



Mapping homeworkers in supply chains:

How retailers are identifying homeworkers in their supply chains in India

Building a complete picture of your company's supply chain is essential in being able to address homeworkers' conditions. But the length and complexity of many supply chains means that this is not always as easy as it sounds. This short briefing note describes how some retailers in the Ethical Trading Initiative's (ETI's) Homeworker Project have been working with colleagues and suppliers to map homeworkers in their supply chains in India, and the helpful lessons they've learned along the way. Further information on mapping homeworker supply chains can be found in the ETI homeworker guidelines.

1. Different approaches to identify homeworking

ETI retailers are using a range of approaches to try and identify homeworking in their supply chains – as summarised in Box 1 and discussed in more detail below.

Box 1. Approaches to identifying homeworking

Retailers are trying to identify homeworkers in their supply chains by:

- Identifying products that might involve homeworkers.
- Using ordering systems to identify and track homeworkers.
- Encouraging 'self declaration' by suppliers.
- Exploring homeworker issues during factory visits and assessments.

Identifying products with potential homeworking

An early step that many ETI retailers take is to identify which of their product lines might involve homeworkers somewhere in the production process. This initial assessment can then be followed up with specific suppliers and cross-checked against other sources of information.

At **Next**, for example, the Code of Practice team works closely with suppliers, sourcing offices and product teams to identify products which may involve homeworking. **Marks & Spencer** also aims to identify at an early stage those products which are likely to involve homeworkers.

“Every month, or when new orders are placed, the social compliance team (in Marks & Spencer's India office) goes through the orders that have been placed to identify the likelihood that homeworkers might be used for some part of the product. For each style number, we will identify whether or not the item involves embellishment or handcraft. Members of the technical team or buyers may help us. We can then identify the main supplier(s) for these products and cross-check the information (on the involvement of homeworkers) through the quality/technical audit system.” (Social Compliance Manager, India, M&S)

Using ordering systems to identify and track homeworkers

In some cases, retailers are developing and using IT-based business processes to capture this information at the point when orders are being placed. This is helping to increase transparency in supply chains by enabling them to follow-up potential use of homeworkers in the manufacture of particular product lines.

For example, **Gap Inc** has developed an IT system that helps identify and track homeworkers across its product range.

“Basically, when a member of the sourcing team places an order – by raising a Purchase Order on the system – they have to identify the category of product they are ordering. Any order that requires handwork as part of the process is recorded as a specific category on the IT system. This allows the compliance team to generate reports on the orders that require handwork (identified by the category on the PO), which show the suppliers involved, the size of the orders, the kind of hand work and the due delivery date.”

This means the compliance team can see which suppliers are dealing with orders that require handwork, and can then explore with suppliers the process for dealing with that.

“The visibility of the supply chain has increased as a result of this system. 60–65% of orders now have visibility to the homeworker level.” (Director, Global Compliance – South Asia, Gap Inc)



Primark is currently trialling an approach in India which involves using its existing ordering system to capture additional information on its supply chains. The system hinges around the use of the Kimball number used for each order, as Primark's Ethical Trade Manager in India explains:

“Each time we place an order with a supplier, the supplier has to complete our new ‘Kimball tracking form’. The form has the unique Kimball number it always has. But it also contains columns in which the supplier has to record the name and address of contractors involved at each stage of production of the garment/accessory.”

This means that suppliers have to identify all stages of the supply chain before they start working on an order, which alerts Primark to the presence of all subcontractors including homeworkers at the start of the process, as well as helping to identify where those homeworkers are located.

'Self-declaration' by suppliers

Getting suppliers to share what they know about their supply chain is a crucial part of the mapping process. It is common practice for retailers to ask their suppliers to complete forms about their factories, workforce, production processes and related issues when establishing relationships with suppliers and/or placing orders. However, some ETI retailer members are using these to ask for additional information on subcontracting and the use of homeworkers.

For example, as well as having to complete a standard 'supplier profile form' when they first register with the company and when they use a new sourcing location, suppliers for **Monsoon Accessorize** now also have to complete an 'ethical sourcing supplier questionnaire' – which contains a section on subcontracting – for each site they use.

Next has developed a mapping procedure which, among other things, helps to generate a paper trail from the initial order right down the supply chain. This includes asking factories to complete a form that asks for details of supply routes, including all levels of subcontracting through to homeworkers.

Factory visits and assessments

In the same way, some ETI retailer members are using routine factory visits, as well as audits and assessments, as a valuable opportunity to explore whether or not homeworking is taking place on particular product lines.

For example, when **Gap Inc's** compliance team visits a supplier, they check whether vendors are following the process laid down by Gap for dealing with handwork. This requires suppliers to obtain names and agreements with contractors, and carry out audits of hand work centres and documentation. The supplier is held responsible and accountable for mapping and tracking the hand work supply chain down that product line.

2. Success factors: What has helped increase supply chain transparency?

Many retailers report that they face resistance from suppliers when they initially ask them to provide information on homeworkers in their supply chains. In some cases this is simply because suppliers do not understand why the information is needed or what it will be used for. In other cases, suppliers are unaware of where their own subcontractors are placing orders, and don't know how to get the information retailers are asking for.

“Some of our suppliers worried that we would bypass them and start dealing directly with their contractors.” (Ethical Trading Manager, India, Monsoon Accessorize)

“The majority of suppliers have been supportive (of our requests for information). Where there has been resistance, suppliers have mainly been concerned about unhygienic working conditions coming to light.” (Social Compliance Manager, India, M&S)



“Initially there was a lot of resistance. But over the years of working with our suppliers and factories, and maintaining the confidentiality of information shared, the trust and comfort levels have grown.” (Regional Code of Practice Manager, India, Next)

However, experience of ETI retailers in India highlights a number of factors that have helped them increase transparency in supply chains and find out more about homeworkers' conditions. These are summarised in Box 2 and discussed below.

Box 2. Factors that help increase transparency in the supply chain

Retailers have found the following factors helpful in increasing transparency in their supply chains and finding out more about homeworkers' conditions:

- Working with colleagues and sharing information.
- Sending consistent messages to suppliers.
- Developing information systems that suit their company.
- Building trust with suppliers and developing open relationships.
- Building suppliers' understanding and skills by sharing information and expertise.
- Using a variety of mechanisms to find out and cross-check information.
- Prioritising and recognising that you can't do everything at once.
- Drawing on existing information and expertise.

Working with colleagues and sharing information

Retailers stress the need for colleagues to work collaboratively to develop and implement approaches to map supply chains and find out more about homeworkers, and share that information between departments. Mapping may involve buyers, compliance teams and corporate responsibility (CR) staff from Head Office, regional offices and in-country offices. Teamwork and cross-departmental sharing of information is key.

According to the Director of **Gap Inc's** global compliance team in South Asia, the fact that Gap Inc's sourcing and corporate responsibility functions work in the same office has contributed to the success of its approach:

“The compliance team has good support from its sourcing colleagues and vendors. Sourcing and purchasing must work together if we are to tackle these issues effectively.”

Sending a consistent message to suppliers

Suppliers need to receive a consistent message from retailers, which means that buyers, technologists and CR staff all need to reinforce the company's approach to homeworking and the need for transparency along the supply chain.

“Taking a coordinated approach with buyers and merchandisers ... is key. We go to supplier sites with production colleagues and make sure that factories understand what needs to change and why...This isn't a one-off activity. It involves continuous pushing for information.” (Ethical Trading Manager, India, Monsoon Accessorize)

Developing information systems that suit your company

It is important to develop good systems to capture data, and that means choosing an approach that fits with retailers' own ordering and internal systems.

“We have gone with an option that fits our business model. All companies operate different systems, and they need to choose a system that fits with their ordering system, their level of IT, and so on, and find a way to integrate ethical issues into that system.” (Primark Ethical Trade Manager, India)

This can't be done without consulting colleagues, to take their views and experience into account.

“Merchandisers were collecting a certain amount of information, but we worked with them to enhance the existing forms. This required a certain amount of in-house capacity building and 'selling' the idea to buyers.” (Ethical Trading Manager, India, Monsoon Accessorize)

Building trust with suppliers

When giving advice on how to increase transparency in supply chains, building trust is very high on the list. And it's something that ETI retailers have been working hard to achieve with suppliers in India. A number of factors have helped them establish good relationships and build trust with their suppliers, including:

- “Assuring suppliers about confidentiality in the way the information will be used – that is, we are only using it to look at issues around compliance and homeworkers conditions, etc, and not sharing the details (names, addresses, etc) of homeworkers used by a particular supplier/factory with another supplier/factory, which is one of their major concerns.” (Regional Code of Practice Manager, India, Next)
- “There is no substitute for working one-to-one with suppliers and spending time with them, including members of the social compliance team.” (Social Compliance Manager, India, M&S)
- “We've been building trust by having a generally more open relationship with suppliers – built through working with them on compliance issues.” (Primark Ethical Trade Manager, India)

Clearly it is easier to push through this type of initiative if a retailer accounts for a significant part of a supplier's business. However, according to Primark's Ethical Trade Director, equally important is the need for long-term relationships and investment in that relationship.



Building capacity of suppliers

It can be challenging for suppliers to provide accurate information on all stages of the production process and, without a clear understanding of why the information is needed and how it will be used, suppliers may not be motivated to do so. Even if they are committed to working on these issues, they may not have the knowledge or systems to help them. ETI retailers have been raising awareness and building capacity with suppliers through one-to-one meetings and/or training sessions on homeworking, and by sharing information and expertise on how this could be done.

“We have been sharing information with suppliers about how they can map supply chains themselves, and how to put systems in place to monitor subcontracting and the use of homeworkers,” says Monsoon Accessorize's Ethical Trading Manager, India. “We've been encouraging them to use the same tools as we do, and providing them with examples of how to keep records. Some of this has been on a one-to-one basis, but we have also been running joint supplier events.”

Supplier training is a useful way of building capacity, according to many ETI retailers.

“Our supplier conference included sessions on our company policy and approach to homeworking, and highlighted the need for transparency in supply chain.” (Social Compliance Manager, India, M&S)

“We had over 80 people from around 50 suppliers in our seminar in Delhi, and our seminar in Tirupur was attended by over 100 people. This was a good opportunity to stress the need for transparency in our supply chains, and why that's so important for us.” (Primark Ethical Trade Manager, India)

Retailers have also designed events to help suppliers deal with particular issues they encounter:

“We have run supplier events on different areas of the ETI Base Code – including wages, excessive hours and child labour – and have given suppliers a workbook to take back to their factory.” (Ethical Trading Manager, India, Monsoon Accessorize)

Using a combination of approaches

ETI retailers are putting a range of different mechanisms in place so they can cross-check information and follow up on issues that might not otherwise become apparent. Using a combination of approaches can really help shed light on where and how particular aspects of production are taking place, particularly in long and complex supply chains.

“Every time a merchandiser places an order, they ask the supplier for information on the location of all tiers of production, including homeworkers. This information is cross-checked with the ‘ethical sourcing supplier questionnaire’ that has been completed by the supplier. This is then followed up during factory visits...” (Ethical Trading Manager, India, Monsoon Accessorize)

They also recognise that, just as retailers do not all adopt the same data capture system, not all suppliers respond in the same way to a particular approach. According to Next, “One size does not fit all, and different approaches/strategies may be needed with different suppliers.”

Focusing on what’s important

Although retailers are keen to find out as much as possible about where homeworking is happening and what conditions are like for homeworkers, many say that this can be a slow process and is something that doesn’t happen overnight. According to one retailer:

“Our initial focus has often been simply to map all the tiers in the supply chain, down to the homeworker level, with the aim of finding out basic information such as the number of homeworkers being used on particular product lines and the location of those homeworkers (at the village level).”

Some retailers are also collecting data on the number of male and female homeworkers, and the number of households carrying out homework.

But it’s not until good relationships with suppliers are established and transparency along the supply chain has increased, that retailers have been able to explore wider issues such as evidence of wages being paid to homeworkers. According to one retailer:

“This is a very sensitive topic. It’s too soon to address these difficult issues. We are only just starting to work with suppliers on the issue, and suppliers themselves are only just starting to look at them.” (Primark Ethical Trade Manager, India)

Drawing on existing sources of information

ETI retailers stress the need to use existing resources and expertise, and to share knowledge with others. *The ETI Homeworker Guidelines: What retailers can do* provide guidance on how to address these issues see: www.ethicaltrade.org/in-action/projects/homeworkers-project/guidelines.

