

Complaint Fabric Scandinavien 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

Fabric Scandinavien AB.

2. Accused party:

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

3. Date of receipt complaint

The complaint was received by the local complaints handler of FWF in China on 30 December 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 complaint related to several issues which are described below in relation to the labour standards in FWF's Code of Labour Practices:

No Child labour:

The worker stated that there were around ten child labourers working in the factory when a FWF audit team visited the factory. These workers were given two days off during the audit. According to the plaintiff, the factory management also tried to influence the audit



by offering workers a cash incentive to encourage them to provide the FWF audit team favourable information during the audit process.

Payment of living wages:

Wage payments are made two or three days after the date when payments are due.

Legally binding employment relationship:

The worker stated that management was informed on 20 December 2010 that (s)he wanted to resign. According to the plaintiff, management refused this unless (s)he could find someone else to take over the job.

6. Admissibility

On 5 January 2011 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.

On 19 January 2011 FWF informed Fabric Scandinavien about the complaint. Fabric Scandinavien then informed FWF that it had followed up on the corrective action plan from an audit that was carried out on behalf of FWF (29 - 30 November 2010) to verify improvements in the factory.

7. Investigation

FWF assessed the corrective action plan from the audit that was carried out on behalf of FWF (29 - 30 November 2010) to verify improvements in the factory.

On January 22 & 23 2011 members of FWFs local audit team in China carried out off-site interviews with fifteen workers from the sewing, packing, trimming and sampling departments of the concerned factory. Ten workers were interviewed after work on their way home. Five workers were interviewed at their homes. The worker interviewer received contact information from most of the workers that were interviewed. In addition a phone interview was carried out with the worker that had filed the complaint.

On January 25 FWF informed Fabric Scandinavien about the findings and conclusions from the investigation (see below).

8. Findings and conclusions

No Child labour:

FWF carried out an additional interview with the worker who filed the complaint during the investigation. From this interview it became clear that the plaintiff's understanding of child labour is incorrect; the plaintiff had mistakenly meant that the juvenile workers employed by the factory were child labourers. After discussing the law on legal working age with the plaintiff, the child labour accusation was pulled back by the plaintiff.

That there was no child labour in the factory was also supported by the above mentioned audit where no workers were found below the legal minimum working age in

China (16 years). Just as the plaintiff mentioned, there were juvenile workers (16-18 years). These were not registered with local labour bureau as is required by law.

All workers interviewed during the investigation stated that no child labourers were working in the factory. Workers confirmed that seven to eight juvenile workers were employed in the factory at the time of the audit. The interviewed workers stated that workers had been given one hundred RMB by factory management during a previous audit as an incentive to give favourable information. As the FWF audit team managed to obtain sufficient information to conclude that non-compliances occurred at the factory during the audit, management refused to provide workers with a cash incentive for this audit. As a result no cash incentive had been given to any worker during this audit.

On the basis of the above mentioned information FWF concludes that there is no child labour in the factory. FWF does find that the complaint that workers were given a cash incentive by management to give the audit team favourable information is partially grounded: Whereas workers were not actually given the promised amount, it is found that management has made an attempt to obstruct the audit process.

Payment of living wages:

All interviewed workers stated that the salary payments of some of the workers that did not have a bank account were delayed for two or three days after the due day. These workers were paid in cash. The factory paid those workers who had a bank account punctually.

In the case of the plaintiff FWF found that this worker did not file his/her resignation in time. As a result (s)he could not claim her wages before January 2011.

On the basis of the above mentioned information FWF concludes that the complaint regarding late payment of wages is grounded as far as workers without a bank account are concerned.

Legally binding employment relationship:

All 15 interviewed workers confirmed that they were able to resign from the factory with an advance notice period of one month until November 2010. However as many workers applied for resignation in November and December 2010 factory management then started to discourage workers to resign until Chinese New Year. As a part of this management adopted a regulation stating that wages of workers that would resign after Chinese New Year would be paid at the end of the next month.

On the basis of the above mentioned information FWF concludes that the complaint is grounded. The above described practice is against the law of Article 13 Regulations on Wage Payment of Guangdong Province, which states the following: *When an employing entity terminates or dissolves the labour relationship with an employee according to law, it shall pay off the wages of the employee once and for all on the day when the labour relationship is terminated or dissolved.*

9. Corrective action

All workers that resigned before Chinese New Year stated that they preferred to leave for their hometowns instead of staying at the factory to collect their wages. FWF agreed with Fabric Scandinavien that the wages of all these workers would be paid directly into



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their bank account after Chinese New Year. FWF would contact with these workers after Chinese New Year to verify if this had happened.

FWF requested Fabric Scandinavien to contact the factory as soon as possible to discuss corrective actions resulting from the complaint.

FWF recommends Fabric Scandinavien to discuss the following points with factory management:

- The factory should prioritize its policy for juvenile workers in the process of following up the corrective action plan resulting from the audit of 29-30 November 2010.
- The factory should revise its practices for wage payments to ensure that all workers receive their salaries on the due payment day.
- The factory should to revise their practices for employee resignation to ensure that all workers receive their salary on the due payment day.
- The factory is to improve its transparency regarding working conditions.

On 25 January Fabric Scandinavien informed FWF that a staff member of its social compliance department in Hong Kong would visit the factory to follow up on the above points. In addition Fabric Scandinavien stated that the CSR manager of Fabric Scandinavien would visit the factory in March to discuss needed improvements in further detail.

On 27-28 January a representative of Fabric Scandinavien visited the factory.

Fabric Scandinavien informed FWF on 27 January about the following:

- The factory had paid twenty workers their salary. Those workers had left the factory after collecting their wages.
- The factory would pay the other workers in cash on 28 January. The representative of Fabric Scandinavien would be at the factory that day to see to it that workers would get paid.
- Fabric Scandinavien did random age checks to monitor if child labour occurred in the factory. No child labourers were found.
- Fabric Scandinavien discussed the issues regarding delay payment with factory management would include this matter in the correction plan for the factory.

10. Verification

On 4 March 2011 FWF contacted the plaintiff and other workers that had been interviewed through its local complaints handler in China to verify that they had received their wages for January 2011. All contacted workers confirmed that they had received their wages.