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Dear Friends,

2021's International Year for the Elimination of Child Labor was an opportunity to highlight the critical cause we at GoodWeave fight for every day, and I want to take a moment to reflect on all that was accomplished toward our mission of ending child labor in global supply chains.

It was another challenging year as the world grappled with the ongoing pandemic, but together with our partners, we pressed on towards our goal of freeing 30 million children from labor by 2025.

Together, we continued to transform consumer and business practices in the marketplace, while ensuring that children's rights are valued more than their labor to produce the goods we buy every day. We supported vulnerable worker communities in Nepal, India and Bangladesh, facilitating resiliency for them in the face of economic and social disruption caused by the pandemic. And, we're finding new ways to expand our footprint across regions and industries.

Some specific highlights include partnering with 16 new businesses, releasing a new short film entitled "Fashion's Hidden Supply Chain," launching our "Best Practice Series for the Elimination of Child Labor," and carrying out the Hidden Supply Chains in Bangladesh pilot project.

As we head into 2022, we remain committed to rights and protection for children and workers around the world. Thank you for joining with us and for your continued support!



Mina Sociale

Nina Smith CEO GoodWeave International



Muskaan's story: short film shines spotlight on child labor in hidden apparel supply chains

In honor of World Day Against Child Labor and International Year for the Elimination of Child Labor in 2021, GoodWeave released a new short film entitled "Fashion's Hidden Supply Chain." The film is featured in the Fashion for Good museum in Amsterdam, Netherlands as part of their permanent collection.

Muskaan's story resembles that of many other young girls in vulnerable worker communities in India before she became involved with the GoodWeave program. She was found helping her mother with beadwork during a surprise inspection at her home by a GoodWeave team member. The team learned she was under 14 years-old and not going to school. Her father was not comfortable with her attending classes in their conservative community. Eventually, GoodWeave's community facilitators and Muskaan's mother helped convince her father to support Muskaan's wish to pursue an education.

Because of the intervention, Muskaan is now studying English, Hindi and math, and is no longer part of the hidden apparel supply chain. She will be the first literate person in her family.

Watch her story here.



GoodWeave — a nonprofit organization founded in 1994 by Nobel Peace Prize laureate Kailash Satyarthi — is the leading international institution working to stop child labor in global supply chains through a market-based system and holistic approach. We partner with companies and local producer communities to bring visibility to hidden supply chains; protect workers' rights; provide assurance that products are free of child, forced and bonded labor; and restore childhoods. In 2021, GoodWeave partnered with over 400 companies in more than 20 countries including major retailers and brands, as well as boutique shops and exporters. The GoodWeave® certification label offers the best assurance that no child labor was used.

GoodWeave and our frontline partners are embedded within the communities where we serve. This proximity ensures our programs are worker-centered, survivor-informed and results-oriented. Since its inception, GoodWeave has restored freeedom to nearly 9,000 children and provided direct educational opportunities to more than 44,400 children. In 2021 alone, more than 101,100 workers were protected under the GoodWeave International Generic Standard.

Since GoodWeave began operating in 1994, South Asia's handmade carpet sector has been transformed, and we now seek to repeat this success in home textile, apparel, fashion jewelry, bricks and other sectors, where 160 million children await their freedom.

**MISSION** Stop child labor in global supply chains. Permanently.

**VISION** A world free of child labor.

**CREDIBILITY** GoodWeave is ISEAL Code Compliant. Our system has been independently evaluated against ISEAL's Codes of Good Practice – a globally-recognized framework for effective, credible sustainability systems. More information is available at isealalliance.org.



The GoodWeave System is our primary tool for disrupting the cycle of child labor, slavery, illiteracy and poverty. It comprises the following interrelated strategies:

- Harness Market Forces
- Establish Transparent and Clean Supply Chains
- Create Educational Opportunities for Children
- Improve Conditions for Workers
- Promote Best Practices

The GoodWeave System eliminates the disconnect between problem and resources that has allowed child labor in supply chains to go unchecked:

First, we bring visibility to hidden workers and victims: Companies partner with GoodWeave to grant full access to their supplier network and production sites, revealing child and adult laborers who are otherwise unaccounted for. Then, we stop the abuse. Frequent, unannounced inspections create a market incentive to stop exploiting children. And when we do find victims, we provide a suite of rehabilitative services and interventions.

Second, we prevent recurrence by addressing root causes: Whole communities are engaged to advocate for access, rights, education and freedom. This ensures that all children are in school and learning, and improves working conditions for parents.

Finally, we develop best practice capacities and methodologies in other organizations: This work is based on The GoodWeave System and we engage in research, thought leadership and advocacy to multiply our impact.

# **GOODWEAVE BY THE NUMBERS**

400+

partner companies in more than 20 countries

**8,981** children restored

freedom

44,400+ children directly provided educational opportunities

101,100+
workers protected
under the
GoodWeave
Standard in 2021

32 million +

rug and home textile products certified as child labor free

173,000+ individuals provided COVID-19 relief and support through 2021

89% of expenditures support programs to end child and forced labor

86%

of respondents from GoodWeave's Partner Survey said partnering with GoodWeave has enhanced their company's reputation

"We are proud to be in partnership with GoodWeave. It has opened so many doors and has given us the confidence to grow and promote the ethical values of our business."

"Celebrating handcraft and skill is at the heart of what we do. GoodWeave has enabled us to communicate this story to our customers whilst reassuring them that we are producing our products under responsible conditions. In the retail world, there are many who claim to work closely with their makers and source responsibly, but GoodWeave allows us to claim this with authenticity and integrity."

- Niki Jones. Creative Director of Niki Jones Ltd.

<sup>-</sup> Karen Riddick, Founder of Second Nature Online Limited



From the garment factories of Bangladesh to the cocoa fields of the Ivory Coast, there are 160 million child laborers today. GoodWeave's market-driven model offers consumers, businesses and worker communities an avenue to put a stop to this exploitation.

In 2021, GoodWeave signed 16 new importer and retail companies into its licensing and certification program for rugs and home textiles, bringing the total number of importer licensees to 188 and resulting in more than 33% share of the total handmade rug market globally.



GoodWeave also expanded our "Tell Them I Made It" awareness campaign by launching several new Public Service Advertisements (PSAs) to shine the light on the voices of child survivors and adult artisans whose stories of freedom are woven into the products licensed and certified by GoodWeave. In 2021, GoodWeave PSA's were featured in magazines such as Architectural Digest, Dwell, Interior Design, and The New Yorker.



# **ESTABLISH TRANSPARENT AND CLEAN SUPPLY CHAINS**

GoodWeave certification offers the best assurance that rugs and textiles are made without the use of child and forced labor. GoodWeave's inspection system is unique as it reaches all levels of the supply chain – from primary factories – to outsourced units and home-based workers. Assessments are conducted against the requirements of the GoodWeave International Generic Standard. In 2021, GoodWeave's frontline teams in South Asia reached more than 101,100 workers through monitoring and inspections of facilities. More than 4.5 million rug and home textile products were certified as child labor free this year.

Every child removed from labor is offered rehabilitation, counseling, schooling and other critical services. In 2021, 1,075 children were removed from exploitative labor across all program categories including carpets, home textiles, apparel, fashion jewelry and bricks. These children were provided with educational support and rehabilitation. Whenever possible, child labor survivors are reunited with their families and offered a

home when not. Rehabilitation can take years and includes psychological counseling in addition to health care and education. Freed children are supported until grade 10 or age 18, whichever comes first. In addition – and this is the most powerful point of impact – unannounced, random inspections prevent thousands of children from ever being exploited.



### Kabir: The GoodWeave System at work

Kabir was excited about going to the big city. At first he thought he was going to go to school. But instead, unbeknownst to Kabir, his stepfather took an advance of 20,000 NPR, approximately 170 US dollars, in exchange for Kabir's labor. Kabir worked for over a year in a factory to repay the advance his stepfather had taken.

When Nepal reopened after the COVID-19 related shut down, Kabir's uncle brought him to another carpet factory to live, where he worked from five in the morning to eight in the evening. Fortunately for Kabir, this carpet factory was part of a GoodWeave supply chain. GoodWeave auditors discovered Kabir during a routine inspection. When a child laborer like Kabir is found in a factory, GoodWeave works with the business owner to ensure they will not allow children to work in the future. GoodWeave will make certain this factory remains child-labor-free in the future by conducting frequent unannounced inspections.

Kabir is now living in the GoodWeave transit home for freed child laborers, Hamro Ghar, and is back in school. He wants to join the army and serve his country. He is grateful to GoodWeave for providing him with hope and a happy life at Hamro Ghar.



# **CREATE EDUCATIONAL OPPORTUNITIES FOR CHILDREN**

In 2021, GoodWeave provided direct access to education for 18,950 children with another 20,888 indirectly benefiting from schooling initiatives. Programs include daycare and early childhood education; school enrollment; center-based rehabilitation and nonformal education; as well as establishing entire "child-friendly" communities. Programs are designed with input from survivors and those proximate to needs, serving child trafficking survivors and addressing the root causes.

Due to the closure of local government funded schools during the COVID-19 pandemic, some of GoodWeave's programs relied upon e-learning that supplied educational materials to students at home via WhatsApp.



# Mahak stays on track with education through GoodWeave supported e-learning

Mahak, a nine-year-old girl from a rural village in Uttar Pradesh, India confidently writes her name in both Hindi and English. Once she accomplishes the task, she smiles proudly.

Mahak is happy that her learning level has not dropped while her school was closed during the pandemic. In fact,

she advanced, thanks to the GoodWeave community facilitators, who sent Mahak daily homework through WhatsApp and checked on her frequently. As of December 2021, GoodWeave's Digital Learning Group activity has helped 11,238 children in India.

Now that her school is open again, Mahak proudly helps her classmates with their homework, and dreams of becoming a teacher or lawyer one day.



In 2021, GoodWeave extended rights and a range of other services, such as health and financial literacy through its programming in supply chains to more than 101,100 workers.

After the COVID-19 pandemic struck the world in March 2020, GoodWeave quickly pivoted its work in order to protect staff and beneficiary communities, and adjust to newly evolving market realities. This involved establishing remote audit, inspection and safety protocols, as well as delivering humanitarian aid to vulnerable workers and families in South Asian supply chains where GoodWeave operates who had no safety nets.

GoodWeave's grassroots presence ensured services such as urgent food aid; personal protective equipment and COVID-19 awareness; hygiene kids; special protections for freed children; access to e-learning for children; banking support, and access to vaccination for more than 173,000 individuals through 2021.



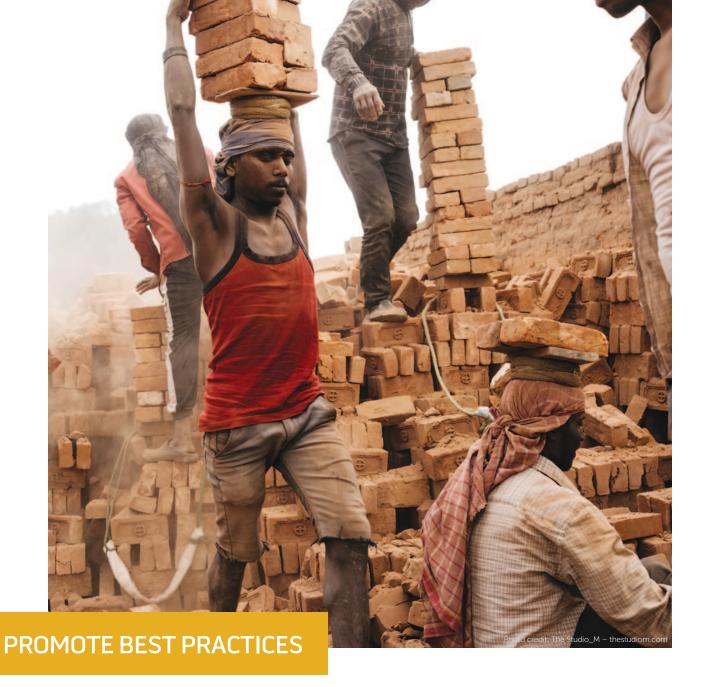
## Hidden Supply Chains in Bangladesh pilot project

From August 2020 to July 2021, GoodWeave and Awaj Foundation implemented the Hidden Supply Chains in Bangladesh pilot project. The project expanded research on undisclosed production, child labor and forced labor in informal ready-made garment (RMG) supply chains, as well as associated remediation and mitigation, in the context of the COVID-19 pandemic's impact on RMG workers. The project also supported vulnerable RMG workers by providing emergency food distribution, rights awareness and COVID-19 safety information during the pandemic.

The project was funded by the Vulnerable Supply Chains Facility (VSCF), a rapid COVID-19 response fund set up by the UK Foreign, Commonwealth and Development Office (FCDO) as part of the Business Partnership for Global Goals (BP4GG) program, and managed by Mott MacDonald Ltd. Watch a short project film here.







Beyond the programs implemented directly, GoodWeave also seeks to improve conditions for all workers, to build the capacity of other organizations, and serve as a thought-leader and advocate raising the bar for companies, governments and other supply chain actors tackling child labor and its root causes.

In 2021, GoodWeave participated in numerous high-level events and advocacy platforms to promote the importance of ending child labor and modern slavery through deep due diligence practices that include full supply chain mapping, application of strong human rights standards, ensuring remedy to rights holders and addressing root causes. These included speaking roles at events such as the OECD Forum on Due Diligence in the Garment and Footwear Sectors, the Center for Responsible Business' India and Sustainability Standards Conference, the 13th annual Engaging Business Forum on Business and Human Rights, and the UN Global Compact Leaders' Summit - South Asia Regional event.

In 2021, GoodWeave continued a longstanding collaboration with Humanity United and Global Fairness Initiative transferring our methodologies to the brickmaking sector in Nepal, where the rate of forced and child labor is staggering. Forty work sites participated in the Better Brick Nepal program, bringing 6,850 workers under protection with a special focus on helping to release workers from debt bondage.

## Best Practice Series to Eliminate Child Labor in Global Supply Chains

As a resource for International Year for the Elimination of Child Labor and beyond, the GoodWeave team created and launched its new "Best Practice Series to Eliminate Child Labor in Global Supply Chains". Based on our proven model, the five-part series describes how companies and nongovernmental organizations can combat child labor in supply chains and sectors where they work.



# **FINANCIALS**

## **Statement of Activities**

For the Year Ended 12/31/2021

UNRESTRICTED REVENUE	
Grants and Donations	\$1,866,588
In-Kind Contributions	\$327,488
Government Revenue	\$1,078,865
Industry Income	\$877,145
Interest and Other	\$(121,081)
TOTAL UNRESTRICTED REVENUE	\$4,029,005
EXPENSES	
Program Services	
Harness Market Forces	\$996,832
Clean up Supply Chains	\$809,966
Create Educational Opportunitie	es \$642,589
Improve Conditions for All	
Workers	\$447,275
Assess Impact and Learning	\$230,411
Promote Best Practice	\$201,683
TOTAL PROGRAM SERVICES	\$3,328,756
Supporting Services	
General and Administration	\$372,930
Fundraising	\$55,058
TOTAL SUPPORTING SERVICES	\$427,988
TOTAL EXPENSES	\$3,756,744
CHANGE IN UNRESTRICTED NET ASSETS	\$272,261
DONOR RESTRICTED NET ASSETS Grants and Contributions Net Assets Released from	\$850,437
Restrictions	\$(1,620,121)
CHANGE IN DONOR RESTRICTED NET ASSETS	\$(769,684)
CHANGE IN NET ASSETS	\$(497,423)
Net Assets at the Beginning of the Year Net Assets at the End of the Year	\$5,646,333 \$5,148,910

# Statement of Financial Position For the Year Ended 12/31/2021

ASSETS	
CURRENT ASSETS  Cash and Equivalents Investments  Accounts Receivable, net Grants Receivable, current Prepaid Expenses and Other Assets  TOTAL CURRENT ASSETS	\$2,178,513 \$114,941 \$507,892 \$1,006,289 \$9,091 \$3,816,726
Grants and Contributions Receivable, net Security Deposit Property and Equipment, net Intangible Assets, net	\$726,109 \$5,686 \$9,218 \$1,455,472
TOTAL ASSETS	\$6,013,211
LIABILITIES AND NET ASSETS	
CURRENT LIABILITIES  Accounts Payable and Accrued Expenses Grants Payable Refundable Advances License Fees Payable Deferred Rent TOTAL LIABILITIES	\$114,833 \$138,174 \$- \$609,659 \$1,635 \$864,301
NET ASSETS  Without Donor Restrictions With Donor Restrictions TOTAL NET ASSETS	\$2,308,373 \$2,840,537 \$5,148,910
TOTAL LIABILITIES AND NET ASSETS	\$6,013,211

GoodWeave International was audited by Rogers & Company PLLC. Full audited financial statements are available upon request.



We are grateful for the generous grants, donations and in-kind support from all of our investors in 2021. With their support, we are creating a world free of child labor.

#### **Institutional Donors**

Community Foundation

Global Giving

**Humanity United** 

ISEAL Alliance Innovation Fund

Janet Wright Ketcham Foundation

Laudes Foundation

L Brands Foundation

Monsoon Trust

New Hampshire Charitable Foundation

Skoll Foundation

The Anbinder Family Foundation

The Freedom Fund

The Seamont Foundation

The Walt Disney Company

**UBS Optimus Foundation** 

US Department of State, Office on

Trafficking in Persons

UK Foreign, Commonwealth &

Development Office

#### **Individual Donors**

More than 250 individuals donated critical support in 2021.

#### **In-kind Contributors**

Covington & Burling LLP Mayer Brown LLP Sunstein LLP

#### **Media Partners**

Allure

Architectural Digest

Dwell

Elle Décor

InStyle

Interior Design

Organic Spa

Rug Insider

The New Yorker

Veranda

Wired

### **BUSINESS PARTNERS**

GoodWeave partners with rug and home textile designers, importers and retailers to create a market for products that are made without child, forced or bonded labor. Licensed importer companies adhere to the GoodWeave Standard, which assures their products are sourced from exporter companies adhering to the same best labor practices.

#### **Licensed Importers**

4Favorites A Rum Fellow A&G Rugs

Abstract Road, LLC

Alicia D. Keshishian Carpets

Amigos de Hoy Amy Helfand **ANG Studios** Anji Mountain Ariana Rugs, Inc. Art Palace, Ltd. Asha Carpets Ashtari Carpets Aussbond Pty, Ltd. Bashian Brothers

BenSoleimani.com, Inc. Bespoke Tibet Carpets

Biyuu

BravinLee Programs, LLC

Bremworth By Henzel

Bazaar Velvet

Cadrys Handwoven Rug

**Specialists** Californian Living

Ca'lyah

Casa Amarosa Catherine Bertulli Change Space Charlene Mullen Christian Liaigre

Classic Rug Collection, Inc. Clive Christian Interiors

Cloak

Company C, Inc. **Crosby Street Studios** 

Dadicos

Deckers Tapijt Deirdre Dyson

Diane Paparo Studio

EcoFiber Rugs

Edition Bougainville Eeuwes Studio Design

Elle Funny Carpets Elson & Company

Emma Gardner Design, LLC

Emma Mellor Handmade

Rugs

Endy Canada Inc.

**Equator Production** 

Erik Lindstrom eye heart hand

Fab Habitat Corporation Flock-Living Limited

Floor Story Freedom

Furtex Limited GRAN Living ApS

Granite Lane Homewares

Pty, Ltd.

Grund America, LLC **Guildcraft Carpets** Heinrich Heine GmbH Herman Miller

High Country Rugs, LLC

Holland Cassidy Home Republic Indo Designer Rugs Inigo Elizalde Rugs Interior Resources J. S. Hurd Design Jacaranda Carpets Jensin Okunishi Studio Joseph Carini Carpets

Julia Toncology Pfeiffer Julie Dasher Rugs

Kaja Gam Design

Kaldhara

Khawachen / Innerasia

Kim Parker

Kismet Fine Rugs

K-Mail Order GmbH & Co.

KG

**Knot Collective** 

Knothouse Kolatech, Inc. Kooches, LLC Laguna Rugs Land Rugs Landry & Arcari

Lapchi Leah Singh Lilla Studios

LiLu Interiors, Inc.

Lindsey Lang Design, Ltd.

Liv Interior GmbH Liza Phillips Design

Loloi

Loom Rugs Lotus Collection

Lucy Tupu Ma Wovens

Madeline Weinrib Atelier

Magliocco Tappeti Maison Deux Makeda Rugs Matteo Pala Matthew Wailes

Merida Merinos

Messenger Rugs Miller Davis Group Modern Archive, LLC

Molana, Inc.

Momtaz Contemporary

Rug Art MOSSROOM MyFelt.de

Namaste UK, Ltd. Nasiri Carpets

Natural Floors PTY, Ltd. Neptune Europe, Ltd.

New Moon

NIBA Rug Collections

Niki Jones, Ltd.

**NOA LLC** 

Nodi Handmade Rugs, Ltd.

Nordic Knots O'C Carpet, Inc. Odegard Carpets Oh Happy Home Organic Weave

Otto GmbH & Co. KG Pad Home Design Concept

GmbH

Paramount Rugs

Pasang

Pehr Designs PupchaKilim

PuRo Lifestyle GmbH

Raya Rugs

RH (Restoration Hardware)

Rimo

Rizzy Home

Robin Gray Design Robyn Cosgrove Rosemary Hallgarten

Rug Art Rug Artisan Rug Star

Rugmaker.com, Ltd.

Rugs for Good

Ruthie L. Designs Australia

PTY, Ltd.

Scott Group Studio

Second Nature Online, Ltd. Serapi Oriental Rug Gallery

Sirecom Tappeti

Sleeping Giant PTY, Ltd. Sonya Winner Rugs

Squarefoot Commercio E Decoração, Ltd.

Sri Diamond Collection

Stanton Carpet Stark Carpet Stella Esvara

Stephanie Odegard Co.,

Ltd.

Strandz London, Ltd.

Studio Berk

Susan D'Arcy Design, LLC

Tailor-Made Textiles
Talis Vertriebs GmbH
Tania Johnson Design
Target Corporation

Tashi Murik

Textures Atelier

The Fine Rug Gallery at

Macy's

The Romo Group

The Rug Company The Rug Tailor, Ltd.

Tigmi Trading

Tranquillo

Trans-Ocean

Tysk-design.com

Unique USA

Upcycle Studio

Vaheed Taheri

Vista Home Fashions

Vossberg Versand Warp & Weft

Wayfair

Wecon Home

Wendy Morrison Design

Willie Weston Woven Floors

Woven Treasures, Inc.

Zoe Luyendijk Studio

### **Lead Sponsors**

Interior Resources Kush

### **Industry Supporters**

Azadi

Christiane Millinger Fayette Showroom

Hagopian/Ghiordes Knot

Rubicon Rugs Rugs by Roo

Rugs By Zhaleh

The Rug Seller

The Rugs Warehouse

# **LEADERSHIP AND STAFF**

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Fontheim International I I C

Edward Millard (Vice Chair)

Rainforest Alliance

Michelle Cross Fenty (Secretary)

Parsan Cross LLC

Marc Triaureau (Treasurer) Eyewitness Surveillance

Alissandra Aronow

Max M. & Marjorie S. Fisher Foundation

Barbara Hawthorn

Barbara Hawthorn Interiors

Siddharth Kara

Author, researcher and modern slavery

and child labor activist

Charles Lyons

Flizabeth Glaser Pediatric AIDS Foundation

Regatte Venkat Reddy

**MV** Foundation

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Working Capital Fund

Pat Zerega

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Aseem Grover

Grover International

Rev. Pharis Harvey

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Target

Gerard Oonk

India Committee of the Netherlands

Indu Tuladahr

Independent child labor expert

Harish Vashistha

Credibility Alliance

Scott Welker

GoodWeave International

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GoodWeave UK Board

Narayan Bhattarai

International Labor Organization

Mathew John

GoodWeave International (non-voting)

Dr. Divya Joyti

Scholar and practitioner in sustainable

value chains

Shawn MacDonald

Verite

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Children Unite

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Regatte Venkat Reddy

**MV** Foundation

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Cyndi Janetzko

Chief Financial Officer

Elisabeth Bystrom

Senior Director, Programs

Scott Welker

Vice President, Business Development

Melanie Bower

Director, Standards and Certification

Daniel Cady

Assistant Controller

**Emily Crain** 

Manager, Standards and Certification

Zoe Dranove

Business Development Manager

Fay Handley

**UK** Representative

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Natalie Tate

Communications and Program Associate

Micaela Vivero

Vice President, Communications





# Creating a World Free of Child Labor