

## Complaint – VAUDE – Vietnam

### Status: Resolved

*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. Member company involved

VAUDE

### 2. Accused party

A factory located in Vietnam supplying VAUDE.

### 3. Date of receiving complaint

29 July 2016

### 4. Filing party

A worker that is currently employed by the factory.

### 5. The complaint

The complainant claimed working hours in July were until 8 or 9 pm two or three times a week. According to the complainant workers were requested to leave the factory after 5 pm, check out with their fingerprint and return back to work without fingerprint time-record registration. During those hours overtime premium would not be paid.

In addition, the complainant stated the high production targets lead to high pressure. As a result, workers shorten their lunch time and continue their work. Workers are said to have requested the factory to turn off the light during lunch break in order to have a short nap for better production in the afternoon.

## 6. Admissibility

FWF decided that the case is admissible on 1 August 2016.

The factory is an active supplier of VAUDE, a member of FWF.

The case is relevant to the following labour standards of FWF's Code of Labour Practices:

- Reasonable hours of work
- Payment of a living wage

## 7. Investigation

FWF informed VAUDE about the case. VAUDE contacted the supplier and asked for a reply within one week. According to the supplier, workers normally are not requested to work overtime without payment. However, one or two line leaders did not follow the regulation and asked workers to stay longer to repair defected garments. Related to the high production targets, factory management indicated they have additional incentives for workers to get on top. Some workers shorten their lunch break to get higher targets, but management states not to allow that. They are not able to cut the power as it will become very hot. Management stated they request workers to stop working during lunch time.

FWF's complaints handler verified this information with the complainant again who stated she worked excessive overtime hours in July but no overtime from early of August until beginning of September as this is low season. Regarding the high production targets she did not experience any change: the lights are still turned on during lunch time and some workers still work at lunch without overtime payment.

The most recent audit conducted by a FWF team in April 2016 concluded several cases of excessive overtime took place between October 2015 and March 2016.

FWF's complaints handler talked with the worker again in October 2016. The worker indicated she still works 4 hours overtime per day for 4 to 5 days a week from the end of September to half October. Workers are requested to stay longer hours in order to complete their production targets.

VAUDE and FWF agreed additional investigation was needed. FWF's complaints handler conducted 9 offsite worker interviews on 13 November and visited the factory for a documents inspection on 16 November. On site, the complaints handler additionally interviewed 8 workers (including 3 pregnant workers and 1 breastfeeding worker), 3 line leaders and a production manager. Time-records were checked from 1 September to 16 November, payroll and incentive bonuses were reviewed of 4 production lines.

## 8. Findings and conclusions

Overtime hours worked in case of repairing a defect was not paid correctly. Given that the line leaders could not remember which workers stayed extra time for repairing implies the regular fingerprint time-record registration was not used.

Factory did announce to all workers they can approach HR department to request the overtime reimbursement. The complainant confirmed the overtime hours were now paid correctly.

The workers interviewed as part of the investigation stated recent improvements have been noticeable regarding hours of work. Factory stopped extending working hours after working time and power is shut off after 20 minutes after regular working time ends. During lunch power and light is shut off as well and workers take a rest during lunch instead of continuing their work/repairs. Workers indicated they feel happy these improvements took place and expect it to continue.

Time records showed pregnant and breastfeeding workers worked 7 hours a day and did no work overtime; they did not check-in before 7:30 and left before 16:25.

From the documents inspection, FWF's complaints handler concluded the incentive bonuses have been calculated, recorded and paid accurately. However, workers are unaware of how their incentive bonus is calculated.

## **9. Remediation**

Factory management must continue to ensure line leaders do not request the workers to stay longer to repair the defected garment without payment. A solution must be found to do repair work during regular hours now that it is no longer possible to do that during lunch time or after work.

All hours should be registered using the finger print time-keeping system. VAUDE is advised to assess in cooperation with the factory how workers can be paid in retrospect for the additional hours that were worked in September and October without registration.

In cooperation with VAUDE, factory is requested to set up an action plan to reduce excessive overtime in upcoming peak seasons. In consultation with workers, a solution must be found for the high production targets that pressure workers. Workers need to be informed on how their incentive bonus is calculated.

It is suggested to conduct a Workplace Education Programme session to raise awareness of labour rights and as a first step for dialogue between workers and management on the issue of working hours.

## **10. Verification**

FWF's complaints handler spoke to the complainant again who confirmed overtime premium was paid. The additional worker interviews and documents inspections led to the conclusions above. FWF will verify VAUDE's follow up on the remediation during next performance check.

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

Additional workers that were interviewed in November stated they are satisfied with the improvements that took place. FWF's complaints handler spoke to the complainant again and shared the improvements on not extending working hours and no light during lunch time were noticeable. She did mention that several workers seem worried they would not have much time to do correction work. However, she and most workers in her line did welcome improvements. She expects these actions to be continued.