

## Complaint – Vaude Sport – Vietnam

*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

Vaude Sport (Germany)

### 2. Accused party

The complaint was filed against a factory in Vietnam which is owned by FWF affiliate Vaude Sport.

### 3. Date of receipt complaint

The complaint was formally received by FWF through its local complaints handler in Vietnam on 12 and 13 December 2011.

### 4. Filing party

The complaint was filed by 5 workers of the factory whose contact details are known to FWF but will be kept confidential.

### 5. The case

The complaint related to the labour standards 'No Excessive Overtime' and 'No Forced Labour' that are part of FWF's Code of Labour Practices:

- The workers stated that they had made worked up to approximately 100 overtime hours in November 2011;
- Workers reportedly had to sign a document stating that overtime work was voluntary and that they would accept the regular salary for overtime work. Workers would not get paid until signing the document;
- Workers stated that they were still awaiting their salaries for November which were due 5 days before filing the complaint;

## 6. Admissibility

On 14 December FWF decided that the complaint was admissible as it relates to the Code of Labour Practices and the involved factory is owned by an affiliate member of FWF. On 15 December FWF informed Vaude Sport that the complaint had been filed through its complaints procedure.

## 7. Investigation

FWF reviewed the findings from an audit that had been carried out at the factory by FWF's local audit team on behalf of Vaude Sport during 21-22 October 2011.

In addition FWF asked Vaude Sport to contact factory management to get an understanding of their perspective on the matter.

FWF also reassessed its reports on phone calls that FWF's complaints handler in Vietnam received from workers of the factory immediately after the audit took place. As the issues that were reported at that time by workers had already been included in the corrective action plan from the audit FWF did not treat them as a separate complaint.

## 8. Findings and conclusions

The investigation (15-19 December 2011) pointed out the following:

- Part of the factory workforce made excessive overtime as a result of new product development and the process of building up new production lines;
- No evidence was found regarding the issue of requesting workers to sign a document stating that overtime was voluntary. According to factory management workers should regularly be asked if they agree to voluntary overtime'
- Salaries for November 2011 had been paid on 15 December which is in accordance with Vietnam law.

Besides the above findings pertaining to the complaint that was filed by workers, FWF concluded from the complaint investigation that communication between workers and (mid) management at the factory was not optimal. Workers felt frustrated with management regarding its decisions and how these were communicated.

## 9. Corrective action

FWF asked Vaude Sport to develop an action plan that states what steps it will take to tackle the root causes of excessive overtime and to improve communication with workers.

On 19 December Vaude Sport informed FWF of the following:

- A meeting with factory management and the factory trade union was held on 16 December wherein key aspects of management-worker communication were discussed. During this meeting it was affirmed that
  - workers should be able to communicate freely to the local FWF audit team and complaints handler;



- Mid management should be receptive towards workers when the latter encounter difficulties in their work;
- Overtime should be voluntary for workers.
- The factory will engage with the office for business sustainable development of VCCI (Vietnam Chamber of Commerce and Industry) to develop training for middle management. The training would focus on skills to strengthen communication with workers;
- The factory in Vietnam is building additional capacity to decrease the workload per worker as a result of which work pressure for workers would substantially decrease;

## 10. Verification

In October 2012 FWF verified improvements in the factory. The audit by FWFs local team pointed out that overtime had decreased in general in 2012, and that no excessive overtime had occurred as of June 2012 onwards.

With regard to communication & consultation, the factory had made some improvements through training by an external service provider.

The audit team identified that further improvement was still needed, particularly with regard to the disciplinary policy in the factory.