

HomeNet

INTERNATIONAL



























Dear Commissioner,

As the European Union (EU) Commission considers an Omnibus proposal that will potentially water down the human rights protection of millions of workers in global supply chains, we are writing to you as worker organizations and trade unions from South and South-East Asian, European and Latin American garment production countries. This letter represents the voices of millions of workers from Bangladesh, Bulgaria, Cambodia, El Salvador, India, Indonesia, Pakistan, the Philippines, Sri Lanka, Thailand, Uruguay and Vietnam.

We welcomed the Corporate Sustainability Due Diligence Directive (CSDDD) and the fact that it:

- **Covers all workers in all tiers of the supply chain** by including a company's 'indirect business partners' and its entire 'chain of activities''.
- Includes meaningful stakeholder engagement with workers and affected rights holders in all tiers of the chain.

We urge you to play your part in ensuring that the CSDDD is not opened for renegotiation and recommend that the Commission focuses instead on its implementation, for the following reasons:

1. Should the CSDDD be renegotiated to curtail the current chain of activities, it will risk excluding most supply chain workers in some sectors, including <u>49 million homeworkers</u>, most of whom are women. In the garment and footwear sector, which is a high-risk sector for human rights violations, most of the workforce will not be covered. Statistics on the garment and footwear sector produced by the International Labour Organization show that <u>one third</u> of workers in India, Pakistan, and Indonesia work outside of factories, in or near their homes. In India, for example, <u>89.9 per cent</u> of workers in the garment sector work in small and medium enterprises. Many of these enterprises also subcontract to homeworkers. A <u>survey</u> of 340 garment factories in Delhi and Bengaluru showed that 58 per cent of surveyed factories outsource to homeworkers, who work from their homes.

The further down the chain one goes, the less workers earn, and the more production costs and risks they carry. Homeworkers, who are contracted directly by factory supervisors/'contractors' or by workshops to work from home, earn between half and one third of the minimum wage. They also carry production costs, including the cost of space, electricity and equipment such as sewing machines, needles and scissors.

2. If the CSDDD applies only to select categories of workers, it will incentivize suppliers to informalize the workforce. A study of 40 factories in eight garment and footwear producing countries found that it is common practice for suppliers to maintain one factory that complies with codes and to subcontract to other factories that are not audited and do not comply with the codes.

**3.** 'Yes' to competitiveness; 'No' to violations of workers' human rights: Business competitiveness is legitimate but should not be based on violating the human rights of workers in developing countries and aiding a race to the bottom.

Many companies are already complying with reporting requirements. The Commission should create a level playing field.

Yes, the political discourse in the EU has changed, but the reality of human rights and environmental abuses in supply chains has not. The status quo for regulating supply chains is not sustainable. Competitiveness and sustainability are not trade-offs! The goal of simplification is achievable through smart implementation of the CSDDD.

- **4. Compliance with international law obligations:** By not re-opening the CSDDD and focusing instead on its implementation, the Commission will be upholding the international law obligations of its member states. It is well established in international law that countries' human rights obligations apply extraterritorially that is, to people abroad affected by their conduct.
- 5. Meaningful stakeholder consultation reduces risks of human rights violations: Meaningful stakeholder engagement with workers and affected rights-holders in all tiers of the chain, including on the design of complaints mechanisms, will reduce companies' risks of human rights violations in their supply chains. If workers, including homeworkers, know the name of the company that they produce for, they can assist companies with their due diligence obligations.
- 6. Amendments to the CSDDD cannot be considered without consultation with the most directly affected parties in supply chains, namely workers and their organizations in the production countries.

We trust that you will hear the voices of workers in global supply chains from production countries and that you will say no to reopening the CSDDD.

## Yours sincerely,

**HomeNet International (HNI)** is a global network of membership-based workers' organizations that represents more than 1.3 million home-based workers, from 71 organizations spread across 30 countries.

**HomeNet South Asia (HNSA)** is a regional network representing 900,000 homebased workers from eight South Asian countries: Afghanistan, Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan and Sri Lanka.

**HomeNet Southeast Asia (HNSEA)** is a regional network of national organizations of home-based workers in Cambodia, Indonesia, Laos, Malaysia, the Philippines, and Thailand, representing 76,000 home-based workers.

**Anukatham** is a Tamil Nadu-based women's trade union dedicated to improving the welfare and development of women workers in the informal sector. The union has more than 43,500 members.

**Homenet Indonesia** is a membership-based organization representing 7,434 homebased workers, including both subcontracted workers and self-employed workers. They are spread across seven provinces in Indonesia. **HomeNet Thailand** was founded in 1999 as an NGO to support home-based workers across Thailand. Today, it operates as a membership-based organization with over 5,000 members.

Home Based Women Workers Federation (HBWWF) represents 3,000 home-based workers across Pakistan.

**Labour in the Informal Economy (LIE)** is a membership-based organization representing 3,565 workers from the informal economy sector in Bangladesh. Its primary objective is to promote and protect their fundamental rights at the national level, with a focus on ensuring decent living and working conditions.

**Sindicato Único de la Aguja (SUA)**, is a national trade union of garment workers in Uruguay which was founded in 1901, representing close to 3,000 workers.

**SITRABORDO**, is a Trade Union of Home-Based Embroidery Workers of El Salvador, established in June 2018, that works to advance and advocate for the labour rights of home-based embroidery workers.

**UNITY (TUSIW "Edinstvo")** is a Trade Union launched in 2014 in Bulgaria that works to address the low wages, job insecurity, poor working conditions and lack of access to social security benefits faced by home-based workers and other informal workers.

**Asia Floor Wage Alliance (AFWA)** is an Asia labour-led global labour and social alliance of 34 organizations across garment producing countries of South and Southeast Asia, including India, Indonesia, Sri Lanka, Cambodia, Pakistan and consumer regions including USA and Europe.

**National Trade Union Federation (NTUF)** is a trade union federation that represents garment workers and other sectors of workers across Pakistan.

**SAVE (Social Awareness and Voluntary Education)** is actively involved with a network of garment supply chain stakeholders, including spinning mills, garment production units, and weaving units. SAVE has organized over 87,000 garment workers who work in factories, medium, small, and micro garment production units and homes.

**Women in Informal Employment: Globalizing and Organizing (WIEGO)** is a global research-policy network dedicated to improving the working conditions of the working poor – especially women – in the informal economy. WIEGO's members include 30 informal worker organizations in Africa, Asia and Latin America.