



Ethical Trading Initiative
Respect for workers worldwide



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HOMEWORKER GUIDELINES

WHAT SUPPLIERS CAN DO

Second edition (May 2010)

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1 Introduction

These guidelines set out the steps that suppliers can take to help improve the working conditions of homeworkers. The aim of the guidelines is to help suppliers implement internationally agreed labour standards with homeworkers, specifically those set out in the Ethical Trading Initiative (ETI) Base Code.

1.1 Background

Homeworkers are a valuable part of the supply chain for many companies. They are involved in producing hand-crafted products, such as embroidered and sequinned garments and accessories, as well as working in industries such as footwear, electrical assembly and plastic products, packaging and labelling, and doing non-traditional handwork for products such as footballs.

Homeworkers can be found in countries around the world. There are an estimated 300 million homeworkers in the developing world, and approximately 5% of those in employment in Northern countries are homeworkers.

Despite their importance, homeworkers are among the most vulnerable and marginalised workers in the supply chain, often having no legal status, no job security, and working in unsafe and unhygienic conditions for very low wages.

Retailers, suppliers and others are trying to address and improve this situation by applying codes of labour practice to homeworkers. However, this can be very challenging because of the complexity of supply chains involving homeworkers, the fact that homeworkers are right at the bottom of the supply chain, and the informal nature of their work.

Further information: For additional information about homeworkers and the type of work they do, see 'Homeworkers and homeworking: An introduction', at www.ethicaltrade.org.uk/in-action/projects/homeworkers-project/guidelines.

1.2 About the ETI guidelines

These guidelines provide **practical guidance to suppliers**, including agents and exporters, about:

- **identifying the presence of homeworking in supply chains;** and
- **implementing and monitoring the ETI Base Code with homeworkers.**

They also set out the reasons **why** suppliers should take action to ensure good working conditions for homeworkers, and **how** they can work with their customers (retailers or buying companies) and others to help bring this about.

The guidelines are concerned with homeworkers who are **home-based subcontracted or home-based dependent workers working for an employer, intermediary or subcontractor for a piece rate.**

They have been developed in consultation with members of the Ethical Trading Initiative (ETI). Further information on ETI and how the guidelines were developed can be found at www.ethicaltrade.org.uk/in-action/projects/homeworkers-project/guidelines.

1.3 Why should suppliers take action?

The main reason suppliers should be concerned with homeworkers' conditions is **because their customers require it.**

There is increasing concern about the working conditions of people making goods and products around the world. Campaigning organisations and consumers want retailers to take responsibility for workers' rights and conditions in their supply chains. This is why many retailers and buying companies have signed up to codes of labour practice – such as the internationally recognised ETI Base Code – which set out the conditions that workers in their supply chains can expect.

If you are supplying a company that has signed up to a code of labour practice, they will expect you and your contractors to work to the same standards.

The ETI Base Code applies to **all** workers, including homeworkers. ETI member companies have signed up to accept homeworkers in their supply chains and to implement the Base Code with homeworkers. So you will need to work with your contractors and others to identify whether there are homeworkers in your supply chains and to ensure that their working conditions meet required standards.

Failing to address homeworkers' conditions presents a business risk to suppliers in terms of:

- Loss of business and customers.
- Poor compliance with codes/standards.
- Quality of work.
- Security of supply.

Working to improve conditions for homeworkers can have real benefits, such as:

- Satisfying your customers – retaining existing customers and attracting new ones.
- Compliance with codes of labour practice.
- Increased understanding of your own supply chain.
- Strengthened relationships with your customers and your contractors.
- Improved supply chain efficiency.
- Better quality products.
- Better living standards and conditions for homeworkers – the poorest workers in your supply chains.

Further information: For more business reasons why suppliers should take action, see www.ethicaltrade.org.uk/in-action/projects/homeworkers-project/guidelines.

2 What suppliers can do

Suppliers are key to improving working conditions for homeworkers. This section gives an overview of the steps you can take to address homeworker issues, and some helpful hints on making actions more effective.

2.1 A step-by-step approach

Figure 1 sets out the steps you can take to identify homeworkers, find out more about their conditions, and take action where these fall short of codes of labour practice. (Further details are set out in sections 3–5 of these guidelines.)

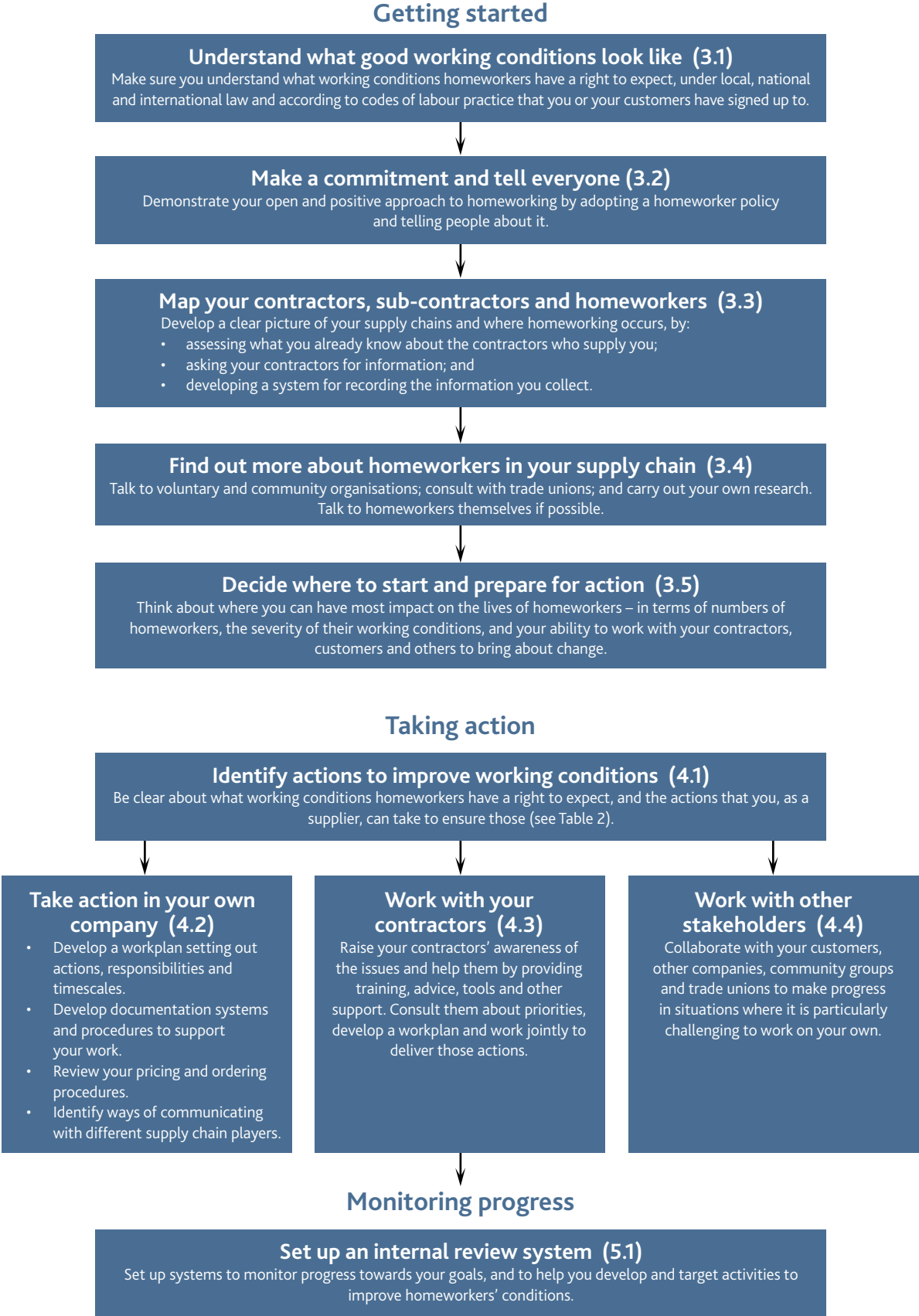
These can be carried out across your whole supply chain, or you can phase your approach depending on your resources and priorities.

2.2 Taking effective action

Whatever stage you are at – from planning to implementation – your actions will be more effective if you:

- **Treat this as an ongoing process**, rather than a one-off exercise. For example, you may have to repeat some steps before fully understanding your supply chains, or you may decide to go through all the steps for a particular part of your supply chain before starting on others.
- **Aim for continuous improvement**. You are likely to find that many homeworkers' conditions fall short of the standards in the ETI Base Code. Although you won't be able to address them all at once, aim for steady progress towards implementing agreed actions within agreed timescales.
- **Learn from other suppliers and retailers** who have already started on this journey. These guidelines incorporate the learning from ETI members who are actively working on these issues. Their feedback highlights the need to:
 - Understand your supply chain.
 - Work towards transparency.
 - Develop long-term relationships and establish trust with partners.
 - Start with achievable actions and use a combination of approaches.
- **Develop partnerships** to help you address issues that are hard to tackle on your own.

Figure 1. What suppliers can do: A stepped approach to improving working conditions for homeworkers



3 Getting started

Initial work to identify and find out more about homeworkers in your supply chain will help you build up a picture of what needs doing and where to start.

3.1 Understand what good working conditions look like

You need to be clear what working conditions homeworkers have a right to expect, so that you know which fall short of good labour practice and what to aim for when developing improvement plans.

Before getting started, you need to be aware of the working conditions that homeworkers have a right to expect – under local, national and international law, and according to any codes of labour practice that you or your customers have signed up to. This will help you identify where conditions for homeworkers are particularly poor, and what you need to do to address them.

The ETI Base Code is a good starting point for understanding what good working conditions look like. The Code sets out the minimum working conditions that members of the Ethical Trading Initiative (ETI) expect their suppliers to provide to their workers, including homeworkers.

A summary of the Code and what that means in the case of homeworkers is shown in **Table 1**.

Further information: A leaflet for suppliers and contractors, which summarises those conditions, can be found at www.ethicaltrade.org.uk/in-action/projects/homeworkers-project/guidelines.

3.2 Make a commitment and tell everyone

The first step to improving homeworkers' conditions is to show that your company accepts homeworkers in the supply chain and takes its responsibilities towards them seriously.

Making a commitment to homeworkers will:

- Show your customers that you are willing to work with them to ensure good conditions for homeworkers.
- Highlight to your contractors that they should not exclude homeworkers from your supply chains or conceal any homeworkers that are there.

One way to **demonstrate your commitment** to buying companies and others is to **adopt a formal policy on homeworkers**. Your policy should make it clear that:

- Homeworking is acceptable to you and to your retailer customers.
- You are committed to ensuring good working conditions for homeworkers.
- You will only give orders to contractors who are willing to work with you to ensure good working conditions for homeworkers.

Make sure that people know about your approach. You could do this by including information on your policy in contractor and sub-contractor meetings, briefings, training courses, contracts and other documentation.

Encourage your contractors to tell homeworkers about your policy, and the working conditions they can expect – or inform them directly.

Further information: You can find a **model policy** in **Annex A**, which could be used as the basis for developing your own. Examples of other companies' homeworker policies can be found at www.ethicaltrade.org.uk/in-action/projects/homeworkers-project/guidelines.

Table 1. What the ETI Base Code means for homeworkers

ETI Base Code 1: Employment is freely chosen.

- Homeworkers must not be subjected to forced or bonded labour.
- They must be carrying out homework on a voluntary basis.
- Their wages should not be withheld or delayed, and they should not be forced to work to pay off their debts.

ETI Base Code 2: Freedom of association and the right to collective bargaining are respected.

- Homeworkers have the right to establish or join organisations and trade unions of their own choosing, to participate in the activities of such organisations, and to engage in collective bargaining on issues related to their work.
- Homeworker representatives, or those organising homeworkers, should not be discriminated against.

ETI Base Code 3: Working conditions are safe and hygienic.

- A safe and hygienic work environment should be provided, taking into consideration existing knowledge of the industry and any specific hazards.
- Adequate steps should be taken to prevent accidents and injury to homeworkers arising out of their work, by minimising the causes of hazards inherent in the working environment, and enhancing their health and wellbeing.
- Homeworkers should receive regular and recorded health and safety training.
- The company observing the code should assign responsibility for health and safety of homeworkers to a senior management representative.

ETI Base Code 4: Child labour shall not be used.

- Companies should develop or participate in and contribute to policies and programmes which provide for the transition of any child found to be performing child labour to enable her or him to attend and remain in quality education until no longer a child.
- Children and young persons under 18 should not be employed at night or in hazardous conditions.

ETI Base Code 5: Living wages are paid.

- Homeworkers should be paid rates equivalent to or greater than the minimum wage defined in national legislation or industry benchmark standards, whichever is the higher, for all work carried out.
- Where there is no minimum wage defined for homework, the rates should be equivalent to the minimum wage defined for a factory worker doing the same task.
- Homeworkers should be paid promptly and given an itemised pay slip indicating the piece rate of pay and the amount, cause and nature of deductions. Where possible, homeworkers should be given a clear written agreement of terms and conditions of employment.

ETI Base Code 6: Working hours are not excessive.

- Homeworkers should be made aware of the hazards of excessive work.
- Homeworkers should not be forced to work more hours than they wish and should never be coerced into working excessive hours.

ETI Base Code 7: No discrimination is practised.

- There is no discrimination in offering homework based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation as stated.
- Homeworkers shall not be offered lower rates of pay than factory workers doing the same work.

ETI Base Code 8: Regular employment is provided.

- Homeworkers should enjoy social security benefits and holiday/maternity pay, etc, comparable to other workers, even where these are not a statutory requirement for homeworkers.
- Wherever possible, retailers should endeavour to ensure a regular supply of work and should communicate anticipated fluctuations of business at all levels.

ETI Base Code 9: No harsh or inhumane treatment is allowed.

- Physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation shall be prohibited.
- This includes any form of coercion related to work at the household level.

Note: The full text of the ETI Base Code can be found at: www.ethicaltrade.org/resources/key-eti-resources/eti-base-code.

3.3 Map your contractors, subcontractors and homeworkers

You need to know where homeworking occurs in your supply base before you can start to improve homeworkers' conditions. Mapping your supply chain is an essential step in this process.

It's vital that you understand your supply chain – including where homeworking takes place – before trying to improve homeworkers' working conditions. Without a proper understanding, your actions may be ineffective or even damaging to the livelihoods of homeworkers.

Your customers will also want to be able to see the different layers in your supply chain to ensure that they can trace their products. Developing a supply chain map will help make this possible.

Mapping your supply base will involve developing a system for identifying and recording information on your subcontractors and homeworkers. You will need to:

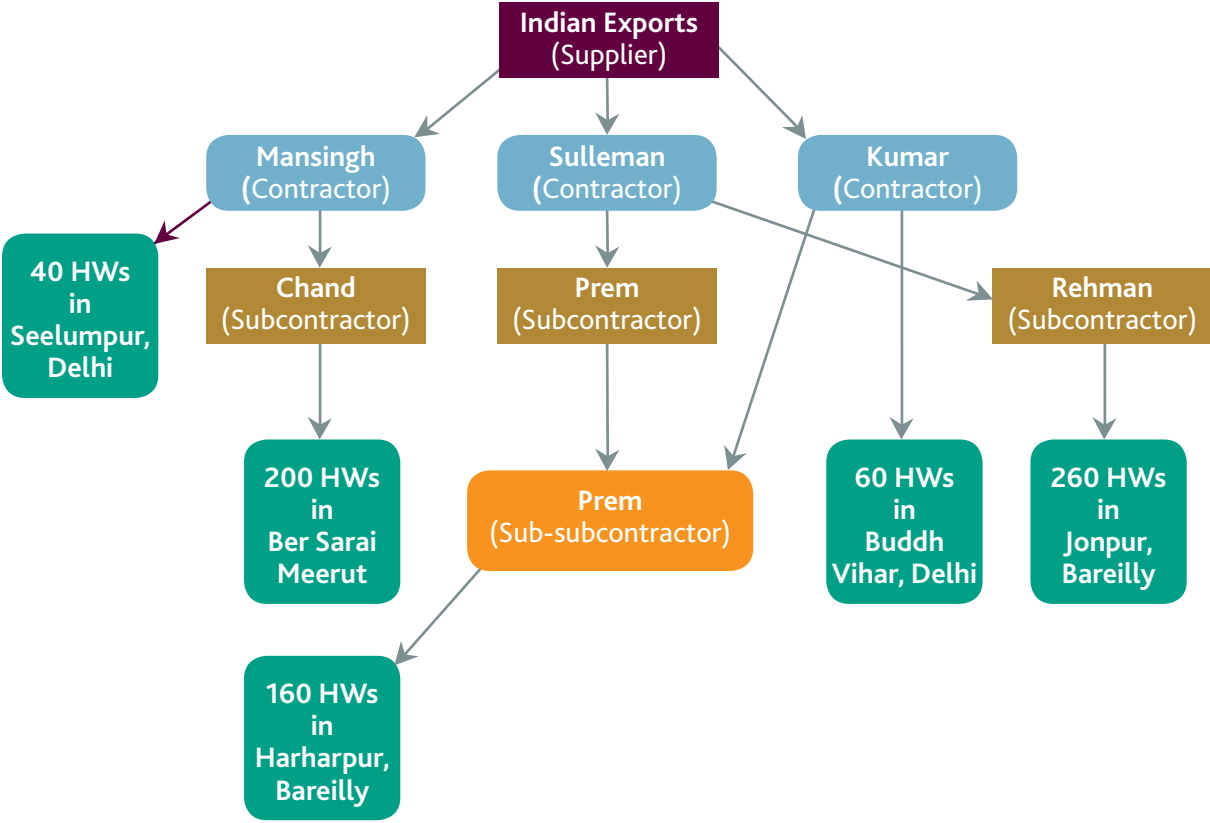
1. **Assess what you already know about the contractors who supply you.**
Do your contractors use any subcontractors and/or homeworkers? Do the products they supply require any handwork (eg embroidery, stitching, assembly, labelling, etc) and do you know where this is being done?
2. **Ask your contractors to provide you with information.**
Ask your contractors for information about their subcontractors and/or homeworkers. **Annex B** contains an example of a form you could use to gather information from contractors. You can use this information to cross-check your own records and to fill in any gaps.
3. **Develop a system for recording information on your supply chain and homeworking.**
You will need to keep records of your contractors, subcontractors and homeworkers. The form in **Annex B** could be used for recording information (as well as for collecting information from contractors). Alternatively, many retailers and buying companies have their own recording systems, and you could use one of these as the basis for your own approach.
4. **Encourage your contractors to keep their own records.**
Your contractors should record information on their own subcontractors and/or homeworkers. You could give your contractors copies of the form you use, and ask them to complete it for their own supply chain.

Where there are many layers to your supply chain, the mapping process will be more complicated and may need to be done in stages. You could start by identifying contractors who:

- work directly with homeworkers;
- use only one or two more subcontractors; and/or
- you have long-term relationships with.

The information you gather will help you build a picture of your supply chain. An example of a supply chain map which includes homeworkers is shown in **Figure 2** opposite.

Figure 2. Example of a supply chain map



3.4 Find out more about homeworkers

Where you have homeworkers in your supply base, you need to find out about their working conditions and possible areas for improvement.

Once you have identified where homeworkers are, you need to find out more about their working conditions, and which areas of the Base Code are not being addressed properly. For example, homeworkers in your supply chain may have had health and safety training, but may not be keeping records of their payments.

This process may take a while, but you should be able to build up a picture as you start working with contractors and others. The following sources of information could help you:

- Contact voluntary and community organisations for further information – particularly those working with homeworkers and/or in the locality where you have identified homeworkers. The organisations listed in **Annex C** may be able to help, or could direct you to other local sources of information.
- Consult with trade unions who are actively organising homeworkers or who are organising among the factories supplying work to homeworkers (see **Annex C**).
- If possible, talk to homeworkers themselves about issues and concerns they have about their working conditions. You can find an example of a questionnaire to use with homeworkers at www.ethicaltrade.org.uk/in-action/projects/homeworkers-project/guidelines.

3.5 Decide where to start and prepare for action

Information gathered from the mapping exercise and any other research you have done will help you identify where to start taking action to improve homeworkers' conditions.

It could take time to build a picture of homeworking across the whole of your supply chain. However, you should be able to start tackling issues in areas where you have a good picture of the situation. The results from the mapping exercise and your research should help you decide where to start and what to do first.

Think about where you can have most impact on the lives of homeworkers – in terms of the numbers of homeworkers involved, the severity of the conditions they are working under, and your ability to work with contractors to bring about change.

Consider starting to implement actions with homeworkers where you have:

- Simpler supply chains (few or no contractors between your company and the homeworkers).
- Relatively stable supply chains (eg not those for short-term fashion items).
- Long-term/strong relationships with contractors (who in turn have strong relationships with any subcontractors).
- The largest number of homeworkers.
- Several contractors using a small group of homeworkers in the same area.

Or where:

- There is a large gap between the working conditions set out in the ETI Base Code and those being experienced by homeworkers (eg where wages or other conditions are very poor).
- Local community groups are able to work with you.
- Local trade unions are actively organising homeworkers or organising in factories supplying work to homeworkers.

4 Taking action

Once you have enough information about your supply chain, there are a range of actions you can take – in your own company, with contractors and others – to improve homeworkers' conditions.

4.1 Identify actions to improve working conditions

You need to be clear what working conditions homeworkers have a right to expect, so that you can address the areas which fall short of good labour practice, and identify possible actions to address them.

Remind yourself what good working conditions look like in the context of homeworking (see Section 3.1). This will help you identify where conditions for homeworkers are particularly poor, and what you need to do to address them.

Table 2 provides a summary of the Code and sets out some actions that you and others can take to help ensure those working conditions are met in your supply chain. These are discussed in more detail below.

Further information: A summary leaflet for suppliers and contractors can be found at www.ethicaltrade.org.uk/in-action/projects/homeworkers-project/guidelines.

4.1.2 Assess and deal with costs of implementation

In some cases, the gap between homeworkers' conditions and those set out in the ETI Base Code may be so great that you cannot absorb the costs of making the necessary improvements. Where this happens, you may need to look at the possibility of sharing costs with your customers (retailers and buying companies). The following principles will help you meet any costs of implementing these guidelines and work effectively with your customers to improve labour conditions of homeworkers:

- Suppliers and retailers should make sure the cost of managing homeworkers is factored into the product price. It is vital that you quote prices to your customers which enable you to comply with the Code and these guidelines. It is equally important for your customer to take into account the costs of observing the Code in their negotiations with you.
- Your negotiations with customers need to take into account the costs of homeworkers and the reasons why they are being used. Provide a detailed cost breakdown, including such things as raw materials, packaging, distribution and labour.
- Try and control cost increases and retain competitiveness by actions such as reviewing production efficiencies, time and motion studies, and automation.

Further information: More information on setting piece rates can be found at www.ethicaltrade.org.uk/in-action/projects/homeworkers-project/guidelines.

Table 2. Applying the ETI Base Code to homeworkers: Actions for suppliers

ETI Base Code and what it means for homeworkers	What this might look like in reality	What suppliers should do*
<p>ETI Base Code 1: Employment is freely chosen.</p> <ul style="list-style-type: none"> • Homeworkers must not be subjected to forced or bonded labour. • They must be carrying out homework on a voluntary basis. • Their wages should not be withheld or delayed, and they should not be forced to work to pay off their debts. 	<p>What this may look like: Homeworkers may be indebted to intermediaries and therefore not able to change which contractor they work for.</p> <p>Likelihood of breach: Medium</p>	<ol style="list-style-type: none"> 1. Work with contractors, local non-governmental organisations (NGOs) and trade unions to identify if debt bondage is a problem, and follow up.
<p>ETI Base Code 2: Freedom of association and the right to collective bargaining are respected.</p> <ul style="list-style-type: none"> • Homeworkers have the right to establish or join organisations and trade unions of their own choosing, to participate in the activities of such organisations, and to engage in collective bargaining on issues related to their work. • Homeworker representatives, or those organising homeworkers, should not be discriminated against. 	<p>What this may look like: Traditional trade union methods of organisation cannot work where homeworkers are scattered and competing for work. However, homeworkers may form or work with homeworker organisations to discuss common problems and solutions.</p> <p>Likelihood of breach: Low chance that homeworkers' union rights are actively breached, but highly likely that homeworkers are unable to associate and bargain collectively.</p>	<ol style="list-style-type: none"> 1. Accept/do not restrict homeworkers' right to join or form unions or other associations. 2. Recognise trade unions and organisations representing homeworkers, and engage in collective bargaining and other discussions on issues facing homeworkers. 3. Do not deny work to homeworkers who are organising, and do not penalise them for raising issues. 4. Keep relevant records of union representatives and meetings/homeworker organisation. 5. Do not prevent representatives of homeworkers' organisations/trade unions from meeting homeworkers in a confidential setting. 6. Work with retailers, community groups and trade unions to develop a confidential complaints system.
<p>ETI Base Code 3: Working conditions are safe and hygienic.</p> <ul style="list-style-type: none"> • A safe and hygienic work environment should be provided, taking into consideration existing knowledge of the industry and any specific hazards. • Adequate steps should be taken to prevent accidents and injury to homeworkers arising out of their work, by minimising the causes of hazards inherent in the working environment, and enhancing their health and wellbeing. • Homeworkers should receive regular and recorded health and safety training. • The company observing the code should assign responsibility for health and safety of homeworkers to a senior management representative. 	<p>What this may look like: Conditions in homes may be poor, especially in terms of lighting (needed when detailed work is being done), and ventilation (important if toxic substances such as glues or soldering are used).</p> <p>Likelihood of breach: High</p>	<ol style="list-style-type: none"> 1. Work with contractors, trade unions and others to identify industry-specific potential hazards, and establish safe working procedures for homeworkers. 2. Work with community groups and/or trade unions to implement health and safety (H&S) guidelines and programmes addressing homeworkers' health needs (eg health insurance, home and tool improvements, etc). 3. Where possible, provide training and equipment to homeworkers to control work health hazards. 4. Raise awareness of H&S issues with your contractors and provide training where needed. 5. Help your contractors raise awareness of H&S issues among their own subcontractors and homeworkers. 6. Keep records of any H&S training, and encourage contractors to do the same. 7. Assign responsibility for the H&S of homeworkers to a responsible person. 8. Work with trade unions' H&S representatives and consult formally with a H&S committee. 9. Explore sourcing from community-based cooperative workshops providing good working conditions.

* Suggested priority actions for each of the Base Code areas are highlighted in bold.

ETI Base Code and what it means for homeworkers	What this might look like in reality	What suppliers should do*
<p>ETI Base Code 4: Child labour shall not be used.</p> <ul style="list-style-type: none"> Companies should develop or participate in and contribute to policies and programmes which provide for the transition of any child found to be performing child labour to enable her or him to attend and remain in quality education until no longer a child. Children and young persons under 18 should not be employed at night or in hazardous conditions. 	<p>What this may look like: Homeworkers often receive piece rates which are too low to support their families; the only way to make ends meet is by their children (especially girls) helping in production – which may interfere with their education. Children may also be employed in hazardous processes when producing jewellery, glass and metal products.</p> <p>Likelihood of breach: High</p>	<ol style="list-style-type: none"> Develop or participate in policies and programmes with government, NGOs and trade unions to increase access to formal, quality education by homeworkers' children, at the closest point (eg village or ward). Collaborate with government and NGOs to develop programmes for supporting education initiatives for children of homeworkers. Inform your contractors and homeworkers of the legal minimum age of employment in the country. Raise awareness among your contractors and homeworkers about the issues of children in homeworker families. Encourage homeworkers to send their children to school and develop methods of positively rewarding homeworker families that do so. Do not permit the employment of children in hazardous conditions. Discourage adolescents from working in hazardous conditions. Set up monitoring systems for random checks on out-of-school children.
<p>ETI Base Code 5: Living wages are paid.</p> <ul style="list-style-type: none"> Homeworkers should be paid rates equivalent to or greater than the minimum wage defined in national legislation or industry benchmark standards, whichever is the higher, for all work carried out. Where there is no minimum wage defined for homework, the rates should be equivalent to the minimum wage defined for a factory worker doing the same task. Homeworkers should be paid promptly and given an itemised pay slip indicating the piece rate of pay and the amount, cause and nature of deductions. Where possible, homeworkers should be given a clear written agreement of terms and conditions of employment. 	<p>What this may look like: Few homeworkers receive the minimum wage and even fewer receive a living wage. Record keeping is poor or non-existent and pay may be reduced further through unfair deductions. Wages may be paid irregularly and in some cases only partial payments are made to keep workers tied to contractors.</p> <p>Likelihood of breach: High</p>	<ol style="list-style-type: none"> Work with retailers to negotiate product costs that cover piece rates equal to or higher than minimum wage for homeworkers. Develop a standardised system for setting piece rates and deductions where applicable. Have a joint written contract with your contractors to cover work with homeworkers. Assess your own commercial practices, to identify reasons for delay in payments to homeworkers and to take remedial measures. Set up systems to ensure homeworkers receive agreed piece rates and are paid promptly when working on your orders, and monitor them. Encourage contractors to issue job slips itemising the date of delivery and collection, piece rate and amount and nature of deductions. Maintain a system (with contractors) to distribute a written agreement on payments to all homeworkers. Explore sourcing from homeworker cooperatives or from homeworkers who are represented by a trade union.
<p>ETI Base Code 6: Working hours are not excessive.</p> <ul style="list-style-type: none"> Homeworkers should be made aware of the hazards of excessive work. Homeworkers should not be forced to work more hours than they wish and should never be coerced into working excessive hours. 	<p>What this may look like: Work is usually irregular, which means that working hours vary widely. Homeworkers may be asked to work long hours with no overtime pay, but are unlikely to refuse if there is no guarantee of regular work.</p> <p>Likelihood of breach: Medium, but not a top priority for homeworkers who are usually more concerned about earning enough to live on than working long hours.</p>	<ol style="list-style-type: none"> Avoid placing unreasonable deadlines for orders. When very short deadlines are given, provide payment incentives, a proportion of which must be passed on to homeworkers. Develop systems to ensure that long working hours are not imposed and that fair overtime rates are paid.

ETI Base Code and what it means for homeworkers	What this might look like in reality	What suppliers should do*
<p>ETI Base Code 7: No discrimination is practised.</p> <ul style="list-style-type: none"> There is no discrimination in offering homework based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation as stated. Homeworkers shall not be offered lower rates of pay than factory workers doing the same work. 	<p>What this may look like: Homeworkers often earn less than factory workers doing the same work. Women are often only offered the lower paid work within a sector, and are often paid less than men for the same work.</p> <p>Likelihood of breach: Medium</p>	<ol style="list-style-type: none"> 1. Work with retailers, contractors, trade unions and community groups to set up mechanisms for redressing grievances. Consult with trade unions or homeworker organisations over a grievance procedure. Include a non-discrimination clause in contracts with your contractors. 4. Ensure, together with your contractor, that men and women are paid equally for work of equal value. 5. Calculate homeworker piece rates that are comparable with the minimum wage. Ensure that orders are not withdrawn and/or that homeworkers are not penalised for raising issues.
<p>ETI Base Code 8: Regular employment is provided.</p> <ul style="list-style-type: none"> Homeworkers should enjoy social security benefits and holiday/maternity pay, etc, comparable to other workers, even where these are not a statutory requirement for homeworkers. Wherever possible, retailers should endeavour to ensure a regular supply of work and should communicate anticipated fluctuations of business at all levels. 	<p>What this may look like: As most homeworkers are not employees, they do not receive sick/holiday/maternity pay and are rarely included in pension schemes. The supply of work is often irregular; regular work is one of homeworkers' top priorities.</p> <p>Likelihood of breach: High</p>	<ol style="list-style-type: none"> 1. Try to provide regular work. 2. Provide information to contractors and homeworkers about likely future orders. 3. Support and contribute to initiatives to provide social security to homeworkers who do not have access to, or are not covered by, any state system (eg funds/schemes for insurance, pension, child/health care, etc).
<p>ETI Base Code 9: No harsh or inhumane treatment is allowed.</p> <ul style="list-style-type: none"> Physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation shall be prohibited. This includes any form of coercion related to work at the household level. 	<p>What this may look like: Common in informal sweatshops but not among homeworkers.</p> <p>Likelihood of breach: Low</p>	<ol style="list-style-type: none"> Consult with trade unions over workplace procedures, to reduce the incidence of mistreatment and ensure it is reported and acted on appropriately. 2. Work with retailers, community groups and trade unions to develop a confidential complaints system.
<p>ETI Principles of Implementation 4.3 and 3.3.</p> <ul style="list-style-type: none"> Homeworkers covered by the Code should be able to report confidentially, without detriment, any failure to observe the Code. Workers whose work is covered by the Code are, where possible, made aware of the Code and implementation principles or procedures. This includes making homeworkers aware of the homeworker guidelines and their entitlements under the guidelines. 		<ol style="list-style-type: none"> 1. Make your contractors aware of the ETI Base Code, and the homeworker guidelines and how to implement them. 2. Explain the guidelines in an appropriate and understandable way to contractors and homeworkers (overcoming any challenges presented by language and literacy levels). Establish a timeframe for distributing information on the guidelines and follow up to see they are put into practice.

4.2 Take action in your own company

Suppliers and exporters have a key role to play in improving conditions for homeworkers. This section sets out things your company can do to help ensure good working conditions for homeworkers.

4.2.1 Develop a workplan

Once you have identified priority actions (in consultation with contractors, subcontractors, homeworkers and retailers) then you should develop a workplan to address them. The workplan should indicate:

- areas of responsibility;
- steps to establish and maintain good working conditions down the supply chain (see **Table 2** for possible actions on particular areas of the Code);
- what advice and support agents/suppliers/contractors will need;
- how to work with others (eg other suppliers, local community and voluntary groups, trade unions, government agencies, etc); and
- a realistic timetable for working jointly on issues.

You will not be able to carry out all actions in your plan at once. Some areas may be easy to improve with little cost. Others will take time, sensitivity and support to achieve. Take this into consideration when developing your action plan, reassure contractors that you understand this, and allow realistic timeframes for improvements.

4.2.2 Develop documentation systems and procedures

You will need to develop documentation systems and procedures to help ensure that homeworkers' conditions are respected. These can be developed as part of your existing quality systems, and should address the following:

- **Contracts:** You should have a joint written contract with your contractors to cover work with homeworkers. Make sure the contracts contain a 'no harsh or inhumane treatment' clause and a non-discrimination clause.
- **Job slips:** You, or the contractor dealing with the homeworker, should issue job slips to homeworkers, itemising the date of delivery and collection, piece rate, date of payment and the amount and nature of any deductions. (This could be done through a log book, see **Annex D**.)
- **Written agreements on pay:** Distribute a written agreement on payments to your or your contractors' homeworkers, and/or develop systems to demonstrate that piece rates are fair.
- **Health and safety:** Appoint responsibility for homeworkers' health and safety and keep appropriate records.
- **Working hours:** Develop systems to ensure that long working hours are not imposed and that fair overtime rates are paid.

Encourage your contractors to develop their own systems and keep their own records (see Section 4.3.2).

Case study: One UK supplier – **Madison Hosiery** – has taken the step of employing homeworkers directly and making them part of the company's workforce. As well as making it much easier for the supplier to monitor and ensure good working conditions, this arrangement has a number of business advantages (eg providing the supplier with a flexible, motivated and skilled workforce), as well as presenting real benefits to homeworkers. Read more about how this works in practice, and the benefits for the company and the homeworkers, in the case study at www.ethicaltrade.org.uk/in-action/projects/homeworkers-project/guidelines.

4.2.3 Review your pricing and ordering procedures

You will need to address issues around agreeing prices, setting piece rates and making payments, to ensure that homeworkers receive appropriate payment for their work. In particular, action is needed on:

- **Negotiating product costs:** Work with retailers to negotiate product costs that cover piece rates equal to or higher than the minimum wage for homeworkers.
- **Piece rate setting:** Develop standardised system for setting piece rates (including allowing for contractor margins) which ensure that rates paid to homeworkers are equivalent to or higher than the minimum wage – see www.ethicaltrade.org.uk/in-action/projects/homeworkers-project/guidelines.
- **Equal pay:** Ensure, together with your contractor, that men and women are paid equally for work of equal value.

- **Prompt payment:** Develop practices to ensure prompt payments throughout your supply chain. Assess your own commercial practices, to identify reasons for delay in payments to homeworkers and take remedial measures.
- **Reasonable deadlines:** Avoid giving unreasonable deadlines for orders. When very short deadlines are unavoidable, provide payment incentives, a proportion of which must be passed onto homeworkers.

Further information: More detailed information on setting appropriate piece rates can be found at www.ethicaltrade.org.uk/in-action/projects/homeworkers-project/guidelines.

4.2.4 Identify ways of communicating with people in the supply chain

You will need to set up communication channels with others in the supply chain – your customers, contractors, subcontractors and/or homeworkers – so you can discuss how to make progress together on working conditions.

Consider how you currently communicate with them (eg on quality or health and safety). Could you use existing systems (eg quality checking systems) to monitor conditions of homeworkers and drive improvements? Do you belong to any existing groups or networks where these issues can be addressed? Are there homeworke organisations, unions or voluntary groups that could help you communicate with homeworkers?

4.2.5 Other issues

Table 2 sets out other actions you can take to address issues around health and safety of homeworkers, recognising and working with trade unions, child labour, and working hours.

4.3 Work with your contractors

You will need to provide support, advice and practical guidance to your contractors, to ensure that they are able to work with you to improve homeworkers' conditions.

Your contractors will need to be closely involved in many of the actions you decide to take. You will need to engage and communicate with them on a regular basis, and help them put any changes in place.

Consider giving contractors who are committed to raising homeworkers' pay and conditions 'preferred contractor status' – committing to a commercial relationship with them for a reasonable period of time.

4.3.1 Raise awareness

Awareness raising among contractors should start as soon as you begin looking at homeworke issues. Contractors will need to know **why** you are taking these actions, and **what you expect them to do** about particular issues.

Your contractors will need to know about issues such as:

- What is in these homeworke guidelines, including what working conditions homeworkers should expect and the ETI Base Code.
- Your company approach and policy on homeworkers.
- The need for safe and healthy working conditions, including how to mitigate risks in hazardous work and the fact that children are not allowed to carry out hazardous work.
- The legal minimum age of employment in the country and the problems associated with child labour (including the need for children to attend school).
- Homeworkers' terms and conditions, including payments and piece rates.

Give your contractors the leaflet summarising homeworkers' working conditions and the actions they can take (www.ethicaltrade.org.uk/in-action/projects/homeworkers-project/guidelines). Ask contractors to distribute the leaflet to their sub-contractors and to tell homeworkers what it says.

4.3.2 Build contractors' capacity to take action

Help your contractors to develop documentation systems and procedures to ensure that homeworkers' conditions are respected. These should address the same issues that your own systems cover, such as:

- **Issuing job slips** itemising the date of delivery and collection, piece rate and amount and nature of deductions.
- Distributing a **written agreement on payments** to all homeworkers.
- Using standard **systems for setting piece rates**.
- Keeping **records of homeworker meetings/organisation**.
- Training and record-keeping on **health and safety**.
- **Not requiring deposits or identity papers** from homeworkers.

Help your contractors to raise awareness of relevant homeworker issues among their own subcontractors and homeworkers.

4.4 Work with other stakeholders

There are some situations where it can be particularly difficult to improve homeworkers' conditions on your own. In these cases, consider working with other companies or organisations who are active in labour rights implementation. Collaborating with others will help make improvements at the community or industry-wide level, as well as improvements with particular groups of homeworkers.

If you have identified a need for collaborative action, you should:

- Identify stakeholders to work with (eg other suppliers – particularly those sourcing from the same area or groups of homeworkers, contractors, trade unions, voluntary and community groups and government agencies).
- Initiate a working group for discussion and taking action on homeworkers' conditions, or join an existing group, if there is one.
- Develop an action plan based on **Table 2** and these guidelines.

Examples of actions that could be taken in collaboration include:

- Identifying industry-specific potential hazards, and establishing safe working procedures for homeworkers.
- Implementing health and safety guidelines and programmes addressing homeworkers' health needs (eg health insurance, home and tool improvements, etc).
- Increasing access to formal, quality education by homeworkers' children, at the closest point (eg village or ward).
- Supporting education initiatives for homeworkers' children.
- Developing a confidential complaints system, and setting up mechanisms for redressing grievances.
- Establishing sector-wide pensions and social security schemes if homeworkers are not covered by state systems.

5 Monitoring progress

Setting up a review system will help you assess progress on meeting labour standards with homeworkers, and will help you develop actions to improve homeworkers' conditions.

You will need to be able to demonstrate to your customers how you are addressing homeworkers' conditions and what progress you are making. The best way of doing this is to set up a system of internal review. The review system will help show:

- what progress you are making in implementing these homeworker guidelines;
- what actions have been carried out;
- what impact those actions are having; and
- where your actions are not having the impact you anticipated and need refining.

Monitoring should be an ongoing process. Your approach will depend on the issue you are monitoring and the stage you are at. For example, a review system might involve asking a list of questions such as:

- Does your company have a policy on ensuring good working conditions for homeworkers, and has this been distributed and explained to contractors?
- Have you distributed the *Homeworker Guidelines: What suppliers can do* – or the leaflet for contractors – to all contractors likely to have homeworkers in their chain?
- Have you identified what help (resources, expertise, advice) your contractors need, and has this been provided?
- Have you set up systems to carry out random checks at homeworker level on issues such as agreed piece rates, timeliness of payment, debt-bonded labour and out-of-school children?

Annexes

- Annex A:** Model policy on homeworking – for use by retailers and suppliers
- Annex B:** Sample form for recording supply chain information
- Annex C:** Sources of information on homeworker involvement and conditions
- Annex D:** Model log book for use by homeworkers

Annex A: Model policy on homeworking – for use by retailers and suppliers

1 Background

Company X is a member of the Ethical Trading Initiative (ETI)* and is committed to improving working standards in its supply chains through the application of international labour standards. This includes a commitment to improving standards in those parts of the supply chain which are the most difficult to reach.

Historically, the lack of visibility of homeworkers in supply chains, combined with their complicated employment status in many countries, has made them a vulnerable group of workers. Many homeworkers have been underpaid and unsafe. We believe that one of the first steps towards reducing the vulnerability of these workers is to take an open and positive position towards homeworking. By reacting negatively to instances of homeworkers in our supply chain, there is a danger of:

- sending homeworkers underground and thus preventing any progress on improving their labour conditions; and/or
- triggering unintended consequences whereby workers could have their sole means of income removed.

2 Our position

2.1 Acceptance of homeworking

Company X believes that homeworking can be critical to its supply chain and openly accepts the presence of homework within these. Homeworkers can often provide us with the flexibility to cope with rapidly changing volumes of production. Homeworkers may also produce specialist components which cannot be made by machinery or small quantities of intricate or high-quality items.

From the perspective of homeworkers, the option to work from home can offer a degree of flexibility not met by traditional site-based work. Homeworkers frequently cite the advantages off-site working offers in enabling paid work to be balanced with domestic and family responsibilities.

2.2 Commitment to improving homeworkers' conditions

Concurrently, however, we also acknowledge that labour conditions enjoyed by homeworkers may not meet those set out in international labour standards/the ETI Base Code*. We are therefore committed to taking action, together with our suppliers, to improving these conditions. The first step in such action, we believe, is to make our position on homeworking clear.

3 Defining 'homework'

Our definition of homework is based upon the International Labour Organisation (ILO) definition (1996, C177, Article 1) which states:

- (a) the term homework means work carried out by a person, to be referred to as a homemaker,
 - (1) in his or her home or in other premises of his or her choice, other than the workplace of the employer;
 - (2) for remuneration;

*Delete if not applicable.

- (3) which results in a product or service as specified by the employer, irrespective of who provides the equipment, materials or other inputs used, unless this person has the degree of autonomy and of economic independence necessary to be considered an independent worker under national laws, regulations or court decisions;
- (b) persons with employee status do not become homeworkers within the meaning of this Convention simply by occasionally performing their work as employees at home, rather than at their usual workplaces;
- (c) the term employer means a person, natural or legal, who, either directly or through an intermediary, whether or not intermediaries are provided for in national legislation, gives out home work in pursuance of his or her business activity.

4 Our commitment under this policy

We acknowledge that improving labour conditions for homeworkers is a complex issue. Under this homemaker policy we commit:

- to communicate our position on homeworking throughout our company, to those who supply to us, and those we supply to;
- to ensure that the presence of homeworkers in the supply chain will not lead to the relocation of work or cancellation of orders; and
- to work with our suppliers for the sustainable improvement of labour conditions with homeworkers in our supply chains. We will aim to do this by following the guidance set out in the ETI homemaker guidelines.

5 Our suppliers' commitments under this policy

We expect those we are sourcing from to:

- adopt a shared policy of acceptance of homeworking and commitment to improving homeworkers' labour conditions where these do not meet those set out in international labour standards/the ETI Base Code;
- communicate this policy to all those in the supply chain below them, including homeworkers themselves;
- work with us to identify where homeworking occurs in the supply chains beneath them; and
- work with us to develop an action plan for improving labour conditions with homeworkers where these are found to be below those set out in international labour standards/the ETI Base Code.

6 Labour standards

The provisions, in summary, of the ETI Base Code, are:

1. Employment is freely chosen
2. Freedom of association and the right to collective bargaining are respected
3. Working conditions are safe and hygienic
4. Child labour shall not be used
5. Living wages are paid
6. Working hours are not excessive
7. No discrimination is practised
8. Regular employment is provided
9. No harsh or inhumane treatment is allowed

These provisions are founded on key ILO conventions, including **ILO Convention 177 on Home Work** which promotes the equality of treatment between homeworkers and other wage earners.

Annex B: Sample form for recording supply chain information

This document can be used by suppliers and contractors to record information on their supply chain. (Suppliers can complete the form themselves, or ask their contractors to complete it for them.) It should be completed for all production processes that involve homeworkers.

Homeworkers are those workers who work at their home or any other premises of their choice, other than the workplace of the employer. They work for an employer, intermediary or subcontractor for a piece rate; they are not responsible for designing or marketing the product, but contribute their labour.

An example of a completed form is shown on the next page.

Production process	Contractor name	Subcontractor name	Sub-sub contractor name	Homeworkers' location (village/town)	Approx number of homeworkers in location

'Model' completed questionnaire

1. Name of supplier:
2. Are any of your production processes subcontracted to homeworkers? Yes No
3. If yes, please list the production process and the details in the table below.

Production process	Contractor name	Subcontractor name	Sub-sub contractor name	Homeworkers' location (village/town)	Approx number of homeworkers in location
Embroidery	Mansingh Traders			Seelumpur Delhi	40
	Mansingh Traders	Chand Company		Ber Sarai Meerut	200
Beading	Suliman Enterprises	Prem Company	Abdul Traders	Harharpur Bareilly	150
	Suliman Enterprises	Rehman Brothers		Jonpur Bareilly	250
	Kumar & Sons			Buddh Vihar, Delhi	50
	Kumar & Sons	Rehman Brothers		Jonpur Bareilly	250
	Kumar & Sons	Abdul Traders		Harharpur Bareilly	150

Annex C: Sources of information on homeworker involvement and conditions

Organisations addressing homeworkers and homeworking

A number of trade unions, NGOs and other organisations can help identify potential homeworker involvement in supply chains. Particular information sources in the not-for-profit sector include:

- **National trade union federations** in their respective countries can provide information or contacts. Gender/Women's Officers may be a good point of contact, since homeworkers are often women.
- **Homeworkers Worldwide:** The UK centre for the international movement of trade unions, NGOs and homeworkers' organisations and others supporting work with home-based workers (www.homeworkersww.org.uk).
- **HomeNet South Asia:** Regional network of homeworker organisations and supporters covering Bangladesh, India, Nepal and Pakistan, can provide links to homeworker organisations and other relevant contacts in these countries (www.homenetsouthasia.org).
- **HomeNet South East Asia:** Regional network of national homebased workers' networks in Thailand, Indonesia, and the Philippines (www.homenetseasia.org).
- **National homeworking groups:** For example, those in HomeNet South Asia and HomeNet South East Asia. The National Group on Homeworking (NGH) – a UK NGO and membership organisation of homeworkers and supporter members – is no longer operating, although its website still contains some useful information and resources (www.ngh.org.uk).
- **Self Employed Women's Association (SEWA):** A trade union organisation of poor, self-employed women workers, who earn a living through their own labour or small businesses (www.sewa.org).
- **Women in Informal Employment: Globalizing and Organizing (WIEGO):** A global research-policy network that seeks to improve the status of the working poor, especially women, in the informal economy (www.wiego.org).

Publications on homeworkers and their working conditions

- **Acona (2002)** *Review of current knowledge and experience of applying corporate codes of practice with homeworkers.* ETI Report.
- **Bajaj, Mahjul (2000)** *Invisible workers, visible contributions: a study of home-based women workers in five sectors across South Asia.* Background Paper for South Asia Regional Policy Workshop on Home-based Work, London, Women in Informal Employment Globalising and Organising (WIEGO).
- **Felstead, A and Jewson, N (2000)** *In work, at home.* London, Routledge.
- **Gupta, Neelam (2001)** *Invisible labour: social security for home-based workers of the garment, agarbatti and papad industries.* Delhi, SEWA Bharat.
- **HomeNet (1999)** *New ways of organising: four case studies of trade union activity.* Study Pack.
- **HomeNet (2001)** Newsletter No 17.
- **HomeNet (2002)** *HomeNet vertical mapping pack: Tracing subcontracting and marketing chains to support homebased worker organising,* produced by HWW on behalf of HomeNet.
- **HomeNet (2003)** 'Organising for rights'. Newsletter No 19, Spring 2003.
- **Homeworkers Code of Practice Committee (2001)** *Changing fashion: the story of the No Sweatshop label.* www.nosweatshoplabel.com/downloads/NoSweatReport.pdf
- **ILO (1996)** *Convention on home work.* No 177. Geneva, ILO.
- **Kanawaty, G (1992)** *Introduction to work study.* Fourth (revised) edition. Geneva, ILO.
- **Trades Union Congress (2004)** *Organising homeworkers in the UK: learning from international experience.* London, TUC.
- **Unni, Jeemol and Rani, Uma (2005)** *Impact of recent policies on home-based work in India.* UNDP HRDC Discussion Paper Series 10, UNDP.

Other resources

The following resources have been developed by Homeworkers Worldwide (HWW):

Training manual (*We work at home*). Drawing on HWW's mapping programme in three continents, the manual provides ideas and exercises for organisers to start working with homebased workers. Available in paper form (£25 + P&P) or on CD (£10 + P&P).

Photo pack. A set of 20 A4 colour photos (laminated) of homebased workers, with explanatory text (who they are, where they are from, etc) for use in early stages of working with homebased workers (£30 + P&P).

Film (*Homework in China*). A film showcasing the different kinds of homework found in China in the course of HWW's mapping programme. Available on video or DVD (£5 + P&P).

Contact info@homeworkersww.org.uk or telephone +44 (0)113 217 4037.



Ethical Trading Initiative
Respect for workers worldwide

The Ethical Trading Initiative is a groundbreaking alliance of companies, trade unions and voluntary organisations. We work in partnership to improve the working lives of people across the globe who make or grow consumer goods – everything from tea to T-shirts, from flowers to footballs.

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