



Complaint – Nudie Jeans– 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

Nudie Jeans

2. Accused party

A factory located in India supplying Nudie Jeans.

3. Date of receiving complaints

27th and 28th October 2016.

4. Filing party

Three workers that are currently employed by the factory. The workers called the hotline separately.

5. The complaint

FWF received one call from a worker on 27th October and two more calls from different workers on 28th October.

The complainants claimed

- All employees have to work overtime. However, overtime payments are delayed for a month and sometimes up to three or four months. One complainant shared he has not received any payments since August; another said payments for June and July have not been paid.

- Bonus payments are also delayed and/or lower than what was initially promised (two complainants shared that they were promised around 12 000 INR, but only received around 7 000 INR)
- One complainant mentioned that the bathrooms are dirty, except when buyers are visiting. During these visits they are kept clean.
- Many workers are migrant workers. A language barrier makes it difficult for them to address issues in the factory.
- The complainants addressed their grievances with the HR department, but were allegedly told that it is up to the factory to decide what they pay and workers are free to leave if they are not content. According to one of the complainants, there has been a shift of personnel in the HR department six months ago and problems started since then.

6. Admissibility

FWF decided that the case is admissible on 28th October.

The factory is an active supplier of Nudie Jeans, 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
- Reasonable hours of work
- Safe and healthy working conditions

7. Investigation

FWF informed Nudie Jeans about the case. Nudie Jeans asked their supplier about a response to the complaint, which was forwarded to FWF.

As a FWF audit had already been planned an audit for 24th and 25th November, the audit was used as an opportunity to investigate further.

The names of the complainants were not disclosed to factory management, but FWF's audit team verified the individual records relevant to the complaint.

After the audit, FWF called the complainants to confirm whether they had received all pending payments.

8. Findings and conclusions

Based on the investigation, FWF concludes the following points:

Delay of overtime payments: Factory management had confirmed that overtime payments had been delayed in recent months due to cash flow problems after the loss of a large client. FWF confirmed that all payments had been settled at the time of the audit. The audit could not confirm excessive overtime hours or forced overtime.

Bonus payments: During the audit, FWF confirmed that all bonus payments were compliant with legal requirements, including the ones of the complainants. At the same, bonus payments for the last year were not uniform and most workers were not sure how bonus was calculated.

Cleanliness of toilet facilities: While toilet facilities were clean during the audit, interviewed workers confirmed that they are generally not well kept.

Grievance channels for migrant workers: The audit confirmed that most workers, but especially migrant workers are not aware about factory policies and procedures like bonus and salary payments or leave and resignation policies. Management confirmed that they do not have staff that speaks the language of migrant workers in the factory, but felt that they had been managing ok with Hindi.

Relationship of HR department and workers: Management confirmed that there had been a shift of personnel in the factory. They denied that any staff would tell workers who approach them with grievances to leave the factory. The audit found that interviewed workers felt that the relation between the workers and HR and Welfare Officer had improved over the past couple of months.

Dismissal of complainants: FWF was unable to verify whether the complainants resigned (as documents by the factory suggest) or whether they were dismissed and forced to sign a resignation letter (as claimed by the complainants). FWF did verify that they received a legally complaint full and final payment if it is assumed that they resigned. In case of dismissal, the factory would need to pay notice pay and retrenchment compensation. This was not included in the final payment.

9. Remediation

The remediation points have been included in the corrective action plan of the audit.

The following points are specifically relevant:

- The factory needs to ensure that policies for all relevant procedures like bonus calculation, leave resignation etc. are clearly documented, communicated to workers in a language they can understand and applied by staff according to Indian legislation.
- All payments must be paid on time at all times. The brand should clarify continuously whether the factory is able to do this.
- The factory should set up functioning communication and grievance channels that are also accessible to migrant workers.
- Management should meet with the complainants to agree on a compromise regarding the final payment. FWF can facilitate such a meeting on request.

10. Verification

FWF verified that the individual complainants had received their pending payments and that all pending payments for other workers had been settled.

Nudie Jeans asked FWF to facilitate mediation meetings between the workers and management. As a result of this process, management agreed to pay additional compensation to the workers in June 2017. FWF verified the receipt of this payment as well.



11. Evaluation by the complainant

FWF was unable to reach all the complainants, but one of the workers confirmed that (s)he had received his/her payment and that the others had confirmed the same.