

## **Complaint – Albiro, Haglöfs, Jack Wolfskin, Schoeffel and Vaude – 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**

Albiro, Haglöfs, Jack Wolfskin, Schoeffel and Vaude.

### **2. Accused party**

A factory located in China supplying Albiro, Haglöfs, Jack Wolfskin, Schoeffel and Vaude.

### **3. Date of receiving complaint**

The complaint was received through FWF's local complaints handler in China on 17 July 2014.

### **4. Filing party**

The complaint was filed by a worker currently employed by the factory.

### **5. The complaint**

The complainant claimed his bonus was deducted without justified reason. The plaintiff is the supervisor of the sampling department, responsible for his team. He stated a worker in the marking section made a mistake and as a result his bonus was deducted.

According to the plaintiff he was not responsible for the marker worker making the mistake.

## 6. Admissibility

FWF decided that the case is admissible 18 July 2014. The factory is an active supplier of Albiro, Haglöfs, Jack Wolfskin, Vaude, and Schoeffel; all affiliates of FWF. The case is relevant to the following labour standards of FWF's Code of Labour Practices:

- Payment of a Living Wage

## 7. Investigation

FWF informed the affiliates about the case. The affiliates immediately contacted the supplier and asked for a reply. Factory management stated the bonus is related to performance and is only provided in addition to workers' regular wage in case the worker performs well. According to the management, the plaintiff did not perform his responsibilities well and for that reason decided to not allocate the bonus. Management indicated both the Pattern Room Manager as well as the Production Manager informed the worker in detail why he did not receive the bonus.

The FWF affiliates requested the supplier to show how management informed the worker of his responsibilities and the reason for deducting his bonus and to share information regarding the bonus system in general.

Factory management sent the official notice explaining the arrangements in the Paper Pattern department dated 30 April 2014. In addition, a document was sent with the plaintiff's roles and responsibilities.

## 8. Findings and conclusions

The allocation of performance bonus is not mandatory by law. The factory is entitled to deny the workers' bonus in case of underperformance.

FWF's complaints handler in China informed the plaintiff about the reply and the documents for verification. The worker indicated he had not seen the documents before.

## 9. Remediation

Remediation is not required given that the factory did not violate the labour law. The factory can decide not to allocate bonuses up to its own discretion. However, the factory must continue its efforts to raise awareness among workers for its policies and establish effective channels for workers to communicate about possible grievances. The bonus system policy and reasons for not allocating bonuses should be explained to workers.

An additional approach to improve the relationship between workers and supervisors could be a system that makes it possible in cases where one worker of a team is not performing well, the supervisor will work together with this person towards a reasonable



solution to avoid that bad performance again. In that case the factory could decide to allocate the bonus anyway.

## **10. Verification**

The factory in question is regularly visited by both FWF and the FWF affiliates. Trainings and follow up by the affiliates ensure close monitoring. During next visit FWF will look at the bonus system again and verify the information sharing between management and workers.

## **11. Evaluation by the complainant**

The plaintiff insisted he was not responsible for the mistake of the marker.