

Module 12 of the *OECD Due Diligence Guidance for Responsible Supply Chains in the Garment and Footwear Sector* outlines how to contract responsibly to homeworkers. The Corporate Sustainability Due Diligence Directive (CSDDD) adopted by the European Union in July 2024 goes further in its efforts to foster responsible corporate behaviour in supply chains. The CSDDD covers all workers within a company's 'chain of activities'. This means that due diligence legislation must cover subcontracted workers, including homeworkers who work in workshops and from home.

» Who Are Homeworkers?

Homeworkers are contracted by factories, often through an intermediary, to produce goods or provide services. Their work is carried out in or around their home or at a workshop. Typically, they are paid by the piece. They carry the costs of electricity and of tools and machinery.

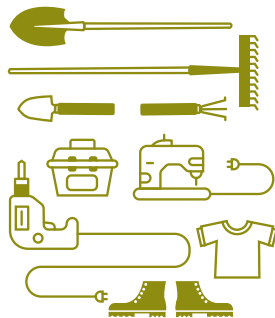
» How Many People Work as Homeworkers?

49
million

The ILO estimates that there are at least 49 million subcontracted homeworkers.

» What Do They Do?

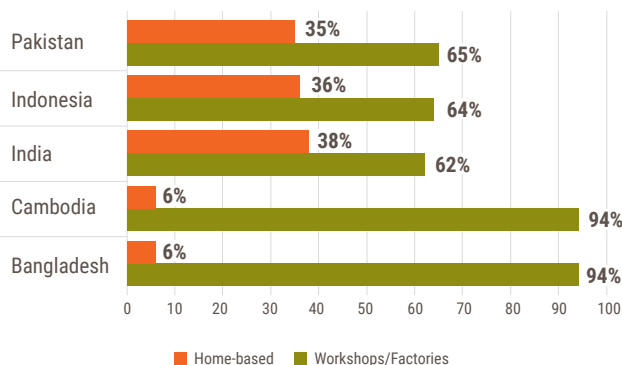
Homeworkers are subcontracted to make goods and provide services for many industries, including food and agriculture, construction, electronics, and garment and footwear.



» How Many Garment Workers Work From Home or in Workshops?

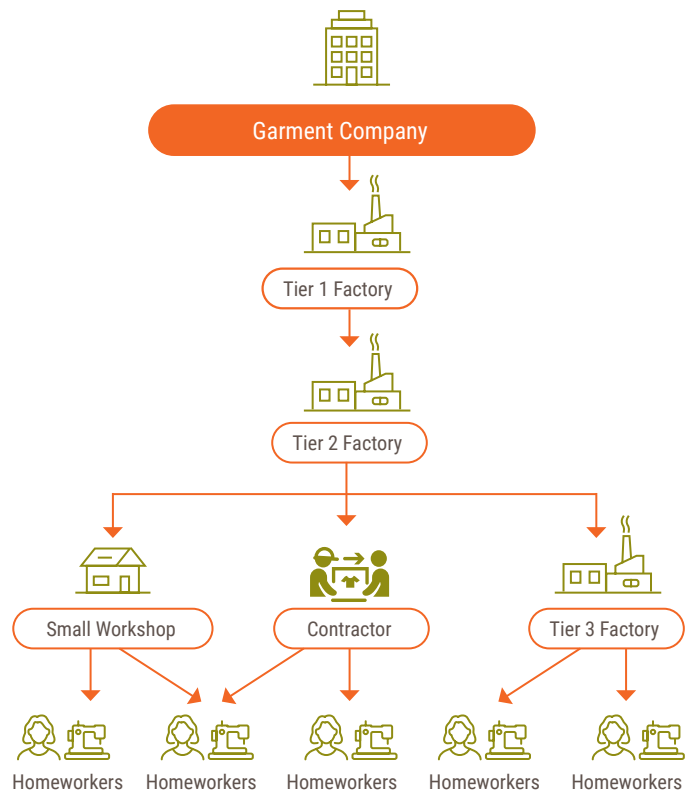
More than one in three garment and footwear workers in India, Indonesia and Pakistan work from home.

Place of Work for Garment Workers in 5 Countries



» Where Are Homeworkers in Garment and Footwear Supply Chains?

In the garment and footwear industry, tier-1 factories (the direct business partner) typically subcontract to tier-2 and tier-3 factories (the company's indirect business partners), who in turn subcontract to workshops and industrial outworkers (or homeworkers) who work from their homes.

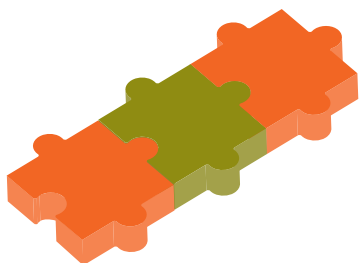


Whether they work in a factory, workshop or home, ALL of these workers form part of a company's 'chain of activities'.

6 Things Subcontracted Workers Need From Corporate Due Diligence

1 Cascading contractual obligations that extend to 'indirect business partners'

Legislation should place an obligation on companies to include provisions about subcontracted workers in their contracts with business partners. These contractual provisions should apply to indirect business partners in the 'chain of activities'.



3 Representation rights for all workers

Legislation should specify that all workers, including subcontracted workers, should be represented by organizations of their own choosing. This is relevant because some trade unions do not organize subcontracted workers, or are not independent from political parties or government control.



5 Co-designed complaints mechanisms and worker representation on complaint bodies

Workers and their organizations within every tier of the chain must co-design complaint mechanisms. This promotes gender sensitivity and prevents suppliers from retaliating against complainants. Workers should be represented on independent tripartite bodies that oversee complaint and grievance mechanisms at the local level.



2 Written contracts for all workers, including homeworkers should be a legal obligation

To promote transparency in supply chains, contracts with workers should include the name of the company. If they know the name, workers can assist the company with its CSDDD due diligence obligations.



4 Meaningful consultation with workers and their organizations in every tier of the chain

Legislation should specify that companies engage in meaningful consultation on all aspects of due diligence with workers and their organizations throughout the enterprise's chains of activities. Rights violations can differ according to place of work and organizations of homeworkers can speak to the issues faced by workers in workshops and homes.



6 Know-your-rights training provided to all workers

Legislation should oblige enterprises to ensure that all workers, including workers in workshops and homeworkers, receive training about the due diligence process and complaint and grievance procedures. Training should be offered by workers, civil society organizations, or universities.



About WIEGO

Women in Informal Employment: Globalizing and Organizing (WIEGO) is a global network focused on empowering the working poor, especially women, in the informal economy to secure their livelihoods. We believe all workers should have equal economic opportunities, rights, protection and voice. WIEGO promotes change by improving statistics and expanding knowledge on the informal economy, building networks and capacity among informal worker organizations and, jointly with the networks and organizations, influencing local, national and international policies. Visit www.wiego.org.