

Complaint Gaastra 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

McGregor Fashion Group B.V.'s subsidiary Gaastra International Sportswear B.V. (hereafter 'Gaastra')

2. Accused party:

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

3. Date of receipt complaint

The complaint was received by the local complaints handler of FWF in China on 20 November 2010.

4. Filing party

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

5. The case

The worker complained that the factory management did not pay wages to which she was entitled when she resigned. According to the worker, she must resigned due to family emergencies, as a result of which she could not give one month notice to the factory. As a result, the factory decided to pay her only 50% of her October and November salaries.

In addition the worker raised that excessive overtime took place in the factory. According to her statements, the factory worked on Saturday and Sunday frequently as a result of which workers usually got only one day off per month. In addition overnight shifts



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allegedly took place. Overtime compensation was not paid in accordance with Chinese labour legislation.

The complaint concerned three FWF labour standards:

- 1) A legally binding employment relationship
- 2) No excessive overtime
- 3) Payment of a living wage

6. Admissibility

On 22 November 2010 FWF decided that the complaint was 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

FWF assessed the outcomes of an audit that was carried out at the factory on 11 and 12 October 2010 on behalf of Gaastra.

8. Findings and conclusions

The audit pointed out that excessive overtime occurred at the factory and that overtime compensation was inaccurate at the factory. As these findings are consistent with the complaint that has been filed, FWF decided that no additional investigation was needed. On 22 November 2010 it was decided by FWF that the complaint is grounded.

9. Corrective action

FWF requested Gaastra to contact the factory as soon as possible to discuss the complaint. According to existing law, the following steps to be taken were discussed between both parties:

- 1) The workers should be paid full amount of her wage for the month of October.
- 2) The factory can deduct the worker's salary for November for the period after her resignation but the remaining amount should not be lower than the local minimum wage.

On the same date (22 November 2010) Gaastra instantly contacted management of the concerned factory to discuss the complaint.

On 28 November the plaintiff informed FWF's complaints handler in China, stating that she received the remaining amount of her due salary, and that the problem was solved.

FWF expects Gaastra to prioritise the issues to which this complaint is related in its activities to follow up on the corrective action plan of the audit that has been carried out in the concerned factory. FWF expects Gaastra to regularly share information on the status of this issue.



10. Verification

FWF will remain in contact with the plaintiff through its local complaints handler in China as a means to verify that corrective action will be taken. Depending on information received from Gaastra regarding the remediation process with regard to this complaint FWF may decide to carry out an audit at this factory to verify that the issue has been resolved.