



Complaint – Jack Wolfskin, Vaude and J. Lindeberg – 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

Jack Wolfskin, Vaude and J.Lindeberg (Affiliate until 31 December 2013).

2. Accused party

A factory located in China supplying Jack Wolfskin, Vaude and J. Lindeberg.

3. Date of receiving complaint

The complaints were received by FWF through its local complaints handler in China on 2 and 4 December 2013.

4. Filing party

The complaint was filed by two workers currently employed by the factory whose contact details are known to FWF but will be kept confidential.

5. The complaint

On 2 December 2013, the complainant claimed that she had been subject to unfair treatment. After working at the same department for 7 years, the plaintiff was relocated to a different position. As a result, the plaintiff made the decision to resign from the

factory. The plaintiff wishes to receive severance pay as she feels she was forced to resign.

On 4 December 30, FWF's complaint handler received another complaint from a different worker of the same factory. The plaintiff claimed the factory decreased her wage to 2000 RMB/month from 2800 RMB/month on 20 Nov 2013. However, she found out her salary of Oct 2013 has already been decreased to 2000 RMB. She believes this is unfair, as she was informed of the pay cuts only on 20 Nov 2013.

6. Admissibility

FWF decided that the case is admissible on 2 December 2013 and 4 December 2013. The factory is an active supplier of Jack Wolfskin, Vaude and J,Lindeberg, 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 Jack Wolfskin, Vaude and J.Lindeberg about the case. Jack Wolfskin and Vaude immediately contacted the supplier and asked for a reply. Factory management stated they indeed reposition workers as it is their responsibility to assign workers to tasks that are most suitable for that worker.

FWF's complaints handler researched the legal basis for severance pay after a worker resigns. It is a complicated manner, since legally, if a worker resigns, the employer is not obliged to pay severance. According to the plaintiff, her resignation was not her own choice. If the company terminates the contract, severance pay is one month for each number of working years + 1. In this case, the severance pay would be 8 months (7 +1). If wage is 3000 RMB per month, then it is 24,000 RMB.

Jack Wolfskin and Vaude suggested meeting during ISPO in January 2014 to discuss the matter and further investigate the issue. According to management, they had a meeting with the worker in November 2013 to explain why she was move to a different department. The plaintiff did not request a severance payment with the management. This was raised only by the complaint filed through FWF.

Regarding the second complaint about decrease of wage, the management indicated the wage payments have changed in the entire paper pattern section. From a piece rate system, they now use fixed salary system. The basic salary is increased to 2000RMB. According to the management, the average yearly wages are now more stable for the workers. With the piece rate system wage was 2800RMB during peak season. In addition to the basic salary, the factory now also provides quality bonus; a decision made in November which was not clearly communicated to workers. Management agreed workers need to be better informed about their wage structure.

Management showed willingness to improve and is open to suggestions. During the meeting, the FWF affiliates suggested setting up a working group at the factory with workers and management to deal with the complaints. The factory recently took part in



FWF's Workplace Education Programme. In this context, it can be expected that the open dialogue between workers and management will be strengthened.

8. Findings and conclusions

Given that the plaintiff resigned from the factory, there is no legal basis to argue for a severance pay. FWF's complaints handler informed the worker about her rights and explained how to defend her rights in the future.

The second complaint indicates the factory can improve its dialogue with workers.

Bonus payments are not required by law. The factory is free to use the bonus payments as an incentive for workers to return to work after CNY.

9. Remediation

Regarding the first complaint, see above. Given that the plaintiff resigned from the factory, there is no legal basis to argue for a severance pay. FWF's complaints handler informed the worker about her rights and explained how to defend her rights in the future.

Regarding the second complaint; the supplier is requested to clearly explain the wage structure to the plaintiff.

A follow up training as part of FWF's Workplace Education Programme would support the factory in improving efficient communication between workers and management and to set up effective worker representation.

As of January 2014, J.Lindeberg is no longer an affiliate of FWF.

10. Verification

On 9 March, FWF's complaints handler spoke to the worker of the second complaint again. The worker confirmed the wage structure was explained to her and it is now clear. She feels she has no choice but has to accept the new wage system. Until now, they cannot make a comparison between the old and new system as the wage of the most recent month after the wage restructure has not been released.

The worker also confirmed the factory compensated the wage gap of 800 RMB to her, as the new system is supposed to go into effect after it was introduced (previously her fixed wage is 2800 in Oct, but before the new system come into effect, she wage of Oct 2013 was decreased to 2000RMB).

11. Evaluation by the complainant

Both workers were thankful for FWF's cooperation. The worker of the second complaint indicated she was happy that FWF and the affiliates were able to help her get the due wage gap of October.