



## Complaint – Kwintet AB – 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

Kwintet AB

### 2. Accused party

Five complaints were filed against a factory in China which is a supplier of FWF affiliate Kwintet AB. The other four complaints were solved after mediation by FWF and Kwintet between the plaintiffs and factory management. This report describes the fifth complaint.

### 3. Date of receipt complaint

The complaint was received by FWF local complaints handler in China on 14 June 2012.

### 4. Filing party

The complaint was filed by an ex-worker of the factory whose contact details are kept confidential and are known by FWF.

### 5. The case

According to the plaintiff she had worked for more than 20 years at the factory but she had not been enrolled in China's social insurance scheme for a part of this time.

According to the worker the factory had not paid its full share of social insurance contributions. The plaintiff requested the factory to pay its share of the missing sum of pension insurance so she could enjoy her pension benefits.

The plaintiff had worked for the factory since 2 Nov 1995 and was 56 years of age when she filed the complaint.<sup>1</sup> The plaintiff requested the factory to pay its share of insurance for her for the period of Jul 1998 - Nov 1999 and Mar 2011 - Jul 2013. In addition the

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<sup>1</sup> 50 years is the minimum wage for pension entitlements



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plaintiff requested an additional payment for overtime hours that had been paid at the regular pay rate.

## 6. Admissibility

FWF decided that the complaint was admissible because the complaint relates to one of FWFs code of Labour Practices, 'A legally binding relationship' and the involved factory has an active business relationship with an affiliate member of FWF.

## 7. Investigation

FWF's local complaints handler reviewed the requests of the plaintiff by auditing the factory with its local team on 26 - 27 July 2012. In addition FWFs complaints handler carried out detailed interviews with factory management and the plaintiff.

## 8. Findings and conclusions

FWF concluded the following points from the investigation:

- The factory had not paid its insurance contribution for the plaintiff, covering the period of Jul 1998 to Nov 1999. No contribution had been made for the worker March 2011 as the worker resigned from the factory at that time.
- From the results of the audit FWF concluded that the factory had failed to pay the premium for overtime work. FWF informed the factory and the plaintiff that missing overtime premiums should be paid for the period covering January 2010 – August 2012.

## 9. Corrective action

FWF advised the plaintiff to discuss her case at the local insurance bureau in China. The local insurance bureau recommended the plaintiff to go to local court. The court verdict statement supported the social insurance request of the plaintiff.

As the worker had resigned from the factory, she filed a case with the local arbitration committee for labour disputes.

A verdict was made by the arbitration committee, stating that the plaintiff was entitled to a payment of 3578 RMB by the factory.

Court supported the claim of the worker regarding missing the social insurance for covering the period of Jul 1998 to Nov 1999.

The claim regarding unpaid overtime was not honoured as the plaintiff was not able to provide evidence for her claim. Kwintet followed up with the factory to ensure that the worker was paid above amount in cash.



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## **10. Verification**

The local complaints handler in China contacted the plaintiff to check the status of the payment. The plaintiff then confirmed that she received the social insurance fee from the factory.

## **11. Evaluation by the plaintiff**

The plaintiff thanked FWF for its support in making sure that the court verdict was honoured by the factory.