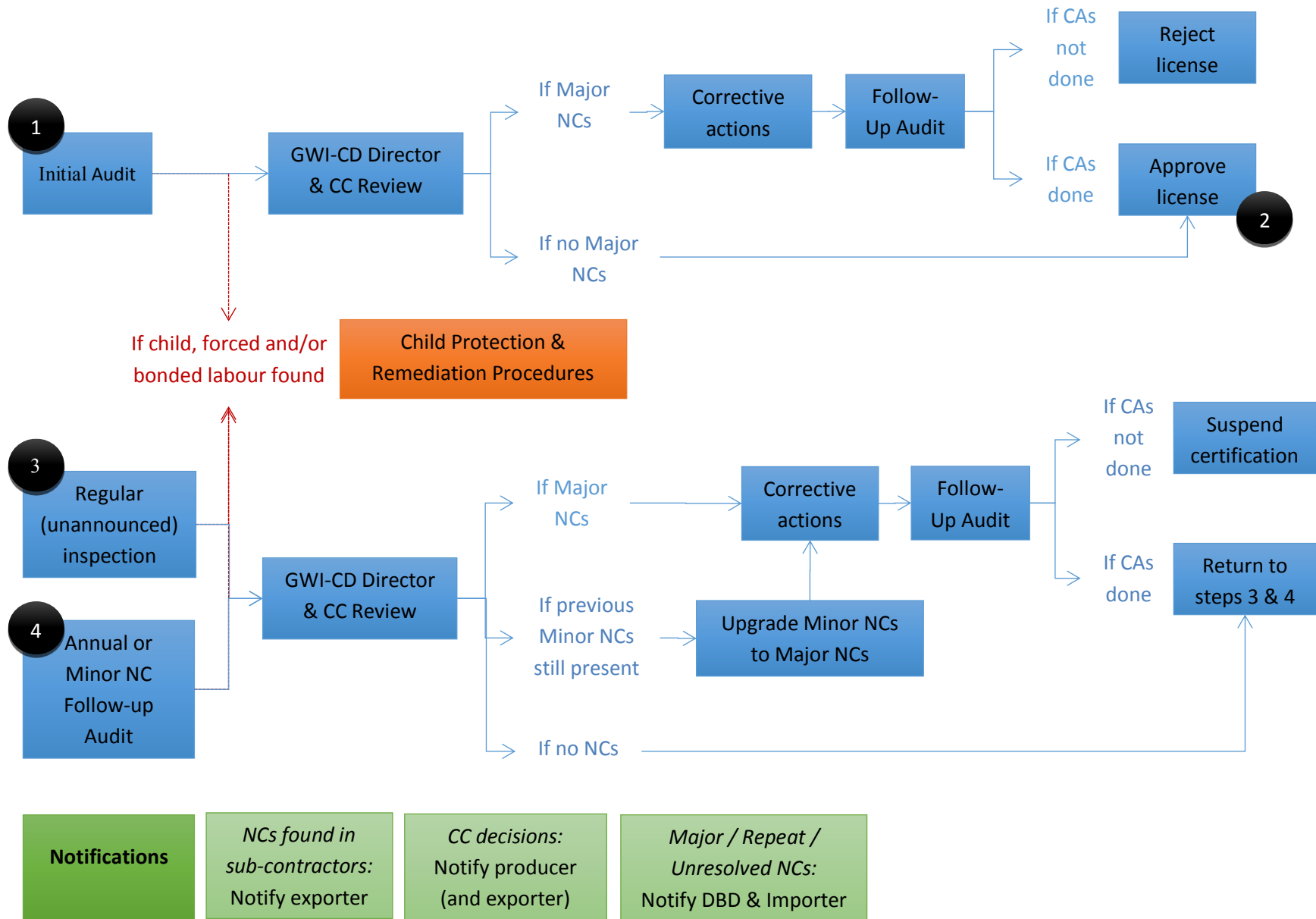


**Appendix 1: Flowchart of Certification Decisions, Non-Compliance and Corrective Actions Process**



## Appendix 2: Guidelines for Classification of NCs by Principle

The following guidelines explain how to classify various types of audit/inspection findings as major or minor non-compliances. Inspectors should also refer to the Standard Guidelines for additional explanation of each of the Certification Requirements under the GoodWeave Standard's Certification Principles, as well as definitions of terms used (e.g. "Child Labour", "Young Workers", etc.).

### 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 with respect to 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.
- All other requirements of Principle 1 not listed 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 is 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.
- 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 a follow-up audit should be scheduled, and if it is still not received by the date of the next audit, 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 a follow-up audit should be scheduled, and this is classified as a Major NC.
- 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).
- A3.3: 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 is in development, which will be covered under the new, expanded standard in the future, once it has been fully phased in. 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. 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 to be taken of the facility by GoodWeave inspectors and its other approved personnel to document any non-compliances.
- Any actions by a licensee or its subcontractors to 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.

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. GoodWeave's local office informs licensees of all such administrative requirements.

### **Appendix 3: Supplemental Agreement on Communication of Non-Compliance Data**

This agreement is an addendum to GoodWeave's *Standard Operating Procedure (SOP) – Escalation and Communication of Non-Compliance*. Any importer licensee, which chooses to request additional information regarding the compliance status of their suppliers shall enter into a supplemental agreement as specified in this document. Once approved, a copy of this document shall be provided to the affected exporter licensee(s).

**Name of licensee:** \_\_\_\_\_

**Point of contact:** \_\_\_\_\_

**GoodWeave point of contact:** \_\_\_\_\_

The following communications protocol shall be carried out **in addition to** the steps outlined in the SOP: