

## Complaint – Heigo – Bulgaria

### Status: Complaint pending verification

*FWF is responsible for setting up a complaints procedure in production countries where FWF is active. The complaints procedure allows third parties to make complaints about the working conditions or the way the Code of Labour Practices is implemented in factories which supply FWF members.*

*The responsibility of FWF includes investigating the complaint, verifying whether the agreed corrective action plan is implemented and public reporting. This complaint report gives an overview of a complaint filed to FWF, the investigation and agreed corrective action plan as well as how the outcome is verified. For more information on the complaints procedure see the FWF website. FWF also publishes an overview of complaints received in its annual reports.*

#### 1. Affiliate involved

Heigo

#### 2. Accused party

A factory located in Bulgaria supplying Heigo.

#### 3. Date of receiving complaint

12 December 2013

#### 4. Filing party

A worker that is currently employed by the factory, representing five people.

#### 5. The complaint

The complainant claimed that due to a rush order they have to work excessive overtime. Workers were asked to sign for permission but overtime working hours were not specified. Verbally workers were informed that overtime payment would be 30 percent extra if target was reached.

The second complaint was related to the communication between workers and two newly appointed supervisors. Workers complained that they were not appointed and did not communicate in a proper manner with workers. This meant that workers felt ignored.

## 6. Admissibility

FWF decided that the case is admissible on 18 December 2013.

The factory is an active supplier of Heigo, a member affiliate of FWF.

The case is relevant to the following labour standards of FWF's Code of Labour

Practices:

- Reasonable hours of work
- Living wage

The second complaint is not related to the FWF Code of Labour Practices, but is related to 'Communication and Consultation' of workers as described in FWF audit reports and is therefore also deemed admissible.

## 7. Investigation

FWF informed Heigo about the case. Heigo contacted the supplier immediately as they were present at the factory the week after the complaint was received. The excessive overtime was the result of a number of factors including an external order placement (not given by Heigo), recent management changes, an order that was more technical than expected and a subcontractor unexpectedly not being available.

The complaint regarding communication was also a result of recent management changes.

## 8. Findings and conclusions

The complaint related to excessive overtime and living wage was found to be true by FWF affiliate.

The complaint regarding communication was also found to be true by FWF affiliate.

## 9. Remediation

Heigo responded quickly and effectively to the complaint and undertook a number of steps briefly described below. For some of the issues, FWF also makes a recommendation:

**Overtime:** The overtime that occurred was clearly an exception and not a rule at the factory. Since the complaint, Heigo has responded quickly and undertaken a number of steps to address the issues above including better forecasting of work and the workflow and increased monitoring during the production process. The occurrence of the recent overtime was also addressed during the annual company holiday party.

**Living wages (1):** The complaints handler in Bulgaria checked to see whether workers knew if they were properly compensated for their overtime hours. This process showed that workers were unclear about whether adequate compensation was received or not. Until the physical compensation documents can be reviewed, it therefore cannot be stated with certainty if proper payment was made.



Recommendation: It is recommended that Heigo organize a training session to better inform workers about how the compensation system works and provide better explanation of the payslip.

**Living wages (2):** Heigo indicated that workers received the promised 50% premium on the overtime hours worked. Bulgarian labour law stipulates that overtime hours must be paid at a premium of at least 50%.

**Communication:** The complaint received regarding the communication between management and workers was remediated by clearly posting an organizational chart with the different names and levels of management and supervisors. It was also made clear that all supervisors must listen to and take seriously all worker issues and complaints.

The complaints handler investigation showed that the issue was not yet completely resolved, especially when management from the Netherlands is not present.

Recommendation: It is recommended that Heigo continue to monitor the communication between workers and management.

## 10. Verification

FWF will conduct a Verification audit at the end of 2014 to check whether or not the issue of excessive overtime has been resolved effectively in terms of working hours and proper payment of overtime.

At the next Brand Performance Check, FWF will check to see if Heigo's efforts to reduce excessive overtime have been implemented effectively.

## 11. Evaluation by the complainant

The case will be evaluated after the verification audit.