



## **Complaints report: Araco International B.V. (China)**

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**

Araco International B.V.

### **2. Accused party**

The complaint has been filed against a factory in China which is a supplier of FWF affiliate Araco International B.V.

### **3. Date of receipt complaint**

The complaint was received by the local complaints handler of FWF in China on 17 June 2010.

### **4. Filing party**

One worker of the factory whose contact details are known to FWF but will be kept confidential.

### **5. The case**

The complaint touched upon the FWF Labour Standard 'A legally binding employment relationship':

FWF received a complaint from a worker on 17 June 2010 with regard to the fact that her former employer refused to pay her wages until her date of resignation from the factory. According to the plaintiff the employer had not provided her a copy of her labour contract. Simultaneously the employer would not contribute the legally required social insurance fee.



## **6. Admissibility**

On 17 June 2010 FWF decided that the complaint is admissible as it relates to the Code of Labour Practices and the involved factory has an active business relationship with an affiliate member of FWF.

## **7. Investigation**

Araco International B.V. requested an immediate response from management of the factory on the above mentioned complaint (22 June).

The local complaints handler of FWF in China contacted the plaintiff (21 June) and the personnel department of the concerned factory (22 June) to gather further information about the complaint.

FWF assessed the outcomes of an audit that was carried out at the factory on behalf of Araco International B.V. requested on 6 and 7 May 2010.

## **8. Findings and conclusions**

On the basis of gathered information FWF concluded that that the complaint was grounded. As the worker had not received a copy of the labour contract from her employer and as the employer had not contributed social insurance for the worker, no legally binding employment relationship existed.

According to Chinese labour law, the worker was not required to respect the 30 day severance period under this situation. As a result, the worker could resign immediately from the factory and request payment of wages until the date of her resignation.

## **9. Corrective action**

On 7 July 2010 Araco International B.V. requested general manager of the concerned factory to assure that the worker would be paid all wages to which she was legally entitled until the date of resignation.

On 13 July FWF was informed that the worker had received all wages.

## **10. Verification**

FWFs complaints handler in China contacted the plaintiff by phone to verify that all wages had been paid, which was indeed confirmed.