



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. Affiliate involved

Nudie Jeans Co. (hereafter: Nudie Jeans), Sweden.

2. Accused party

A factory located in India supplying Nudie Jeans.

3. Date of receiving complaint

The complaint was received by FWF through its local complaints handler in India on 10th of June 2015.

4. Filing party

An employee of the factory (tailor), details of the identity are known to FWF and were disclosed to the supplier during the investigation.

5. The complaint

The plaintiff claimed that the factory has not paid him last month's salary, which puts him in a problematic situation due to regular financial commitments he has to meet. The plaintiff stated that salary payments for employees are regularly delayed by factory management. Overtime payments might even be delayed by two to three months. The plaintiff had contacted factory management and supervisors about this issue, but was told to wait.



He also stated that several other workers experienced this problem and ultimately terminated their employment. According to him, those workers were threatened by management not to complain to anyone.

Furthermore, he claimed that compulsory overtime until 6:30 pm and also on Sundays is common. According to him, production targets are high. If the workers fail to meet those targets, verbal abuse is also common practice.

Lastly, the plaintiff stated that during a recent FWF audit, factory management did not disclose that they operate hostels for workers. According to him, those workers' payments are also withheld.

6. Admissibility

FWF decided that the case is admissible on 11th of June 2015.

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
- No excessive overtime
- Safe and healthy working conditions

7. Investigation

Nudie Jeans immediately informed the supplier about the complaint and asked for feedback. The supplier admitted that there had been some cases of late payments in the past months due to outstanding payments of a non-FWF member. However, according to factory management, no payments were outstanding at the moment.

Fair Wear Foundation visited the factory to discuss the complaint, evaluated an FWF audit conducted on 23rd and 24th April 2014 and talked to further workers from the same supplier acquainted to the initial plaintiff. FWF was unable to interview other workers from the factory.

8. Findings and conclusions

During the investigation, FWF found the following information and came to the following conclusions:

- Excessive and involuntary overtime: The initial plaintiff as well as several other workers insisted that forced daily overtime of 1-3 hours as well as Sunday overtime were common. Overtime hours were not always paid or payments were delayed. The factory denied this. The FWF audit of April did not show excessive or involuntary overtime hours. However, one worker mentioned he had been coached during the audit. Another worker claimed attendance records had been forged.
- Harassment: All workers interviewed mentioned verbal abuse by supervisors. One worker mentioned physical abuse by factory management when he asked to resign (slapping). During the investigation, factory management stated that



they were aware of one supervisor being verbally abusive. According to factory management, the person is undergoing training. Factory management denied that there had been physical abuse. Based on the statements of all plaintiffs, FWF concludes that verbal abuse is an issue in the factory that needs to be addressed. FWF is unable to verify whether physical abuse did occur.

Factory management also asked FWF not to call any more workers to avoid unrest in the factory. The plaintiff claims that he was also asked not to complain any more. According to him, factory management forced the workers to sign a statement saying that a meeting between factory management and workers was held, where issues raised in the complaint were discussed. This meeting did not take place according to the plaintiff. FWF is unable to confirm, which statement is correct.

- **Non-acceptance of resignations:** All workers interviewed mentioned that they tried to resign at some point, but were refused by management and told to wait. If they did resign, settlement payments were refused or delayed. Factory management denies this. As this grievance was reported by all workers, FWF concludes that it is likely that management is reluctant to accept worker resignations.
- **Delayed payments:** All workers interviewed claimed that their wages and overtime payments were delayed, sometimes up to three months. During the investigation, it became clear that management has the policy of delaying monthly wages until the 25th if workers go on unannounced leave. This was also the case for the plaintiff. He received his wages at the end of the month, but has not yet received his social security payment (PF) by end of July. Other workers also reported outstanding payments.
FWF checked the Standing Order of the factory, which included the policy of delaying wages for one month if worker go on unannounced leaves. FWF concludes that it is legal for the factory to withhold wages for one month in case of unannounced leave. Withholding payments for longer than that and after resignation is illegal.
- **Undisclosed hostel workers:** Factory management denies that they operate hostels, but mentioned that they support migrant workers with advance payments for rent. No documentation about this was available. FWF interviewed other complainants of the same factory regarding the hostel. They claimed that the factory had arranged several smaller flats for workers in need of a place to stay. The rent for this is deducted from their salary.

9. Remediation

The following issues need to be remediated by the factory and Nudie Jeans in the future:

- **Overtime hours** have to be within legal limits and voluntarily. If overtime occurs, workers must be paid 200% of regular wages (according to Indian law) with their monthly wages. Nudie Jeans should conduct a root cause analysis of overtime hours and check whether it could change its production planning to support the factory in remediation. As factory management claimed that workers demand overtime hours in order to raise their income, FWF recommends both Nudie Jeans and the factory to work on raising wage levels at the factory.



- The factory must make sure that supervisors or any other employees of the factory do not verbally or physically abuse workers. Disagreements with workers should be solved by other means.
- If a worker wishes to resign, the factory may discuss the reason for resignation with the workers and look for a possible solution. If the worker still wishes to resign and follows the resignation policy, factory management must accept the resignation, pay a final payment according to law and sign all relevant forms regarding social security collection within a reasonable time. If the resignation was initiated by the worker, (s)he is required by law to work one more month.

FWF suggests that the factory develops a resignation and leave policy in dialogue with workers. Nudie Jeans could support this process.

- Factory management must not delay wages or overtime payments for more than one month. Factory management could discuss with workers whether there are other options to avoid unannounced leaves rather than delaying payments for one month. If the factory wishes to continue with the policy, it must be clearly communicated to the workers. This also applies to resignation policies.
- Generally, it is positive that the factory supports migrant workers with loans for their rent advance payment. However, factory management must ensure to keep a written policy about this and communicate it to the workers. Also, consent letters of the workers that received loans must be maintained. Otherwise, there is a risk of the loans leading to a form of bonded labour.
- As many of the grievances raised by workers are partly linked to a lack of social dialogue, FWF recommends that the factory participates in a WEP training. This training is offered by FWF free of charge to stimulate awareness of worker's rights and enhance dialogue between factory management and workers.

10. Verification

FWF verified in January 2016 that all complainants received their due payments.

The remediation steps outlined in this document will be verified at the next FWF audit at the factory and during the next Brand Performance Check at Nudie Jeans.

11. Evaluation by the complainant

The complainants were content that they received their payments and thanked FWF for its support.