



Fair Wear Foundation complaints report

Date of report: 19 October 2010

Complaint Espresso Fashion China

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

Espresso Fashion.

2. Accused party:

The complaint has been filed against a factory in China which is a supplier of FWF affiliate Espresso Fashion.

3. Date of receipt complaint

The complaint was received by the local complaints handler of FWF in China on 24 April 2008.

4. Filing party

One worker of the factory whose contact details are known to FWF but will be kept confidential.

5. The case

The complaint concerned two FWF labour standards:

No excessive overtime:

The plaintiff stated that overtime during week days was mandatory.

Payment of a living wage:

The plaintiff stated that workers did not know how salaries are calculated.



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The plaintiff stated that were not paid within the legally prescribed period.

The plaintiff stated that overtime premiums was paid at a lower rate than legally required.

6. Admissibility

On respectively 24 April 2008 FWF decided that the complaint is admissible as it relates to the Code of Labour Practices and the involved factory has an active business relationship with an affiliate member of FWF.

7. Investigation

Expresso Fashion informed the director of the factory and requested an explanation on the reported problems. It was agreed between FWF and Expresso Fashion that off-site interviews would be done to investigate the complaint. FWF carried out off-site worker interviews in October 2008. A report on the results of the interviews was shared with Expresso Fashion in November 2008. In addition FWF assessed the outcomes of three audits that were carried out at the factory on behalf of Expresso Fashion in 2004, 2006 and 2007.

8. Findings and conclusions

The off-site interviews pointed out that the complaint is grounded.

9. Corrective action

Expresso Fashion decided to deploy a local consultancy firm, specialised in human resources management and corporate social responsibility, to provide management support to the factory as a means towards remediation of the above mentioned issues.

After a period of negotiation, the work of the consultancy firm was initiated in August 2009 and concluded in March 2010. During this period the consultancy firm conducted five training/consultation visits and provided off-site consultancy services aimed at enabling the factory to implement local laws and the requirements stemming from the FWF Code of Labour Practices.

According to the final report of the consultant, training activities resulted in a gradual decrease in working hours. Maximum working hours worked at the factory decreased from 77 hours per week in June 2009 to 65 hours per week in November 2009. In January 2010, maximum working hours reached to 73 hours per week, after which these decreased to 66 hours per week in March 2010. and that all workers were given one day off in every seven days. The report stated that from January 2010 onwards, all workers were guaranteed the local legal minimum wage and overtime work was compensated at the legal overtime time rates.

During the remediation process Expresso Fashion kept FWF informed about activities carried out by the consultant in the factory. FWFs complaints handler in China periodically contacted the plaintiff to inform the worker about the remediation process.



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10. Verification

In September 2010 a factory audit was carried out on behalf of FWF to verify improvements after the activities by the local consultancy firm have been rounded up.

The audit pointed out that wages paid to workers in the factory met the legal requirements as set by local government. During the process of corrective action the city of Dongguan increased the legal minimum wage from 770 RMB / month to 920 RMB / month. All workers were found to receive at least 920 RMB/month, and received the legally required rate for overtime work.

Simultaneously the audit demonstrated that the factory had not yet set up a functioning voluntary overtime system, and that excessive overtime took place up to a maximum amount of 79 hours in May, June and July 2010. A weekly rest day could not be guaranteed. The corrective action plan pointed out that root causes of excessive overtime could be the result of order placing practices of Espresso Fashion and other customers of the factory.

FWF and Espresso Fashion agreed in October 2010 that Espresso Fashion would take action to assess the root causes of excessive overtime with the factory and its other customers. Further steps to decrease usage of excessive overtime would be taken by Espresso Fashion in context of the process to follow the corrective action plan from the audit on behalf of FWF. The complaint was closed after the plaintiff had been informed about this process.