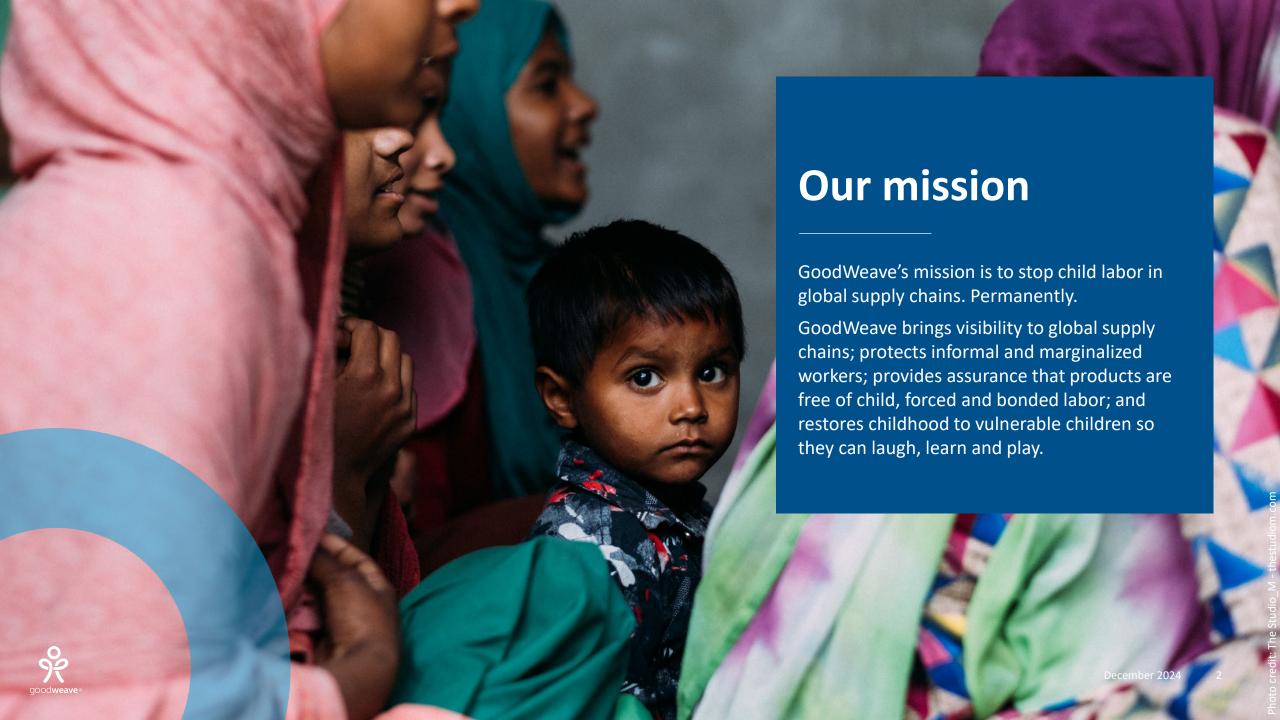


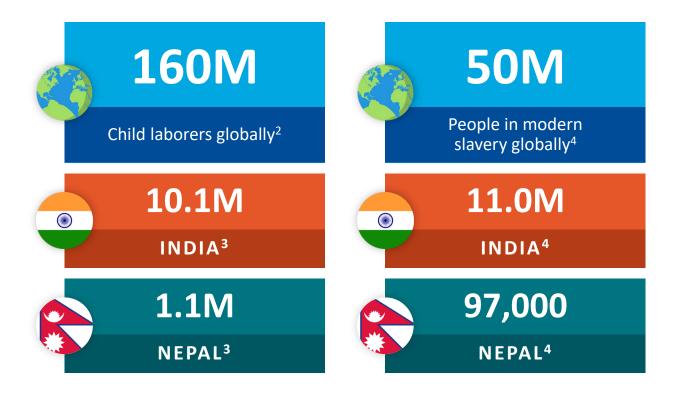


Benefits of GoodWeave's licensing and certification program for carpet and home textile importers

December 2024



Child, forced and bonded labor are widespread in global supply chains



Child and forced labor is documented in 159 products in 78 countries, including carpets, embellished textiles, fashion accessories, garments, leather goods and textiles.¹

There is widespread exploitation in outsourced supply chains, including in subcontracting facilities and home-based worksites.

Global progress against child labor has stalled and is likely to push a further 8.9 million children into labor as a result of rising poverty driven by the COVID-19 pandemic.³

In the carpet industry, children sit at looms for up to 14 hours per day, often performing hazardous tasks, with no access to education. Some are trafficked – under threat of violence – to work off a family debt that can never be repaid on meager wages.





Subcontractor

Home-based Worker

Home-based Worker

Subcontractor

Subcontractor

Exporter

Exploitation in subcontracted production is a risk to your business

Child, forced and bonded labor are crimes under national and international laws. Businesses associated with these forms of exploitation risk detained shipments at ports of entry, class action lawsuits, sanctions and public exposure.

Human rights supply chain due diligence legislation is increasing, and requires full supply chain oversight and remediation. Most compliance programs do not provide due diligence beyond the primary factory and do not include protection for victims.

Prevention efforts are lacking, but essential. Investments to strengthen workers' rights and well-being ensure compliant and stable supply chains.



Deep supply chain due diligence that stops child, forced and bonded labor



Deep Supply Chain Mapping

GoodWeave maps the complete supply chain, from primary manufacturing facilities to outsourced production, including home-based sites.



Inspection and Monitoring

GoodWeave conducts initial audits and random, unannounced inspections, measured against the GoodWeave Standard.



Remediation

GoodWeave offers remedy to child and adult victims of exploitation and works with suppliers to improve conditions.



Prevention

GoodWeave implements
programs in producer
communities to address the
root causes of child labor and
ensure children have access to
education. Programs also
address health and conditions
of work for adults.



Certification: the GoodWeave label

Becoming a **GoodWeave licensee** is the best assurance your imported carpets and home textiles are made free of child, forced and bonded labor.

A unique GoodWeave numbered label on your products provides customers proof of certification and your ethical credentials. Licensed partners have access to a promotional toolkit to help communicate about their commitment, and are included in GoodWeave's online directory listing.



HOW TO BECOME A LICENSED IMPORTER

Importer signs license agreement

Suppliers apply for licensing and undergo an initial audit to assess compliance with the

GoodWeave Standard

Unannounced inspections are carried out

Non-compliances are identified and addressed

Licensed suppliers receive labels prior to shipment

Importer receives labeled products





Photo credit: Nikki Thapa

Business benefits

- Support compliance with transparency, modern slavery and <u>human rights</u>
 <u>legislation</u> by achieving full visibility across high-risk production sites outside
 traditional audit oversight
- Enhance documentation and traceability to prepare for US and upcoming EU bans on forced labor allowing authorities to seize shipments suspected of containing goods made with forced or trafficked child labor
- Advance corporate sustainability agenda towards <u>Sustainable</u>
 <u>Development Goal 8.7</u> to end all forms of child labor by 2025
- Gain "peace of mind" that products are not made with child, forced or bonded labor through GoodWeave's certification
- Improve working conditions in supply chains and producer communities through remediation and social program implementation
- Enhance reputation and make products your customers feel good about buying
- Retain and motivate employees that are proud to work for a company with a broader mission





Our credibility



GoodWeave is a nonprofit organization founded in 1994 by Nobel Peace Prize Laureate Kailash Satyarthi

An independent, global organization with teams in the US, Europe and Asia







GoodWeave is a member of Ethical Trading Initiative and German Partnership for Sustainable Textiles and an ambassador for the Dutch Fund against Child Labour. ¹

GoodWeave's founding CEO has been awarded the Skoll Award for Social Entrepreneurship and the Schwab Foundation Award for Social Entrepreneurs.



Our donors





Netherlands Enterprise Agency





Janet Wright Ketcham Foundation





UBS Optimus Foundation







Funding provided by the United States Government



190+ brand partners in 23 countries















The GoodWeave difference

YES IN SOME CASES	GOODWEAVE INTERNATIONAL	FACTORY SELF MONITORING	3RD PARTY MONITORING	OTHER NGO SUPPLY CHAIN INITIATIVES
Supply chain monitoring at Tier One	\bigcirc	\bigcirc	\bigcirc	\bigcirc
Supply chain mapping and monitoring of subcontracted and home-based worksites beyond Tier One	\bigcirc		\bigcirc	
ISEAL Community Member	\bigcirc			\bigcirc
Comprehensive remediation and rehabilitation of child, forced and bonded labor	\bigcirc		\bigcirc	\bigcirc
Social programs and presence in worker communities	\bigcirc	\bigcirc		\bigcirc



The GoodWeave System and impact

30 years partnering with companies to create child-labor-free supply chains through a market-based system and holistic approach



HARNESS MARKET FORCES

190+ brand partners

Programs in carpets, home textiles, apparel, and other sectors

39+ million products certified





CLEAN UP SUPPLY CHAINS

13,000+ active worksites in GoodWeave inspected supply chains

10,800+ children freed

2



CREATE EDUCATIONAL OPPORTUNITIES

99,500+ children directly provided educational opportunities

24 Child-Friendly
Communities created

3



IMPROVE CONDITIONS FOR ALL WORKERS

125,000+ workers protected under the GoodWeave Standard in 2024

4



PROMOTE BEST PRACTICES

Partnership and capacity building projects: apparel in Bangladesh, bricks in Nepal, tea in India

5



What our licensed partners say

Over 90% say they joined GoodWeave because of a commitment to ending child labor.

Over 60% say GoodWeave's partnership has enhanced their company's reputation.

56% say their customers ask how they are ensuring child labor is not used in the making of their products.





GoodWeave PSA's in major publications educate consumers about the program and contribute to enhancing partner's reputations



Creating a beautiful product for 'work' is great, but when you are assured the best possible practices go into making your product, 'work' becomes passion. GoodWeave allows us to feel good about the products we sell.

,

Paige Sowden
Owner of Interior Resources



Working with GoodWeave reassures us that the factories we work with have regular unannounced inspections and therefore adhere to fair working conditions for all. It is imperative to Jacaranda that no child, forced or bonded labor takes place in the making of our carpets and rugs and that everyone is treated with respect. We also recognize the importance of local initiatives that offer support and change to these weaving communities.

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Erica Burton
Marketing Director, Jacaranda Carpets & Rugs





INCREASED VISIBILITY, INCREASED IMPACT: STORIES OF CHANGE

Mapping a large retailer's supply chain

When a large importer signed up as a GoodWeave licensee, its carpet supplier list included 22 units.

The importer had a compliance program in place, but no visibility into outsourced production.

Over a period of three years, GoodWeave mapped 1,386 outsourced production units in their supply chain and identified 120 child laborers.

INCREASED VISIBILITY,
INCREASED IMPACT: STORIES
OF CHANGE

Sumitra's story

Sumitra's parents wanted to enroll her in school in Kathmandu, but they were unable to bear the cost of admission and other educational expenses.

Instead of going to school, Sumitra began to do some household work and soon she was weaving alongside her relatives in a factory.

Thanks to GoodWeave, Sumitra is now back in school and dreaming of becoming a nurse.

Read her story here.





Frequently asked questions

Q. What are the costs of GoodWeave's licensing and certification program?

Under the licensing and certification program, the importer pays 2% of the EXW value of every shipment of GoodWeave-labeled goods, capped at 140,000 USD/year. The exporter pays 0.3% of the EXW value and is not capped. In both cases, the fee is only applicable to certified goods. For goods that are not labeled, a different licensing fee applies. Please contact us for more information.

Q. What is GoodWeave's approach to capacity building?

With the <u>GoodWeave System</u> tested and proven as an effective model for combating child labor, we are expanding our reach by focusing on capacity-building efforts and promoting best practices. We know that to achieve our mission of stopping child labor, we must accelerate efforts, create partnerships, and spur the uptake of our successful model in new sectors and geographies. As such, we work with nongovernmental organizations (NGOs) and companies, building and strengthening stakeholders' skills and abilities to adapt and apply elements of our model.

Q. What are the GoodWeave Standard requirements?

The Standard is comprised of three Principles: 1) No child labor is allowed, 2) No forced or bonded labor is allowed, and 3) Conditions of work are documented and verifiable. It also includes Progress Principles, which are designed to address a broader range of labor and environmental issues, but are not required for certification.

Q. Can you modify your program requirements? For example, I want to become a licensee, but do not want to label carpets and home textiles.

No, GoodWeave's certification program for carpets and home textiles follows a rigorous process based on specific scope, claim and labelling requirements.

Q. How do I know if there is outsourcing in my production?

Outsourcing is common in the carpet, home textile and apparel sectors in India, Nepal and other South Asian countries. The GoodWeave team is skilled at working with exporters to build trust that leads to disclosure of subcontracted worksites.







Become a GoodWeave partner.

Doing the right thing for your
business has never been easier.

Contact us today to learn more.

partnership@goodweave.org

goodweave.org