



Complaint – LK International AG – 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

LK International AG (Switzerland)

2. Accused party

The complaint was filed against a factory in China which is a supplier of FWF affiliate LK International AG.

3. Date of receipt complaint

The complaint was formally received by FWF through its local complaints handler in China on 25 September 2013.

4. Filing party

The complaint was filed by a worker of the factory whose contact details are known to FWF but will be kept confidential.

5. The case

The complaint related to the labour standard 'Reasonable hours of Work' that is part of FWF's Code of Labour Practices.

The worker informed FWF's complaints handler that she expected workers were not allowed off during the upcoming national holidays (1-3 October) due to a tight delivery.

6. Admissibility

On 27 September 2013 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 27 September 2013 FWF informed LK International AG that the complaint had been filed through its complaints procedure.

7. Investigation

At the time of receiving the complaint, the possible violation did not yet occur. However, FWF decided to contact LK International AG before finding the complaint grounded in order to seize the opportunity and see if the FWF Affiliate could avoid it from happening.

LK International contacted the supplier within hours after FWF informed the company about the complaint. The factory manager ensured their client that the factory will be closed between 1 and 3 October. Given that the plaintiff was not willing to disclose her identity at that time, LK International could not address her specific request to have a day off on the 3rd of October with management.

LK International investigated their own production orders to assess whether they could have made some delivery extensions. There was no production running for LK International during that period.

On 29 September the plaintiff informed FWF that the final decision from the manager with regard to the coming national holiday is that workers do overtime hours till 21:00 on 29 Sept and most likely work 8 hours on 30 Sept (at that time not yet know if there would any extra overtime). According to the plaintiff, workers are off on 1 & 2 October, but resume working on the 3rd Oct (which is still the national holiday).

After LK International checked this issue with management again, the supplier confirmed that workers had to work on Sunday 29th of September as well as on the 3rd of October with an additional surcharge of 300% according to Chinese law.

On 4 October, FWF's complaints handler spoke to the plaintiff who confirmed workers had to work on 3 October during national holiday. On 1 and 2 October the factory was indeed closed.

8. Findings and conclusions

Based on the above investigation, FWF decided the complaint was grounded. Workers were off on the national holidays 1 and 2 October. Workers did work on the 3rd of October, which is also a national holiday. The plaintiff was not able to have a day off work on that day.

For monitoring purposes, the complaint from the plaintiff has been included in the Corrective Action Plan of the audit that was conducted in the beginning of September 2013. Payment of leave and overtime was found to be an issue in the factory: the audit concluded that the supplier does not pay leave and overtime hours according to legal requirements.

In this specific case of the plaintiff, FWF concluded the worker was paid correctly for working on 3 October 0213.



9. Corrective action

LK International will further work on remediation of the findings in the corrective action plan. Workers should be able to take a day off during national holidays. The company will need to monitor the correct payment of the workers that were employed on October 3rd. According to local law, the supplier needs to pay 300% of the wages when employees are assigned to work on statutory holidays. LK International will request a copy of the payroll for October from the supplier.

10. Verification

FWF verified the correct payment of overtime after 20 November (payday at the supplier) by contacting the plaintiff. The copy of the October payroll has been reviewed by FWFs complaints handler and the plaintiff confirmed she received the correct compensation. A column on her pay slip referred to holiday wage. The additional amount is 87 RMB and 91 RMB respectively. The local minimum is 930 RMB/month, equal to 43 RMB/day, which means the holiday wage is more than 86 RMB (43*200%), and therefore compliant with the local requirement.

11. Evaluation

The plaintiff thanked FWF for its commitment to realise a solution. The plaintiff confirmed to contact FWF in case a conflict would occur in the future.