

HANDMADE FUTURES SUMMIT 2020

TRADE  IMPACT
ASSOCIATION

WILLIAMS-SONOMA, INC.

SESSION 2: ETHICAL CERTIFICATION

*Hosted by Margaret Derby - WSI
Sara Otto - Nest
Nikhil Khera - V-Weave*



Nest and William Sonoma Inc.



- Nest has been working in partnership with the WSI team since 2014
- West Elm served as a founding member of the Nest Steering Committee, working through the creation and piloting of the Nest Standards for Homework & Small Workshops
- Nest has assessed 14 supply chains across WSI's supply chains spanning multiple brands including West Elm, Pottery Barn, Pottery Barn Kids, & Rejuvenation
- Nest has worked on artisan sourcing support for WSI including introduction of new artisan products for Mark & Graham's assortment

Introduction to Nest



1

Global Economic Inclusivity



2

Women's Wellbeing
Beyond Factories



3

Cultural Preservation

A PIPELINE APPROACH

NEST CONNECT

Bringing free, open access development services to all artisan businesses via webinars, an online living library, and a peer-to-peer Facebook group aimed at problem-solving challenges

NEST FELLOWSHIPS

Nest Professional Fellowships deliver highly targeted pro bono mentorship through a skill-based volunteer program to select artisan businesses showing high need or impact potential

ARTISAN ACCELERATOR

Offering 360-degree intensive onsite development to a select number of enterprises ready to scale (approx 10 annually)

IN THE NEST NETWORK

800+ Handcraft Businesses

100+ Countries

50+ Brand Partnerships

The Amazon logo, featuring the word "amazon" in lowercase with a curved arrow underneath.The logo for EILEEN FISHER, with the name in all caps.The Etsy logo, featuring the word "Etsy" in a stylized, handwritten-style font.The logo for HERMÈS PARIS, featuring the name in all caps with a small icon of a horse-drawn carriage above it.The Madewell logo, featuring the name in a cursive script.The Patagonia logo, featuring the name in lowercase with a registered trademark symbol.The PVH logo, consisting of the letters "PVH" in white on a black square background.The Target logo, featuring a bullseye icon followed by the word "TARGET" in all caps.The West Elm logo, featuring the name "west elm" in lowercase.

Evolution of Nest Standards



OVER 110 PROGRAMS CONDUCTED

Work across 20 countries

In partnership with
20+ major brands

Reaching over 37,500+ workers



Nest Ethical Handcraft Standards



The Nest Ethical Compliance Standards
for Home and Small Workshops

THE NEST CODE OF CONDUCT FOR HANDWORKERS

The Nest Code of Conduct for Handworkers is designed to address the distinct characteristics of the home or small workshop production value chain. The Code promotes the importance of production under safe, lawful and humane conditions within the context of the unique operations of these decentralized and often informal supply chains. In all cases, home or small workshop production must meet identified minimum standards as described within this Code and the accompanying Standards mapped to Nest's Assessment model. Nest partners are encouraged to continuously improve conditions for all participants in their handwork production value chains.

Nest's compliance program is designed to assess work happening outside of the regulated factory environment, in homes and small workshops. Here, Nest is supporting "handworkers," a population Nest defines as people who work predominantly with their hands, as opposed to relying exclusively on the use of machines. This population includes manufacturers with a range of skills from master craftspeople and artisans to lower skilled manual laborers. In nearly all cases, Nest concerns itself with those producers who are manufacturing for the fashion and home industries, though its model shows potential for future application across other industries such as consumer technology production.

This Code of Conduct lays out Nest's expectations, which map to the specific ethical and social requirements of Nest's Standards for Handwork Production.

WORKER RIGHTS AND BUSINESS TRANSPARENCY

Whether at home or in a central workshop, handwork production must be free of any form of discrimination, harassment or abuse.

All handwork production must be done by individuals working of their own free will. Handwork production must not be performed by individuals working who are forced, bonded, indentured or trafficked.

Handworkers must have a clear and documented means to voice their opinions and to report concerns to management, without fear of retribution. In centralized production facilities, handworkers' lawful rights to freedom of association and collective bargaining must be respected.

Handwork production, including home based and piece 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 handworker's demand for work and the regularity of the production calendar.

The Code and accompanying Company 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 processes for literacy. All managers and subcontractors within the supply chain are expected to uphold the principles contained within this Code of Conduct.

Handwork businesses should demonstrate commitment to transparency by keeping honest and up-to-date records of their policies, operations, wages, and production site locations. Contingencies can be made for illiterate employees. These records must be kept on-site and to the greatest extent possible, these records and policies should exist in digital format.

Handwork production elements must comply with all statutory requirements—including legal status when required. Records from handwork production elements should clearly demonstrate the businesses' operations, employment, contractor processes, and appropriate use of funding and other resources.



Worker Rights and Business Transparency



Child Advocacy and Protection



Fair Compensation and Benefits



Health and Safety



Environmental Care

Sensitivity and Nest's Approach to Compliance



- A focus on **capacity building**: mission is to support vendors as they go through the compliance program
- **Training-first program** educates and empowers vendors to meet compliance within their informal supply chains
 - The Handwork supply chain has rarely been approached about compliance concepts before!
 - The program is a path towards continued improvement

Informal Production Locations



Small Workshop



Home Workshop



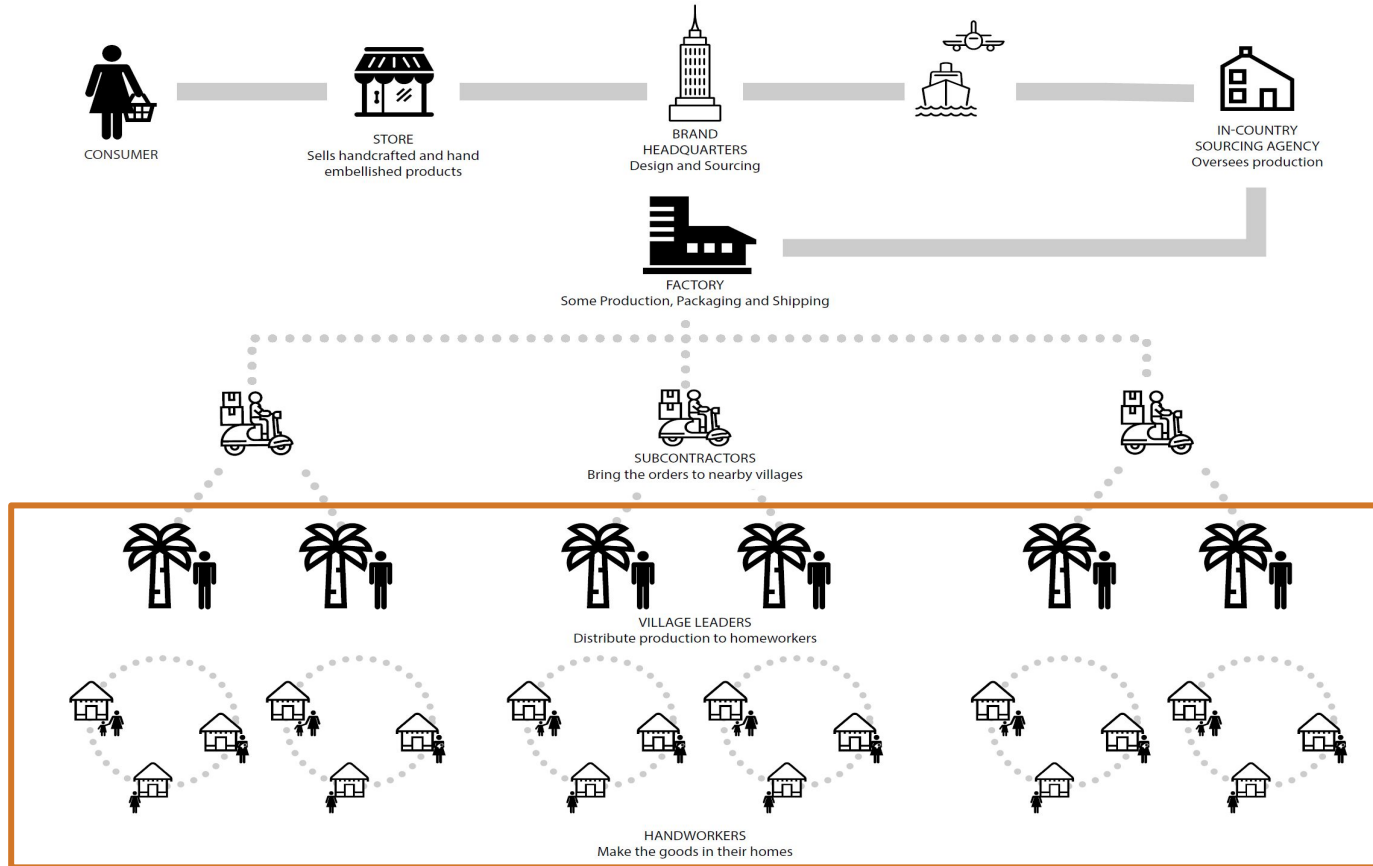
Community Workshop

Informal Supply Chains

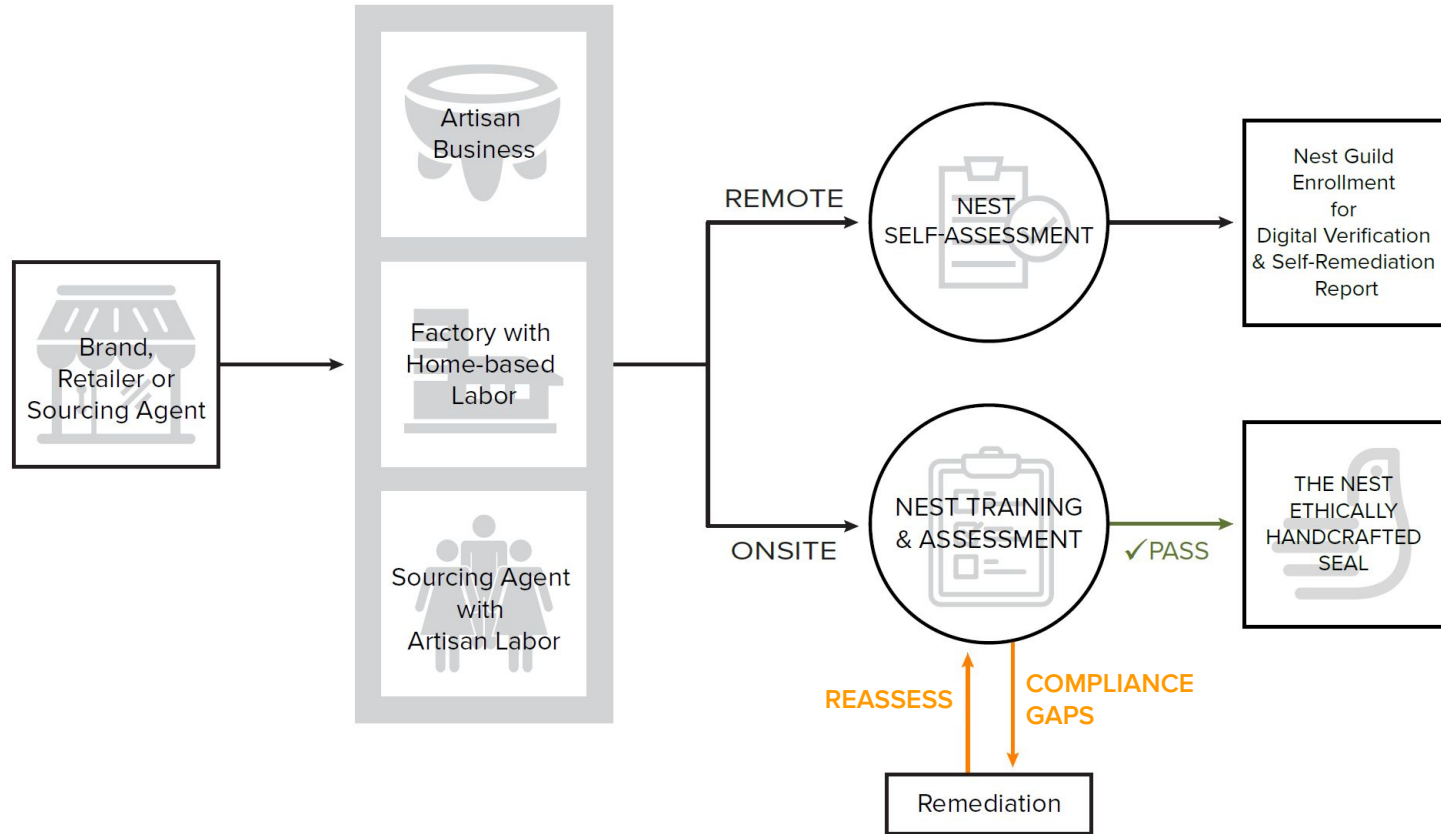


- Often smaller scale and resources may be relatively limited
- Businesses are not always completely driven by profit
- It is common to have one or more layers of subcontractors/local leaders between business and workers
- No compliance specialists on staff, may be managed by the business leader themselves
- Many are part of the “informal” economy
- Production orders are often inconsistent, seasonal
- Workers are often very decentralized, remotely located, are not literate or educated

Nest Ethical Handcraft Program Scope

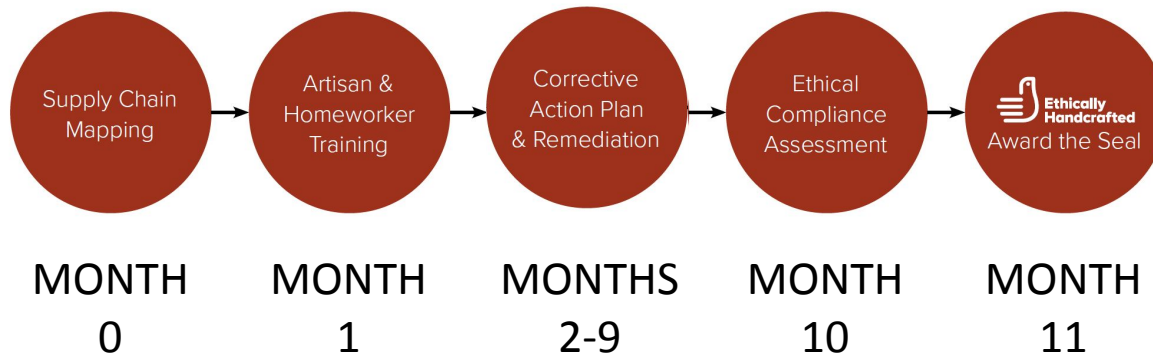


The Compliance Process

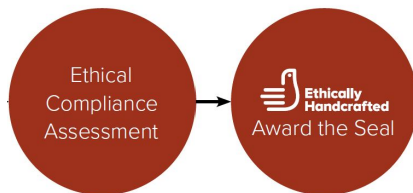


Ethical Handcraft Program Structure

YEAR ONE



YEAR TWO AND ONGOING



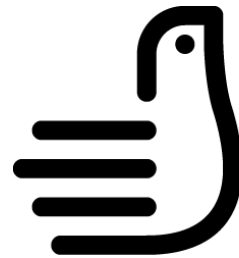


- A partner to assist vendors in meeting the compliance expectations within informal areas of the supply chain
- Educate, support, and guide vendor teams through the process
- Provide the necessary tools and resources for meeting compliance requirements, reducing time needed to create systems and instead focus on implementation
- Offer expertise from long experience working in this space

Artisan Business Benefits



- Improvement to worker wellbeing leads to improved productivity
- More competitive against other artisan businesses
- Customized support from Nest during initiation of the program
- Nest Marketing Seal can be used to promote compliance efforts to new and existing brands



**Ethically
Handcrafted**



Interview with **Nikhil Khera**
Managing Partner at V-Weave





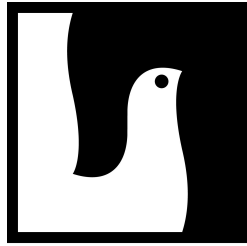








Q&A and Additional Resources



buildanest.org



For more information about Nest's Ethical Handcraft Program, please contact us at **compliance@buildanest.org**



For more information about V-Weave, please visit **<http://www.bharatcarpet.com/>** or email Nikhil at **nikhil@v-weave.com**



THANK YOU!

