

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

2 April 2017

4. Filing party

A worker that was employed by the factory until February 2017.

5. The complaint

The complaint is related to the unused annual leave payment for resigned workers. The complainant wished to complain on behalf of herself and one of her co-workers. Both employees have resigned in February 2017, but according to the complainant the factory has not paid the unused annual leave of 2016. The complainant stated the unused annual leave of 2016 was paid to all employees on 24 March 2017, but not to them. The complainant raised her question to her line leader and the line leader replied she did not have the unused annual leave payment in 2016 because she resigned. The complainant and her co-worker ask for FWF's help to get the payment for unused annual leave in 2016. The complainant does not remember exactly the number of days for unused annual leave but stated she did not take any days leave in 2016.

6. Admissibility

FWF decided that the case is admissible on 4 April 2017.

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:

- Payment of a living wage

7. Investigation

VAUDE informed the factory management directly and received a reply within one week. Factory management stated they paid unused annual leave on a yearly basis and not within 7 days after resignation according to law. Factory management sent several documents for review:

1. Payroll from May to August 2016,
2. list of resigned workers from Jan-March 2017,
3. list of unused annual leave payment of workers who resigned in February and March 2017,
4. list of the unused annual leave payment in 2016 (to 162 employees) and paid on 24 March 2017,
5. list of the unused annual leave payment in 2016 to 4 workers, including of the 2 complainants.

8. Findings and conclusions

Based on the reply of factory management, the complaint was found grounded. FWF's complains handler reviewed the documents and concluded the complainants have received VND 1.450,000 for the unused annual leave in 2016. FWF's complaints handler spoke to the complainants again who also confirmed they received the payment.

However, from review attached documents and from the interview, it is noted that the complainants have received VND 1,450,000 which is lower than the amount in the payment record (VND1,866,738 and VND 1,555,614). There is no signature confirming receipt of money. FWF recommends VAUDE to ask the factory whether they can clarify the difference.

Moreover, the payment of the unused annual leave goes through the line leader who then distributes the payment to the co-workers. This process may lead to discrepancies and is difficult to monitor. FWF recommends the factory to pay the resigned workers directly. In case the resigned workers cannot come to factory to get payment, factory can pay them by bank transfer or can pay through their co-worker/line leader on behalf of the resigned workers.



9. Remediation

The case has been remediated as the two complainants have received the unused annual leave payment. Factory should change their internal policy and continue to pay the unused leave within 7 days after resignation.

10. Verification

FWF's complaints handler has verified payment of unused leave through documentation review and speaking to the complainants.

11. Evaluation by the complainant

The complainants stated they have no further complaints and thanked FWF/VAUDE for helping them.