

Supply Chain Policy Violation Report

Session Information

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|---------------|---------------------------|
| Session ID: | 69 |
| Factory Name: | Yu Yuang Textile Co., Ltd |
| Location: | Taiwan |
| Language: | Arabic |
| Created: | 2025-08-01 08:52:42 |
| Case Type: | Employer Exploitation |

Policy Violations

Violation #1 - Adidas

Complaint Summary:

Juan Dela Cruz reports excessive working hours without overtime compensation and a dismissive response from his manager regarding his overtime compensation request.

Reported Incidents:

- Working over 10 hours per day.
- Request for overtime compensation was ignored.
- Manager Lin Wei-chen responded dismissively to the overtime compensation request.

Policy Violations Identified:

Category: Wages and Overtime

Incident: Working over 10 hours per day.

Violation: Exceeds the maximum legally permissible working hours (not exceeding 60 hours per week, or local legal requirement, whichever is less) and failure to provide overtime compensation

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as legally required.

Policy Reference:

Document: [adidas_workplace_standards_2017_en.pdf](#) (Page 1)

Policy Content: WORKPLACE STANDARDS page 2 January 2016 gender, religion, age, disability, marital status, parental status, association membership, sexual orientation or political opinion. Additionally, business partners must implement effective measures to protect migrant employees against any form of discrimination and to provide appropriate support services that reflect their special status. WAGES, BENEFITS & COMPENSATION All legal requirements relating to wages and benefits must be met . Wages must equal or exceed the minimum wage required by law or the prevailing industry wage, whichever is higher. In addition to compensation for regular working hours, employees must be compensated for overtime hours at the rate legally required in the country of manufacture or, in those countries where such laws do not exist, at a rate exceeding the regular hourly compensation rate. Workers have the right to compensation for a regular work week that is sufficient to meet workers' basic needs and provide some discretionary income. Where compensation does not meet workers' basic needs and provide some discretionary income, business partners must take appropriate actions to progressively raise employee compensation and living standards through improved wage systems, benefits, welfare programmes and other services. WORKING HOURS Employees must not be required, except in extraordinary circumstances, to work more than sixty (60) hours per week including overtime or the local legal requirement, whichever is less. A regular work week must not exceed 48 hours, all overtime work must be consensual and not requested on a regular basis. Employees must be allowed at least twenty four (24) consecutive hours rest within every seven-day period, and must receive paid annual leave. FREEDOM OF ASSOCIATION & COLLECTIVE BARGAINING Business partners must recognise and respect the right of employees to join and organise associations of their own choosing and to bargain collectively. Business partners must develop and fully implement mechanisms for resolving industrial disputes, including employee grievances, and ensure effective communication with employees and their representatives. DISCIPLINARY PRACTICES Employees must be treated with respect and dignity. No employee may be subjected to any physical, sexual

Category: Wages and Overtime

Incident: Request for overtime compensation was ignored.

Violation: Failure to compensate worker for overtime hours worked, violating the requirement to compensate for overtime hours at the rate legally required.

Policy Reference:

Document: [adidas_workplace_standards_2017_en.pdf](#) (Page 1)

Policy Content: WORKPLACE STANDARDS page 2 January 2016 gender, religion, age, disability, marital status, parental status, association membership, sexual orientation or political opinion. Additionally, business partners must implement effective measures to protect migrant employees against any form of discrimination and to provide appropriate support services that reflect their special status. WAGES, BENEFITS & COMPENSATION All legal requirements relating to wages and benefits must be met . Wages must equal or exceed the minimum wage required by law or the prevailing industry wage, whichever is higher. In addition to compensation for regular working hours, employees must be compensated for overtime hours at the rate legally required in the country of manufacture or, in those countries where such laws do not exist, at a rate exceeding the regular hourly compensation rate. Workers have the right to compensation for a regular work week that is sufficient to meet workers' basic needs and provide some discretionary income. Where compensation does not meet workers' basic needs and provide some

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Category: Freedom of Association & Collective Bargaining

Incident: Manager Lin Wei-chen responded dismissively to the overtime compensation request.

Violation: The manager's dismissive response and telling the worker to be patient and stop repeatedly messaging him could be interpreted as a failure to address a labor rights issue and potentially a violation of the non-retaliation policy related to expressing concerns about workplace conditions.



Violation #2 - New Balance

Complaint Summary:

Juan Dela Cruz is working excessive hours exceeding 8 per day without overtime compensation and experienced a dismissive response from his manager when requesting this compensation.

Reported Incidents:

- Working over 10 hours per day.
- Requesting overtime compensation, which was ignored.
- Manager Lin Wei-Chen responded dismissively to the overtime request.

Policy Violations Identified:

Category: Wages and Overtime

Incident: Working over 10 hours per day.

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Violation: This violates the policy requiring compliance with applicable laws, regulations, and industry standards on working hours, specifically the maximum allowable working hours and overtime compensation.

Policy Reference:

Document: [NB_Code_of_Conduct_Oct 202143.pdf \(Page 0\)](#)

Policy Content: week that is sufficient to meet employees' basic needs and provide some discretionary income. Where these goals are not met, suppliers shall work with New Balance to take appropriate actions to progressively raise employee compensation and living standards through improved wage systems, benefits, welfare programs and other services. VII. Working Hours a. Suppliers shall comply with all applicable laws, regulations and industry standards on working hours. Except in extraordinary circumstances, the maximum allowable working hours in a week shall be the lesser of what is permitted by national law or a regular work week of 48 hours plus overtime hours not in excess of 12 hours. Suppliers shall not request overtime on a regular basis. b. Suppliers shall provide employees with at least 24 consecutive hours of rest in every seven-day period. c. Employees may refuse overtime without threat of penalty, punishment or dismissal. d. Overtime shall be compensated at a premium rate. e. All hours worked must be fully and accurately documented. VIII. Freedom of Association and Collective Bargaining a. Suppliers shall respect the right of employees to freedom of association and collective bargaining. If freedom of association and/or the right to collective bargaining is restricted by law, employees shall be free to develop parallel means for independent and free association and collective bargaining. b. Suppliers shall develop and implement effective mechanisms to resolve workplace disputes, including employee grievances, and ensure effective communication with employees and their representatives. IX. Employment Relationship a. Suppliers shall employ employees on the basis of a recognized employment relationship established through country law and practice. b. Suppliers shall not employ people on a temporary contract basis for positions that are by definition permanent for the sole purpose of avoiding the provision of benefits. X. Health and Safety a. Suppliers shall provide a safe and healthy workplace setting to prevent accidents, illness and injury to health arising out of, linked with, or occurring in the course of work or as a result of the operation of suppliers' facilities. b. Suppliers shall adopt and implement systems that prevent, minimize, detect and respond to potential health and safety risks. These

Category: Wages and Overtime

Incident: Requesting overtime compensation, which was ignored.

Violation: This violates the policy regarding overtime compensation, which mandates premium rates for overtime work.

Policy Reference:

Document: [NB_Code_of_Conduct_Oct 202143.pdf \(Page 0\)](#)

Policy Content: week that is sufficient to meet employees' basic needs and provide some discretionary income. Where these goals are not met, suppliers shall work with New Balance to take appropriate actions to progressively raise employee compensation and living standards through improved wage systems, benefits, welfare programs and other services. VII. Working Hours a. Suppliers shall comply with all applicable laws, regulations and industry standards on working hours. Except in extraordinary circumstances, the maximum allowable working hours in a week shall be the lesser of what is permitted by national law or a regular work week of 48 hours plus overtime hours not in excess of 12 hours. Suppliers shall not request overtime on a regular basis. b. Suppliers shall provide employees with at least 24 consecutive hours of rest in every seven-day period. c. Employees may refuse overtime without threat of penalty, punishment or dismissal. d. Overtime shall be compensated at a premium rate. e. All hours worked

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Category: Freedom of Association and Collective Bargaining

Incident: Manager Lin Wei-Chen responded dismissively to the overtime request.

Violation: The manager's dismissive response and instruction to be patient could be seen as an unwillingness to address a labor rights issue and potentially a violation of the right to effective communication and grievance resolution.

Policy Reference:

Document: NB_Code_of_Conduct_Oct 202143.pdf (Page 0)

Policy Content: week that is sufficient to meet employees' basic needs and provide some discretionary income. Where these goals are not met, suppliers shall work with New Balance to take appropriate actions to progressively raise employee compensation and living standards through improved wage systems, benefits, welfare programs and other services. VII. Working Hours a. Suppliers shall comply with all applicable laws, regulations and industry standards on working hours. Except in extraordinary circumstances, the maximum allowable working hours in a week shall be the lesser of what is permitted by national law or a regular work week of 48 hours plus overtime hours not in excess of 12 hours. Suppliers shall not request overtime on a regular basis. b. Suppliers shall provide employees with at least 24 consecutive hours of rest in every seven-day period. c. Employees may refuse overtime without threat of penalty, punishment or dismissal. d. Overtime shall be compensated at a premium rate. e. All hours worked must be fully and accurately documented. VIII. Freedom of Association and Collective Bargaining a. Suppliers shall respect the right of employees to freedom of association and collective bargaining. If freedom of association and/or the right to collective bargaining is restricted by law, employees shall be free to develop parallel means for independent and free association and collective bargaining. b. Suppliers shall develop and implement effective mechanisms to resolve workplace disputes, including employee grievances, and ensure effective communication with employees and their representatives. IX. Employment Relationship a. Suppliers shall employ employees on the basis of a recognized employment relationship established through country law and practice. b. Suppliers shall not employ people on a temporary contract basis for positions that are by definition permanent for the sole purpose of avoiding the provision of benefits. X. Health and Safety a. Suppliers shall provide a safe and healthy workplace setting to prevent accidents, illness and injury to health arising out of, linked with, or occurring in the course of work or as a result of the operation of suppliers' facilities. b. Suppliers shall adopt and implement systems that prevent, minimize, detect and respond to potential health and safety risks. These

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Violation #3 - Lululemon

Complaint Summary:

Juan dela Cruz reports excessive working hours without overtime compensation and a dismissive response from his manager when requesting overtime pay.

Reported Incidents:

- Working over 10 hours per day.
- Failure to receive overtime compensation for work exceeding 8 hours.
- Manager Lin Wei-chen dismissed the overtime compensation request and told Juan to be patient and stop repeatedly messaging him.

Policy Violations Identified:

Category: Wages and Overtime

Incident: Working over 10 hours per day.

Violation: This violates the policy stating that workers shall be compensated for all hours worked and must comply with all applicable laws regarding overtime payment.

Policy Reference:

Document: vcoe-supporting-benchmarks.pdf (Page 17)

Policy Content: All workers shall be credited with all time worked for a Vendor for purposes of calculating length of service and determine the benefits to which workers are entitled. C.9 Calculation Basis for Overtime Payment Vendors shall compensate workers for all hours worked. C.9.1 The factory shall comply with all applicable laws, regulations and procedures governing the payment of premium rates for work on holidays, rest days, and overtime. C.9.2 Workers shall be compensated for overtime hours at such premium rate as is legally required in the producing country. In those countries where there is no legally established overtime premium, employees shall be compensated for overtime hours at the prevailing industry premium rate or at the internationally recognized overtime rate, whichever is higher. C.10 Overtime Wage Awareness Workers shall be informed, orally and in writing, in language(s) spoken by workers about overtime wage rates prior to under - taking overtime.

Category: Wages and Overtime

Incident: Failure to receive overtime compensation for work exceeding 8 hours.

Violation: This violates the policy stating that workers shall be compensated for overtime hours at such premium rate as is legally required in the producing country.

Policy Reference:

Supply Chain Policy Violation Report

Document: vcoe-supporting-benchmarks.pdf (Page 17)

Policy Content: All workers shall be credited with all time worked for a Vendor for purposes of calculating length of service and determine the benefits to which workers are entitled. C.9 Calculation Basis for Overtime Payment Vendors shall compensate workers for all hours worked. C.9.1 The factory shall comply with all applicable laws, regulations and procedures governing the payment of premium rates for work on holidays, rest days, and overtime. C.9.2 Workers shall be compensated for overtime hours at such premium rate as is legally required in the producing country. In those countries where there is no legally established overtime premium, employees shall be compensated for overtime hours at the prevailing industry premium rate or at the internationally recognized overtime rate, whichever is higher. C.10 Overtime Wage Awareness Workers shall be informed, orally and in writing, in language(s) spoken by workers about overtime wage rates prior to under - taking overtime.

Category: HS.1.2 If not provided by law, employers must provide protection to workers who allege violations of health and safety protections.

Incident: Manager Lin Wei-chen dismissed the overtime compensation request and told Juan to be patient and stop repeatedly messaging him.

Violation: This potentially violates the policy regarding the protection of workers who allege health and safety violations by the employer's failure to address the overtime issue, which is a labor rights concern.

Policy Reference:

Document: vcoe-supporting-benchmarks.pdf (Page 22)

Policy Content: 23 VCOE AND BENCHMARKS V3.0 JANUARY 2021 Health and Safety | SAFE AND HEALTHY WORKERS AND COMMUNITIES 9 Health and Safety The Vendor shall provide safe and healthy workplace and accommodation settings to prevent accidents and injury to health arising out of, linked with, or occurring in, the course of work or as a result of the operation of Vendors' facilities. Workers must have sufficient health and safety training, access to clean washroom facilities and potable water, and clean and safe accommodations that meet their basic needs. HS.1 General Compliance / Health and Safety HS.1.1 Vendors shall comply with all national laws, regulations and procedures concerning health and safety. HS.1.2 If not provided by law, employers must provide protection to workers who allege violations of health and safety protections. HS.2 Health & Safety Management Policies & Procedures HS.1.1 Vendors shall develop, maintain, and regularly review health and safety policies to ensure that they comply with all national laws, regulations and the lululemon VCoE concerning health and safety standards, regulations and procedures. HS.1.2 The health and safety policies shall contain the framework for a comprehensive health and safety management system including a health and safety risk assessment within which the following are clear and regularly tested and reviewed: (1) Vendors' responsibilities, (2) workers' rights and duties, (3) responsibilities of designated personnel, (4) procedures that enable workers to raise health and safety concerns, (5) procedures for reporting death, injury, illness and other health and safety issues (for instance, near-miss accidents), (6) protections to workers who allege health and safety violations, and (7) conducting root cause analysis on workplace accidents and taking proactive action to prevent future accidents. HS.1.3 Vendors shall identify potential safety risks and hazards in the workplace and inform and train workers accordingly. HS.3 Document

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Associated Buyer Companies

| Company Name | Association Type |
|--------------|----------------------|
| Adidas | Supply Chain Partner |
| New Balance | Supply Chain Partner |
| Lululemon | Supply Chain Partner |