

Complaint – Maier Sports DE – 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

Maier Sports DE

2. Accused party

The complaint was filed against a factory in China which is a supplier of Maier Sports.

3. Date of receiving complaint

The complaint was received by FWF through its local complaints handler in China on 24 October 2013.

4. Filing party

The complaint was filed by two workers that are currently employed by the factory. Their identity is known to FWF, but will remain confidential.

5. The complaint

The plaintiffs complained about three different issues:

Payment delay:

1) The plaintiff wanted to resign, but the factory at first refused the resignation. The worker started to work in Feb 2012 and as per the agreement the worker's salary is 6,000 RMB/month. The plaintiff asked for personal leave to visit family in May; but was only able to get RMB 10,000 wage for the previous 3 months from Feb to April 2013,



which is several thousands of RMB less than agreed. Meanwhile, the plaintiff has resigned from the factory, but until Oct 16, the boss still owed the plaintiff RMB13,000.

On 16 December, FWF's complaints handler received another call from a different worker complaining about the same issue: according to this worker, the factory management retains her wage of Jul and Aug 2013. Consequently, the worker submitted her resignation, following the legal requirement to notify the management team 1 month in advance; however, her resignation was denied.

As a result, the worker left the factory on 10 Aug 2013 without getting her due wage.

2) Excessive overtime hours:

The first complainant stated they worked excessive overtime at the factory. They usually continued working until 21:00-22:00. The plaintiff felt she could no longer stand the intensive work pressure.

3) Social insurance:

Only a small portion of workers bought social insurance. In recent months, a few workers found the factory did not pay their social insurance although workers had paid their fee.

6. Admissibility

FWF decided that the case is admissible on 24 October 2013. The factory is an active supplier of Maier Sports, an affiliate of FWF. The case is relevant to the following labour standards of FWF's Code of Labour Practices:

- Employment is freely chosen;
- Reasonable hours of work;
- Legally binding employment relationship;
- Payment of a living wage.

7. Investigation

FWF informed Maier Sports about the case. Maier Sports contacted the supplier and asked for a reply within one week. Through the agent, there was one person assigned to be responsible for dealing with complaints.

Management of the factory denied it delays payment. The affiliate requested payment overviews of the plaintiff and the reason for delaying/reducing payment of wages. FWF's local complaints handler will analyse the payment overviews.

Excessive overtime and issues around social security coverage was found during the latest audit in July 2013 and corroborate the findings from the plaintiff.

Maier Sports has been in frequent contact with the factory and intensified their efforts for a solution before Christmas and in the period before CNY. In December 2013 one of Maier Sports technical staff from Germany visited the supplier and talked to the manager about the complaint. The technician received a salary payment paper for review by FWFs liaison officer in China.

On 18 December 2013, the agent informed Maier Sports that after season 41 no more orders will be placed at this supplier.



After CNY on 25 February 2014 the company received news that the factory announced its insolvency.

Despite continuous efforts, FWF's complaint handler was unable to reach the workers again. During CNY workers often return to their hometown and are difficult to reach.

8. Findings and conclusions

The complaints regarding excessive overtime and social security have been found grounded, as these corroborate with the findings from the latest audit report.

FWF was not able to form a conclusion with regards to the complaint about the delay of payments to the two workers.

9. Remediation

Given that Maier Sports will no longer continue working with this supplier, no remediation at this factory can take place.

Maier Sports is expected to analyse and set up a plan to reduce excessive overtime. As with excessive overtime, failing to cover workers social insurance is a common practice in Chinese garment factories. Maier Sports is required to investigate the risks of these violations occurring at other suppliers in China.

10. Verification

Verification with the plaintiffs was not possible, since FWF's complaints handler was not able to contact the plaintiffs again.

At the next Performance Check, FWF will verify the affiliates' effort to analyse and set up a plan to reduce excessive overtime and to improve the social security coverage at Chinese suppliers. In addition, as part of the Performance Check FWF will review the affiliate's efforts to implement steps towards payment of a living wage.

11. Evaluation by the complainant

FWF has not been able to get in contact with the plaintiffs since the complaint was filed.