



Complaint – Odlo International CH – China

Status: closed

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

Odlo International CH (Switzerland)

2. Accused party

The complaint was filed against a factory in China which is a supplier of Odlo International.

3. Date of receiving complaint

The complaint was received by FWF through its local complaints handler in China on 7 October 2013.

4. Filing party

A worker that is currently employed by the factory, whose identity is known to FWF, but will remain confidential.

5. The complaint

3 workers from the factory filed a complaint that working hours are too excessive; they worked 27 days in Sept 2013. From Monday to Saturday they had overtime hours till 22:00 or 23:00. According to the plaintiff, workers were also required to work 8 overtime hours on a few Sundays.

The plaintiffs also complained the piece price is unfair; once the factory believes the order quantity is good and will lead to a higher payment, they will reduce the piece price. Thirdly, one plaintiff informed FWF's complaint handler she would like to submit an additional complaint regarding an illegal deduction of 989 RMB of her wage.

6. Admissibility

FWF decided that the case is admissible on 8 October 2013.

At the time of receiving the complaint the factory is an active supplier of Odlo, an affiliate of FWF.

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

- Reasonable hours of work;
- Payment of a living wage

7. Investigation

On 8 October FWF informed Odlo about the case. Odlo contacted the agent that works with the supplier and asked for a reply within one week.

Management of the factory denied excessive overtime took place. According to management, payment of wages complies with local law. According to the plaintiff workers feel piece rate price is lowered when high volume orders are done. Management states it is the opposite; they make piece rate price higher for small orders, in order for workers to still receive a good wage.

Excessive overtime and issues regarding payment of a living wage was found during the latest audit in September 2013 and corroborate the findings from the plaintiff. The audit team found records were falsified during the last audit.

On 23 October, FWF received a copy of the payslip of the worker. FWF's complaint handler concluded these were the same documents as shown during the audit.

On 1 November 2013 the plaintiff has sent FWF a copy of the manual attendance records. According to the manual attendance record, workers work 28 or 29 days in Oct 2013, 11 or 12 hours/day for 6 days a week.

8. Findings and conclusions

Based on the above investigation, FWF finds the complaint regarding excessive overtime grounded.

Up to this point, FWF has not received reliable documentation to conclude the issue with regards to unfair piece price. FWF instructed the affiliate to work with suppliers who are open and transparent about their records and show willingness to improve. It is important that piece prices are negotiated in a process involving dialogue between workers and management.

The affiliate is in a difficult position to make demands since it has started phasing out production at this factory. On 28 November, Odlo informed FWF the decision has been



taken now to move the production to a new supplier. This has given the company less leverage to discuss and follow up on this complaint.

9. Remediation

Odlo International will propose to their supplier that they inform the workers about the piece rate calculation. The affiliate will inquire about the possibility to have management sit down with workers and discuss how piece rate is calculated. It is important for the supplier and their business to have their workers understand and agree on the piece rate prices.

Using this argument, Odlo has put forward this proposal to the supplier. If needed, Odlo can offer support by facilitating someone to provide guidance on setting the piece rate price.

On 19 October, the plaintiff informed FWF the illegal deduction of her wage had been cancelled.

Odlo International is expected to analyse and set up a plan to reduce excessive overtime. Given that production at this supplier is phased out, Odlo is no longer in the position to follow up on the complaint.

10. Verification

Verification at factory level cannot take place, since the factory is no longer an active supplier of Odlo.

At the next Performance Check, FWF will verify the affiliates' effort to analyse and set up a plan to reduce excessive overtime.

11. Evaluation by the complainant

N/A