



THE VERY GROUP

The Very Group Homeworker Guidelines

Purpose:

Working from home for many is a preferred alternative to working in a factory as it can afford greater flexibility for individuals to balance a need to earn an income with home lives and family. Home workers often possess specialist skills for specific product or components which cannot be made by machinery, or they may produce small quantities of intricate or high quality items.

Historically the lack of visibility of home workers in supply chains, combined with their complicated employment status in many countries, has made them a particularly vulnerable group of workers. Many home workers have been underpaid and are often invisible in the supply chain.

The lack of a responsible and managed approach to the use of home workers in our supply chain could result in a loss of transparency. Negative publicity to poor practices could send homeworking 'underground', restricting our ability to assess and improve employment conditions, or cause workers to lose their sole means of income.

Definition:

Our definition of home work is based upon ILO definitions

The term 'home work' means work carried out by a person in his or her home or in other premises of his or her choice rather than the work place of the 'employer' for remuneration; which results in a product or service as specified by the employer.

The term employer means a person who either directly or through an intermediary, gives out home work in pursuance of his or her business activity.

Our Position:

We believe that homeworking is sometimes a necessary part of our supply chain and accept the possible presence of homework within particular product areas. We acknowledge our responsibility to put policies and procedures in place that seek to ensure the welfare of such workers. To ensure that we are meeting our responsibilities we will be regularly monitoring the implementation of these guidelines.

Our Commitment:

The Very Group are committed to improving working standards in our supply chain through the application of our code of conduct. This includes a commitment to mapping and improving standards in those parts of the supply chain where homeworking is likely.

We acknowledge that monitoring and improving employment conditions for home workers is a complex issue. Under this home worker policy we commit:



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- to communicate our position on homeworking throughout our company, and to those who supply us.
- to ensure that the identified presence of home workers in the supply chain will not lead to the relocation of work or cancellation of orders; and
- to work with our suppliers and factories for the sustainable improvement of employment conditions of homeworkers in our supply chain.

Our Suppliers Commitment:

We expect our suppliers:

- to adopt and commit to a shared policy of acceptance and transparency of homeworking;
- to communicate this policy to their own supply chains, including home workers themselves;
- to work with us to map their own supply chains; and
- To work with us to develop action plans for improving employment conditions for home workers where these do not meet those set out in our code of conduct.

Action: Please use the mapping tool below: Appendix A

Our Factories Commitment:

i. Factories Responsibility

As suppliers to The Very Group you have signed up to our code of conduct which applies to all workers, including homeworkers and The Very Group commit to supporting homeworkers in our supply chains and working with you to implement the Code for them. In order to do this we need you 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/factories in terms of:

- Loss of our business.
- Poor compliance with our code of conduct.
- 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 ourselves and your contractors.
- Improved supply chain efficiency.
- Better quality products.



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What factories need to do:

ACTION: 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 include the following:

- The contract workers need to be given the handbook of the company they are working for.
- In case of piece rate workers, the applicable piece rate should be based on 8hrs of working and the contractor needs to guarantee the legal minimum wages to their piece rate workers for 8 hrs of working. How piece rate is calculated should be clearly defined and shared with the homeworkers.
- Clear guidelines should be in place so homeworkers understand any deductions from their pay.

ACTION: Factories To Map The Supply Base.

Factories need to conduct a regular mapping / plotting of subcontractors / homeworkers being used by them. This data shall be up to date and shall always be shared with us in a ready to use form with complete details.

The data should include:

- Forming a group for selection from available list of subcontractors.
- Short listing of the subcontractors that will be used for the production.
- Taking detail regarding to home works from the shortlisted subcontractors.
- Compiling the data of home workers.

ACTION: Map your contractors, sub-contractors and homeworkers

By:

- Assessing what you already know about the contractors who supply you; How many, length of relationship, etc
- Asking your contractors for information; and
- Developing a system for recording the information you collect.

ACTION: Please use the mapping tool below: Appendix A

ii. Monitoring The Level Of Acceptable Compliance In The Supply Chain - Responsibility Of Factory

Factories must have internal activities to monitor the level of acceptable compliance in their supply chain, especially in terms of preventing issues which relate to unfair fixation of minimum piece rates, delayed payments, unexplained debits, lack of support in attaining basic amenities etc.

The factories shall be confident enough of their process to be willing to take The Very Group to their homeworke's location and to show adequate monitoring work being done.

It is advisable to collect for reference any statutory documentation that a subcontracting site might possess, to demonstrate their legal identity.

Contracts: You should have a joint written contract with your contractors to cover work with homeworkers.



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ACTION: Please use the Purchase order provided below: Appendix B

Factories need to ensure that the standards/requirements listed below are being met by Subcontractors / Middlemen and that they are made aware of these requirements.

- Payment of fair piece rate wages to the home workers.
- At least partial payments shall be made to the home workers when the goods are collected after completion.
- No unfair deductions shall be levied on Homeworkers
- Homeworker passbook shall be provided to individual Homeworkers, where necessary entries shall be maintained in their log along with identical entries with the middlemen.
- Children shall not be forced to work in homes for taking out production.
- Homeworkers shall only be compensated in terms of wages in cash / currency and not in terms of kind such as food / room rent etc. As this will be termed as bonded labour. Etc.

ACTION: The contractor dealing with the homeworker should issue Passbooks to homeworkers, itemising the date of delivery and collection, piece rate, date of payment and the amount and nature of any deductions.

The Passbook will ensure that homeworkers' conditions are respected. These address the same issues that your own systems cover, such as:

- 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.
- The factory needs to conduct a time and wage study for determining the basic minimum piece rate that the subcontractor must give to the Homeworkers / workers at the subcontracting sites. The activity / log of this time and wage study per style wise shall be documented and a copy to be maintained at the factory and the subcontractor. In addition the factory must take an acknowledgement from the subcontractors to ensure that the bare minimum set piece rate will be given to the workers / Homeworkers.
- Not requiring deposits or identity papers from homeworkers.

ACTION: Please use the Passbook provided below: Appendix C

iii. Support And Guidance To 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.

ACTION: The Very Group will help support factories with awareness raising programmes for subcontractors / middle person who takes work for homeworkers



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