



Complaint – Nudie Jeans, Manroof, Continental Clothing, Epona – 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

Continental Clothing Company, Epona Ltd., Manroof GmbH, Nudie Jeans Co.

2. Accused party

A factory located in India supplying Continental Clothing Company, Epona Ltd., Manroof GmbH, Nudie Jeans Co.

3. Date of receiving complaint

2nd February 2017.

4. Filing party

A worker that is currently employed by the factory.

5. The complaint

The complainant claimed that

- A number of workers including himself/herself have not received annual bonus payments during Diwali.
- 80 to 90 recently joined workers from Bihar stopped working in protest of delayed wage payments (around 31st January). HR management discussed with the workers and promised to pay their full wages. Hence, the protest was ended. As of now, a part of the wages has been paid, but workers have not yet



received the full amount due. Management informed workers that they will pay the full payment to their bank account once it has been installed. As the workers are new workers, their bank accounts are still in the process of being set up.

The complainant also shared that (s)he tried to address these issues with HR management, who refused to take it up and used abusive language. While registering the complaint, the worker seemed extremely distressed and in fear of negative consequences (like losing his/her job).

6. Admissibility

FWF decided that the case is admissible on 6th February 2017.

The factory is an active supplier of Continental Clothing Company, Epona Ltd., Manroof GmbH, Nudie Jeans Co., members of FWF.

The case is relevant to the following labour standards of FWF's Code of Labour Practices:

- Payment of a Living Wage
- Safe and healthy working conditions

7. Investigation

FWF informed involved member brands about the case on 6th February 2017. Members contacted the suppliers and received some clarifications.

In addition, two FWF worker interviewers interviewed 18 workers outside the factory (the majority of these workers originated from North India like the complainant; piece rate as well as time rate worker were interviewed). On 10th March, a FWF worker interviewer and document inspector discussed the findings with management and reviewed relevant documents.

8. Findings and conclusions

Based on the investigation, FWF concludes the following points:

Payment of bonus: The bonus for the year 2016- 2017 was paid from 15th October onward [Diwali was on 28th Oct]. The company has declared 8.33% minimum bonus as per the law (for the workers who have worked less than a year) and 9% for the workers who have exceeded one year service. The number of employees eligible for bonus was 963 and bonus has been paid to 864 employees so far. The remaining 99 employees are yet to receive the bonus. The reason for the non-payment is either the workers have left the job or they might have gone to their home town. It could be verified that bonus was also paid to workers who only worked for three days [as per law, workers are entitled for bonus only if they complete 30 days of work].

The investigation team verified that two persons in the same name of the complainant (whose identity was not revealed to management) have acknowledged that they have received their bonus.

In conclusion, no non-compliances related to bonus payments could be confirmed.



Strike: Both the off-site interviews and the interviews with the management indicated that there was no strike this year either for bonus distribution or any other reason.

Salary payment: The Government of India issued a notice on 28th December 2016 advising factories to pay wages by cheque or crediting in bank account. The notice was exhibited in the local language on the notice board. Out of 734 employees, 691 employees had bank accounts at the time of investigation. For newly joined workers it will take up to 20 days from the date of joining to open a bank account. It could be verified that management took measures such as cash advance payments to ensure workers received payments during that period. HR managers also assisted workers in collecting money from their accounts.

Salary is paid both on weekly and monthly basis. The salaries of November, December and January were all paid on time.

Verbal abuse: All interviewed workers confirmed that there is no verbal abuse, but indicated that there is some miscommunication due to language gaps.

9. Remediation

Since FWF could not confirm the non-compliances that were raised in the complaint, no remediation points result from this complaint investigation.

FWF recommends employing a Hindi speaking person in the HR department to reduce communication gaps.

10. Verification

NA

11. Evaluation by the complainant

FWF's complaint handler tried calling the complainant several times to inform him/her about the outcome of the investigation, but the number was no longer available.