



Complaint – Takko– India

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

Takko

2. Accused party

A factory located in India supplying Takko.

3. Date of receiving complaint

29th November 2016.

4. Filing party

A worker that is currently employed by the factory.

5. The complaint

The complainant claimed that (s)he and other workers had not received their salary for the last three weeks. The salary for one week has been deposited in the bank, but the complainant was unable to withdraw it.

After a strike, the management settled the salary for 40 workers.

The factory facilitated that workers could open bank accounts last week, but there are still difficulties in issuing ATM cards.



The Indian government recently and with a notice period of four hours announced that 500 and 1000 INR currency notes would no longer be a valid tender. This comprises 86 % of all currency in circulation.

Due to demonetization every bank restricts the account holder to withdraw a minimum amount.

The worker is aware about the restrictions (also to the factory), but stated that other factories in the area have been able to settle salary payment.

6. Admissibility

FWF decided that the case is admissible on 1st December 2016.

The factory is an active supplier of Takko, 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

FWF informed Takko about the case on 1st December 2016. Takko's local audit team conducted an investigation on 2nd December 2016. The findings of the investigation were discussed with the complainant by FWF.

8. Findings and conclusions

The investigation by Takko concluded that salary payments were indeed delayed due to the unexpected demonetization situation.

As a reaction, management proceeded to open salary bank accounts for all workers and ordered ATM cards. This process was taking longer than usual given the recent high demand.

As per 30th November 2016, factory management has opened accounts for all workers and has deposited their salary. Since some workers still experienced problems in withdrawing cash, management assisted them in this process as well.

In the future, management plans to install an ATM machine at the factory.

9. Remediation

No further remediation needed. The planned ATM machine would certainly be of further benefit to the workers.

10. Verification

The FWF verification in February 2017 audit confirmed the findings of the Takko audit team. All workers now receive their salary in their bank account latest by the 5th of each month.



11. Evaluation by the complainant

The complainant also confirmed that all salaries are paid regularly now via bank accounts, but has since left the company for other reasons.