



Certification Methodology

This document provides a detailed explanation of how to assess producers against the GoodWeave standard for certification purposes. It includes (i) decision-making process, (ii) types of non-compliances, (iii) non-compliance classification guidelines, (iv) corrective actions, and (v) enforcement guidelines. A flowchart depicting the process of certification decision, non-compliances and corrective actions can be found at the end.

Decision-Making Process

The GWI-CD Director and country or regional unit managers are responsible for carrying out compliance assessment activities. When audits/inspections are completed, first the report is reviewed by a designated senior staff member who is not a member of the audit/inspection team. Any questions for clarifications or corrections are communicated to the audit/inspection team leader before the report is finalized. At a minimum all annual audits, follow-up audits/inspections and any reports involving non-compliances (NCs) are reviewed. In addition, a minimum 25% of the unannounced inspection reports which do not have any NCs are also reviewed on a randomized basis.

Once the reports have been finalized, the country or regional team manager sends all reports involving major NCs to the GWI-CD Director, and if necessary these are also forwarded to the GWI Certification Committee (CC) for final decision-making.

Decisions on certification are made in the following types of situations:

- a) **Initial licensing for new applicants.** After the initial audit and inspections of the applicant's supply chain have been completed, the GWI-CD Director sends the reports to the CC, indicating whether the requirements have been met and if any NCs were identified. The GWI-CD Director may make a recommendation for approval if the company is fully compliant. If NCs were identified, the GWI-CD may recommend remediation actions or request the CC for input on the case. The CC makes the final decision on whether and under what conditions the license may be granted.
- b) **Follow-up inspection/audit.** This includes follow-up audits or inspections that are conducted 1, 3 or 6 months after the last audit was completed in order to check the status of corrective actions. It also includes an annual follow-up audit for those licensees that do not have any NCs found during the last audit. After any such follow-up inspections/audits have been completed, the country or regional unit manager sends the cases to the GWI-CD director for review, indicating whether the corrective actions (if any) have been

completed within the given time frame and if there are any remaining NCs. If all corrective actions have been completed, then the GWI-CD Director may approve the closure of the NCs. These cases are reported to the CC during its next scheduled meeting. If any corrective actions have not been completed, then the case is sent to the CC for decision-making.

- c) **Non-compliances found during regular inspections.** Whenever Major NCs are found during the regular (unannounced) inspections, the GWI-CD director sends the relevant reports to the CC along with any recommendations related to the case for decision-making.
- d) **License certificate renewal.** In advance of renewing licenses, the country or regional unit manager in consultation with the GWI-CD Director reviews the status of each exporter licensee to check whether the requirements have been met during the preceding year and whether there have been any unresolved NCs that need to be forwarded to the CC for decision-making before license certificates may be renewed. In order for the license to be renewed, the company must have completed a full Level 1 audit in the past 12 months since its last license renewal, completed any corrective actions related to NCs, updated its supply chain list and paid all license fees. If an exporter licensee's license certificate is not renewed for any reason, certification labels may not be issued until the necessary actions have been completed as determined by the CC in order to reinstate the license. In case of exporter licensees that have not used certification labels in the past 12 months, the procedure on dormant licensees is followed.

The CC may review and discuss cases for decision-making by email or schedule a meeting to discuss cases which require urgent attention. In cases which do not require immediate attention, these may be discussed during the CC's next regularly scheduled meeting.

Types of Non-Compliances

Three types of issues can be found in audit and inspection reports in relation to the Certification Principles:

- **Major Non-Compliance (Major NC)**
Failure to maintain critical objectives of the GoodWeave standard, including but not limited to: use of child labour, forced labour, or trafficking, failure to disclose the supply chain, or cooperate with or allow access by GoodWeave inspectors to conduct audits/inspections or to carry out remediation when non-compliances are found. Any Major NC will automatically lead to suspension of certification if not corrected immediately, as per the requirement number specified in the corrective actions timeline.
- **Minor Non-Compliance (Minor NC)**
Failure to adhere to requirements of the GoodWeave standard under the Certification Principles A1-A3, however not critical to the immediate safety or well-being of the individuals involved. For example: failure to maintain a policy, records or other documentation. Any Minor NC must be corrected within the time period given in the corrective actions timeline, which is within 1, 3 or 6 months depending on the requirement number.

- Risk Factors (RF)

An area for improvement which is not explicitly stated as part of the requirements, but is nevertheless related to compliance because it represents an underlying factor/root cause whenever NCs are found, even if none are found at the time of the audit. For example, if the factory management is not aware of or does not understand the laws and regulations on child labour/young workers, and does not maintain a policy on child labour, this is not an NC because it is not explicitly required by the GoodWeave standard, but it is still a situation that could very likely lead to future non-compliances.

Non-Compliance Classification Guidelines

Each question on the audit/inspection checklist approved by the GWI-CD Director corresponds to a Major NC, Minor NC or RF. The audit questions are reviewed and updated periodically. The following guidelines explain which types of findings should be classified Major or Minor NCs for each of the three Certification Principles. Inspectors should also consult the Standard Guidelines for additional explanation of each of the Certification Requirements under the GoodWeave Standard's Certification Principles. If there is any uncertainty about how to classify a particular issue, the GWI-CD Director should be consulted, and the CC decides in cases where interpretation is needed or new types of situations are found.

Principle 1: No Child Labour is Allowed

- A.1.1 - All cases of child labour involving children working below the statutory minimum age are classified as a Major NC. The status of corrective actions for each child labourer identified (e.g. enrolled in a community-based or centre-based rehabilitation program or reunited with parents and ensured admission in a local school) should be indicated on the reports.
- A.1.4 - The licensee/sub-contractor is expected to provide access to the facilities and any relevant information that the GoodWeave inspectors or social program staff need in order to investigate cases of child labour. Any efforts to obstruct or hinder the activities of inspectors or social program staff in providing assistance to children and their families working to address child labour situations are classified as a Major NC. This includes extreme cases, such as verbal or physical threats or assaults against inspectors, social workers or other GoodWeave personnel.
- A.1.5 - If young workers are present in a factory operated by the licensee or sub-contractor, a systematic failure to meet the legal requirements related to young workers is classified as a Major NC. This includes young workers engaged in hazardous work, night shifts, and overtime hours, among others (note: please consult the country-specific guidelines which further explain the legal requirements). The inspector should consider whether the failure to meet the requirements is systematic or incidental, and if it is the latter then it would be classified as a Minor NC.
- A.1.7 - If any young workers who are subject to compulsory education laws are regularly working during school hours, this is classified as a Major NC. The inspector should consider whether this is systematic, i.e. happens consistently, or incidental, i.e. happens

once but is not a regular occurrence and if it is the latter then it would be classified as a Minor NC.

- A.1.9 - In the case of homework, if any child or young person who is subject to compulsory education laws is not in school and working during school hours, this is classified as a Major NC. The inspector should consider whether this is systematic, i.e. happens consistently, or incidental, i.e. happens once but is not a regular occurrence and if it is the latter then it would be classified as a Minor NC.
- Other - All other non-compliances with the requirements of Principle 1 not mentioned above are classified as Minor NCs.

Principle 2: No Forced or Bonded Labour is Allowed

- A.2.1 - A detailed explanation of the criteria related to forced and bonded labour is provided in the Standard Guidelines. Any incidence of forced labour found are classified as a Major NC. This includes any employer that prevents workers from leaving the work premises or from leaving employment, using physical or psychological coercion, withholding deposits or identity papers, or threats of penalties. If the employer does not have the records necessary to demonstrate compliance with this requirement, such as terms and conditions of work, or time/wage records, this is classified as a Minor NC.
- A.2.2 - If a company or contractor's employment practices systematically fail to establish an agreement with workers for their labour, or if workers do not understand the terms and conditions of their employment, this is classified as a Major NC. If any such failures exist but are incidental, e.g. an agreement is established with the lead worker of a team, but some of the other workers on the team are not aware of some of the terms and conditions, then this is classified as a Minor NC. The inspector should assess the situation based on records and worker interviews and determine whether the failure is systematic or incidental, as the basis for determining whether it is a Major or Minor NC.
- Other - If workers are bound to the job through significant amounts of debt/advances (see the Standard Guidelines) and/or there is evidence of any threat of penalty, sanctions, or coercion relating to the debt, this is classified as a Major NC. If evidence of debt/advances is present but other forms of coercion are not present, or if records of wage and loan payments are incomplete or not provided to workers, this is classified as a Minor NC.

Principle 3: Business Practices are Documented and Verifiable

- A.3.1 - During initial and follow-up audits, licensees and sub-contractors must provide complete lists of their production sites and those of their respective sub-contractors. Each tier of sub-contractors are in turn inspected and required to provide this information, in order to ensure that all facilities in the supply chain – at all levels, including home weaving – have been identified. In the case of failure to provide documentation/records to verify this supply chain information during the audit, this is classified as a Major NC. If the licensee or sub-contractor provides a supply chain list but is not aware of all the tiers of sub-contracting beyond their immediate suppliers down to the lowest level where production is taking place, this is classified as a Minor NC.
- A.3.1 - Licensees are required to send updated lists of production sites and sub-contractors at least once every 6 months. If this information is not received within 6

months then this is classified as a Minor NC. The licensee is then required to provide an updated list at the time of the next audit, and if this is not provided then it is classified as a Major NC.

- A.3.2 - Supply chain information is routinely checked during the inspection process, which includes cross-checking information with sub-contractors, workers and members of the community, as applicable, in order to confirm that all production sites have been registered with GoodWeave. If evidence is found through any available means that there are additional unlisted facilities in the licensee's supply chain list, then this is classified as a Major NC and the licensee is required to submit an updated supply chain list.
- A.3.2 - In case it is found that a licensee has requested certification labels for a product for which it has not provided to GoodWeave a corresponding production facility, it will be classified as a Major NC (e.g. if licensee applies for labels for jute carpet whereas no production facility of jute carpet is provided to GoodWeave).
- A.3.3 - Inspectors collect information relating to wages, working hours, working environment (health and safety), which fall under Progress Principles and are not currently related to the requirements for the purposes of certification. Compliance criteria for this broader range of issues will be covered under future revisions of the standard. However, if a licensee or sub-contractor does not provide access to the necessary documentation, records or personnel to verify this information, including wages, working hours, etc. during audits or inspections, then this is classified as a Major NC.
- A.3.4 & A.3.5 - The licensee and their sub-contractors must willingly provide access to the facilities, workers and any information necessary for undertaking audits and unannounced inspections. Any actions by a licensee or its subcontractors obstruct the audit or inspection process by impeding access to production sites or access to workers for confidential interviews are classified as a Major NC. Specifically, each supplier must:
 - Provide immediate and unhindered entry for audits and inspections of all activities within the facility premises;
 - Provide requested information including any applicable: worker employment data, wage records, attendance records, warehouse or shipping data, or other documents that indicate workplace standards and production capacity;
 - Co-operate with approved inspectors (do not verbally or physically threaten, abuse or otherwise interfere with the work of inspectors);
 - Provide access to all workers for confidential interviews; and
 - Allow photos and video to be taken of the facility by GoodWeave inspectors and its other approved personnel to document any non-compliances.

Note that administrative licensing requirements are handled separately from handling certification requirements/NCs. This includes completion of initial license application documents, furnishing copies of company registration and tax documents, regular payment of license fees and any other administrative requirements for the renewal of the license. Each country office establishes procedures for invoicing and license fee payments either on a quarterly basis or immediately upon issuance of certification labels. In case of the latter, the invoice is issued along with the labels. The invoice should include clearly marked instructions for how the payment should be made and notice of due date. If payment is not made by the due date, then a

reminder should first be sent (within 3 months) to the exporter licensee, and if still no response is received the issue may be notified to the associated importer licensee(s). If payment is not received after 2 invoices/reminders, or if payment is more than 6 months late, then the license renewal will not be processed and certification labels may not be issued until such time as the payment is made. GoodWeave's local office will inform licensees of all such administrative requirements.

Corrective Actions

Audit reports include indication of all Major and Minor NCs found and are provided to the facility and to the exporter licensee. The GoodWeave International Standards Committee sets guidelines on the timeline for corrective actions for each Major and Minor NC (see table on following page).

- **Major NCs** - a follow up audit or inspection is scheduled between 24 hours and 1 month after its identification, depending on the timeline. If the corrective actions have not been implemented within the given time frame, the case is reported to the CC and certification label issuance is suspended.
- **Minor NCs** - a follow up audit or inspection is scheduled 3-6 months after its identification, depending on the timeline. If the corrective actions have not been implemented within the given time frame, a second notification of the corrective action request is given to the facility and to the exporter licensee, and the case is reported to the CC. A second follow-up audit or inspection is then scheduled within the next 3 months. If the Minor NC is still not corrected after the second follow-up, then certification label issuance is suspended.

If a company has a valid reason for requiring additional time to complete corrective actions, this request may be forwarded to the CC for decision-making on approving an alternative timeline.

If two or more cases of child labour are found within 24 months period at the same subcontractor facility, then the licensee is required to de-list the subcontractor and cease further sourcing for a minimum of 12 months. If the licensee does not take action to remove the sub-contractor, or if evidence is found that it continues to source from the sub-contractor, this is classified as a Major NC.

Table: Timeline for Corrective Actions

Principle / Requirement #	Required at Level:			Type of NC	Corrective Action Timeline per Level:		
	1	2	3		1	2	3
1	No Child Labour is Allowed						
A.1.1	✓	✓	✓	Major	Immediate		
A.1.2	✓	✓	x	Minor	1 month	3 months	N/A
A.1.3	✓	✓	✓	Minor	1 month		
A.1.4	✓	✓	✓	Minor	3 months		
				Major	Immediate		
Conditions for Young Workers are Met							
A.1.5	✓	✓	✓	Minor	1 month	3 months	6 months
				Major	1 month		
A.1.6	✓	✓	✓	Minor	1 month	3 months	6 months
A.1.7	✓	✓	✓	Minor	6 months		
				Major	1 month		
Conditions for Children and Young Workers in home based Facilities							
A.1.8	x	x	✓	Minor	N/A	N/A	6 months
A.1.9	x	x	✓	Major	N/A	N/A	1 month
2	No Forced or Bonded Labor is Allowed						
A.2.1(a)	✓	✓	✓	Minor	1 month		
				Major	Immediate		
sub-point 1	✓	✓	✓	Minor	1 month		
sub-point 2	✓	✓	✓	Major	Immediate		
sub-point 3	✓	✓	✓	Major	Immediate		
A.2.2	✓	✓	✓	Minor	6 months		
				Major	1 month		
A.2.3	✓	✓	✓	Major	1 month	3 months	6 months
3	Business Processes are Documented and Verifiable						
A.3.1	✓	✓	x	Minor	6 months		N/A
				Major	Immediate		N/A
A.3.2	✓	✓	✓	Major	Immediate		
A.3.3	✓	✓	✓	Major	Immediate		
A.3.4	✓	✓	✓	Major	Immediate		
A.3.5	✓	✓	✓	Major	Immediate		

Sanctions and Enforcement Guidelines

The following types of enforcement actions are taken depending on the situation:

- (i) Reject application. During the application and initial inspection process, all Major NCs must be corrected before the application is approved. If any identified Major NCs are not corrected within 1 month, then the application is rejected. The applicant may submit a new application after waiting another 3 months.
- (ii) Warning letters. The licensee is notified and given a warning letter any time a Major or Minor NC is found in its supply chain. This action will parallel other enforcement actions.
- (iii) Suspend certification label issuance. If a Major NC is not corrected within the allowed time limit or if a Minor NC is not corrected within the allowed time limit after the second notification, then further issuance of certification labels is suspended.
- (iv) Suspend renewal of license certificate. If any Major NCs have not been corrected at the time of renewal, or if any Minor NCs have been pending for more than the allowed time period for corrective actions after the second notification, then the license certificate will not be renewed until the corrective actions are completed.
- (v) Notify the associated importer(s). In any case where a Major NC is not immediately resolved through the actions of the exporter, then the associated importer(s) are notified of the case and warned that failure to complete corrective actions will lead to suspension of certification label issuance or revocation of the exporter’s license. The Standard Operating Procedure (SOP) - Escalation and Communication of Non-Compliances should be followed.
- (vi) De-list the sub-contractor. In any case where a sub-contractor does not complete the necessary corrective actions for a Major NC within the given time frame, then as a last resort the licensee is required to remove that sub-contractor from its supply chain.
- (vii) Revoke the license. In any case where a licensee does not take the necessary corrective actions related to a Major NC within the given time frame (including by de-listing a sub-contractor), or after 6 months of suspension resulting from any pending corrective actions, whichever comes first, then as a last resort the exporter’s license will be revoked.

If any facility which has previously been identified to have one or more Major NCs involving child labour is again found to have child labour a second time within 24 months:

In the licensee’s own facility	The exporter license is revoked. The company is black-listed and may not apply again for a GoodWeave license for a minimum of 12 months.
In a subcontractor facility or home loom	The facility is black-listed and all licensees are required to cease sourcing from the sub-contractor for a minimum of 12 months. If the licensee fails to take the necessary enforcement actions including de-listing the subcontractor, then certification label issuance is suspended.

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If an exporter licensee fails to cease sourcing products from a black-listed supplier, this is considered a Major NC against the licensee.

Once a license has been revoked or a supplier de-listed, the Certification Committee determines the minimum amount of time that must elapse before the affected party may re-enter the supply chain, marked from the date of revocation to the date of re-application for a license or re-integration into a licensee's supply chain. In the latter case, the licensee is responsible for notifying GoodWeave of the date of proposed re-entry.

Flowchart of Certification Decisions, Non-Compliance and Corrective Actions Process

