## NEST

## Certificate of Compliance

for Small Workshop and Home Production

Certificate No PER202003

Issued to Allpa—Alpaca Weaving

LocationPeruDate Issued8/21/20Valid Until2/21/22

Product Line Handwoven Alpaca Textiles

This document conditionally\* certifies that Alpaca Weaving, supplying to Allpa has achieved or scored above the threshold level of compliance, as assessed against the Nest Standards for Homes and Small Workshops and verified by a third-party assessor Nest. Handwoven Alpaca Textile operations of this business are now considered "Nest Certified". This certification is valid from August 21, 2020 to February 21, 2022, after which time Nest must reassess the the Alpaca Weaving workshop before certification can be reissued.

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Rebecca van Bergen Executive Director 40 Hickory Road Katonah, NY 10536

As a result of Alpaca Weaving's certification, products created in portion or entirely by Alpaca Weaving specifically as part of their Handwoven Alpaca Textiles operations are now eligible for the Nest Seal of Ethical Handcraft. The Nest Seal of Ethical Handcraft is a point of sale tool that can be licensed for a fee for use by both the artisan business and its sourcing brand partners in accordance with the Nest Seal guidelines should either or both be interested. Use of the Nest Seal at point of sale beyond the duration of time for which this certification is issued is prohibited. This includes direct to consumer but also wholesale catalogues and line sheets.

Certification shows that Alpaca Weaving business has exhibited strong alignment with Nest's Code of Conduct and has demonstrated this in its business practices. This includes thorough wage setting and record keeping practices and proper age verification of all workers involved in production. The business has further demonstrated successful systems for educating its subcontractors and workers on their roles and responsibilities in upholding ethical practices, such that everyone in the supply chain is an active and empowered participant.

This certification does not deem Alpaca Weaving business is in 100% compliance with the Nest Standards for Homes and Small Workshops. It indicates that the business has achieved an above threshold score of 80% on its most current Nest assessment, pointing to the business' superior performance of compliance as assessed against the Nest Standards.

Limited Use: Alpaca Weaving business may provide brand and retail partners with a copy of this certificate to demonstrate its participation in Nest's compliance program and certification in accordance with the Nest Standards. A Corrective Action Plan is also available through Nest upon request by partners of Alpaca Weaving business. This certificate does not allow for the use of Nest's name or logo on any consumer facing products without approval for Nest Seal use. For further information about the Nest Seal and process for use, please contact Nest at <a href="mailto:compliance@buildanest.org">compliance@buildanest.org</a>

## Terms of Conditional Certification

This certificate is conditional upon continuous delivery of evidence that Alpaca Weaving is ensuring the determined piece rate wages are paid according to TMS documentation for all workers. Since additional changes were made during or immediately after Nest's onsite assessment, Allpa is required to submit TMS and wage records confirming that the piece rates paid to all workers are matching the rate determined on TMS documentation, on a monthly basis. This certificate can be withdrawn at any time if there is any doubt of the validity of the records being provided or the wages being set and in such a circumstance, there will be additional consequences on the business and workshop's eligibility for the Nest seal in the future.

Complete wage records of all workers with worker names, wages received, worker signatures, and dates, of each month must be sent by the 1st of the next month to Nest at sara@buildanest.org for review and verification of continued compliance with wage systems. For example, wage records from September 2020 must be emailed by October 1, 2020 for Nest's review. This will allow appropriate verification of continued compliance with wage system expectations.