

## Complaint Mexx / McGregor China

*FWF is responsible 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

Mexx Europroduction and McGregor Fashion Group

### 2. Accused party

The complaint has been filed against a factory in China which is a supplier of FWF affiliates McGregor Fashion Group and Mexx Europroduction.

### 3. Date of receipt complaint

The complaint was received by the local complaints handler of FWF in China on 14 May 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 four FWF labour standards:

- Employment is freely chosen:  
The factory was not allowing workers to resign, withholding payment if they did.
- Payment of a living wage:  
Wages were below the legal minimum.
- Reasonable hours of work:  
The factory made use of excessive working hours.



- A safe and healthy working environment:  
The food in the canteen where workers were required to eat was of insufficient quality.

## 6. Admissibility

On 14 May 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 2 affiliate members of FWF.

## 7. Investigation

FWF assessed the outcomes of an audit which had been carried out at the factory on behalf of McGregor Fashion Group in December 2007, which had demonstrated all above mentioned problems, with exception of poor quality of food in the factory canteen.

## 8. Findings and conclusions

On the basis of information from the existing audit report FWF found that the complaint which was filed by the plaintiff was grounded.

## 9. Corrective action

On 14 May 2008 FWF informed the two FWF affiliates sourcing from this factory about the complaint. As together they are buying around 95% of the factory's production capacity, they were able to apply considerable pressure on the management.

In July 2008 representatives of McGregor Fashion Group and Mexx Europroduction met in Hong Kong to discuss the complaint. Both member companies agreed to put pressure on the management of the involved factory to implement an existing corrective action plan which resulted from the audit that had been carried out in December 2007.

## 10. Verification

Due to inactivity of Mexx Europroduction FWF did not get any updates from this affiliate on follow up of the corrective action plan.<sup>1</sup>

In December 2008 FWF contacted McGregor Fashion Group on state of affairs with regard to follow up of the corrective action plan. In January 2009 FWF was informed by McGregor Fashion Group that some internal changes occurred in its product management department, as a result of which the dialogue with the involved factory on the corrective action plan was not continued.

FWF planned an audit at the factory to verify if the complaint had been followed up on. During this process FWF was informed that the factory had stopped producing for McGregor Fashion Group in 2009. In August 2009 was informed by McGregor Fashion Group that it had not placed any orders at the company after rounding up orders for its

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<sup>1</sup> FWF membership of Mexx Europroduction was terminated as of 2010



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2009 spring collection. No new orders had been placed by McGregor Fashion Group at the factory for reasons specific to product development.

As the business relationship between its affiliate and the factory was terminated, FWF has been unable to verify if McGregor Fashion Group followed up on this complaint and to which extent the above mentioned issues have been resolved.