

SMALLWORLD ACCESSORIES LTD
HOMWORKING POLICY

Smallworld Accessories Homeworking Policy

1. Background

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

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

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

2. Our Position

2.1 Acceptance of homeworking

Smallworld believes that homeworking can be critical to its supply chain and openly accepts the presence of homework within these.

- Homeworkers can often provide us with the flexibility to cope with rapidly changing volumes of production.
- Homeworkers may also produce specialist components which cannot be made by machinery or small quantities of intricate or high-quality items.

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

2.2 Commitment to improving homeworkers' conditions

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

3. Defining Homeworking

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

The term homework means work carried out by a person, to be referred to as a homeworker.

- (1) in his or her home or in other premises of his or her choice, other than the workplace of the employer
- (2) For remuneration
- (3) For remuneration which results in a product or service as specified by the employer, irrespective of who provides the equipment, materials or other inputs used, unless this person has the degree of autonomy and of economic independence necessary to be considered an independent worker under national laws, regulations or court decisions;

(A) Persons with employee status do not become homeworkers within the meaning of this Convention simply by occasionally performing their work as employees at home, rather than at their usual workplaces;

(B) The term employer means a person, natural or legal, who, either directly or through an intermediary, whether or not intermediaries are provided for in national legislation, gives out home work in pursuance of his or her business activity.

4. Our commitment under this policy

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

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

5. Our suppliers commitment under this policy

We expect those we are sourcing from to:

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

6. Labour Standards

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

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

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