

## A. Applying the ETI Base Code to smallholders

This table indicates what applying the ETI Base Code means in practice in the context of smallholders and their workers. It shows each labour standard in the ETI Base Code and, for each major group of players in the supply chain, outlines what needs to be done to attain the standard.

### A.1 Who needs to be involved and how

The players involved in applying these standards include those purchasing directly from smallholders, such as packers, exporters or co-operatives, as well as smallholders themselves and, where relevant, their workers. Note that single smallholders who make seasonal or temporary use of family labour should be considered in such periods as smallholder employers and should follow the guidance set out under that heading.

As the guidelines are generic, supply chain actors in some industries and countries may feel that these standards are not relevant for their situation (for example, bonded labour). Please note that all the rights of the ETI Base Code apply, even if in certain contexts such issues are unlikely to arise.

Producers, processors/packers and retailers should agree their commitment to these standards as a starting point that will lead to implementation of the Base Code. All players in the supply chain need to discuss how to implement the labour standards and to understand the implications of their commitment to them. Suppliers and retailers should monitor progress in meeting the requirements of this table to ensure that actions are carried out within agreed timeframes.



### Key to the application table

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<b>COLUMN 1</b>	shows the labour standard to be applied from the ETI Base Code or Principles of Implementation.
<b>COLUMN 2</b>	shows actions to be taken by the purchaser (exporter, packer, agent or smallholder co-operative buying directly from a smallholder).
<b>COLUMN 3</b>	shows actions to be taken by smallholder employers.
<b>COLUMN 4</b>	shows actions to be taken by single smallholders or those working for smallholders.
<b>ROW 2</b>	each column shows examples of indicators that can be used to verify that actions are being taken and that these standards are being met. These indicators could also be used during an audit.

### Abbreviations

SH	Smallholder (farmer/owner of a small-scale farm/plot of land – roughly under 10 hectares – producing relatively small crop volumes)
W	Worker (does not own or manage land, employed directly by a smallholder. Note that in the application table workers may include members of the smallholder's family)
SHE	Smallholder employer (a smallholder who employs others)
SSH/W	Single smallholder (does not employ others) or worker
SH/W	Smallholders (of all types) and workers
Purchaser	Packer, exporter, intermediary or smallholder co-operative buying directly from a smallholder, that is the next tier up in the supply chain

### Glossary

COLEACP	Europe/Africa-Caribbean-Pacific Liaison Committee
FAO	Food and Agricultural Organization
IUF	International Union of Food, Agricultural, Hotel, Restaurant, Catering, Tobacco and Allied Workers' Associations
OHS	occupational health and safety
PPE	personal protective equipment
UNEP	United Nations Environment Programme
WHO	World Health Organisation



A.2 Application framework

**ACTION: Forced labour**

<b>STANDARD TO BE APPLIED</b>	<b>PURCHASER ACTION</b>	<b>SMALLHOLDER EMPLOYER ACTION</b>	<b>SINGLE SMALLHOLDER/WORKER ACTION</b>
<p><b>ETI Base Code 1 and 1.2</b>  <b>There is no forced, bonded or involuntary prison labour.</b>  <b>Employment is freely chosen. Workers are not required to lodge 'deposits' or their identity papers with their employer.<sup>1</sup></b></p>	<p>SHs are not required to lodge deposits or identity papers with you.          Avoid so-called 'proxy recruitment' where the contracted SH passes responsibility for producing the crop to family members or others without their permission or against their will. Where male farmers are registered, you should ensure that remuneration from the sale of produce is shared with all those producing it (see also 7.1).</p>	<p>No compulsory engaging of family members or others in the work.          You must not ask Ws to lodge deposits or identity papers with you or an intermediary.</p>	<p>No compulsory engaging of family members or others in the work.</p>

**INDICATORS: Forced labour**

<p>Indicators should illustrate that SH/W involvement in smallholder farming is on a voluntary basis.</p>	<p>No passports or identity documents are in purchasers' possession. This is particularly relevant when dealing with migrant or immigrant labourers.          Terms of work and recruitment are seen/reported by SH/Ws to be free from violence, intimidation, threats, deception or coercion.          SH/Ws are not reporting, seen to be exchanging labour for reduction of debt, or being fined for any reason.          SH/Ws are not reporting, or seen to be without freedom of movement (ie, not confined to premises).</p>	<p>No passports or identity documents are in your possession. This is particularly relevant when SHs employ migrant or immigrant labourers.          Terms of work and recruitment are seen/reported by Ws to be free from violence, intimidation, threats, deception or coercion.          Ws are not reporting, seen to be exchanging labour for reduction of debt, or being fined for any reason.          Ws are not reporting, or seen to be without freedom of movement (ie, not confined to premises).</p>	<p>Terms of work and recruitment are seen/reported by Ws to be free from violence, intimidation, threats, deception or coercion.          Ws are not reporting, seen to be exchanging labour for reduction of debt, or being fined for any reason.          Ws are not reporting, or seen to be without freedom of movement (ie, not confined to premises).</p>
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1. A person becomes a bonded labourer when his or her labour is demanded as a means of repayment for a loan. The person is then tricked or trapped into working for very little or no pay, and is defined as a bonded labourer when the value of their work is greater than the original sum of money borrowed. The implication is that the worker (or dependants) is tied to the creditor for a specified or unspecified period, until the loan is repaid. (Anti-Slavery International, 'Bonded Labour', 1999; ILO, 'Stopping Forced Labour', 2001). Migrant and immigrant workers are particularly vulnerable to forced/bonded labour. In the past there have been unverified reports of bonded labour in S Asian smallholder tea production.



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**ACTION: Freedom of association and collective bargaining**

STANDARD TO BE APPLIED	PURCHASER ACTION	SMALLHOLDER EMPLOYER ACTION	SINGLE SMALLHOLDER/WORKER ACTION
<p><b>ETI Base Code 2.1</b>  <b>Workers, without distinction, have the right to join or form trade unions of their own choosing and to bargain collectively.</b></p> <p><b>2.4</b> 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.</p>	<p>Where trade unions or workers' organisations represent SHs (ask national agricultural workers' unions, or IUF) their representatives should be allowed to hold meetings with SHs.</p> <p>Where no unions are present or are illegal, (eg, China) you encourage mechanisms for independent SH representation and collective bargaining by SHs where possible (eg, SHs' collectives/committees, including at buying or grading centres).</p> <p>You should inform and familiarise yourself with any trade union representation of SHs in your country.</p> <p>Producers in associations or co-operatives are able to participate in decisions that affect them.</p> <p>Transparent and equitable mechanisms are in place for collective agreement of prices and price setting<sup>7</sup> for SHs.</p> <p><b>Best practice</b>            You enable/facilitate SH meetings, and tell them of organisations such as trade unions or other groups which can help SHs present their position/views.</p>	<p>Where trade unions represent such Ws, (ask national agricultural workers' unions, or IUF) trade union organisers/workers organisations' representatives are allowed to hold meetings with Ws.</p> <p>Where no unions are present or are illegal (eg, China), you encourage mechanisms for independent W representation and collective bargaining by Ws where possible (eg, Ws' committees).</p> <p>You should inform and familiarise yourself with any trade union representation of agricultural workers in your country.</p> <p>Producers in associations or co-operatives are able to participate in decisions that affect them.</p> <p>You should allow collective agreement of wages<sup>3</sup> between yourself and Ws.</p>	



INDICATORS: Freedom of association and collective bargaining			
<b>STANDARD TO BE APPLIED</b>	SH/Ws are allowed to establish or join organisations and trade unions of their own choosing and to participate in the activities of such organisations, ie, trade union activity is permitted.  SH/Ws have the right to bargain collectively.		
<b>PURCHASER ACTION</b>	SHs/union leaders do not report barriers to freedom of association or collective bargaining. SHs understand they may join trade unions or SH groups without fear of reprisal.  A transparent agreement is in place between SH and purchaser covering terms of engagement and decision making.  A trade union or SH/s organisation may be involved in collective bargaining.  Purchasers are aware of TU representation of SHs where relevant.		
<b>SMALLHOLDER EMPLOYER ACTION</b>	Ws/union leaders do not report barriers to freedom of association or collective bargaining. Ws understand they may join trade unions or Ws' organisations without fear of reprisal.  An agreement is in place between SHEs and Ws covering terms of engagement and decision making.  A trade union or Ws' organisation may be involved in collective bargaining.  SHEs are aware of TU representation of workers, where relevant.		
<b>SINGLE SMALLHOLDER/WORKER ACTION</b>	Ws know of the existence of trade unions and/or Ws' organisations, where they exist, and/or may indicate that they are organised.		

2. Price setting would apply where prices are set at auction, or where defined under a collective bargaining agreement.

3. Wages are defined as cash, goods or other payments as mutually agreed, excluding alcohol or narcotics.



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**ACTION: No discrimination re TU membership**

<b>STANDARD TO BE APPLIED</b>	<b>PURCHASER ACTION</b>	<b>SMALLHOLDER EMPLOYER ACTION</b>	<b>SINGLE SMALLHOLDER/WORKER ACTION</b>
<p><b>ETI Base Code 2.2 and 2.3</b>  <b>The employer adopts an open attitude towards the activities of trade unions and their organisational activities.</b></p> <p><b>Workers' representatives are not discriminated against and have access to carry out their representative functions in the workplace.</b></p> <p><b>Discrimination means: not using, not employing, not granting further work to or no longer sourcing from union member SHs, SH representatives, Ws or Ws representatives.</b></p>	<p>You do not discriminate against the representatives of trade unions or SHs organisations, (eg. in the price paid for goods, treatment, selection for training) and arrangements are made for them to have access, and provide information, to SHs to carry out their representative functions where relevant.</p> <p>You keep records of the representatives of union/SH organisation where relevant.</p> <p>Representatives of SH/Ws' organisations/trade unions (workforce or officers) are able to meet with SH/Ws in a confidential setting.</p>	<p>The representatives of trade unions or Ws' organisations are not discriminated against, (eg. wages paid, treatment, selection for training). Arrangements are made for them to have access to Ws to carry out their representative functions where relevant.</p> <p>SH keeps records of union/Ws' organisation representative where relevant.</p> <p>Representatives of trade unions or Ws' organisations are able to meet Ws in a confidential setting.</p>	<p>No compulsory engaging of family members or others in the work.</p>

**INDICATORS: TU discrimination**

No evidence of discrimination on the basis of TU or W organisation membership.	No evidence of discrimination is reported by SHs. Purchasers can provide evidence of anti-discrimination policies – copies are available, SHs know the policy. There is indication of where representatives of SH/Ws' organisations/TUs can meet or pin notices (eg. in collection centres).	No evidence of discrimination is reported by Ws. Ws are aware of anti-discrimination policy. If there are a number of workers, SHEs indicate where representatives of Ws' organisations/TUs can meet workers or pin notices (eg. notice board near chemical store, shower).	
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**ACTION: Provision of safe and healthy environment**

STANDARD TO BE APPLIED	PURCHASER ACTION	SMALLHOLDER EMPLOYER ACTION	SINGLE SMALLHOLDER/WORKER ACTION
<p><b>ETI Base Code 3.1</b>  <b>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.</b></p>	<p>You should ensure in all cases that SHs can get advice on how to carry out work effectively and safely, including information on the safe use of substances and equipment, storage facilities and protective equipment, and that protective equipment and appropriate agrochemicals are available locally.</p> <p><b>Where you specify working practices and materials<sup>4</sup> in a written or implicit contract you should ensure that:</b></p> <ul style="list-style-type: none"> <li>• a health and safety risk assessment is carried out</li> <li>• inputs specified pose minimum risk to health</li> <li>• potential hazards are identified and communicated to SHs</li> <li>• safe working procedures for all workers (SHs and Ws) are identified and communicated in an appropriate way, including provisions preventing hazardous work for pregnant or nursing workers<sup>5</sup></li> <li>• you define a person responsible for health and safety.</li> </ul> <p><b>Best practice</b>            Agro-chemicals specified are of low toxicity according to advice from FAO/UNEP and WHO.</p> <p><b>Where you specify particular pesticides and chemicals, you should:</b></p> <ul style="list-style-type: none"> <li>• advise SHs of appropriate washing/shower facilities required after spraying the chemical</li> <li>• advise on the adverse effect of the pesticide or chemical both for contact to skin and ingestion – to highlight the importance of safe handling and washing</li> <li>• ensure that relevant health checks (eg, blood tests for pesticide levels) are provided to SHs</li> <li>• outgrower office should keep log of major accidents and work related illness (eg, pesticide/chemical poisoning) on SH farms.</li> </ul>	<p><b>It is your responsibility to ensure that:</b></p> <ul style="list-style-type: none"> <li>• potential hazards are identified</li> <li>• safe working procedures for all workers are identified and communicated in an appropriate way</li> <li>• all Ws are provided with equipment they need to carry out the work effectively and safely, eg, low-toxicity pesticides, storage facilities and protective equipment</li> <li>• a first aid kit is provided, and workers are told where it is</li> <li>• pregnant or nursing mothers are not required to perform any work hazardous to the health of the worker or her child.</li> </ul> <p><b>Where the purchaser specifies working practices and materials in a written or implicit contract, you should:</b></p> <ul style="list-style-type: none"> <li>• report any unsafe equipment or facilities provided to the purchaser immediately</li> <li>• comply with and provide Ws with any health checks specified in the risk assessment (eg, blood tests for pesticide levels).</li> </ul> <p><b>Best practice</b>            Where there is a pesticide or chemical store, you provide appropriate washing facilities for pesticide sprayers.            You keep a log of accidents on the farm.            You encourage workers to talk to you about production, including the ease of use of PPE.</p>	<p>SSH is responsible for health and safety on tasks which are not specified by the purchaser.</p> <p>Request a health and safety review.</p> <p>Wear all equipment/use all facilities as instructed.</p> <p>Workers draw attention to problems with the equipment (eg, lack of provision or inappropriately heavy/clumsy gloves which Ws do not use because they slow them down and they are paid piece rates).</p> <p>Report any unsafe equipment or facilities to the SH immediately.</p> <p>Comply with agreed health checks (eg, blood tests for pesticide levels).</p> <p><b>Best practice</b>            SSH has their own first aid kit.</p>



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**INDICATORS: Safe and healthy environment**

STANDARD TO BE APPLIED	PURCHASER ACTION	SMALLHOLDER EMPLOYER ACTION	SINGLE SMALLHOLDER/WORKER ACTION
<p>A safe working environment with necessary steps taken to prevent accidents or risks.</p>	<p>Equipment/facilities provided to SHs are reported by them or seen to be in a safe condition (eg, adequate light, temperature and air quality).</p> <p>Working environment is seen/reported to be healthy by SHs.</p> <p>SHs report that suspected cases of occupational illness are taken seriously and followed up.</p> <p>Records show that SHs have undergone any specified health checks.</p> <p>First aid kit is present on SH farms.</p> <p>Accident log book is present on SH farms.</p> <p>Provisions for pregnant or nursing workers are known by SHs and communicated to workers.</p> <p>Smallholders feel able to talk to purchasers about production, including the ease of use of PPE.</p>	<p>Equipment/facilities provided to Ws are reported by them or seen to be in a safe condition.</p> <p>Working environment is seen/reported to be healthy by Ws.</p> <p>Ws report that medical symptoms are checked and action is taken to reduce occupational illness.</p> <p>Ws have undergone specified health checks.</p> <p>First aid kit present on farms and known by Ws.</p> <p>Ws are familiar with the accident log book.</p> <p>Pregnant or nursing women confirm that they are not required to undertake work hazardous to them or their child.</p>	

4. Where the purchasers or actors above them in the supply chain determine the inputs and ways of working, they have a responsibility for ensuring healthy and safe use of these. They must ensure that inputs and specified ways of working are appropriate and safe, and provide any necessary information and training so that smallholders and others in the supply chain can achieve the ETI Base Code standards on minimising workplace risks to safety and health.
5. Visual aids will help to explain work hazards and safe working procedures.



ACTION: OHS training			
STANDARD TO BE APPLIED	PURCHASER ACTION	SMALLHOLDER EMPLOYER ACTION	SINGLE SMALLHOLDER/WORKER ACTION
<p><b>ETI Base Code 3.2</b> Workers shall receive regular and recorded health and safety training, and such training shall be repeated for new or reassigned workers.</p> <p>Purchasers must ensure that temporary and seasonal workers receive the same safety and health protection as that accorded to comparable permanent workers in agriculture<sup>6</sup>.</p>	<p><b>Where you specify working practices and materials in a written or implicit contract, you should:</b></p> <ul style="list-style-type: none"> <li>provide SH/SHE with training in the safe use of all equipment and materials provided/specified, including an explanation of any hazards.</li> </ul> <p>Training and information provided should be:</p> <ul style="list-style-type: none"> <li>in the relevant worker/SH language</li> <li>illustrated wherever possible.</li> </ul> <p><b>Best practice</b> Appoint a roving OHS representative, or ascribe this duty to the Agricultural Extension Officer.</p> <p>Where you have agreed responsibility for OHS training, you also pay for it.</p> <p>Provide SH with training materials/facilities.</p> <p>Consider drama or other innovative forms of health and safety training.</p>	<p>Train all Ws in the safe use of all equipment and materials provided or specified through risk assessment.</p> <p><b>Best practice</b> Training and information is provided in relevant worker/SH language using images wherever possible.</p>	<p>Ws have a duty to take reasonable care of the health and safety of themselves and other persons. They should also co-operate with employers in order for employers to comply with their own duties and responsibilities.</p>
INDICATORS: OHS training			
<p>OHS training offered and/or provided.</p>	<p>If equipment and materials are specified/provided, SHs report that health and safety training has been offered, and records show that SHs have been trained in OHS.</p> <p>Training has been understood – SHs can explain what the hazards are and demonstrate safe working practices.</p>	<p>Ws (including seasonal and migrant) report that they have been trained in OHS. Training has been understood – workers can explain what the hazards are and demonstrate safe working practices.</p> <p>SHEs' records show that Ws have been trained in OHS.</p>	



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**ACTION: Safe and hygienic working conditions**

<b>STANDARD TO BE APPLIED</b>	<b>PURCHASER ACTION</b>	<b>SMALLHOLDER EMPLOYER ACTION</b>	<b>SINGLE SMALLHOLDER/ WORKER ACTION</b>
<p><b>ETI Base Code 3.3 and 3.4</b>  <b>Access to clean toilet facilities and to potable water, and, if appropriate, sanitary facilities for food storage shall be provided.</b></p> <p>Accommodation, where provided, shall be clean, safe and meet the basic needs of workers.</p>	<p>Advise SHs on washing facilities required for post-pesticide and chemical spraying.</p>	<p>Give all Ws access to potable water (boiled water is acceptable) and, if appropriate, sanitary facilities for food storage.</p> <p>Any accommodation you provide should be adequate, clean and safe.</p> <p>Sanitary and housing facilities should cater to the different needs of men and women, ensuring privacy. Nursing mothers may need special provision, such as private space and extra breaks.</p>	<p>Workers should ensure that they use the facilities where provided.</p> <p>Workers should report any problems.</p>

**INDICATORS: Safe working conditions**

Any accommodation or sanitary facilities provided must be clean and safe.	Where particular pesticides are specified, SHs report that they have been advised on washing facilities required for post-pesticide and chemical spraying.	Washing facilities are present on the farm and used by workers.	Potable water and food storage facilities should be seen to be provided and workers confirm this.	Accommodation should be seen to be adequate, clean and safe and workers confirm this. Nursing mothers are aware of and receive special provisions when breast-feeding.
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ACTION: Child labour	
STANDARD TO BE APPLIED	PURCHASER ACTION
<p><b>ETI Base Code 4</b>  <b>Child labour shall not be used.</b></p> <p>Child labour means any work by a child or young person which does not comply with ILO standards as defined below:</p> <ul style="list-style-type: none"> <li>• Where a child is anyone less than 15, unless local minimum age law states a higher age for work or compulsory schooling, in which case the higher age will apply as minimum age for admission to employment. If local minimum age law is 14, in line with developing country exceptions under ILO C 138 Art 2, 4, the age of 14 will be the minimum.</li> <li>• Where a young person is any worker over the age of a child, defined above, and under the age of 18.</li> <li>• All hazardous work (that which jeopardises the health, safety or morals of under 18s, or prevents their development) shall be forbidden (eg, work with dangerous substances or heavy weights).</li> </ul>	<p>Inform yourself on the legal minimum age for admission to employment in your country.</p> <p>Write a child labour policy according to international standards and your national legislation. Distribute it to SHs in local languages and suitable format.</p> <p>Inform SHs of this policy, making explicit under which circumstances children/young workers can or cannot work and why.</p>
SMALLHOLDER EMPLOYER ACTION	SINGLE SMALLHOLDER/WORKER ACTION
<p>Ensure that neither your nor your Ws' children are able to work on cash crops on the farm outside these provisions.</p> <p>Inform Ws of these provisions and the reasons for them, preferably orally and in writing.</p> <p><b>Best practice</b>            Young workers are paid at adult rates, with equal pay for equal work.</p>	<p>Do not permit your children/young people to work outside these provisions.</p>

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**ACTION: Child labour, cont'd**

STANDARD TO BE APPLIED		PURCHASER ACTION	SMALLHOLDER EMPLOYER ACTION	SINGLE SMALLHOLDER/WORKER ACTION
<p>(column continued from previous page)</p> <ul style="list-style-type: none"> <li>Children/young workers (14–18) must: receive equal pay for equal work, have received instruction or vocational training in the relevant activity, must not undertake work that jeopardises participation in education or training<sup>8</sup>.</li> <li>Light work only is permissible for 13–15 year olds (12–14 where developing country exceptions apply).</li> </ul>				

**INDICATORS: Child labour**

<p>Child labour is not used outside provisions of the ILO.</p>	<p>A written child labour policy is available for inspection. SHs are aware of and understand the reasons for these provisions.</p> <p>Young people are paid at least 80% of adult wages, and do not do additional domestic or agricultural duties if working a full day<sup>9</sup>.</p> <p>No children/young workers are seen or reported to be working outside these provisions on SH farms.</p> <p>Combined hours of transportation to and from work and school, and time spent at school and work is not more than 10 hours per day.</p>	<p>Young people are paid at least 80% of adult wages, and do not do additional domestic or agricultural duties if working a full day<sup>10</sup>.</p> <p>Children (girls as well as boys) attend school where possible; schools and teachers are provided.</p> <p>No children/young workers are seen or reported to be working outside these provisions.</p>	<p>Children are not contracted to work.</p> <p>Any work within these provisions carried out by children/young people takes place near members of their family or another caring adult<sup>12</sup>.</p>
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A. Applying the ETI Base Code to smallholders

INDICATORS: Child labour, cont'd

STANDARD TO BE APPLIED	PURCHASER ACTION	SMALLHOLDER EMPLOYER ACTION	SINGLE SMALLHOLDER/ WORKER ACTION
		<p>Combined hours of transportation to and from work and school, and time spent at school and work is not more than 10 hours per day.</p> <p>Any work within these provisions carried out by children/young people takes place near members of their family or another caring adult<sup>11</sup>.</p>	

7. Hazardous work is defined (in part) as work with dangerous machinery, equipment or tools, or which involves the manual handling or transport of heavy loads; work in an unhealthy environment, eg. exposing children to hazardous substances, agents or processes, or to potentially damaging temperatures, noise levels or vibrations. ILO Recommendation 190 on Worst Forms of Child Labour, Art. 3.

8. ILO Convention 138, Art 3, 3.

9,10,11,12. Oxfam Fair Trade Principles, Oxfam Fair Trade Programme Policies & Procedures Manual (Issue 1.0, January 2001)



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**ACTION: Wages/prices paid**

STANDARD TO BE APPLIED	PURCHASER ACTION	SMALLHOLDER EMPLOYER ACTION	SINGLE SMALLHOLDER/WORKER ACTION
<p><b>ETI Base Code 5.1</b>  <b>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<sup>13</sup> and to provide some discretionary income.</b></p>	<p>Prices paid to SHs should reflect the cost of production and be compatible with ETI provisions on wages (ie, average prices in the long term should exceed the costs of inputs + labour costs at the legal minimum wage or living wage – whichever is higher).</p> <p>Where the price is set at auction, it should reflect at least the auction price minus the costs of processing and administration.</p> <p>Pay SHs in cash or through an account. Payments in cash and kind are acceptable where this has been mutually agreed<sup>14</sup>.</p> <p>Establish and communicate a policy on wages and benefits for hired labour.</p> <p>Be aware that the national minimum wage is often not a living wage.</p> <p><b>Best practice</b>            Your prices enable SHs to have/pay workers at least national minimum wage rates and benefits, with a small surplus to cover risk and reinvestment in the business where possible.</p> <p>For example, adopt a formula such that the price paid is equivalent to the cost of inputs plus labour at national minimum wage plus at least 25% to cover risk and reinvestment<sup>15</sup>.</p> <p>Explain to SHs how to calculate the cost of production.</p>	<p>Ws are able to earn rates equivalent to or greater than the minimum wage defined in national legislation, or industry benchmark standards, whichever is the higher. This includes payment by piece rate. Wages should be enough to meet basic needs and to provide some discretionary income.</p> <p>Pay Ws promptly, by cash or a mutually agreed alternative.</p>	<p>Workers should keep copies of all records relating to payments or wages.</p>



INDICATORS: Wages/prices paid	
STANDARD TO BE APPLIED	SINGLE SMALLHOLDER/ WORKER ACTION
<p>Reasonable prices/wages paid.</p>	<p><b>SMALLHOLDER EMPLOYER ACTION</b></p> <p><b>Piecework rates and wages are reported by Ws and their organisations to be equivalent to:</b></p> <ul style="list-style-type: none"> <li>at least the national minimum wage or industry benchmark if higher, or</li> <li>a living wage of basic needs and some discretionary income.</li> </ul> <p>SHEs' records of pay correlate with Ws' records.</p> <p>SHEs' and Ws' reports tally on how piecework rates for Ws were agreed and calculated.</p> <p>Workers understand what they are paid.</p>
<p><b>PURCHASER ACTION</b></p> <p>Purchasers have calculated production costs which are compatible with paying SHs and Ws a living wage and other ETI provisions (NI etc).</p> <p>Purchasers are able to show that prices paid to SHs equal or exceed the production costs.</p> <p>Purchasers are able to show that prices reflect at least auction cost minus processing/administration costs.</p> <p><b>SHs and their organisations report that piecework rates are equivalent to:</b></p> <ul style="list-style-type: none"> <li>at least the national minimum wage (or industry benchmark if higher, or</li> <li>a living wage of basic needs and some discretionary income whichever is the higher.</li> </ul> <p>Purchasers have policies on hiring labour, which cover ETI Base Code provisions for Ws.</p>	

13. Basic needs are defined as food, clothing, shelter, health and education

14. see COLEACP guidelines, ie, crop sharing, not alcohol.

15. 'Smallholders in Export Horticulture: a guide to best practice', NRI, 2002



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**ACTION: Contracts**

STANDARD TO BE APPLIED	PURCHASER ACTION	SMALLHOLDER EMPLOYER ACTION	SINGLE SMALLHOLDER/WORKER ACTION
<p><b>ETI Base Code 5.2</b>  <b>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.</b></p>	<p>Your pricing policy should be justifiable and transparent, and understood by SHs.</p> <p>Explain the price setting mechanism to SHs.</p> <p><b>Issue contracts to SHs with a clear written agreement of terms and conditions of engagement and the rights and responsibilities of all parties, including:</b></p> <ul style="list-style-type: none"> <li>• the basis of payment</li> <li>• the inputs (materials, training etc) you will provide</li> <li>• the arrangements for negotiating amendments and resolving disputes</li> <li>• product specification</li> <li>• prices agreed and price setting mechanisms</li> <li>• the amount and nature of deductions/any penalty clauses.</li> </ul> <p>Explain the terms and conditions of the agreement or contract to SHs in appropriate languages and in a way that the SH understands.</p> <p>Any intermediaries involved, and their roles, should be included in the contract.</p> <p>Maintain records of contracts and payments made, traceable to each SH.</p> <p>Agree and adhere to arrangements for the timing of payments for produce (the time between the supply of and payment for produce). Where payments are unavoidably delayed, give the SH advance warning and agree a new payment schedule.</p> <p>Specify volumes of produce (maximum/minimum volumes) to be purchased and adhere to these.</p>	<p><b>Issue a contract (written or oral) to workers indicating:</b></p> <ul style="list-style-type: none"> <li>• wages agreed</li> <li>• arrangements for negotiating and resolving disputes</li> <li>• standards of work</li> <li>• the amount and nature of any deductions</li> <li>• when they will be paid.</li> </ul> <p>Maintain records of payments made.</p> <p>Set up and follow procedures for explaining any change to specifications.</p> <p><b>Best practice</b>            Contracts make provisions for worker welfare, such as savings and credit schemes, health plans and bonuses.</p>	<p>W keeps records of payments.</p>

ACTION: Contracts, cont'd		SINGLE SMALLHOLDER/ WORKER ACTION
<b>STANDARD TO BE APPLIED</b>	<b>PURCHASER ACTION</b>	<b>SMALLHOLDER EMPLOYER ACTION</b>
	<p>Establish mutually agreed procedures for renegotiations.</p> <p>Establish and follow procedures for notifying SHs of any change to specifications<sup>16</sup>.</p> <p>Any inputs you specify should be available locally at a reasonable price or provided by you at cost.</p>	
<b>INDICATORS: Contracts</b>		
All parties are aware of mutual obligations and terms.	<p>Contracts to SHs detail obligations and entitlements, and SHs confirm contracts are followed<sup>17</sup>.</p> <p>Written agreements contain volume and product specifications details, including whatever penalty clauses purchasers use (if any).</p> <p>SHs report that inputs are available locally or from purchasers at cost price.</p> <p>Purchasers'/agents' price records correlate with SHs' records of payment.</p> <p>Purchasers' documentation records how piece rates/prices were agreed/calculated, including where prices are set by auction.</p> <p>SHs know and understand price setting.</p> <p>SHs know and understand how to calculate their own costs of production.</p>	We have contracts detailing mutual obligations, and understand payment and any deductions.

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9. The Toolkit

**ACTION: Overtime**

<b>STANDARD TO BE APPLIED</b>	<b>PURCHASER ACTION</b>	<b>SMALLHOLDER EMPLOYER ACTION</b>	<b>SINGLE SMALLHOLDER/WORKER ACTION</b>
<p><b>ETI Base Code 6.2</b>                  ...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.</p>	<p>The time required for the volume of work you give is equal to the capacity of the individual SSH.</p>	<p>The time required for the volume of work you give individual Ws is equal to their capacity.</p> <p>Workers are not required to work overtime outside these provisions. Pay overtime at appropriate premiums, as set nationally/regionally by the industry, or by a collective bargaining agreement if one is present.</p> <p>Allow workers rest days as described in provision.</p> <p>If your Ws consistently work overtime, consider increasing the work force.</p> <p>Ensure that any overtime does not interfere with parental responsibilities.</p>	<p>Workers should keep records of overtime worked and payment received.</p>

**INDICATORS: Overtime**

No excessive work demands are reported.	Records of work handed out to SSHs (when compared to production calculations) do not indicate SSHs are obliged to work excessive hours.	Records of work handed out to Ws (when compared to production do not indicate Ws are obliged to work excessive hours.	Workers are aware of pay rates for overtime.
No excessive work demands are reported.	Records of work handed out to SSHs (when compared to production calculations) do not indicate SSHs are obliged to work excessive hours.	Records show appropriate overtime payments, and correlate with workers' records.	Workers report that overtime does not interfere with their parental responsibilities.
No excessive work demands are reported.	Records of work handed out to SSHs (when compared to production calculations) do not indicate SSHs are obliged to work excessive hours.	Ws do not report excessive hours or forced overtime, and can confirm they get rest days.	Workers are aware of pay rates for overtime.
No excessive work demands are reported.	Records of work handed out to SSHs (when compared to production calculations) do not indicate SSHs are obliged to work excessive hours.	Workers are aware of pay rates for overtime.	Workers report that overtime does not interfere with their parental responsibilities.



ACTION: Discrimination			
STANDARD TO BE APPLIED	PURCHASER ACTION	SMALLHOLDER EMPLOYER ACTION	SINGLE SMALLHOLDER/ WORKER ACTION
<p><b>ETI Base Code 7.1</b> 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.</p>	<p><b>Do not discriminate against individuals or categories of SHs, in terms of their sourcing, access to training or other provisions in these guidelines, so that, for example:</b></p> <ul style="list-style-type: none"> <li>women SHs are able to participate in training;</li> <li>women have equal access to credit and inputs;</li> <li>membership of associations and co-ops is open to both women and men smallholders;</li> <li>SHs raising issues with you or complaining are not penalised in terms of orders, purchases etc;</li> <li>membership of associations and co-ops is not restricted on grounds of race, caste, ethnicity, etc;</li> <li>women do not suffer sexual harassment, eg, in return for access to inputs or orders.</li> </ul> <p><b>Best practice</b></p> <ul style="list-style-type: none"> <li>Women are encouraged to take part in training.</li> <li>Associations' and co-ops' policies encourage women to join.</li> <li>Often men are registered with purchasers, even where women grow the crop. Purchasers should encourage male farmers to ensure that all parties engaged in production are proportionately paid for their input (for example, sharing earnings with female members of the household).</li> </ul>	<p>Do not discriminate against any Ws, in terms of hiring, access to training, using or granting further work to particular Ws.</p> <p>Ensure male and female workers have equal access to employment, as well as workers from different ethnic groups.</p> <p>Do not penalise workers for raising issues with you.</p> <p>Ensure family members (for example, your spouse) are paid for their share of the work.</p> <p>Contracts for women workers should ensure that they do not lose employment on becoming pregnant.</p>	<p>SSHs should ensure family members are paid for their share of the work.</p>



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INDICATORS: Discrimination			
STANDARD TO BE APPLIED	PURCHASER ACTION	SMALLHOLDER EMPLOYER ACTION	SINGLE SMALLHOLDER/ WORKER ACTION
No discrimination is reported.	<p>SHs understand the meaning of discrimination and report there is no discrimination or other penalty for raising issues.</p> <p>Women SHs participate in training and can access inputs etc. Women do not suffer sexual harassment in return for access to services/inputs or orders, etc.</p> <p>Neither women nor minorities report discrimination in distribution of orders or access.</p> <p>Purchasers have policies to prevent discrimination and inform staff of these.</p> <p>Women SHs report receiving payment for their share of production work.</p>	<p>Ws report there is no discrimination or penalty for raising issues.</p> <p>Women SHs report they are paid for their production.</p> <p>Women workers report that they or female colleagues' contracts do not preclude working when pregnant.</p> <p>Ws from ethnic and other minorities report equal wages.</p>	<p>Women Ws report that they are paid directly for their work.</p> <p>Ws from ethnic or other minorities report equal wages.</p>



ACTION: Regular employment			
STANDARD TO BE APPLIED	PURCHASER ACTION	SMALLHOLDER EMPLOYER ACTION	SINGLE SMALLHOLDER/ WORKER ACTION
<p><b>ETI Base Code 8</b> Regular employment is provided.</p>	<p>Where possible, you should try to provide regular orders, and to stagger production. When regularity is impossible, keep SHs informed, explaining why orders fluctuate.</p> <p>Give advance information to SHs about prospects for orders where known.</p> <p><b>Best practice</b> Where possible, purchasers may be able to purchase the full crop harvested by SHs, providing regular income.</p>	<p>Wherever possible, try to ensure a regular supply of work. Tell Ws about the likely availability of future work.</p>	<p>Keep records of work provided.</p>
INDICATORS: Regular employment			
<p>Regular work is provided where possible.</p>	<p>SHs report that they have been given information about regularity of orders.</p> <p>Purchasers keep copies of notices given to SHs (eg, in collection centres) about fluctuations in demand.</p>	<p>Records of Ws' employment show that work is regular wherever possible.</p>	<p>Ws report that they are informed of the likelihood of future work where possible.</p>



9. The Toolkit

**ACTION: Employment relationship**

<b>STANDARD TO BE APPLIED</b>	<b>PURCHASER ACTION</b>	<b>SMALLHOLDER EMPLOYER ACTION</b>	<b>SINGLE SMALLHOLDER/WORKER ACTION</b>
<p><b>ETI Base Code 8.2</b>  <b>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, sub-contracting or homeworking 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 excessive use of fixed-term contracts of employment.</b></p>	<p>Where plantations are buying from SHs, prices paid to them are roughly equivalent to the plantation cost of production, bearing in mind the cost of meeting prevailing labour and social security laws.</p> <p><b>Best practice</b>  Purchasers contribute to SHE/SSH savings scheme.</p>	<p>Inform yourself on national legislation that defines when an employee is casual, seasonal or permanent, and follow this legislation.</p> <p>Inform workers of their correct employment status.</p> <p><b>Best practice</b>  Purchasers contribute to W savings scheme.</p>	<p>Keep records of work provided.</p>

**INDICATORS: Employment relationship**

<p>There are no infringements of law regarding terms of employment and social security obligations.</p>	<p><b>Where plantations are buying from SHs:</b></p> <ul style="list-style-type: none"> <li>prices paid to SHs are roughly equivalent to the plantation cost of production, bearing in mind the cost of meeting prevailing labour and social security laws, and</li> <li>labour and social security laws are met in plantations.</li> </ul> <p>Purchasers demonstrate they are informed on labour and social security laws.</p>	<p>Ws are aware of their employment status and the criteria for that status.</p>	
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ACTION: Harsh or inhumane treatment			
<b>STANDARD TO BE APPLIED</b>	<b>PURCHASER ACTION</b>	<b>SMALLHOLDER EMPLOYER ACTION</b>	<b>SINGLE SMALLHOLDER/ WORKER ACTION</b>
<b>ETI Base Code 9.1</b> <b>Physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation shall be prohibited<sup>18</sup>.</b>	Staff working with SHs do not abuse, threaten, intimidate or harass them.  Ensure that any training for SHs on labour issues includes this issue.	You must not abuse, threaten, intimidate or harass workers.  You must not use overtime as a tool for sexual harassment, eg, putting women workers at risk by making them work late.	Workers keep a record of any incidences of abuse, threats, intimidation or harassment.
INDICATORS: Inhumane treatment			
No abuse, threats, harassment or intimidation.	SHs do not report any form of abuse, threats or intimidation or harassment.  Women SHs do not report sexual harassment.	Workers do not report any form of abuse, threats, intimidation or harassment.  Women workers do not report any sexual harassment, nor that overtime is used as a tool for sexual harassment (putting them at risk by making them work late).	

<sup>18</sup>. This includes sexual harassment; defined as repeated/unwanted verbal or physical advances of a sexual nature or meant to achieve a sexual outcome. The offending person may be in a position of power, and may set the granting of sexual favours as condition for receiving benefits.



9. The Toolkit

**ACTION: Complaints mechanism**

<b>STANDARD TO BE APPLIED</b>	<b>PURCHASER ACTION</b>	<b>SMALLHOLDER EMPLOYER ACTION</b>	<b>SINGLE SMALLHOLDER/ WORKER ACTION</b>
<p><b>ETI Principles of Implementation 2.4</b>  <b>Workers covered by the code shall be provided with a confidential means to report failure to observe the code and shall be otherwise protected in this respect.</b></p>	<p>Provide SH/Ws with a confidential channel for complaints within an agreed timeframe (no longer than six months).            Implement a strategy for keeping SHs informed about their rights and how they can make a confidential complaint (see best practice).            Commit to responding to any complaints raised by such mechanisms.  <b>Best practice</b></p> <ul style="list-style-type: none"> <li>• SHs have details of the outgrower manager.</li> <li>• A buying centre representative is elected (and/or Agricultural Extension Officer) charged with handling and reporting any complaints.</li> <li>• A complaints box is provided at collection centres.</li> <li>• Contact details for an appropriate organisation for reporting complaints confidentially (trade union, NGO or local statutory body) are given to all SHs/posted at collection centres.</li> </ul>	<p>Provide a confidential complaints mechanism to Ws within an agreed timeframe (see best practice below for examples).            Commit to responding to complaints raised by such mechanisms.  <b>Best practice</b></p> <ul style="list-style-type: none"> <li>• Contact details for an appropriate organisation for reporting complaints confidentially (trade union, NGO or local statutory or community body) are provided.</li> <li>• An elected Ws' representative is charged with handling complaints.</li> <li>• A complaints box is provided.</li> </ul>	<p>Use the complaints system to raise grievances in a suitable way.</p>

**INDICATORS: Complaints mechanism**

<b>STANDARD TO BE APPLIED</b>	<b>SMALLHOLDER EMPLOYER ACTION</b>	<b>SINGLE SMALLHOLDER/ WORKER ACTION</b>
<p>Confidential complaints mechanism is in place.</p>	<p>SHs and Ws are aware of any procedures provided by SHE or purchaser (eg, have contact details for government inspectors, or for an independent complaints channels such as a local trade union, NGO or SH/Ws' association) and do not feel inhibited to use such procedures.             Ws report SHE has followed up any complaints.</p>	<p>Ws are aware of complaints procedures.</p>

ACTION: Code of practice			
STANDARD TO BE APPLIED	PURCHASER ACTION	SMALLHOLDER EMPLOYER ACTION	SINGLE SMALLHOLDER/ WORKER ACTION
<p><b>ETI Principles of Implementation 3.3</b>  <b>Workers whose work is covered by the code are, where possible, made aware of the code and implementation principles or procedures.</b></p>	<p>Inform SHs of the nature and requirements of the ETI or Company code in an appropriate manner and format (in relevant languages, illustrations etc). For example, print and distribute the smallholder booklet 'Working for a better life' shown in the Toolkit, section F.</p> <p>Keep information on display in appropriate locations.</p> <p>Keep records of distribution of information about the Codes.</p>	<p>Inform Ws about the ETI Base Code in an appropriate manner and format (ie, relevant languages, illustrations). Provide information on how to access those rights or who would support them in improving/accessing their rights.</p>	
INDICATORS: Code of practice			
	<p>SHs are aware of key requirements of the Code/s and confirm these were communicated to them (eg, booklet circulated, information pinned up in collection centres).</p> <p>Purchaser records show information has been distributed.</p>	<p>Ws are aware of the key requirements of the Code and their entitlements under it.</p>	