

Victory for trade union rights in Czechia



Brands: Hewlett Packard Enterprise

Products: Servers

Factory: Foxconn

Location: Kutná Hora, Czechia

Time: April 2020 – September 2021

At the start of the Covid pandemic workers were concerned for their safety, being in close proximity on the production line. Foxconn, which then employed 1,900 workers in Kutná Hora, Czechia, continued to receive orders. In April 2020, with demand increasing, workers were offered financial incentives to come to work during their Easter holidays. Many Electronics Watch affiliates buy HPE servers made in this factory.

A group of workers initiated a petition asking for the temporary closure of the factory and halt of production. The workers asked the trade union for help and collected around 200 employee signatures. The trade union reported that management sought to prevent them from collecting signatures during working hours. Around the same time, a trade union representative reported receiving threats after speaking up against unplanned weekend shifts, which breached the stated Covid policy. According to the worker, they were told: “Watch your back. People are watching you. You may face dire consequences.”

Monitoring and findings

This factory is central to many of our affiliates’ supply chains. So when Electronics Watch and monitoring partner, Centre for Social Issues (SPOT), received a complaint from a worker about company interference in the legitimate activities of trade unions, we initiated an investigation.

The Covid pandemic limited monitoring activities, but SPOT was able to conduct 14 face to face interviews of one to three hours with both direct employees and agency workers. SPOT also visited two worker dormitories, conducted phone interviews with workers on select topics, reviewed documentary evidence, and consulted extensively with a Czech labour lawyer. Key monitoring findings were:

- Interference with legally permitted trade union activities and lack of access to the Collective Bargaining Agreement for migrant workers.
- Discrimination in employment related to a worker’s return after maternity leave and the application of a bonus based on attendance.
- Supervisors’ harassment and victimization of workers based on race or national extraction.
- Wages below the “minimum decent wage” (although legal).
- Exhausting shift lengths and patterns (although legal).

Remediation process

Electronics Watch notified HPE of its findings in April 2021. HPE immediately initiated an investigation and reported regularly and transparently on its findings to Electronics Watch and SPOT. HPE also sought input on corrective action plans and on the content of a worker survey. HPE reported that Foxconn was receptive to its recommendations and engaged workers through trainings, interviews and surveys.

Meanwhile, SPOT maintained regular dialogue with the trade union and workers, who reported on Foxconn’s activities to address the monitoring findings. Affiliates communicated directly to HPE and its suppliers, both to express concern about the issues and to express support for HPE’s constructive engagement.

In the end, Foxconn completed corrective action in the following areas:

- **Freedom of Association:** investigated reported incidents and engaged the trade union in developing a corrective action plan.

- **Grievance mechanism:** launched an internal grievance mechanism awareness campaign.
- **Fair treatment and non-discrimination:** investigated the issues through surveys and focus groups and launched mandatory training on fair treatment and anti-discrimination.
- **Bonus:** eliminated (indirect) discriminatory application of the economic results bonus, and incorporated explanation of the bonus in trainings for all workers and supervisors.

The main progress is that the Foxconn trade union has achieved significantly better access to workers. In the collective bargaining agreement following this engagement, the trade union and company agreed that the trade union would have 15 minutes of access to each worker per year. With 1,900 workers, this amounts to 28,500 minutes of trade union access per year or about 60 working days.

Key takeaways

There were substantial improvements in core labour rights areas in this case. This was the result of meaningful stakeholder engagement throughout the remediation process:

HPE maintained regular two-way and transparent communication with Electronics Watch and SPOT, as well as with Foxconn. HPE hired a qualified auditor to carry out their investigations. Public buyers made their expectations known to HPE and HPE resellers. The trade union engaged with both Foxconn and SPOT. Electronics Watch maintained dialogue with all parties. At every step of the way, the parties demonstrated a commitment to evidence-based findings and remediation.

Most critical was the trade union's central role, both in contributing to the investigations of Electronics Watch and HPE, and in negotiating with Foxconn. The fact that the trade union has been strengthened creates hope for sustainable improvements.