed 15% of the weekly salary per installment.
3.4.5	Wage Advances and Loans	Loans and any transactions must be documented in writing and a receipt outlining the terms of repayment must be approved by the worker by signature or thumbprint. One copy of the agreement is provided to the worker and one copy is kept in the worker file.
<p>When applicable, workers must be provided all statutory benefits. Workers should have access to benefits, helping them to best provide for themselves and their families.</p>		
3.5.1	Benefits	A written benefits policy is in place guaranteeing all local legally required benefits.
3.5.2	Benefits	All workers receive at least the local legally required benefits and this can be verified through documentation for all workers.



# Health and Safety

STANDARD CODE	SUBHEADER	STANDARD
Production site—whether a small workshop or home-based site—must be a clean and safe working environment in compliance with applicable laws and regulations. Vendor businesses must take a proactive approach to caring for the physical and mental health, and safety, of the people who work within the business or its subcontractors. The same care and consideration must be extended by retailers and brand employers when working with sole proprietorship homemaker businesses.		
4.1.1	Facilities	In workshops, there is at least one fully functioning toilet or latrine per 20 workers of each gender.
4.1.2	Facilities	Restrooms have proper ventilation.
4.1.3	Facilities	Restrooms have doors or equivalent to ensure adequate privacy for workers.
4.1.4	Facilities	There is hand sanitizer or soap and water near the restroom.
4.1.5	Facilities	Potable water is available in the workshop for all workers free of charge.
4.1.6	Facilities	A sufficient number of sanitary cups or other drinking containers is available.
4.1.7	Facilities	Work areas are sufficiently illuminated such that workers are not straining their eyes while performing their work.
4.1.8	Facilities	All workspace areas are free from hazards that could pose risk of injury including floors with hazardous bumps, holes and, slopes, and stairways without guardrails.
4.1.9	Facilities	If using water within the production process, all waste water from the workshop drains properly so that there is no stagnant water inside or outside the facility, which could pose health problems.
4.2.1	Dormitories	Worker dormitory is clean, safe, and adequately lit.
4.2.2	Dormitories	Worker dormitory is adequately ventilated and adequately heated/cooled.
4.2.3	Dormitories	Each worker has his/her own bed.
4.2.4	Dormitories	Separate sleeping facilities exist for men and women (if applicable).
4.2.5	Dormitories	Dormitory must meet the same fire safety standards as workshop.
4.2.6	Dormitories	Dormitory must have one toilet for 20 workers of each gender.
Workers must be educated on the importance of safety; trained on proper procedures for machinery and chemical use when warranted; and have access to Personal Protective Equipment, safe machinery, sanitation, and emergency procedures. Nest understands that larger structural or physical workshop alterations are costly and will take time to resolve, but are sometimes critical to ensuring the safety and health of workers.		
4.3.1	First Aid and Medical	If production process is deemed hazardous, the business has a written Medical and First Aid policy that is included in the worker manual and posted in the workshop.
4.3.2	First Aid and Medical	If production process is deemed hazardous, Medical and First Aid policy includes a description of what medical care is available to workers and information on how workers can access medical care, including provision for emergency care.
4.3.3	First Aid and Medical	Medical and First Aid policy includes procedures for reporting and investigating incidents of injury.



4.3.4	First Aid and Medical	Medical and First Aid policy includes information about the workshop's First Aid Kit including location and restocking procedures.
4.3.5	First Aid and Medical	Medical and First Aid policy includes procedure for transporting injured workers to the hospital.
4.3.6	First Aid and Medical	Medical and First Aid Policy includes procedures to notify family members in case of injury.
4.3.7	First Aid and Medical	Business holds First Aid and fire safety training for management and subcontractors at least once a year. Homeworkers are required to receive First Aid and fire safety training if performing a hazardous production process, otherwise training is strongly suggested but not required.
4.3.8	First Aid and Medical	The workshop is equipped with a First Aid Kit.
4.3.9	First Aid and Medical	First Aid Kit must be fully stocked and include the necessary supplies based on production processes carried out in the workshop.
4.4.1	Fire Safety	If production process is deemed hazardous or if open flame is involved, the workshop or home has at least one functioning fire/smoke alarm.
4.4.2	Fire Safety	If more than 20 people are working in the workshop, there are two points of egress for emergency situations.
4.4.3	Fire Safety	All emergency exits are unblocked at all times and unlocked when workers are present in the workshop.
4.4.4	Fire Safety	All aisles are unblocked at all times.
4.4.5	Fire Safety	Each production workshop, or any home workshop for which a production process is deemed hazardous or open flame is involved, is equipped with a sufficient number of Fire Extinguishers located within 75 feet of every worker. A cylinder extinguisher is required if production process is hazardous, otherwise, a sand or equivalent extinguisher is acceptable.
4.4.6	Fire Safety	Fire extinguishers are full and up to date on maintenance servicing which is documented on the cylinder or tagged.
4.4.7	Fire Safety	Each production workshop or any home workshop where a production process is deemed hazardous or open flame is involved, all workers have been trained on use of fire extinguishers.
4.5.1	Emergency Plan	If production process is deemed hazardous or the workshop has more than 20 workers, business has a written emergency plan.
4.5.2	Emergency Plan	The emergency plan includes the procedures for responding to emergency situations, especially emergency situations related to the use of toxic chemicals or other hazardous processes carried out in the workshop. The plan must also include notifying local authorities in case of environmental or endemic health emergency.
4.5.3	Emergency Plan	If an Emergency Plan is required, training must be provided to all workers at least once per year. Upon completion of the training workers must sign a training log.
4.6.1	Personal Protective Equipment (PPE)	If the production process is deemed hazardous, a written PPE policy exists and includes a list of required PPE, information on how PPE is distributed and states that PPE is provided to workers free of charge.

4.6.2	Personal Protective Equipment (PPE)	All required PPE must be used during applicable activities as outlined in the PPE policy.
4.6.3	Personal Protective Equipment (PPE)	PPE training is held for workers on a yearly basis and is documented.
4.6.4	Personal Protective Equipment (PPE)	All required PPE is provided at no cost to workers.
4.7.1	Machinery	If industrial machinery is utilized in the production process, all machines are equipped with applicable safety features including: <ul style="list-style-type: none"> <li>• needle guards for sewing machines; needle guards for overlock machines</li> <li>• eye guards for lock stitch buttoning machines</li> <li>• two-handed operation (pressing, stamping machines)</li> <li>• emergency power cut-off</li> <li>• insulated cables (steam iron)</li> <li>• grounding/earthing (three-pronged plugs)</li> <li>• electric fan blade covers</li> <li>• safety cover for moving parts</li> </ul>
4.7.2	Machinery	If industrial machinery is utilized in the production process, all machine operators are properly trained in safe operating procedures once per year and the training is properly documented.
4.7.3	Machinery	All industrial machinery is subject to quarterly inspection and maintenance by a qualified professional, and is properly documented.
4.8.1	Electrical Equipment	All electrical equipment, wires and outlets used for production are inspected quarterly and repaired by a professional when necessary. All inspections are properly documented.
4.8.2	Electrical Equipment	There is a procedure for workers to report any issues with electrical equipment or machinery and it is posted in the workshop or is included in the worker manual if production is decentralized.
4.9.1	Chemicals	If using chemicals in the production process, a Material Safety Data Sheet (MSDS) must be posted for each chemical which includes chemical ingredient information, supplier name, functions of chemicals used in the manufacturing process (dye, cleaning, catalyst, solvent, adhesive, finisher, etc.), potential harm on human health and environment, and physical safety properties (flammable, combustible, oxidizing, reactive, etc.). All MSDS must be written in a language that all workers can understand.
4.9.2	Chemicals	All chemical containers are properly labeled and well sealed.
4.9.3	Chemicals	No chemicals used in production are on the REACH list.
4.9.4	Chemicals	If using chemicals in the production process, all chemicals are kept in a designated, secure and properly ventilated storage area when not in use.
4.9.5	Chemicals	All chemicals must be used and stored away from cooking areas and away from access to children.
4.9.6	Chemicals	If using chemicals in the production process, a standardized annual training program is provided to all workers who handle and dispose of chemicals and hazardous materials, including a review of all MSDS postings, and is properly documented.
4.9.7	Chemicals	If using chemicals in the production process, there is a written policy regarding the storage, dispensing, handling and disposal of chemicals and hazardous materials.



4.9.8	Chemicals	If using chemicals, 'No Smoking' signs are posted in the workshop in a language that all workers can understand.
4.9.9	Chemicals	Eyewash stations with a minimum of 15 minutes continuous, clean water flow are provided within the workshop or home workshop where corrosive, solvent usage and other relevant hazardous chemical are used.
4.9.10	Chemicals	There is adequate ventilation in the workshop, especially for those production processes that produce airborne fibers, dust, steam or heat.





# Environmental Care

STANDARD CODE	SUBHEADER	STANDARD
Production should show care for the natural environment. All elements participating in production must understand their role in the larger supply chain. Handworker production sites should practice energy conservation whenever possible.		
5.1.1	Environmental Care	A written environmental policy exists to reduce environmental risks from the production process and general business operations.
5.1.2	Environmental Care	The environmental policy includes a plan which aims to reduce environmental impact, increase efficiency and reduce waste.
The production process must include responsible solid waste disposal, waste water remediation, and proper handling of chemicals.		
5.1.3	Environmental Care	Chemical and/or hazardous waste is picked up by an authorized collector and disposed of in an authorized waste site. Business must have copy of collector's certification of proper disposal.
5.1.4	Environmental Care	There is a clear written process for handling spills which includes training all workers, following national/local laws and notifying the authorities. The emergency phone number and procedures must be clearly posted in area where chemicals are being used.
5.1.5	Environmental Care	If using water in the production process, all waste water flows to either a public sewer system, septic tank or is treated by an effluent treatment system. No wastewater is disposed of into an open body of water.
5.1.6	Environmental Care	Solid waste storage area is properly maintained, covered, paved and protected from the weather and from any fire risk. Solid wastes are any discarded or abandoned materials. Solid wastes can be solid, liquid, semi-solid or containerized gaseous material.

