SEASALT

HOMEWORKER POLICY

This policy applies to all companies in Seasalt Group, including Seasalt Limited, trading as Seasalt and Seasalt Cornwall and to all Seasalt Group Companies trading internationally and to all our direct and indirect suppliers. It has been informed by internal and external stakeholders.

Introduction

This policy communicates our position towards homeworking in our supply chains and provides our supply chain partners with guidance in delivering our expectations. Our preference is for all stages of our product manufacture to be processed on-site at production facilities with Sedex membership and third-party verified social, ethical and environmental audits in place. However, we understand that occasionally, homeworking may be a necessary part of our supply chain, offering additional resource and skills unavailable in the commercial sector.

Background

Homeworkers exist in many supply chains, working in a wide range of sectors. The vast majority of homeworkers are women, who are balancing paid work with domestic and family responsibilities; few have practical alternatives and homeworking provides a valuable income stream for themselves and their families.

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. They are generally employed informally, in a precarious position. Many are underpaid, the wages often do not reach the legal minimum wage, and they have no security of employment.

Seasalt Limited, as a full member of the Ethical Trading Initiative (ETI), 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. We believe one of the first steps towards reducing the insecurity and vulnerability of these workers is to take an open and positive position towards homeworking.

Our Position

Seasalt Limited believes that homeworking is important to its supply chain; that homeworkers can make a positive contribution to production and openly accepts the presence of homeworking within its supply chains.

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.

Seasalt Limited recognizes that homeworkers are entitled to equal treatment with other workers as set out in the ILO convention on Homeworking (1996, C177, Article 4), including pay, health and safety, the right to organise, social security protection and protection against discrimination.

Any work to improve homeworkers' conditions must involve homeworkers themselves in the process and must not result in homeworkers losing their work.

2.1 Acceptance of homeworking

Accepting the use of homeworkers in our supply chain avoids the 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.

2.2 Commitment to improving homeworkers' conditions

However, we also acknowledge that labour conditions experienced by homeworkers may not currently meet those set out in the International Labour Standards (ILO) Convention on Homework and the ETI Base Code.

Seasalt Limited is therefore committed to taking action, together with our suppliers, to improving these conditions, and we will establish a clear timeframe for doing so. The first step in such action is to make our position on homeworking clear.

Homework Definition

Our definition of homework is based upon the International Labour Organisation (ILO) Convention (1996, C177, Article 1) which promotes the equality of treatment between homeworkers and other wage earners, and which states:

- a. The term homework means work carried out by a person, to be referred to as a homeworker;
- i. In his or her home or in other premises of his or her choice, other than the workplace of the employer
- ii. For remuneration
- iii. 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

- b. 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.
- c. 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 homework in pursuance of his or her business activity.

* In practice, homeworkers working in global supply chains are producing goods to strict company specifications. They do not have the 'degree of autonomy and of economic independence necessary to be considered an independent worker', and so they are clearly homeworkers covered by the ILO definition.

Our Commitment & Responsibility

We acknowledge that improving labour conditions for homeworkers is a complex issue. Under this homeworker policy Seasalt Limited is committed to:

- Communicating our position on homeworking throughout our company, to those who supply to us and to all relevant business partners.
- Ensuring that the presence of homeworkers in our supply chains will not lead to the relocation of work or cancellation of orders.
- Working with our suppliers for the sustainable improvement of labour conditions for homeworkers in our supply chains, establishing clear timeframes for action and involving homeworkers and/or their representatives in this process. We will aim to do this by following the guidance set out in the ETI homeworker guidelines for suppliers.
- Engaging, where appropriate, with other brands and relevant non-governmental organisations (NGOs) in the sustainable improvement of labour conditions for homeworkers in our supply chains.

Our Supplier & Partner Responsibilities and Commitments

We expect our suppliers and partners, from whom we are sourcing, 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 the ILO Convention on Homeworking (1996, C177, Article 4) and the ETI Base Code.
- Communicate this policy to all those in the supply chain below them, including intermediaries and homeworkers themselves.
- Work with us to identify where homeworking occurs in their supply chains and disclose this information to us.
- Work with us to develop an action plan for improving labour conditions for homeworkers if they are found to be below those set out in international labour standards and the ETI Base Code and to involve homeworkers and/or their representatives in this process.

Working Together

We are committed to working with suppliers to identify homeworking and improve working conditions for homeworkers. This may involve different measures, depending on the context.

- Requesting evidence of current records of homeworkers including name, proof of age and address etc.
- Requesting evidence of payments to homeworkers, such as pass books and payslips.
- Providing information to our suppliers, partners and intermediaries about homeworkers rights and entitlements under this policy, health & safety, and the right to an accessible grievance mechanism.
- Enabling enrolment in statutory social systems or equivalent private provisions.
- Developing a work quota system to provide more regular work and deter sub-contracting.
- Providing direct employment for homeworkers.

The use of intermediaries is common practice in homework supply chains. It is the responsibility of suppliers and partners to:

- Establish transparency of supply chain between the supplier and the homeworker, understand all tiers of intermediaries and disclose this information to Seasalt Limited.
- Establish a pre-qualification system for intermediaries that are involved in the contracting of work to homeworkers. Intermediaries should be compliant with national law.
- Establish internal protocols for the outsourcing of work to homeworkers (e.g. verification that intermediaries handling the work have been pre-qualified, tracking of pieces and payments made).
- Establish contractual relationships with intermediaries stipulating expectations including:
- i. Keeping a record of all homeworkers. N.B. All working members of a family, who are above legal minimum working age, should be recorded as homeworkers.
- ii. Keeping a record of the quantity of work distributed and payments made.
- iii. Keeping a record of any social security or health insurance benefits being provided to homeworkers.
- Provide training to intermediaries on their legal obligations and Seasalt's Standards (as stated in this policy and our standards).

N.B. For the purpose of this policy, 'intermediary' is defined as any person(s) or organisation not directly employed by the supplier who is involved in the sourcing of homeworkers, distribution or collection of homework or other roles contributing to the completion of work by homeworkers in the Seasalt Limited supply chain.

Labour Standards

ILO Convention on Homeworking, 1996, C177, Article 4 states:

1. The national policy on home work shall promote, as far as possible, equality of treatment between homeworkers and other wage earners, taking into account the special characteristics of home work and, where appropriate, conditions applicable to the same or a similar type of work carried out in an enterprise.

- 2. Equality of treatment shall be promoted, in particular, in relation to:
- a. The homeworkers' right to establish or join organisations of their own choosing and to participate in the activities of such organisations
- b. Protection against discrimination in employment and occupation
- c. Protection in the field of occupational safety and health
- d. Remuneration
- e. Statutory social security protection
- f. Access to training
- g. Minimum age for admission to employment or work
- h. Maternity protection

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 practiced
- 8. Regular employment is provided
- 9. No harsh or inhumane treatment is allowed

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

Signed by:

Paul Hayes Chief Executive Officer

Signed: 31st January 2024 Review date: January 2026