



# GoodWeave Annual Report

2017 YEAR IN REVIEW

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# Dear friends,

2017 started with a bang. Just a couple weeks into the year, I sat down for a press conference at the World Economic Forum entitled, “How Are Leading Social Enterprises Creating Impact at Scale?”

Scale is a word often repeated in the nonprofit and business worlds. It can sound like jargon, but for some organizations, it’s a make-or-break question. Does your service or system have the potential to accommodate growth? From the outset, GoodWeave’s founders had imagined the day when our market-based model to tackle child labor would be applied to a variety of manufacturing sectors. Once it was clear that we had made serious headway in the carpet industry, we knew it was time.



Sitting at that table in Davos, with cameras rolling, I was proud to announce that GoodWeave was launching into new product categories. Friends, this is big. It’s the difference between niche and mainstream. More importantly, it’s the difference between reaching tens of thousands of at-risk children and reaching millions. Inside this Report are more details about GoodWeave’s next chapter, which we call Sourcing Freedom.

In addition, the growth in our core work of carpets has been significant. Increasingly, consumers are recognizing and demanding the GoodWeave label. You no longer need to wait or pay a lot for the ethical rug of your dreams, much like what bananas and coffee have done in organics. Getting this breadth of distribution has us coming upon the tipping point for our founding mission.

A lot is growing and scaling at GoodWeave, including our appreciation for those of you who make our work possible. The charitable donors and corporate partners who invested in the initial spark of GoodWeave and are by our side now as we stretch ourselves to reach even more children.

With gratitude,

A handwritten signature in black ink, appearing to read "Nina Smith".

Nina Smith, CEO



# 1 Supply Chains: More Than Meets the Eye

Products you purchase are made by a complex, and often invisible, supply chain – people, organizations, and processes linked to make and deliver products.

Behind the retailers and the factories we think we know, often there's an informal chain of adults and children exploited for their labor.

GoodWeave brings visibility to all links of the supply chain and gives voice to marginalized workers and children.

The GoodWeave label is the best assurance that products are made free of child labor.



# Global Supply Chains: more than meets the eye.

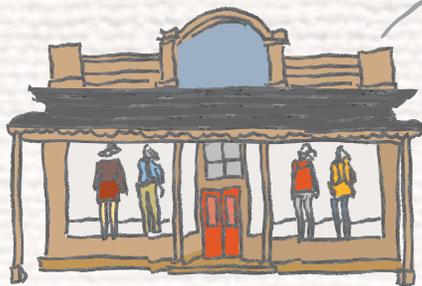
Products you purchase are made by a complex, and often invisible, supply chain – people, organizations, and processes linked to make and deliver products.

Behind the retailers and the factories we think we know, often there's an informal chain of adults and children exploited for their labor. GoodWeave brings visibility to all links of the supply chain and gives voice to marginalized workers and children. We believe children have the right to laugh, learn, and play.

The GoodWeave label is a consumer's best assurance that products are made free of child labor.



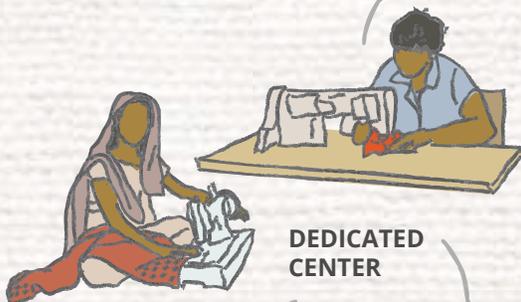
CUSTOMER



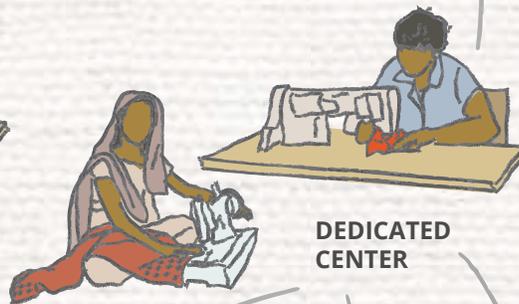
IMPORTER / STORE



EXPORTER / FACTORY



DEDICATED CENTER



DEDICATED CENTER



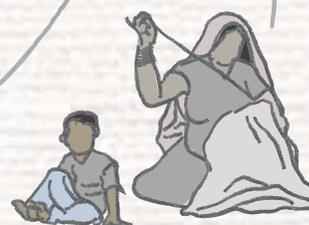
HOME WORKER



HOME WORKER



HOME WORKER



HOME WORKER

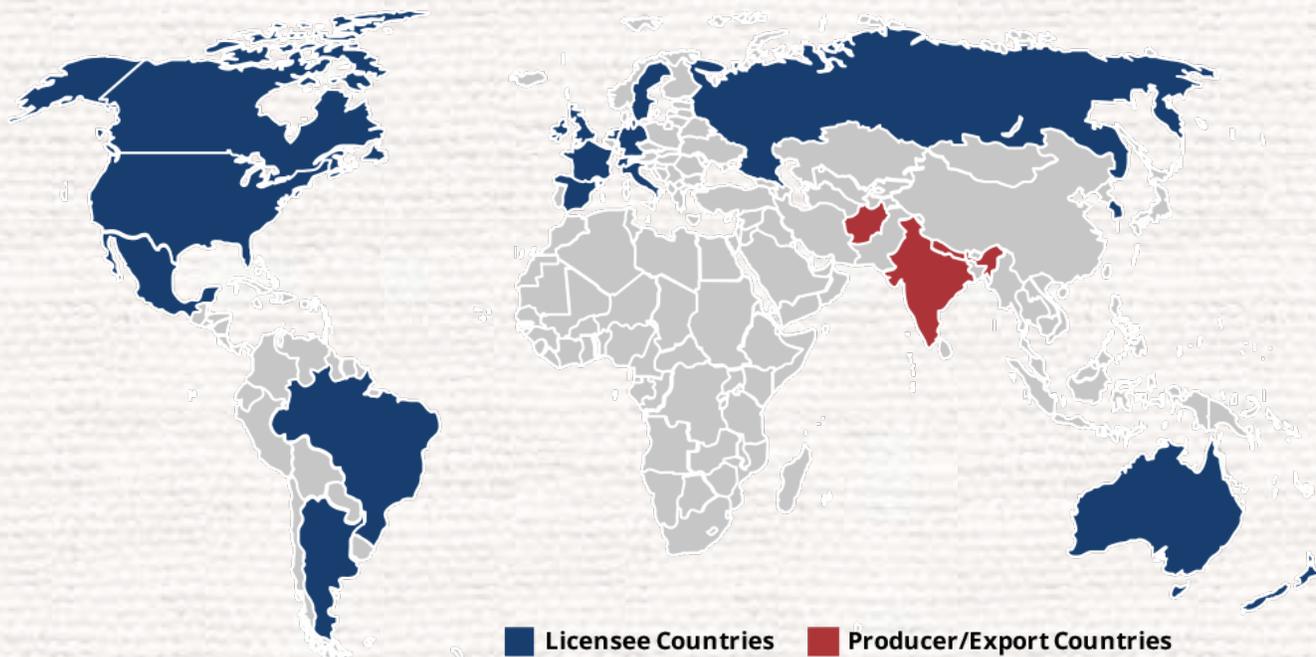


## 2 The GoodWeave System

GoodWeave has tested, fine-tuned and scaled a unique approach to ending child labor. Market forces drive our work to clean up supply chains, rescue and educate children, and improve working conditions for adults. Our system covers every step from when a product is made to when it is sold.

// GoodWeave has developed the capacity, the understanding and the experience to address supply chains in their totality.”  
– Siddharth Kara, Director of the Program on Human Trafficking and Modern Slavery, at the Harvard Kennedy School of Government

**Where We Work** GoodWeave works in the areas where it is needed most.





## 3 Harness Market Forces

Our system combines the power of consumers and businesses to ignite the engine of social change. In partnership with brands, we're creating a market for goods made without child labor by preventing and rescuing children from lives of bondage, and by distinguishing select products with the GoodWeave label. This relationship with business provides the influence needed to permanently change behavior and practices, making "no child labor" a market requirement for their producers, along with design, price and other features.

In addition to the results listed below, GoodWeave launched a new website last June. More than a digital makeover, GoodWeave.org is where customers come to find ethical products, businesses learn how to become "licensees", and donors get inspired to give and to act.

### 2017 Results

**150**

total rug brands  
engaged as licensees

**24**

new licensed importers hailing from France to  
Argentina, ensuring the GoodWeave label is more  
accessible on more continents than ever before

**18.17%**

market share in rugs

**85.7 million**

consumers reached

## The Fibre of Nepal's Economy

At the 2017 DOMOTEX tradeshow in Hannover Germany, GoodWeave convened UNICEF Nepal, global brands, producers, and trade officials to launch a campaign to reward businesses that produce child-labor-free carpets in Nepal. Throughout the campaign we have produced videos and hosted events to convey the business value of child-labor-free production.





## 4 Clean up Supply Chains

Even the most well-intentioned brands find exploitation in their supply chains. And now, in this era of fast fashion – with hurried timelines for new styles to hit shelves – the labor rights situation is getting worse.

GoodWeave establishes clear and rigorous standards, and we verify compliance by regularly mapping and inspecting factories, worksites, and facilities all the way down to cottage industry and individual homes. These inspections—which are random, unannounced, and frequent—lead us to exploited children and serve as a powerful deterrent to bad labor practices.

### **Scaling: GoodWeave's direct work in new sectors**

In 2016, GoodWeave broke ground in new sector programs, including embellished apparel, jewelry, and home textiles in northern India to tackle child and forced labor in informal supply chains, especially where readymade garments and fashion jewelry are produced. By the close of 2017, 4,372 workers and 7,178 children were benefiting from the programs across six communities that serve as a hub for home-based work.

### **Scaling: Sharing the GoodWeave System**

The second part of our expansion plan is capacity building with allies who will adopt GoodWeave's System in their sectors of focus. We now operate a brick pilot in Nepal with partners Better Brick Nepal and Global Fairness Initiative and completed feasibility research in Assam, India, identifying potential impact on 500 children and 1,200 workers in the tea sector through the next year of our pilot program in partnership with Rainforest Alliance.

## Sourcing Freedom Data Platform

In September 2017, we debuted a major technological innovation in the fight to end modern slavery. Our new data platform – created with support and partnership from The Skoll Foundation, USAID and Target – offers an unprecedented level of transparency at the “bottom” of the supply chain and supports companies to improve conditions for otherwise hidden workers. It offers near real-time access to supply chain map and inspection data, from the factory floor all the way to the outsourced homemaker. It will roll out more broadly in 2018.

// The GoodWeave model excites us because at this point there is nothing like it in the apparel sector. GoodWeave has been able to achieve complete transparency in the carpet supply chain and we want to test whether we can replicate that success in the apparel sector.”

– Anindit Roy Chowdhury, C&A Foundation Programme Manager for Gender Justice and Human Rights



Dashboard from the Sourcing Freedom Data Platform

## 2017 Results

**6,740**

children rescued from exploitation to date

**77,763**

workers reached in supply chains

## Ready for Readymade: A Profile of a GoodWeave Supply Chain Specialist

Originally from Ghaziabad, Uttar Pradesh in India, Vinti Singal, one of our Supply Chain Sustainability Specialists, has worked on human resources and social compliance teams for a decade. While consulting with Coca Cola on workplace rights, she gained exposure to the brand side of the story. At the French retailer G emo-Groupe Eram, Vinti managed factory audits for North India.

With this broad perspective, she joined

GoodWeave to help spearhead its pilot program into the readymade garment sector.



“When I joined GoodWeave, I knew it was different. Our work doesn’t end the moment we find an issue of child or forced labor. That’s where it starts. It isn’t audits and compiling results. It is about standards.”

Vinti values the process of unearthing hidden units beyond the borders of the factories. Because in doing so, she knows we can give an identity – and then rights and benefits – to informal workers.

When asked about her most memorable day on the job, Vinti recalls visiting a Child Friendly Community in Jaee village where GoodWeave started a literacy class for young women who never had a chance to study. Scanning the room, one woman stood out. She was holding a three-week-old baby. Later Vinti found out that her name is Musrekin, this was her eighth child, and she does handwork, beading fashion jewelry for export to big brands in Europe, UK and US.

**“Despite the challenges and she just delivered a baby, here she is attending class. There is no incentive for work or money. I can’t calculate the financial value of her attending this class or tell what she learned, apart from that she feels empowered. Sometimes we talk about return on investment too much, and you can’t calculate the benefit on this person’s life.”**



## 5 Create Educational Opportunities

GoodWeave's social programs serve victims, address the root causes of child labor, or often both. In each country where we operate, GoodWeave tailors interventions to the context. Over the years, we have started early childhood education centers, coordinated home-schooling, provided school sponsorships, and made a second home for children who desperately needed one.

### 2017 Results

**11,165**

children educated in 2017

**9,489**

children supported in schools across 58 villages in India, including five new artisan villages known for apparel, fashion jewelry and home textiles.

**992**

children in Afghanistan given academic support.

**684**

children provided education in Nepal

## Samrul's story

Meet Samrul, a nine year old boy from Muslimpur in Varanasi district, along the banks of the Ganges River. The oldest child of illiterate parents, Samrul would spend his days taking care of his siblings and accompanying his father to a center where he did handloom work. In late 2016, the GoodWeave team identified Samrul working and immediately began a rehabilitation process in his home village, including enrolling him in 1st grade in a modern madrasa (Islamic cultural and language school). GoodWeave provided books, stationery, a backpack, clothes, and tuition assistance on that very same day. Soon, Samrul matriculated to a formal government school. The team has remained in regular touch with Samrul and his family and learned that he is doing well in his studies, graduated to 2nd grade, and has expressed a dream to become a police inspector.





## 6 Improve Conditions for All Workers

Addressing child labor effectively requires more than simply prohibiting the practice as a matter of law, policy, or standard. One important part of the equation is ensuring that adult workers have improved conditions.

### 2017 Results

**77,763**

workers protected under the GoodWeave System

**65,978**

rug workers covered by the GoodWeave System to date

**7,413**

brick workers reached by pilot program

**4,327**

apparel and jewelry workers reached by pilot program



# 7 Financials

GoodWeave depends on a combination of earned income from license fees paid by partner companies and charitable investments to make our work possible. True to our mission, we are all about transparency and that also applies to our financial management. We strive to ensure that every dollar, pound, or rupee paid or donated is spent to maximize benefits to the children, workers, and communities we serve.

## 2017 EXPENSES



- Program Services
- General Administration
- Fundraising

## 2017 CASH REVENUE



- Private Grants & Donations
- Government Revenue
- Industry Revenue
- Other Income

## 2017 TOTAL REVENUE



- Private Grants & Donations
- Government Revenue
- Industry Revenue
- Other Income
- In-Kind

## 2017 Financial Highlights

- 93% of all expenditures were invested in programs working to end child labor.
- Companies that participate in GoodWeave’s carpet industry certification system pay license fees, which help to offset costs of the program. GoodWeave added 24 new licensees in 2017 and covered one-third of this program’s cash expenditures through the fees.
- New programs in apparel, jewelry, home textiles and bricks continue to grow, representing 36% of GoodWeave’s programmatic cash budget in 2017.

## Statement of Activities

For the Year Ended 12/31/2017

	2017
<b>UNRESTRICTED SUPPORT AND REVENUE</b>	
Grants and Donations	\$2,446,734
Government Revenue	418,404
Licensing Fees	620,102
Marketing Partnership Fees	40,602
Interest and Other	63,539
In-kind Contributions	764,509
<b>TOTAL UNRESTRICTED SUPPORT AND REVENUE</b>	<b>\$4,353,890</b>
<b>EXPENSES</b>	
<b>Program Services</b>	
Leverage Market Influence	1,456,277
Develop Child-Labor-Free Supply Chains	709,649
Improve Conditions for All Workers	77,618
Provide Opportunities to Children	752,639
Promote Replication in New Industries	907,649
Assess Impact and Learning	88,878
<b>Total Program Services</b>	<b>\$3,992,710</b>
<b>Supporting Services</b>	
General and Administration	184,006
Fundraising	118,754
<b>Total Supporting Services</b>	<b>\$302,760</b>
<b>TOTAL EXPENSES</b>	<b>\$4,295,470</b>
<b>CHANGE IN UNRESTRICTED NET ASSETS</b>	<b>\$58,420</b>
<b>TEMPORARILY RESTRICTED NET ASSETS</b>	
Grants and Contributions	1,483,231
Net Assets Released from Restrictions	(1,739,475)
<b>CHANGE IN TEMPORARILY RESTRICTED NET ASSETS</b>	<b>(\$256,244)</b>
<b>CHANGE IN NET ASSETS</b>	<b>(197,824)</b>
Net Assets at the Beginning of the Year	3,010,269
<b>NET ASSETS AT THE END OF THE YEAR</b>	<b>\$2,812,445</b>

## Statement of Financial Position

For the Year Ended 12/31/2017

	2017
<b>ASSETS</b>	
<b>CURRENT ASSETS</b>	
Cash and Equivalents	\$1,585,679
Grants and Contributions Receivable current portion	870,449
Accounts Receivable	516,343
Investments	106,423
Prepaid Expenses and Other Assets	19,947
<b>TOTAL CURRENT ASSETS</b>	<b>\$3,098,841</b>
Grants and Contributions Receivable, net of current portion	520,769
Security Deposit	23,513
Property and Equipment, net	305,364
<b>TOTAL ASSETS</b>	<b>\$3,948,487</b>
<b>LIABILITIES AND NET ASSETS</b>	
<b>CURRENT LIABILITIES</b>	
Accounts Payable and Accrued Expenses	\$173,729
License Fees Payable for Field Programs	386,030
Grants Payable	430,182
Refundable Advance	67,175
Deferred Rent	78,926
<b>TOTAL LIABILITIES</b>	<b>\$1,136,042</b>
<b>NET ASSETS</b>	
Unrestricted	509,692
Temporarily Restricted	2,302,753
<b>TOTAL NET ASSETS</b>	<b>\$2,812,445</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$3,948,487</b>

GoodWeave was audited by Rogers & Company LLC, Certified Public Accountants and Business Advisers of McLean, Virginia. Full audited financial statements are available upon request.



## 8 Donors and Supporters

GoodWeave thanks the individuals and institutions that provide vital operating support to help us achieve results for children and workers. The following list acknowledges donors that have donated \$5,000 or more to GoodWeave International or its local NGO affiliates in 2017:

### Major Support Provided by:

**C&A Foundation**



**UBS**

UBS Optimus Foundation



**HUMANITY  
UNITED**



**Home Office**



**USAID**  
FROM THE AMERICAN PEOPLE

**unicef**

This report was produced independently by GoodWeave International and any opinions expressed within do not necessarily represent the official views of individual donors.

## Supporters

200,000 and Above	50,000 to 199,000	5,000 to 49,999	In-Kind Gifts – Legal Counsel
Anonymous	C&A Foundation	Anbinder Family Foundation	Covington & Burling LLC
Janet Wright Ketcham Foundation	Humanity United	Anonymous via Fidelity Charitable Gift Fund	Mayer Brown LLC
The Walt Disney Company	Textile Recycling for Aid and International Development	Anonymous via Impact Assets	Sunstein Kann Murphy & Timbers LLC
UBS Optimus Foundation	The Thanksgiving Fund	Estelle Friedman Gervis Family Foundation	
UK Home Office	U.S. Agency for International Development	Jerome Dodson	
	U.S. Department of Labor, Bureau of International Labor Affairs	The Khaled Hosseini Foundation	
		Kristi Nelson	
		Limited Brands Foundation	
		Macy's Foundation	
		Naomi & Nehemiah Cohen Foundation	
		Patricia Hambrick	
		The International Foundation	
		The West Foundation, Inc.	



# 9 Business Partners and Industry Supporters

GoodWeave partners with rug designers, importers, and retailers to create a market for products that have been made without child labor. The following companies are GoodWeave licensed, meaning they adhere to the GoodWeave Standard to assure clients that their high-quality design are accompanied by the best labor practices.

## Licensed Importers

4Favorites	Alicia D. Keshishian Carpets	Asha Carpets	by Henzel
A&G Rugs	Amy Helfand	Bazaar Velvet	Cadrys Handwoven Rug
Afghanistan Rugs and Carpets Center	ANG Studios	Bennett Bean Studio	CalviRugs
Allo Limited	Anji Mountain	Bespoke Tibet Carpets	Capitol Carpets of Chelsea
Akira Handelsgesellschaft	Apeiron Design	Bev Hisey	Change Space
	Ariana Rugs	BravinLee Programs	

Christian Liaigre	Fab Habitat	Julia Toncology Pfeiffer	LIV by TM Interior
Classic Fever, LLC	Floor Story	Julie Dasher Rugs	Liz Gamberg Studio
Classic Rug Collection	Flora Decora 5 SL	Kaja Gam Design	Liza Phillips Design
Clive Christian Interiors	Freedom	Kaldhara	Lotus Collection
Cloak	Fuigo	Katherine Richards Design	Lucy Tupu
Company C	Gary Cruz Studio	Khawachen/ Innerasia	Madeline Weinrib Atelier
Crosby Street Studios	Gran Living	Kim Parker Home	Makeda Rugs
Dadicos	Grund America LLC	K-Mail Order	Malene B
Danielle David Art and Design	Guildcraft Carpets	Knot Collective	Matteo Pala
DBA Bramblecrest	Heinrich Heine	Knots & Strokes	Merida
Deirdre Dyson	High Country Rugs	Kolatech	Merinos
Diane Paparo Studio	home republic	Kooches	Miller Davis Group
EcoFiber Rugs	HWP Teppich	Kristiina Lassus Design	Modern Archive
Edition Bougainville	Icarpet	Laguna Rugs	ModernFever
Eeuwes Studio Design	Indo Designer Rugs	Land Rugs	Molana
Elson & Company	Inigo Elizalde Rugs	Landry & Arcari	Momtaz Contemporary Rug Art
Emma Gardner Design	Interior Resources	Lapchi	MOSSROOM
Equator Production	J. S. Hurd Design	LiLu Interiors Inc.	MyFelt
	Jacaranda Carpets	Lindstrom Rugs	Namaste UK
	Joseph Carini Carpets		

New Moon	Restoration Hardware	Serapi Oriental Rug Gallery	The Moorland Rug Company
NIBA Rug Collections	Rimo	Sirecom Tappeti	The Rug Company
NOA Living	Robin Gray Design	So'mace Design	Tranquillo
Nodi Handmade Rugs Ltd.	Robyn Cosgrove	Sonya Winner Rugs	TYSK Design
Nordic Home	Rosemary Hallgarten	Squarefoot Comercio E Decoracao	Vossberg Versand
notNeutral	Rug Art	Stephanie Odegard Co., Ltd.	Wafa Dar
O'C Carpet Inc.	Rug Artisan	Tailor-Made Textiles	Warp & Weft
Odegard Carpets	Rug Couture	Talis Vertriebs	Wecon Home
Organic Weave	Rug Star	Tania Johnson Design	Wendy Morrison Design
Otto	Rugguy Galleriez	Target Corporation	Woven Edge, Ltd.
Paramount Rugs	Rug-maker.com	Tashi Murik	Woven Treasures Inc.
Proper Design	Ruthie L. Designs	The Fine Rug Gallery at Macy's	Zoe Luyendijk Studio
PuRo Lifestyle	Sage Green Designs		
Raya Rugs	Scott Group Studio		

## Lead Sponsors

Woven	The Rug Seller	Kush
Modern Rugs	Luxury Rugs	Interior Resources

## Industry Supporters

Hagopian	Christiane Millinger	Fayette Showroom	Rugs By Zhaleh
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# 10 Staff and Leadership

GoodWeave is grateful to have award-winning experts in child rights, business, social entrepreneurship, and certification serve in leadership and advisory roles in the organization.

## International Board of Directors

Patricia Hambrick  
(Chair)

Kul Chandra Gautam  
(Co-Vice Chair)

Claude Fontheim  
(Co-Vice Chair)

Pat Zerega  
(Secretary)

Marc Triaureau  
(Treasurer)

Barbara Hawthorn

Leslie Johnston

Amol Mehra

Edward Millard

Regatte Venkat Reddy

Dan Viederman

Nancy Wilson

### **Emeritus Member:**

Pharis Harvey

## Standards Committee

Walter Chapin,  
President and Co-founder, Company C, Inc.

Aseem Grover,  
Partner, Grover International

Rev. Pharis Harvey

Caroline Kent,  
Operations Manager, The Rug Company

Lobsang Lama,  
Managing Director and Chairman, Gomang Carpets Manex

Ivanka Mamic,  
Senior Director for Responsible Sourcing, Target

Gerard Oonk,  
Director, India Committee of the Netherlands

Nitu Prasad,  
Senior Program  
Coordinator,  
GoodWeave India

Lee Swepston,  
Senior Advisor on  
Human Rights,  
International Labour  
Organization (ret.)

Indu Tuladhar,  
Independent Expert,  
(Child Labor)

Harish Vashistha,  
Executive Director,  
Credibility Alliance

Scott Welker,  
Director of Business  
Development,  
GoodWeave  
International

## **Child Protection Committee**

Pashtoon  
Atif, Director,  
GoodWeave  
Afghanistan

Jonathan  
Blagbrough, Co-  
founder, Children  
Unite

Uddhav Raj Poudyal,  
Independent Expert

Nitu Prasad,  
Senior Program  
Coordinator,  
GoodWeave India

Regatte Venkat  
Reddy, National  
Convenor, MV  
Foundation

Kushum Sharma,  
Social Programme  
Manager, Nepal  
GoodWeave  
Foundation

## **Certification Committee**

Narayan Bhattarai,  
National Project  
Coordinator,  
International Labour  
Organization

Mathew John,  
Certification Director,  
GoodWeave  
International (non-  
voting)

Shawn MacDonald,  
CEO, Verite

David Ould,  
Board Member,  
GoodWeave UK

Kalyani Rajaraman,  
Project Director,  
Consumers  
Association of India

## **Oversight Committee**

Chhatra Amatya,  
Independent Expert

Viraf Mehta,  
Independent Expert

Edward Millard,  
Director of Africa  
and South Asia,  
Rainforest Alliance

## **International Management Team and Staff**

Nina Smith, CEO

Beth Huber, Deputy  
Director

Cyndi Janetzko, Chief  
Financial Officer

Scott Welker,  
Director of Business  
Development

Todd Garth, Chief  
Program Officer

Pashtoon Atif,  
Afghanistan Country  
Director

Manoj Bhatt, India  
Country Director

Lubha Raj Neupane,  
Nepal Country  
Director

Mathew John,  
Director, Certification  
Division

Jean Johnson,  
Senior Business  
Development  
Manager, Europe

Biko Nagara,  
Senior Manager,  
Certification Systems

Anoop Agarwal,  
Senior Program  
Manager

Cara Hagan,  
Business  
Development  
Manager

Alina Ruzmetova,  
Online  
Communications  
and PR Associate

Jessica Tsang,  
Program Officer,  
Standards and Policy  
Unit

Kimberly Trauner,  
Strategic Initiatives  
Officer

***All photos are taken  
by Nitin Gera.***

**GoodWeave's vision is a world  
free of child labor. We believe  
children have the right to  
laugh, learn, play.**

**Bring your passion, creativity,  
and support and join us in  
realizing this vision.**



**GoodWeave International**

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