

Complaint – Haglofs, Kjus – China

Updated complaint 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. Member company involved

Haglofs and LK International (Kjus), hereafter Kjus.

2. Accused party

A factory located in China supplying Haglofs and Kjus.

3. Date of receiving complaint

The complaint was received on 20 September 2016.

4. Filing party

A worker that is currently employed by the factory.

5. The complaint

The complainant claimed that since this year the factory delays workers' payments quite often, with the longest delay being 3 months.

Furthermore, workers have to work excessive overtime hours till 23:00 Mondays through Saturdays (8:00 to 12:00; 14:00 to 18:00; and OT: 19:00 to 22:00/23:00); working 11 to 12 hours a day. In a case of tight delivery, workers worked for the entire month without a rest day.

They also worked on 15 September 2016, which is an annual holiday (Mid-autumn festival). Management did not announce OT premiums for that day, which would be 300% according to local legislation.



The complainant said that altogether workers have had approximately 10 days off since the beginning of this year until now. Workers can refuse overtime without penalty, but if they do not do overtime, they will be subject to a verbal warning from their supervisors. As a result, for most of the time workers cooperate to do overtime hours.

The authenticity of the accusation is under investigation.

6. Admissibility

FWF decided that the case is admissible on 29 September 2016. The factory is an active supplier of Haglofs and Kjus, members of FWF.

The case is relevant to the following labour standards of FWF's Code of Labour Practices:

- Payment of a living wage
- Reasonable hours of work

7. Investigation

FWF informed Haglofs and Kjus about the case. Haglofs and Kjus have contacted the supplier and asked for a reply within one week. The factory sent payslips as evidence which dates wages were paid to workers.

8. Findings and conclusions

The case has been investigated by doing off site worker interviews end of February and management interviews end of March.

The factory was very transparent to share its working hour's situation with the investigator. The general working hour's situation at The factory is that workers work 11 hours a day for 5 to 6 days a week and have 4 days off in a month in normal season, In peak season, workers only have 2 days off per month. This is confirmed by observations of the off site worker interviewer end of February.

Management is committed to improve the productivity to reduce workers' excessive overtime hours and they were open to workers' opinions on the overtime hours. If workers are not willing to do overtime, they will be free to decline. Factory management promised they will not punish workers who do not follow OT arrangements, and additionally will consult with workers on the overtime schedule to get approval beforehand.

With regard to the statutory holiday payment, The factory confirmed they paid workers the appropriate 200 RMB on top of the piece wage for workers' OT for the mid-autumn festival.

Management additionally confirmed that wages have been delayed last year, because of an internal management problem. internal corruption case. This resulted in the management team not able to accessing the system for automatic retrieval of wage data



of Sept and Oct 2016. Therefore The factory management had to ask all workshop supervisors to make manual calculations of workers' wages, which took more time.

9. Remediation

Member companies should offer reasonable lead times and change production planning to low season where possible. They can ask the factory about available production capacity to take this into account when planning orders. The factory will works on improving productivity and efficiency by better production planning.

10. Verification

The case will be verified during an audit planned for spring 2017. The 2018 Brand Performance Checks will assess whether the member companies have analyzed their production planning and adapted where needed.

11. Evaluation by the complainant

The complainant said that if the factory is able to make payments on time by the 22th from now on, and statutory holidays are paid per legal requirements, workers will be very happy.

They appreciated FWF's support.