

Complaint – Bierbaum Proenen– Tunisia

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. Member company involved

Bierbaum Proenen

2. Accused party

A factory located in Tunisia supplying Bierbaum Proenen.

3. Date of receiving complaint

February 28, 2017

4. Filing party

A worker that is currently employed by the factory.

5. The complaint

The complainant claimed that the factory does not pay income taxes in accordance with the tax law. Three workers were asked by the Tunisian Tax Department of the Ministry of Finance to pay an additional 400 dinars over 2016. According to the complainant, factory management refused to discuss this with the workers at first.

6. Admissibility

FWF decided that the case is admissible on March 1, 2017.

The factory is an active supplier of Bierbaum Proenen, 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
- Legally binding employment relationship

7. Investigation

FWF informed Bierbaum Proenen about the case who then contacted the supplier. Factory management confirmed that workers had approached them with this question. They also claimed that they were receptive of the question and tried to resolve it to the best of their abilities.

After Bierbaum Proenen had contacted factory management, a meeting was held between management and the Workers Council to discuss this issue. The FWF complaints handler and the FWF documents inspector contacted factory management to inform them about current obligations under Tunisian tax law. They also advised them to organize a meeting with the tax department of the Ministry of Finance, the chartered accountant, management and worker representatives what management subsequently did. It was further suggested to find out more about whether the problem is due to tax calculation by the factory or the tax department.

Three workers complained because they needed a statement from the tax department about their annual income to obtain a loan, but more workers were affected. The FWF complaints handler had requested a list of all the workers that could be affected.

8. Findings and conclusions

Due to changes in the Tunisian income tax law in 2016, FWF auditors often find during audits that taxes are not correctly calculated. During an audit at this particular supplier in September 2016, the audit team already concluded that the income tax was not correctly calculated.

After discussions between factory management, worker representation, the tax department of the Ministry of Finance and the accountant, it was concluded that taxes were not correctly calculated and paid between April and July 2016. Workers who earned less than 5000 TND in 2015, but more than 5000 TND in 2016 had to pay an amount of tax that is different from workers who already earned more than 5000 TND before 2015.

The fact that the factory had not paid the correct amount of tax to the Tunisian Tax department was due to the fact that the Tunisian tax department had not yet updated the tax form for the workers who earned less than 5000 TND in 2015 and more than 5000 TND in 2016. The Tunisian Tax department has updated the tax form.

9. Remediation

A training session with the accountant and the workers was organized. The accountant explained the new tax regulations to workers and management.

Factory management agreed to ensure that taxes were correctly paid. It will monitor the situation.



10. Evaluation by the complainant

The complainant was very grateful for the way the brand and FWF handled the complaint. The complainant could now ask for a tax return. Their personal tax papers will be made in order. Furthermore, it has also enabled the complaint to start a request to acquire a loan at the bank.