

Complaint – McGregor Fashion Group B.V. – India

Status: Closed #3

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

McGregor Fashion Group B.V. (hereafter McGregor)

2. Accused party

A factory located in India supplying McGregor.

3. Date of receiving complaint

Seven workers called. The complaints were received by FWF through its local complaints handler in India. Six calls were received on 26 January 2014, three follow up calls on 2 February 2014, three more follow up calls on 8 February, one call on 3 May 2014.

On 21 May 2014, FWF received again a call from one of the seven workers who already called before.

4. Filing party

Seven workers that have resigned working at the factory, details of the identity are known to FWF.

5. The complaint

In total seven different workers called stating that they have resigned their job at the factory and are missing their settlement of social security payments, earned leave and bonus.



During the follow up calls, the complaints handler got to know that two out of the seven workers have addressed the outstanding payments with the Welfare Officer and they have received their money.

6. Admissibility

FWF decided that the case is admissible on 15 May 2014.

The factory is an active supplier of McGregor, an affiliate of FWF.

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

- Payment of a living wage
- Legally binding employment relationship

7. Investigation

FWF informs McGregor about the case. McGregor has informed the factory about the complaint immediately after receipt of information.

Factory management denies holding back money from workers who are not working at the factory anymore.

FWF has conducted a verification audit to investigate this complaint on 27 and 28 June 2014.

8. Findings and conclusions

Social security payments:

All workers receive an identity card within a week after joining the factory. This identity card includes a unique identification number with which workers can check the payments of the social security benefits online (number provided from local authorities responsible for social security payments). Social security payments are mentioned in the salary slip which is provided every month.

Worker interviews confirmed that they receive the unique identification number for social security installments.

Social security payments and its records of the workers who quit were available for the last three years and have been reviewed by the auditors. All workers are registered and covered under the social security scheme. Documents proofed that payments for social securities are done on a monthly basis to the local authorities.

Management states that there are sometimes delays from the PF department's side (government body) to the workers which could be an explanation of why workers who left the factory think the social security payments have not been settled by the factory.

Earned leave payments:

In case a worker quits the job, the final settlements are done (salary and bonus if the worker is eligible) and the social security payments are settled with the local authorities.



Fair Wear Foundation complaints report – Date of reporting: 9 June 2014

Management states that some of the workers who left have not collected their final installments until now.

Bonus payments:

Documents showed that all workers have been paid a bonus of 8.33% once a year.

9. Remediation

No remediation is needed as the findings show that the factory complies with the law.

10. Verification

Not applicable.

11. Evaluation by the complainant

The plaintiff has been informed about the audit results. In case they have not yet collected their final installments, they have been requested to check with the factory together with the complaints handler.