



Complaint – Odd Molly– India

Status: Closed

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

Odd Molly

2. Accused party

A factory located in India supplying Odd Molly.

3. Date of receiving complaint

28th December 2016.

4. Filing party

A worker that recently left the factory.

5. The complaint

The complainant claimed that management informed her on 26th December that her work was no longer needed at the company. She was asked to sign a resignation letter in order to receive her final payment. The worker did sign her resignation and then received a cash amount of Rs 5 700. According to her, this amount includes the wages for 15 days workers and overtime payment for 2.5 hours daily on working days. The worker had been employed as a regular worker with an employee ID and social security coverage at the factory (via a contractor) for two months at a salary of 318 INR/day.

The worker did not receive a receipt for the full and final payment, so a detailed break-down is not available.

If the details given by the worker are correct, she would need to receive the following payment:

- Salary for 15 working days
- Overtime hours at premium rate
- Bonus payment
- 2 earned leave days
- Notice pay and retrenchment pay (the factory needs to pay workers notice and retrenchment pay if they terminate the contract for reasons other than misconduct, which is the case here according to the worker)

The worker does not know why she was dismissed. According to her, she was asked to change positions in the factory several times. The last assignment was challenging and she needed time to adapt to it. Management then removed her from the position and a few days later dismissed her. Another worker was asked to fill her position and according to the complainant delivered the same level of quality, but was not dismissed.

The complainant claimed that three other workers were also recently dismissed.

6. Admissibility

FWF decided that the case is admissible on 9th January 2017.

The factory is an active supplier of Odd Molly, 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
- Legally binding employment relationships

7. Investigation

FWF informed Odd Molly about the case. The factory only replied on 3rd March 2017.

FWF verified the shared document (full and final payment receipt) and discussed management's response with the complainant who had since started working at another factory and was not interested in pursuing the complaint further.

In addition, the recent FWF audit report from November 2016 was also reviewed. In January and February 2017, FWF received further complaints from workers at the same supplier. These complaints were also taken into consideration.

8. Findings and conclusions

The factory responded that one tailor left the company on 26th December 2016 after a service period of 1 month and 22 days. As per records the complainant received her/his full statutory dues (including salary, bonus, earned leaves). The amount on the receipt matched the amount the complainant had claimed (s)he received.



The management and the worker have different versions of whether overtime was paid at single or double rate. The FWF audit team found in November 2016 that workers during offsite interviews stated that overtime payment is single, while during onsite interviews, they stated its double. Other complainants also confirmed that overtime hours were paid at single rate only. FWF concludes that it is likely that overtime is paid at single rate.

The factory further shared that notice and retrenchment pay are not applicable by law to workers who have not completed the probationary period of six months. FWF's complaint handler confirmed this.

Management also stated that according to the resignation letter on file, the complainant left due to personal reasons. Management did not comment whether other workers resigned or were dismissed during the same month (as claimed by the complainant).

9. Remediation

Based on the outcome of the investigation, FWF recommends the following points for remediation:

- Legal procedures must be followed in case the factory wishes to dismiss/terminate a contract. Workers should not be asked to submit a resignation letter if the factory in fact has asked them to leave.
- Overtime must always be paid at double rate. The factory should pay outstanding overtime wages to the complainant.

10. Verification

FWF will verify with other complainants that are still employed at the factory whether overtime is now paid at double rate.

11. Evaluation by the complainant

The complainant insisted that overtime wages had not been paid at double rate, but (s)he was unable to provide proof of the overtime worked. (S)he has since found employment elsewhere and is not interested to pursue the complaint further.