

Complaint – McGregor – China (intermediary report)

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

McGregor Fashion Group (the Netherlands)

2. Accused party

The complaint was filed against a factory in China which produces for FWF affiliate McGregor.

3. Date of receipt complaint

The complaint was formally received by FWF through its local complaints handler in China on 26-10-2012.

4. Filing party

The complaint was filed by two workers of the factory whose contact details are known to FWF but will be kept confidential.

5. The case

Two workers called FWFs local complaints handler during the second day of an audit on 25 and 26 October 2012 that was carried out in the factory as part of McGregor's monitoring activities. FWFs local complaints handler also received numerous text messages from workers working in the factory, all conveying the same complaint.

1. The workers complained that the information the FWF auditors received was falsified. Overtime and wage records are said to be not accurate.

The factory employed a consultant to train workers to give favourable answers to the audit team's questions and rewards workers with 100 RMB if they "properly" answer the questions.



2. Workers work 11.5 to 12 hours a day all the time and only have 1 day off in a month. They have more than 300 working hours a month.
3. Factory delays their payment; for example, wage of August is distributed to workers on the 5th of Oct instead of end of Sept.

6. Admissibility

On 4 November 2012, FWF decided that the complaint was admissible as it concerns the FWF auditing process. Secondly it involves a factory supplying to an affiliate member of FWF.

The complaint falls under the mandate of FWF as it is related to the labour standard Reasonable hours of Work.

On 4 November 2012 FWF informed McGregor that the complaint had been filed through its complaints procedure.

7. Investigation

FWF conducted a detailed interview with the plaintiff to get a full understanding of the situation regarding factory management refusing to support the working in obtaining compensation.

FWF analysed the audit results and the offsite worker interview report to verify falsification of records and findings on working hours.

8. Findings and conclusions

Falsification of wage and working hour records was found during the audit that was carried out on 25-26 October 2012. Based on this information FWF finds that the foundation of the argumentation of the complaint is solid.

On 14 December 2012 a representative of McGregor visited the management/agent of the supplier to discuss the complaint and Corrective Action Plan resulting from the audit. This resulted in the following conclusions:

1. The agent admitted to hiring a consultant which probably led to falsification of records. They agreed this was not a constructive and transparent manner of doing business. Management denies having paid workers to give favourable answers. Given the piece rate system they did pay worker who were interviewed by FWF for their lost time.
2. The second part of the complaint regarding excessive overtime remains under discussion and requires continuous monitoring from McGregor Fashion. Excessive overtime was also found during the audit and is included in the Corrective Action Plan.
3. After analysing and checking the worker interviews report, FWF confirmed no other worker complained about the delay of payment and no other evidence was found in the documents. Therefore, this part of the complaint is inadmissible.



9. Corrective action

Based on the aforementioned analysis, the corrective action focuses on remediation of excessive overtime. McGregor is required to give priority on the findings regarding working hours and continuously monitor the situation. Focus should be on providing trustful and transparent information to the company.

10. Verification

In order to verify remediation of corrective actions, FWF will plan an audit to verify improvements or follow up visit to the factory. When conducting a verification audit, FWF can create a FWF Wage Ladder and excessive overtime analysis with new factory data.