

Complaint – Greiff– Morocco

Status: Under remediation

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

Greiff

2. Accused party

A factory located in Morocco supplying Greiff.

3. Date of receiving complaint

March 26, 2017

4. Filing party

A worker that is currently employed by the factory.

5. The complaint

In October 2016 an FWF audit took place at a Moroccan supplier of Greiff. The report showed issues concerning payment of wages, social security and documentation. Greiff and the supplier had worked on remediation of these issues. On March 26, 2017, a worker contacted FWF with a complaint that contained similar issues. The complainant claimed that these were the different issues:

1. The company stopped the payment of social security contributions to social security. Some workers went to the Social Security Office to ask them to do a check in the factory. After intervention of the Social Security Office the factory started to pay social security fees again, but not for all the workers.

2. Actual working hours and working on the pay-slip do not correspond. The difference in amount is reported as meal allowance and transport allowance, which are exempted from tax payments and social security fees.
3. The time of breast-feeding is still not paid by the company.
4. The workers claim that there is a problem with the calculation of the income tax.
5. Workers are fined by deducting 3 working days of their salary for anyone who

- chews chewing gum;
- speaks while working;
- speaks on the telephone (even when they contact family in the case of

overtime).

6. Admissibility

FWF decided that the case is admissible on March 28, 2017.

The factory is an active supplier of Greiff, a member of FWF.

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

- Payment of a living wage
- Healthy and safe working conditions
- Legally binding employment relationship

7. Investigation

FWF has informed Greiff about the case. Greiff contacted the supplier and asked for a reply. Factory management confirmed several issues, like giving penalties to workers and the fact that workers are not free to go to the toilet. At the same time, factory management denied illegal practices concerning wages and social security.

On May, 3 2017 an on-site investigation took place by the FWF local complaints handler and a documents inspector. The day prior to the on-site investigation, 12 workers were interviewed off-site.

8. Findings and conclusions

During the day of the investigation, management confirmed all issues raised by the complainants, which was also confirmed by worker interviews and documentation. More specifically:

- There is a difference between the pay slips and the working hours record. What is declared to the social security is in line with the pay slips. In general, workers work more hours and days than what has been put on the pay slip and declared to the social security. The total number of annual leave days was also not declared to social security.

For a specific period of time, the employer stopped all payments to the social security due to insolvency reasons. After Greiff contacted factory management about the complaint, payments to social security were resumed. In one particular case, the social security agency had denied the sick leave of one of

the workers because of the non-payment of social security by the employer. The sick leave was approved after the payment by the employer.

- The workers receive a pay slip which does not include all actual hours worked. At the end of the month, workers receive their net salary in cash in an envelope which states the net wage, the actual hours worked, the number of public holidays, paid holidays and deductions in case of disciplinary sanctions. The difference in amount is reported as meal allowance and transport allowance, which are non-taxable and non-contributory to social security.
- An overtime premium has to be paid in case of overtime hours. Workers were not paid this premium. Management could not provide legitimate reasons for the non-payment of the overtime premium.
- Breast feeding hours were still not paid, despite the fact that management had agreed to pay it after the previous complaint.
- Workers received penalties that were not in accordance with the law. The law stipulates that workers should first receive an oral warning and up to three written warnings before a worker could be fired. The disciplinary procedure is not in line with legal regulations.

Other findings:

- Two trainees were working on the day of the investigation. They did not earn the legal minimum wage as required by law. Neither they were given pay slips nor were they declared to social security. The total number of trainees working at the factory could not be confirmed during the investigation.
- Factory management had changed the phone number of the FWF complaints handler on the FWF Code of Labour Practices posted in the factory.
- Communication in the factory is poor. Factory management has started to discuss productivity with the workers and set up a complaints mechanism, which is a good first step. But worker representatives were appointed by management and not elected by the workers. Furthermore, worker-management dialogue did not entail common concerns of workers.

The FWF complaints handlers also discussed with management whether prices and lead times provided by Greiff were sufficient. Management publicized the purchasing practices of Greiff. At the same time, other customers (Italian and French) were actively pushing prices leading to an increasing pressure to reduce costs by factory management.

9. Remediation

Factory management informed the FWF complaints handlers that they are setting up a production schedule with all their customers. Furthermore, they will look into the costs and set up a system of standard minutes per piece. Management will stop working hours of more than 191 hours per month.

FWF recommends Greiff to discuss measures with the supplier to:

- ensure that all social security of all workers of the actual hours and days worked is paid, including the previous months that were not correctly paid;

- ensure that double bookkeeping is ceased and pay slips reflect all days and hours worked, including overtime hours and premium;
- ensure the payment of the overtime premium in case of overtime hours, including the payment of the premium for overtime hours of previous months.
- ensure that trainees receive a contract, the legal minimum wage and their wage is declared to social security;
- ensure that the hours of breast feeding are paid in accordance with the legal requirements;
- ensure that the disciplinary policy is written and in accordance with the law. Workers should be made aware of the disciplinary policy;
- ensure that the correct FWF Code of Labour Practices is posted;
- organize an election of worker representatives;
- establish a regular worker-management dialogue that facilitates an open, safe and constructive dialogue about concerns of both management and workers.

Furthermore, FWF recommends Greiff to:

- contact other customers and discuss all issues, including the purchasing practices of other customers;
- provide support to establish a system based on standard minute per style;
- provide training on labour rights, worker-management dialogue and the proper functioning of a worker committee;
- set up a timeline for improvements and verify whether measures were effective.

10. Verification

The case is under remediation.

11. Evaluation by the complainant

Workers do not expect large changes from factory management as similar issues were signalled during the last audit, but not a lot has changed since.

