## C\&A

 SUBMISSION
## Clean Clothes Campaign Wage Survey

Response ID:127; Data

1. Login/Password Action
2. Introduction

## 1. Company name:

C\&A

## 2. Brands owned by company:

In House brands

## 3. Main contact person:

Name: : Phillip Chamberlain
Email: : Philip.chamberlain@canda.com
Contact phone number: : +32 22576515

## 3. The living wage standard

## 4. 1.1 What is your company's position on payment of the living wage to workers in your supply chain?

There is a direct reference to wages, benefits in our Code of Conduct (CoC), which is then expanded on in the Commentary on our Code of Conduct (part of the legally binding nature of our contractual relationship with Supply Partners. C\&A is a member of ETI and therefore has signed up to the ETI Base Code

C\&A Code of Conduct
Wages and benefits must be fully comparable with local norms, must comply with all local laws, and must conform with the general principle of fair and honest dealings
5. 1.2 Please give the link to the code of conduct which is used when monitoring conditions in your supplier factories. If it isn't publicly available, please upload a copy using the option below.
Below

## Upload option.

CandA code of conduct for the supply of merchandise - Copy.pdf

## 6. 1.3 Does your company agree with the definition of a living wage as given here?

Yes

## If no, please provide details of how your definition of a living wage is different and give justification.

We generally agree with the basic intention, but there is still some ambiguity in that there is still no generally accepted definition of what a living wage is, nor is it clear how a living wage should be measured.

Richard Anker for the International Labour Organisation (ILO) (2011): "Back in 1919, the ILO Constitution recognised the need for workers to earn a living wage. At present however there is neither a generally accepted definition of what a living wage is, nor is there a generally agreed methodology on how to measure it. This explains, in part, the relatively limited progress in practice of the living wage discussion to-date. It is also important to point out that what is considered an acceptable basic quality life is time and place-specific. It differs across development levels and improves over time as a country develops".

## 4. Respect for freedom of association and collective bargaining, a precondition for a living wage

## 7. 2.1 How has the right to Freedom of Association and Collective Bargaining been clearly communicated to workers in your supplier factories and subcontractors?

Our contractual Supply Partners, by signing their acceptance of our CoC are obligated to respect Freedom of Association and the right to Collective Bargaining insofar as the national law of each respective country sets the legal framework for such rights.
It is the responsibility of our contractual Supply Partners to respect workers rights to Collective Bargaining. The C\&A audit process checks whether Freedom of Association and Collective Bargaining are respected in the production unit

## Percentage of supplier factories and subcontractors reached by these measures:

999999\%

## Please supply an example of materials used:

8. 2.2 Do you support or facilitate training for workers to ensure they are aware of their right to freely associate, in conjunction with local independent trade unions or workers' rights organisations? Please supply details:

Please see our answer the previous question.

Names of local unions or workers rights organisations: : n/a
Percentage of supplier factories reached by these measures: : 999999
9. 2.3 Do you provide training for management of your supplier factories and subcontractors on the right to freedom of association?

Please see our answer to the previous question.
Percentage of supplier factories and subcontractors reached by these measures: 9999999\%
10. 2.4 Have your supplier factories and subcontractors issued the Right to Organise Guarantee to workers in any of your production units?

|  | Country: | Number of <br> suppliers: | Details: |
| :--- | :--- | :--- | :--- | :--- |

Please provide a sample of materials used in specific countries:
11. 2.5 Do you require supplier factories and subcontractors to sign Union Access Agreements? If yes, please supply details.

Our contractual Supply Partners, by signing their acceptance of our CoC are obligated to respect Freedom of Association and the right to Collective Bargaining insofar as the national law of each respective country sets the legal framework for such rights.
It is the responsibility of our contractual Supply Partners to guarantee workers rights to Collective Bargaining. The C\&A audit process checks whether Freedom of Association and Collective Bargaining are respected in the production unit

## Number of supplier factories with agreements:

n/a

## Please provide a sample of agreements signed:

12. 2.6 Does your company have an accessible, actionable and safe means by which workers can file and follow up on complaints about violations of freedom of association and collective bargaining rights? How do you monitor that this can be accessed freely by workers?:

As part of our obligation as a signatory to the Accord on Fire and Building Safety in Bangladesh, a compliance process will be established which will ensure that workers can raise concerns they may have regarding Health and Safety issues. A hotline will be established for this purpose.
13. 2.7 Have you done any work to limit the use of short term contracts in your supplier factories and subcontractors?

Please provide details of your policy and its impacts in relevant countries: : We have not conducted any work in this specific regard
How has any of this work impacted on workers ability to receive seniority bonuses?: : n/a
14. 2.8 Is there anything else you would like to tell us about work you have done so far, or work you are planning, to promote the right to freedom of association in your supply chain?

We have piloted a Sustainable Supplier Programme, which has as a key objective an improvement in productivity which will create the conditions to allow increased wages as a result. This Programme also provides training to generate awareness of the right to Freedom of Association. This Programme will be leveraged into an enhanced capacity building training in 2014.

## 5. Dialogue and negotiation with labour rights organisations

15. 3.1 Please provide details of any active collaborative work undertaken with independent trade unions or labour rights organisations in your sourcing countries:

C\&A has a 3-year partnership with Terre des Hommes in India. This aims to remove thousands of former Sumangali workers from the scheme, or prevent young women from joining a scheme. The work involves village outreach to educate parents of vulnerable young women of the danger of their agreeing to their daughter's accepting such a contract. Alternative education and vocational training has been established for these young women instead.

## 16. 3.2 Have any of your collaborations resulted in unions or bargaining processes starting within your supplier factories?

We have no such collaborative work currently in place.

## 6. 4. Benchmarks for a minimum living wage

17. 4.1 Does your company have internal figures that it uses to benchmark living wages for each sourcing country or region?

No

If yes, please provide details of how these were developed and how they are used:
18. 4.2 Please provide information about the figures you are using to benchmark a living wage in your 3 main production countries or regions.

|  | Country/region | Living wage benchmark |
| :---: | :---: | :---: |
| 1. | Not available |  |
| 2. |  |  |
| 3. |  |  |

19. 4.3 Please give details of the number of your supplier factories in Asia that are currently paying the Asia Floor Wage.

|  | Country/region | Number of supplier factories paying Asia Floor |
| :--- | :---: | :---: |
| 1. | We have not set the Asia Floor Wage as an <br> objective |  |
| 2. |  |  |
| 3. |  |  |
| 4. |  |  |
| 5. |  |  |

## 7. Purchasing practices that make living wages possible

20. 5.1 Is your company doing work to limit the use of subcontractors in your supply chain and/or consolidate your supplier factory list? Please provide details:
There is no limit applied, although we require our contractual Manufacturing Partners to provide us full transparency on all sub-contractors being used for C\&A production. Any such listed sub-contractors have to live by the same Code of Conducts which apply to all Tier 1 Contractual Supply Partners.
21. 5.2 Does your company operate a policy of buyers favouring supplier factories that consistently meet a high wage standard? How?

C\&A has a corporate target to increase the share of business placed with our most compliant suppliers, although this is not specifically in regard to those that pay the highest wages.
22.
23. 5.3 Does your company break down and calculate whether FOB prices per piece are sufficient to allow for compliance with the wage standard your company has set out in its code of conduct?
We do not do so
24. 5.4 Does your company operate a policy of buyers favouring supplier factories that support the

## establishment and functioning of genuine trade unions, and those with collective bargaining agreements?

C\&A has a corporate target to increase the share of business placed with our most compliant suppliers, although this is not specifically in regard to favouring suppliers that support the establishment and functioning of genuine trade unions

## 25. 5.5 Please provide information about any other work your company has done / is planning to do on improving your purchasing practices, in relation to wages.

$C \& A$ is currently developing an enhanced Capacity Building Programme which will be introduced in 2014. This will include internal awareness training with regard to purchasing practices.

## 8. Living wage projects

26. Please provide details of any projects here. Please note you can cut and paste long pieces of text into these small boxes if necessary:

|  | Project 1 | Project 2 | $\begin{gathered} \text { Project } \\ 3 \end{gathered}$ | Project $4$ |
| :---: | :---: | :---: | :---: | :---: |
| Location: | In 2011, C\&A Foundation partnered with TBM and GIZ to create a sustainable supplier model based on lean management and Operational Excellence tools, principles and practices. The objective of the program is to achieve a stable and profitable position that enables suppliers to invest in improved wages and better social and working conditions for workers. | Indonesia, Cambodia, India and Bangladesh |  |  |
| Number of factories and workers involved: |  | 13 factories and 18683 workers |  |  |
| Living wage benchmark used: |  | not available |  |  |
|  |  | GIZ set up 2 local advisory bodies for SSP (Sustainable <br> Supplier Programme), which includes those who represent labor. For India, they were: Mr. Gopinath, <br> CIVIDEP, NGO on workers rights and corporate accountability, Bangalore Mr. P. M. S. Uppal, President Okhla Garment Textile Cluster, Delhi Mr. Vijayabaskar, Assistant Professor, Madras Institute of Development |  |  |



## 27. Please upload any useful supporting documentation here:

## 9. New Page

28. 7.1 Have you publicly supported calls from civil society and unions to increase the minimum wage to a living wage standard in your production countries? Have you made this position clear towards governments and employers associations?

A copy of a letter to the Prime Minister of Bangladesh has been sent separately.
29.7.2 As part of this work, have you issued a public statement assuring country governments that you will not relocate production as a result of minimum wage legislation that ensures a living wage?

No.

## 10. Transparency

## 30. 8.1 Does your company publish a full public list of supplier factories, and sub contractors, their locations and products?

No

## Do you have plans to publish a full list in the future?

No specific plans at this stage.

## 31. 8.2 Does your company publish impact reports on projects related to wages?

No.
32. 9.1 Please provide details of your involvement with any multi-stakeholder initiative projects working to improve wages:
$C \& A$ is a member of ETI, and therefore are working with the 9 basic principles of the ETI Base Code.
As an active member of various ETI focus groups, for example, one on the use of homeworkers. As well as having communicated clear guidelines to any suppliers who use homeworkers, we have also sent out guidance, prepared together at ETI in terms of how to calculate salaries for homeworkers (setting fair piece rates for homeworkers).
33. 9.2 Please provide details of any work you have initiated outside an MSI, directly with other companies which has improved wages:

N/A
34. Supporting documents:
12. 10. A clear route map for implementing a living wage for all workers
35. 10.1 Has your company developed a strategy for delivering a living wage in your supply chain? Is this a public commitment?
We are in the process of developing such a strategy, which means it has not yet been communicated.
36. 10.2 Does this strategy have a time scale? If yes, please state.

The time scale will be set as part of this strategy.
37. 10.3 What consultation have you carried out on this strategy, both within and outside your company?

We are in dialogue both internally, as well as with external stakeholders such as Human Rights experts and relevant NGOs.
38. 10.4 How will you ensure that vulnerable workers, such as homeworkers or migrant workers are also included in efforts to increase wages?

Was already addressed as part of the previous question on collaborative working (ETI specific).
39. 10.5 Is there anything else you would like to tell us about your work on the living wage that hasn't been covered in this survey?

No.

## 13. Further questions about your supply base

40. 41. What are your main production countries? Please state percentage of total production per country and the number of supplier factories.

|  | Country | Percentage of production | Number of suppliers |
| :---: | :---: | :---: | :---: |
| 1 | Bangladesh | $32 \%$ | 86 |
| 2 | China | $31 \%$ | 80 |
| 3 | India | $12 \%$ | 40 |
| 4 | Turkey | $9 \%$ | 35 |


| 5 | Cambodia |  | 20 |
| :--- | :--- | :--- | :--- |
| 6 |  |  |  |
| 7 |  |  |  |
| 8 |  |  |  |
| 9 |  |  |  |
| 10 |  |  |  |

41. 2. What kind of trade partners are part of the sourcing structure? Please indicate an approximate \% of volume share of your production:

Production at factories owned by your company: : 0\%
Orders placed directly to supplier factories: : 75\%
Orders placed through agencies or intermediates: : $25 \%$
Other: : \%
42. If other, please specify.
43. 3. What is the length of time that you have been working with your current suppliers?

|  | \% of suppliers |
| :--- | :---: |
| More than 5 years: | $45 \%$ |
| 2-5 years: | $35 \%$ |
| Less than 2 years: | $20 \%$ |

44. 4. How many sites did you use to produce your goods in 2012 ?

First tier suppliers: : We do not have this level of data available.
45. 5. How many supplier factories do you trade with where you have a regular production share of more than 25\%?

Number of suppliers: : Not available.

| From | $:$ Philip Chamberlain [philip.chamberlain@canda.com](mailto:philip.chamberlain@canda.com) |
| :--- | :--- |
| To | $:$ "anna" [anna@labourbehindthelabel.org](mailto:anna@labourbehindthelabel.org) |
| Subject | $:$ Re: C\&A Profile |
| Date | $:$ |

## Dear Anna

We do have something to add regarding your comment that "C\&A are not engaged on the debate" concerning the living wage. We have indeed moved on since we first sent in our response. Firstly, we joined the Berlin conference on this topic at the invitation of the German and Dutch governments. We took an active role in helping to develop the resulting document which came out of this meeting.
In addition, we are part of a group of 18 brands currently, mainly, but not exclusively built around ETI members, who have met on a number of occasions and who are now trying to agree on a set of "enabling principles" which will outline what we believe to be the responsibilities of all the parties involved, including the brands with respect to a "living wage".
We took the first draft of these enabling principles to a recent tri- partite meeting held under the auspices of the ETI. At that same meeting, I presented the C\&A Sustainable Supplier Programme as being an enabler in the process of creating the opportunity to increase wages. We can demonstrate success in the factories in which this has been adopted in terms of higher wages now being paid. So we are very open to share our learning, pointing out, however, that in the end, the question of a living wage cannot be solved by a single brand, neither one part of the industry alone.
Hopefully, by informing you of our involvement as described above, you can amend your text in this respect. Many thanks.
With kind regards
Philip

Please consider the environmental impact of needlessly printing this e-mail.

```
From: anna <anna@labourbehindthelabel.org>
To: <Philip.chamberlain@canda.com>
Cc: Verstraeten Bart <bart.verstraeten@wsm.be>
Date: 12/01/2014 11:28
Subject: C&A Profile
```


## Dear Philip,

Please find attached the first draft of your company's profile, which has been put together based on information you submitted to the Clean Clothes Campaign Wage Survey (also attached).

If you would like to correct any factual inaccuracies, or provide CCC with further information to support your submission which clarifies anything we have mentioned, then please send it to us by close of play on 30th January. Please note this profile is subject to change prior to publication, although it will mostly remain the same.

The report timeline going forward from this is that we will need a few more weeks to incorporate comments and finalise details, before the report is published towards the end of March - final date TBC. A finished copy of the report will be sent to you a few days before launch.

Copied in to this email is your CCC contact point person. Please be in touch with this person if you have questions or concerns. However, please do make sure to copy me in
(anna@labourbehindthelabel.org) to mails with any additional concise information or factual
corrections you wish to make to the text.
Best wishes,
Anna

Anna McMullen | Campaigns Director | Labour Behind the Label
A: 10-12 Picton Street, Bristol BS6 5QA, UK | Tel: +44 (0) 1179441700 | Mob: +44 (0) 7786832 035
E: anna@labourbehindthelabel.org | W: www.labourbehindthelabel.org
Please note: As of 1st March 2014 we will move offices to Easton Business Centre, Felix Road, Bristol BS50HE

Join the LBL Facebook group | Follow us on Twitter: @labourlabel
Labour Behind the Label works to improve conditions and empower workers in the global garment industry. We are the UK platform of the Clean Clothes Campaign, a coalition of campaigns in 15 European countries with a network of 250 organizations worldwide.

All LBL staff work 3 days a week only. My normal working days are Monday - Wednesday.You can reach me on the mobile number above at other times.[attachment "C\&Aresponse.pdf" deleted by Philip Chamberlain/logbru/retail-sc] [attachment "C\&A profile.doc" deleted by Philip Chamberlain/logbru/retail-sc]

(CA

## THE C\&A CODE OF CONDUCT FOR THE SUPPLY OF MERCHANDISE

## INTRODUCTION

## "The C\&A Code of Conduct for the Supply of Merchandise" describes the standards of business conduct which we see as fundamental in our dealings with merchandise suppliers. Although our dealings with suppliers often take place in cultures which are different from our own and which have a different set of norms and values, certain standards are universally valid and must apply to all our commercial activities.

## SUPPLIER RELATIONSHIPS

We seek to develop long-term business relationships with our suppliers who should have a natural respect for our ethical standards in the context of their own particular culture. Our relationships with suppliers are based on the principle of fair and honest dealings at all times and in all ways. We specifically require our suppliers to extend the same principle of fair and honest dealings to all others with whom they do business including employees, sub-contractors and other third parties. For example, this principle also means that gifts or favours cannot be offered nor accepted at any time.

## LEGAL ASPECTS \&

 INTELLECTUAL PROPERTY RIGHTSWe will always comply fully with the legal requirements of the countries in which we do business and our suppliers are required to do likewise at all times. The Intellectual Property Rights of third parties will be respected by all concerned.

## EMPLOYMENT CONDITIONS

In addition to the general requirement that all suppliers will extend the principle of fair and honest dealings to all other with whom they do business, we also have specific requirements relating to employment conditions.
based on respect for fundamental human rights. These requirements apply not only to production for C\&A but also to production for any other third party.

- The use of child labour is absolutely unacceptable. Workers must not be younger than the legal minimum age for working in any specific country and not less than 14 years, whichever is the greater.
- We will not tolerate forced labour or labour which involves physical or mental abuse or any form of corporal punishment.
- Under no circumstances will the exploitation of any vulnerable individual or group be tolerated.
- Wages and benefits must be fully comparable with local norms, must comply with all local laws and must conform with the general principle of fair and honest dealings.
- Suppliers must ensure that all manufacturing processes are carried out under conditions which have proper and adequate regard for the health and safety of those involved.


## ENVIROMENTAL ASPECTS

The realisation of environmental standards is a complex issue - especially in developing countries. It therefore needs to be continuously reviewed within the limits of what is achievable per country. We will work with our suppliers to help them to meet our joint obligations towards the environment.

## FREEDOM OF ASSOCIATION

We recognise and respect the freedom of employees to choose whether or not to associate with any group of their own choosing, as long as such groups are legal in their own country. Suppliers must not prevent or obstruct such legitimate activities.

## DISCLOSURE \& INSPECTION

We require suppliers to make full disclosure to us of all facts and circumstances concerning production and use of sub-contractors. All C\&A suppliers are obliged to make their sub-contractors aware of, and comply with, the C\&A Code of Conduct. Additionally, our suppliers are required to authorise SOCAM, the auditing company appointed by C\&A, to make unannounced inspections of any manufacturing facility at any time.

## MONITORING

So that this Code and the requirements it sets out have real meaning, we will ensure that standards of compliance on the part of our own employees and suppliers are actively audited and monitored and are an integral part of the day-to-day management process. We will maintain all necessary information systems and on-site inspection facilities to achieve this objective.

## SANCTIONS

Where we believe that a supplier has breached the requirements set out in this Code either for C\&A production or for any other third party, we will not hesitate to end our business relationship including the cancellation of outstanding orders. We also reserve the right to take whatever other actions are appropriate and possible.

## CORRECTIVE PLANS

Where business has been suspended due to an infringement of the C\&A Code of Conduct, the business relationship may only be re-established after a convincing Corrective Plan has been submitted by the supplier and approved by C\&A.

## AWARENESS \& TRAINING

We will take all necessary steps to ensure that our employees and suppliers are made fully aware of our standards and requirements. We will take all necessary actions to promote full understanding and co-operation with the aims and objectives of this Code.

## DEVELOPMENT OF THE CODE

This document is an update of the "C\&A Code of Conduct for the Supply of Merchandise" published in May 1996, which it supersedes.
`Whilst accepting the need for continuity and consistency, we continue to recognise that this Code must be developed over time in the light of practical experience and changing circumstances. We will continue to ensure that the Code is reviewed on a regular basis and revised where appropriate.

## COMMENTARY ON CODE OF CONDUCT

## GENERAL

The C\&A Code of Conduct for the Supply of Merchandise (referred to in the text below as "The Code") which was introduced in 1996, and updated in 1998, provides the basic contractual terms under which C\&A conducts its' business. The Code has been accepted by all supply partners of C\&A products, and has been implemented into all C\&A buying and sourcing activities.
In combination with the auditing activities of SOCAM (Service Organisation for Compliance Audit Management), the Code offers C\&A the opportunity to support the development of ethical and social standards throughout the C\&A supply chain. We recognize the importance of a continuing review of our Code, given practical experience and changing circumstances. These include increased globalization in recent years, and the associated growth of sourcing in the "less developed" countries, together with a proliferation of new codes and auditing options available in the market.
We believe that the Code, together with the monitoring activities of SOCAM, continue to
provide C\&A with a pragmatic and successful approach in ensuring that the important issues
addressed in the Code can be matched by practical application in the supply chain.
Nevertheless, we think it timely to clarify the meaning of some of the terms used in the Code, given the increasing external stakeholder interest shown in recent years in our own, as well as the many alternative codes available.
The following comments should be regarded as our binding interpretation of the C\&A Code of Conduct for the Supply of Merchandise.

## SUPPLIER RELATIONSHIPS

The understanding of our supply partners concerning the way that C\&A expects business on its' behalf to be handled in all parts of the supply chain, is at the heart of the Code.
Recognizing the many different environments, cultures, social and business models which are inherent in conducting business on a global basis, the Code is based on a set of principles which we believe to be universally acceptable, understandable and achievable.
It is not practical to name or refer to all of the international treaties and basic agreements pertinent to human rights and social standards which have been developed and implemented over many years. However, the most important amongst them could include the Universal Declaration of Human Rights, OECD Guidelines for International Enterprises, as well as a number of ILO conventions. Such treaties and agreements provide a framework within which business should be conducted, many of them having been ratified and transferred into the national laws in those countries where C\&A merchandise is produced.

## FAIR AND HONEST DEALINGS

This phrase remains a fundamental contractual principle of the Code. It forms the general, abstract and basic principle for all business relationships within the C\&A supply chain. It includes every party involved, from the component sourcing through to the final garment production process, and forms the general clause of the Code.
Practices, even if not specifically referred to in the Code, would be regarded as not being "fair and honest" if they were not in line with internationally accepted norms, and / or national legislation, as laid down in the conventions already mentioned. If national law neglects those principles, then those principles of compliance which come nearest to global standards should be the ones adhered to.
Our understanding of "fair and honest dealings" also includes behavior linked to the treatment of animals, as well as the environment as a whole, at least for those resources which are necessary for production. C\&A regards animals as needing to be treated in a decent and humane way, without resort to cruelty, and with regard to any existing animal protection laws. This also includes the protection of endangered species and adherence to treaties such as CITES.
The principle of "fair and honest dealings" also includes that gifts and favours of whatever content should not be offered, promised, demanded or accepted in any circumstances which, due to their value or significance could compromise the independence of individuals in their decision-making process. This is especially so if it were to imply an undue advantage, or sought to obtain or retain business, or any other improper advantage. Neither C\&A nor a supply partner shall be approached for, or expected to pass on, a bribe. We refer in this regard specifically to section VI of the OECD Guidelines for International Enterprises.

## LEGAL ASPECTS AND INTELLECTUAL PROPERTY RIGHTS

The adherence to intellectual property rights of third parties is of utmost importance for our buying / sourcing policy. We will not accept any infringement or negligence in regard to third party intellectual property rights.
Both suppliers and Product Managers must ensure that such third party intellectual property rights are respected, and that unlawful copies should neither be offered, or produced. Suppliers must be aware of the sources of each design (whether fabric, garment or print) offered, by being aware of the origin of such designs, or copyrights.
C\&A will hold their supply partners liable for any damages and costs which may result from unlawful copying, whether this be the result of poor due diligence or willful negligence. Criminal charges could also result from such eventualities.

## EMPLOYMENT CONDITIONS

We regard the basic principles related to employment conditions, and which are listed in the Code, as being applicable on a global basis. C\&A would therefore expect that our supply partners would include these as part of their own corporate governance model, and in turn applicable to whomever are their own suppliers, and not only in relation to production for C\&A. We want to do business with those who share our philosophy. This does not preclude that any supplier cannot exceed such basic norms, in all situations where that is possible.
Specifically, we would like to comment on some basic requirements related to two paragraphs in the Code under the umbrella of "Employment Conditions".

## CHILD LABOUR

C\&A refers via this clause to the legal minimum age for young workers, related to production activities as laid out by the ILO Minimum Age Convention (No. 138), and Worst Forms of Child Labour Convention (No. 182) which are today fully transferred into national laws.
In those countries where the convention no. 182 has been ratified, our suppliers must adhere to national law regulations which are in accordance with these principles. This means that specific work in textile industries is regarded by national law as being hazardous in terms of the health, safety and morals of a child. In these cases, the minimum age for production workers is 18 years of age.
In regard to the Minimum Age Convention, the age of completion of compulsory schooling (not below 15 years) would be applicable. In certain "less developed countries", a minimum age of 14 years may apply, if allowed in those countries national laws, or, if work is performed according to those exceptions as set out in Article 6 and 7 of the Convention relating to schooling and education.
In the event that the Conventions are not ratified into national law, the absolute minimum age for working in the textile industry supply chain is considered to be 14 years.
C\&A has asked SOCAM as part of its monitoring activities to check compliance with these various national norms.

## WAGES AND BENEFITS

The underlying principle applicable here would be once more that of "fair and honest dealings".
The payment of salaries, wages, overtime payments as well as other benefits must at least be in line with the national legal or industrial minimum level as defined for such work.
Taking the local environment into account, if it is clear that such payments are not sufficient to meet the basic needs of life, it is expected that adjustments may be necessary in order to meet such basic needs.
As part of their employment contract, all workers should be aware of their payment conditions before they commence their employment. Any deductions from salaries/wages should be in accordance with national law, and should still allow that the basic needs of life can still be met.
As far as working hours are concerned, the framework is provided by both national laws and industry norms. In any case, we do not accept that workers are required to work on a regular basis for more than 48 hours per week plus an additional maximum of 12 hours of overtime,
whilst also recognizing their entitlement to one day of rest for each 7 day period. Any one working day must not exceed 12 hours, whilst overtime work must be a balance between the individual capacity of a worker on the one hand, and business requirements on the other. Overtime working should be considered to be an exception, and not something to be requested on a regular basis throughout a given term of employment.
Salary payments should generally be paid latest by monthly installments. Any withholding of salaries for a later payment which are already due to employees are not allowed without the prior written consent of the employeels) concerned.

## ENVIRONMENTAL ASPECTS

Our supply partners are responsible for preventing chemical substances and other production waste from reaching the environment without being filtered or treated in an appropriate way.
Sustainable production is an underlying requirement of the Code. All national standards and laws which set restrictions must be fully respected.
Production ecology is regarded as being as important as human ecology. No substance shall be used in a concentration which can cause harm either to the health or the well-being of any person working in the total supply chain, or indeed to the final consumer.
C\&A has decided, and has stipulated in our General Delivery Instructions that we regard the EU General Product Safety Directive of 2001 as setting the requirement for the protection of the health and safety of consumers. C\&A will not accept any unsafe product, and has implemented rigorous quality assurance systems in order to ensure we meet this objective. C\&A will offer support, information and know-how to our suppliers in helping them to meet the required standards to protect both the safety of humans and the environment. This applies as far as C\&A is aware of specific knowledge in this area.

## FREEDOM OF ASSOCIATION

C\&A recognizes and respects the rights of workers to join groups of their own choosing, and who can represent their interests, whether unions or other organizations, as long as such bodies are regarded as being legally in accordance with the relevant national laws. We specifically acknowledge and act in accordance with ILO Conventions 87, 98 and 135. The right for collective bargaining is also acknowledged insofar as the national law of each respective country sets a legal framework for such rights. If, within any given national framework, those rights cannot be exercised, then C\&A respects the right of such workers to build alternative structures to safeguard their legal rights.
C\&A will take an active interest if we consider that the basic collective legal rights of workers are neglected, or when we consider that possible alternative structures are actively suppressed.
However, C\&A will not get involved in conflicts which may arise within any of our supply partners, assuming proper execution of those rights.
Such issues should be resolved in a democratic way, respecting the rights of all parties involved.

## DISCLOSURE AND INSPECTION

The monitoring of the Code is essential in terms of ensuring compliance with the Code. C\&A has chosen the company SOCAM to perform this task.
Unannounced visits to production units are an important part of this process, and SOCAM auditors are expected to have full access to whichever production sites they choose to visit, taken from the addresses provided by our registered suppliers. This will enable SOCAM to be able to monitor compliance with our code.
C\&A respects the confidentiality requested by our supply partners in terms of such information. Therefore, disclosure related to suppliers production facility addresses are provided by our supply base directly to SOCAM via a Supplier Statement.
The information provided and the audit results will be used for monitoring and auditing purposes by SOCAM, and will be treated as strictly confidential and not divulged to any third party including C\&A Buying. Only in case of breach of the C\&A Code of Conduct for the Supply of Merchandise SOCAM will present its audit report including the name and address of the relevant factory / production unit to C\&A Sourcing Department for further action.
In such cases, the C\&A Sourcing Department will then write to the supplier to inform them of the nature of the infringement detected by SOCAM, and to invite an explanation of the circumstances, and where necessary, an action plan which will help to avoid a repeat of such infringements.
C\&A reserves the right to be able to disclose general information relating to the processes which it has invited SOCAM to establish, as well as to the results of its' auditing processes, given that the confidentiality related to an individual supplier remains guaranteed.
In the event of any third party attention being drawn to an infringement detected at any specific supplier, C\&A reserves the right to use any facts gathered by SOCAM to present its' own understanding of the facts publicly to the extent it sees as being necessary.

## SANCTIONS

In order that the Code retains credibility, C\&A has various sanctions at its' disposal to ensure that the conditions outlined in the Code are respected.
Only as a last resort would this result, however, in a cancellation of our business relationship.
Increasingly, C\&A sees the need not just for audits, but also for training and information to suppliers, to help them to understand the good business case by respecting the Code in order to be able to ensure a sustainable business relationship. Nevertheless, C\&A reserves the right to suspend such a relationship in certain circumstances, until corrective plans have been submitted, and the necessary and agreed improvements either underway or undertaken.

## CORRECTIVE PLANS

Corrective plans are preferred to immediate cancellation of business relationships, and we also recognise that a reasonable and agreed time-period has to be allowed in order for the necessary corrective actions to be taken. Specific actions are required for corrective plans relating to the finding of child labour working in a production unit used for the manufacture of merchandise destined for C\&A. Where such a child's identity can be established by SOCAM, the supplier is asked to take responsibility to ensure that suitable education be made available to that child, given of course, the prior permission of the parents or guardians of that child. This could involve also financial support for the child as an additional requirement of a corrective plan.

## GENERAL

The C\&A Code of Conduct for the Supply of Merchandise is but one part of our Corporate Social Responsibility policy, but one that recognizes that sourcing in developing countries in particular does present a set of challenges for all parties involved. It is our goal that measures and improvements undertaken should be in the favor and benefit of all parties in the supply process.
We understand that we are working in a complex world, and we recognize that there are different cultural, social and political backgrounds applicable to the various countries in which we are present. We are prepared to discuss with the various stakeholders the differing views which inevitably result from such diversity, especially, if this can lead to an improvement in our own performance.
Having reviewed our Code on a number of occasions, we have decided to leave the wording unchanged. The philosophy of the Code provides a reasonable practical framework in which required legal norms can be achieved, given the diversity of cultures in which we operate.
The wording of this document is intended primarily to help our supply partners to understand the philosophy underlying the Code. We will adapt the above text from time to time as any of the circumstances referred to change in any respect.

Ethical Trading Initiative

## The ETI Base Code

1. Employment is freely chosen
1.1 There is no forced, bonded or involuntary prison labour.
1.2 Workers are not required to lodge "deposits" or their identity papers with their employer and are free to leave their employer after reasonable notice.
2. Freedom of association and the right to collective bargaining are respected
2.1 Workers, without distinction, have the right to join or form trade unions of their own choosing and to bargain collectively.
2.2 The employer adopts an open attitude towards the activities of trade unions and their organisational activities.
2.3 Workers representatives are not discriminated against and have access to carry out their representative functions in the workplace.
2.4 Where the right to freedom of association and collective bargaining is restricted under law, the employer facilitates, and does not hinder, the development of parallel means for independent and free association and bargaining.

## 3. Working conditions are safe and hygienic

3.1 A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.
3.2 Workers shall receive regular and recorded health and safety training, and such training shall be repeated for new or reassigned workers.
3.3 Access to clean toilet facilities and to potable water, and, if appropriate, sanitary facilities for food storage shall be provided.
3.4 Accommodation, where provided, shall be clean, safe, and meet the basic needs of the workers.
3.5 The company observing the code shall assign responsibility for health and safety to a senior management representative.

## 4. Child labour shall not be used

4.1 There shall be no new recruitment of child labour.
4.2 Companies shall 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; "child" and "child labour" being defined in the appendices.
4.3 Children and young persons under 18 shall not be employed at night or in hazardous conditions.
4.4 These policies and procedures shall conform to the provisions of the relevant ILO standards.

## 5. Living wages are paid

5.1 Wages and benefits paid for a standard working week meet, at a minimum, national legal standards or industry benchmark standards, whichever is higher. In any event wages should always be enough to meet basic needs and to provide some discretionary income.
5.2 All workers shall be provided with written and understandable Information about their employment conditions in respect to wages before they enter employment and about the particulars of their wages for the pay period concerned each time that they are paid.
5.3 Deductions from wages as a disciplinary measure shall not be permitted nor shall any deductions from wages not provided for by national law be permitted without the expressed permission of the worker concerned. All disciplinary measures should be recorded.

## 6. Working hours are not excessive

6.1 Working hours comply with national laws and benchmark industry standards, whichever affords greater protection.
6.2 In any event, workers shall not on a regular basis be required to work in excess of 48 hours per week and shall be provided with at least one
day off for every 7 day period on average. Overtime shall be voluntary, shall not exceed 12 hours per week, shall not be demanded on a regular basis and shall always be compensated at a premium rate.

## 7. No discrimination is practised

7.1 There is no discrimination in hiring, compensation, access to training, promotion, termination or retirement based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation.

## 8. Regular employment is provided

8.1 To every extent possible work performed must be on the basis of recognised employment relationship established through national law and practice.
8.2 Obligations to employees under labour or social security laws and regulations arising from the regular employment relationship shall not be avoided through the use of labour-only contracting, subcontracting, or home-working arrangements, or through apprenticeship schemes where there is no real intent to impart skills or provide regular employment, nor shall any such obligations be avoided through the excessive use of fixed-term contracts of employment.

## 9. No harsh or inhumane treatment is allowed

9.1 Physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation shall be prohibited.

The provisions of this code constitute minimum and not maximum standards, and this code should not be used to prevent companies from exceeding these standards. Companies applying this code are expected to comply with national and other applicable law and, where the provisions of law and this Base Code address the same subject, to apply that provision which affords the greater protection.

Note: We have made every effort to ensure that the translations of the ETI Base Code and Principles of Implementation are as complete and accurate as possible. However, please note that in both cases it is the English language documents which should be treated as the official versions.

The Honorable
Prime Minister Sheikh Hasina
Office of the Prime Minister
Tejgoan, Dhaka

## Honorable Prime Minister Sheikh Hasina,

As significant buyers of apparel and textile products from Bangladesh, our companies have been observing with concern current garment industry worker unrest in Bangladesh.

We have a long-term commitment to sourcing from Bangladesh; under the conditions that the industry is in compliance with local and international labor and environmental laws, as such considerations are an integral part of our business practices.

The garment sector is one of the leading foreign currency earning sectors in Bangladesh. Unrest among the workers in this sector is seen as a risk among our companies and could cause damage to the reputation of Bangladesh as a reliable sourcing market.

As buyers, we do not support violent protests, nor do we believe that this is the correct way forward. But we recognize and understand that the unrest has become a way for workers to raise their problems and vent their frustration, and we are looking to the Bangladeshi government to solve the current worker unrest in a peaceful, swift and humanitarian manner.

With regard to the issue of workers' wages, the minimum wage in Bangladesh was last revised in November 2010. Since then, there has been an increase in the inflation rate that has been recorded by the World Bank data in 2011 and 2012. (As per World Bank data, the inflation rate in Bangladesh was recorded at 9.93 percent in April of 2012). We believe that, at a minimum, the Bangladeshi government should consider an annual review of the local minimum wage that takes into consideration to the national inflation and the Consumer price index. The mechanisms to adjust the minimum wage are varied, but what we believe is important is that some mechanism be considered. If a functional review system is created and enforced, these revisions will help address the basic needs of the workers. This in turn will also help the employers and buyers to work together and address the issues of productivity, and work towards a constructive framework to improve the resource efficiency in the textile and garment sector.

The signatories to this letter are socially responsible companies who believe that the workers producing their branded products should be properly compensated by their employers. The industry disruptions and worker grievances are now impacting our ability to direct business to Bangladesh. As companies with a clear commitment towards workers' rights as well as business in Bangladesh, we look forward to a prompt resolution.

Considering the present situation in this sector, we hope that this letter and our request is treated with high priority, and are looking forward to a quick action by the Bangladeshi Government regarding this urgent matter.

Signatories:


Carrefour


Gap Inc.

LEVI STRAUSS \& CO.
LINDEX \& oxillane
HM
the pleasure and the benefits of sports



## KappAhl

Cc to:
President BGMEA
President BKMEA
The European Commission and Delegation to Bangladesh
The British High Commission
The Embassy of Sweden
The Embassy of the United States of America
The Embassies of the buyers signed this document

# Setting fair piece rates for homeworkers: 

## Key principles and possible approaches

This Briefing document sets out some broad principles to follow when setting homeworkers' piece rates. The principles can be applied to any method or process used for calculating piece rates, such as the two described in the appendices at the end of this document. The Briefing was developed by members of ETI's Homeworker Project ${ }^{1}$, and draws on ILO best practice guidelines. ${ }^{2}$

Any policy for establishing good practice in the payment of homeworkers should aim to ensure that homeworkers are rewarded at least as well as workers carrying out comparable work on the employer's premises. Homeworkers should not face discrimination on pay.

Calculation of piece rates for a particular item must be based either on providing the homeworker with at least the minimum wage at the skill level they are working to, or on the going rate for that item, whichever is highest. It is also important that homeworkers are not out of pocket as a result of having to meet expenses in advance of being paid, or having to wait an undue length of time for payment.

## Setting the piece rate

1. The piece rate should be set at a level which means that all workers ${ }^{3}$ are able to earn the minimum wage. If the rate is set on the basis of what the fastest workers can achieve, this means that many or most workers cannot earn a minimum wage during a normal working day. This would be in breach of the ETI Base Code.
2. Ideally, piece rate setting should be carried out with homeworkers working in their homes. ${ }^{4}$ This is because homeworkers may not be able to match the speed required for a rate which is set under factory conditions, and because preparatory work and packing, etc, may not be factored into the final rate set at a factory.

[^0]3. Employers should ensure that homeworkers do not have to bear the cost of additional expenses. For example, homeworkers should not be out of pocket for expenses such as equipment or materials they are required to provide, reasonable utility costs, cost of travel and time spent travelling to collect materials, etc. Homeworkers should be reimbursed for these expenses, either by:
a) calculating and reimbursing actual expenses OR, where this is impractical
b) calculating an approximate percentage for expenses which is added on to the piece rate. This rate may vary according to the tasks being carried out. ${ }^{5}$
4. Employers should recognise that homeworkers are being paid for their labour, not as subcontractors responsible for producing a final product. Making deductions from homeworkers' wages for work which is deemed to be of poor quality is not good practice. If the homeworker is producing work which is regarded as substandard, then it should be the employer's responsibility to provide appropriate training and, if necessary, equipment, software or materials of a suitable quality.

Two practical approaches for setting homeworker piece rates - using time and motion studies (Appendix 1), and an empirical approach to setting pieces rates in conjunction with homeworkers (Appendix 2) - are described at the end of this Briefing.


[^1]In addition to the principles for setting piece rates, systems should also be put in place to ensure consistent payment. These should include the following elements:

1. A system for informing homeworkers about the piece rate. For example:

- Stamping the rate onto the cloth/item that the homeworkers will be using.
- Including the rate in exporter's documentation. For example, the rate could be shown on job slips which homeworkers will see (and they could also sign to show they had received the agreed rate).
- Requiring contractors to display the rate prominently in locations where homeworkers will see it.
- Working through trade unions and community organisations to disseminate information about the rate.


This could be based on an extension of existing 'paper trails' established by exporter's documentation (for example, using homeworkers' job slips). Under this model, approved contractors/sub-contractors would commit/sign up to maintaining the paper trail, as well as to ensuring that homeworkers are paid the agreed rate.

The systems put in place should enable manufacturers/ exporters to monitor payment of piece rates, and could potentially allow checks by brand auditors or others (eg unions, homeworker NGOs). Involving representatives of local trade unions and/or homeworkers' organisations in monitoring payment of piece rates (and other elements of the Base Code issues) will improve the sustainability and effectiveness of implementation and monitoring. Additional funds may be needed to support NGO/union monitoring and activities with homeworkers, but these are likely to represent a more cost-effective use of resources than auditor fees.


## Appendix 1. Using time-and-motion studies to set homeworker piece rates

Setting piece rates is complex, and you may need to involve someone with appropriate expertise to do this accurately. This appendix describes a simplified approach to carrying out a time and motion study, which could be used for setting piece rates for homeworkers. ${ }^{6}$ Key steps are described below and summarised in Figure C at the end.

## 1. Carry out necessary tests to find the 'average hourly output rate' for the specific piece or task.

The average hourly output rate is the number of pieces and fractions of pieces that workers produce in one hour. This can be worked out by timing workers while they complete a specific piece or task.

To make the test as realistic as possible:

- Choose homeworkers who are already undertaking this work, rather than asking a factory worker to do it or bringing a homeworker into a factory setting.
- Do the test in the location where homeworkers carry out their work. This not only means that it is carried out in a realistic environment, but it also helps ensure that setting up and administrative tasks that homeworkers need to do are included (these tasks are often carried out by others when done in a factory setting).
- Where it is not practical to do the test in the homeworking location, for example where the price has to be agreed prior to placing an order, the assessment should replicate the homeworking environment as closely as possible.
- Choose workers who work at a representative speed, ie not the fastest workers. (Homeworkers themselves will usually be able to suggest who could be considered to work at an 'ordinary' speed.)
- Time a minimum of five homeworkers ${ }^{7}$ as they complete the task in question. This helps ensure the measure is realistic, as well as engaging homeworkers in the concept of a fair piece rate, and increasing communication of the rate once it is set.


## 2. Set the piece rate at a level which means that all workers are able to earn the minimum wage.

Because the person overseeing the test only times workers over a relatively short period of work, the system for extrapolating timings of individual work processes into a work rate that can be maintained throughout the working day must include factors to allow for

Fatigue and rest breaks.

- Time for setting up the work station.
- Time for packing and unpacking materials.
- Routine administration.

The rate should also allow for reasonable variation in speeds between workers. If for example, the rate set is equal to the average rate of a sample of workers, this will inevitably mean that $50 \%$ of workers would be unable to achieve the minimum wage - see Figure A. However, including a correction factor of $20 \%$ would mean that practically all workers would be able to achieve the minimum wage ${ }^{8}$ - see Figure $\mathbf{B}$.

The calculation would then be as follows:
Piece rate $=\frac{\text { Minimum wage (per day or hour) }}{\text { Average output (per day or hour) }} \times \frac{120}{100}$

[^2]

Figure $\mathbf{A}$. When the rate is set at the average rate of a sample of workers, $50 \%$ of workers earn less than the minimum wage. (The $x$ axis is time taken, and the $y$ axis is number of homeworkers)


Figure B. Applying a $+20 \%$ correction factor means that most workers can earn the minimum wage. (The $x$ axis is time taken, and the $y$ axis is number of homeworkers)

Figure C. Summary of the process of setting a piece rate through a time-and-motion study.

1. Establish the different activities undertaken by a homeworker to complete the task.

2. Time at least five homeworkers doing this work for one hour or until the task is completed, in the homeworker context.

- Measure the speed of an average worker, rather than the fastest worker. (Ask homeworkers to identify workers who work at a representative speed).


3. Divide the daily (or hourly) minimum wage rate by the number of pieces completed in one day (or hour).

- Factor in a rate of work which can be kept up throughout the day, and an adjustment of $20 \%$ to ensure that all workers are able to earn the minimum wage.


4. Factor in:

- Break times
- Set up/take down times
- Time for routine administration

Where relevant, also factor in:

- Time and other costs for travel
- Costs of utility bills (eg energy costs)


## Appendix 2. Using an empirical approach to setting piece rates with homeworkers

This approach to setting homeworker piece rates is based on asking homeworkers themselves to suggest what a fair rate would be. Key steps in this approach are shown below.

## 1. Hold discussions with homeworkers

Homeworkers typically have a good understanding of how long it takes to carry out particular types or pieces of work. Discussions with homeworkers can be used to determine a fair rate by asking them how many pieces they can carry out during a normal 8-hour day.

Discussions should be:

- led by a trusted facilitator; ${ }^{9}$
- held in groups of six or more homeworkers.

Make sure homeworkers include consideration of:

- Involvement by other family members, including children who may be helping their parents by sorting or preparing materials. This may be overlooked by homeworkers themselves and can be prompted during the discussion, by asking them to describe all the processes and people involved in production and the tasks they do. (Unless this is included, some family members may not be remunerated for work they are carrying out, and there will be a further barrier to the remediation of child labour.)
- Materials provided by homeworkers. For example, in traditional craft work, homeworkers may gather and prepare raw materials, and may not think to include this in their calculation of time and costs incurred.

Box 1 contains questions that can be used during discussions to explore piece rates with homeworkers.
2. Calculate the piece rate based on information provided by homeworkers

An example of how this might be done for embroidery work is set out below. ${ }^{10}$
Production per 8 hour day: During discussion, homeworkers initially state that they can produce around 15 pieces of embroidery/beading during a normal 8 -hour day. However, through further discussion it emerges that other family members would also be carrying out work, in particular: preparing embroidery frames (2 hours per frame, one frame holds 20 pieces) and sorting and stringing beads ( 3 hours per day for those 15 pieces).

Production of 100 pieces therefore involves the following:

| Information from homeworkers - per day |  | Hours taken for $\mathbf{1 0 0}$ pieces |  |  |
| :--- | :--- | :--- | :--- | :---: |
| Embroidery/beading: | 15 pieces in 8 hours | $(100 / 15)$ pieces $\times 8$ hours per piece $=\mathbf{5 3 . 3 3}$ |  |  |
| Frame preparation: | 20 pieces per frame <br> 100 pieces requires 100/20 <br> frames $=5$ frames <br> Each frame takes 2 hours | $(100 / 20)$ frames $\times 2$ hours per frame $=\mathbf{1 0}$ |  |  |
| Sorting and stringing: | 15 pieces takes 3 hours <br> 5 pieces takes an hour <br> $(15 / 3)$ | 100 pieces/5 pieces an hour | $=\mathbf{2 0}$ |  |
|  |  | Total hours | $=\mathbf{8 3 . 3 3}$ |  |

Minimum hourly wages. The minimum wage in Delhi is Rs 248/day, equivalent to Rs 31 per hour (Rs248/8). ${ }^{11}$

Piece rates. Based on the calculation of total hours per 100 pieces and the minimum hourly wage, the piece rate can be calculated as:
83.33 (total hours worked) x Rs 31 (min hourly wage) $/ 100$ (number of pieces) $=$ Rs 25.8 per piece

[^3]
## Box 1. Suggested questions for exploring rates with homeworkers

Start by explaining the objective of the discussion - to agree a piece rate which is equivalent to the legal minimum wage which factory workers are entitled to. Inform homeworkers what the daily minimum wage is (eg for embroidery/ skilled work).

Questions should be directed towards individual homeworkers, to encourage someone to answer, but it is not the intention that every homeworker should answer separately. Questions should help you identify typical production/outputs per day (Qs 1-3), whether or not that is representative of the group (Qs 4-6), and involvement of others (Qs 8-10).

1. How many pieces do you usually make in a day? How long do you usually work for?

If they are already working on a similar product:
2. How many pieces did you make yesterday? How long did you work for?
3. How many can you produce if you work for eight hours?
4. Can all skilled homeworkers produce this many pieces in a day? (Or are you a very fast worker?)

Repeat question to the group.
5. Can all skilled homeworkers produce this many pieces in a day, or is she/he just a very fast worker?

Select another homeworker
6. Would you be able to produce this many pieces if you worked 8 hours, or would you need longer?

Questions 1, 2 and 3 should produce similar results about how many pieces they can make in a day/8 hours. For example, if a homeworker responds that they made 12 pieces during 6 hours of work yesterday (Q2), that would be equivalent to 16 pieces per 8 hour day (Q3). If responses do not match the answer to question 3 then further discussion may be necessary.

Using the information provided, ask the group:
7. Is it fair to say therefore that homeworkers can produce X number of pieces in an 8 -hour day?

Explain that, if other family members are helping, it is important their work should be remunerated. For this we need to know about any part played in production by other family members.
8. Do other members of the family (prompt: wife, husband, daughter, son, children) help you with this work?
9. What tasks do they carry out?
10. On a typical day (or yesterday) how many hours did other family members work for? (prompt: wife, husband, daughter, son, children)

For crafts production using raw materials sourced by homeworkers:
Ask similar questions about who gathers or pays for materials. Add this time to the calculations of hours of work per piece, or calculate the cost per piece of raw materials if these are bought by homeworkers.


[^0]:    ${ }^{1}$ See: www.ethicaltrade.org/in-action/programmes/homeworkersproject.
    ${ }^{2}$ See for example ILO Home Work Convention 177 (1996); 'Employment of homeworkers: Examples of good practice', 1995.
    ${ }^{3}$ This refers to a typical worker who is properly trained and working at a normal pace/rate in the homeworking environment.
    ${ }^{4}$ Where this is not practical (eg where the price has to be agreed prior to placing an order), the supplier or exporter should ensure that any factory assessments replicate the homeworking environment as closely as possible.

[^1]:    ${ }^{5}$ In Canada for example $10 \%$ is added to cover garment homeworkers' expenses.

[^2]:    ${ }^{6}$ This methodology is used by some of the members of the UK Homeworker group. A case study is available at http://www.ethicaltrade.org/sites/default/files/resources/Case Study-calculating piece rates improving pay.pdf
    ${ }^{7}$ While for example the US Department of Labour allows for rate-setting based on observation of a minimum of three workers, many time-and-motion studies are based on a much larger sample of workers (homeworkers or otherwise), so that piece rates take account of diverse working techniques, left- and right-handed workers, etc
    ${ }^{8}$ The UK is one of a few countries with legislation on piece-rate setting. The UK National Minimum Wages Regulations apply a $20 \%$ correction factor (as used in this guidance) to ensure that all piece-rate workers can achieve the minimum wage.

[^3]:    ${ }^{9}$ Ideally discussions would be led by someone who is not seen as having a direct financial interest in the level at which rates are set, eg a Project Officer or the manufacturer's QA staff; preferably not contractors (although this may be unavoidable).
    ${ }^{10}$ Embroidery is used in this example. However, homework is part of a very broad range of production processes including food processing (nut cracking), packing (components, gift packs), etc.
    11 This was the rate when the Homeworker Group carried out this study in 2009-10.

