

Geneva, 7 April 2016

Michel Perraudin
Supervisory Board Chairman
HUGO BOSS AG
Dieselstraße 12
72555 Metzingen
Germany

By e-mail info@hugoboss.com; Investor-Relations@hugoboss.com; mark_langer@hugoboss.com
and fax +497123942014

Continuous Serious Violations of workers' rights at Hugo Boss Izmir site in Turkey: The OECD Guidelines for Multinational Enterprises

Dear Mr. Perraudin,

I am once again writing to you on behalf of [IndustriALL Global Union](http://www.industrial-all-union.org), which represents more than fifty million workers throughout the supply chains, including textile and garment sectors, through some 700 unions in 140 countries worldwide.

We have already been in touch regarding the serious violations of workers' fundamental rights at the Hugo Boss factory in Izmir, Turkey. Our complaints of union busting, intimidation and sacking have been confirmed, both by the Turkish judiciary – which ruled that twenty workers should be reinstated, following dismissal for joining the union – and the recent Fair Labor Association (FLA) report¹, which listed a series of violations including of trade union rights. The recent sacking, in March 2016, of the leading trade union member Ms. Meryem Bicakci just days after the high level meeting between Teksif and Hugo Boss, gives us grave cause for concern and is a clear signal that the violations are ongoing. Furthermore, two other leading union members, namely Fikri Mutlu and Murat Akgün, have been under intimidation by your local managers as they have done to other dismissed union members.

My purpose in writing is to draw your attention to the responsibilities of Hugo Boss under the OECD Guidelines for Multinational Enterprises². As you may be aware, the Guidelines set out principles and standards, with which MNEs should comply throughout their global operations. The Guidelines are implemented by governments, through National Contact Points (NCPs), tasked, *inter alia*, with handling cases regarding breaches of the Guidelines. To date, there are 46 adhering countries of which Germany is one. The German NCP is located in the Federal Ministry for Economic Affairs and Energy.³

¹ <http://www.fairlabor.org/affiliate/hugo-boss>

² <http://www.oecd.org/daf/inv/mne/48808708.pdf>

³ <http://www.bmwi.de/EN/Topics/Foreign-trade/International-bodies/oecd-guidelines-for-multinational-enterprises,did=430522.html>

Under the OECD Guidelines, MNEs should respect human rights, including trade union rights. To meet their corporate responsibility to respect human rights, MNEs should undertake human rights due diligence in order to avoid and address adverse human rights impacts, and should provide remedy where there are violations of workers' rights in their own factories. They should also consult with trade unions in their due diligence processes.

The failure of Hugo Boss to take action to address the human rights violations of workers at its factory in Izmir represents multiple breaches of the OECD Guidelines: in particular, provisions of Chapter IV, Human Rights, and Chapter V Employment and Industrial Relations (see overleaf). These breaches are exacerbated by the refusal of Hugo Boss to act even when provided with information on the human rights situation by IndustriALL, Teksif, the Turkish courts and most recently FLA. This represents a serious failure of due diligence (see article IV.5 overleaf).

I therefore urge you one more time to take action and meet your responsibilities under the OECD Guidelines, by:

1. Stopping the intimidation and threats inside the factory against workers joining the union;
2. Reinstating workers sacked for joining the union (remedy);
3. Organising a meeting inside the factory with IndustriALL, Teksif, and the sacked workers in order to plan reinstatements and roadmap to mature industrial relations;
4. Agreeing on a joint memorandum between Hugo Boss and IndustriALL on freedom of association to be jointly communicated by IndustriALL and Hugo Boss through town hall meetings with the workforce;
5. Providing IndustriALL with access to the workplace.

I very much hope that we will be able to settle these issues in the near future. I look forward to your quick response and action on our demands.

Sincerely,

A handwritten signature in blue ink, appearing to be 'JR' with a stylized flourish.

Jyrki Raina
General Secretary

CC:
Jörg Hofmann, President, IG Metall
Nazmi Irgat, General President, Teksif

Hugo Boss: Violations of the OECD Guidelines for Multinational Enterprises⁴

Chapter IV, Human Rights

States have the duty to protect human rights. Enterprises should, within the framework of internationally recognised human rights, the international human rights obligations of the countries in which they operate as well as relevant domestic laws and regulations:

1. **Respect human rights**, which means they should avoid infringing on the human rights of others and should address adverse human rights impacts with which they are involved.
2. Within the context of their **own activities, avoid causing or contributing to adverse human rights impacts** and address such impacts when they occur.
4. Have a **policy commitment** to respect human rights.
5. Carry out **human rights due diligence** as appropriate to their size, the nature and context of operations and the severity of the risks of adverse human rights impacts.
6. Provide for or co-operate through legitimate processes in the **remediation of adverse human rights impacts where they identify that they have caused** or contributed to these impacts.

Chapter V, Employment and Industrial Relations

Enterprises should, within the framework of applicable law, regulations and prevailing labour relations and employment practices and applicable international labour standards:

1. a) **Respect the right of workers** employed by the multinational enterprise to establish or **join trade unions** and representative organisations of their own choosing.
- b) **Respect the right of workers** employed by the multinational enterprise to have trade unions and representative organisations of their own choosing **recognised for the purpose of collective bargaining**, and engage in constructive negotiations, either individually or through employers' associations, with such representatives with a view to reaching agreements on terms and conditions of employment.
- e) Be guided throughout their operations by the principle of equality of opportunity and treatment in employment and **not discriminate against their workers** with respect to employment or occupation on such grounds as race, colour, sex, religion, political opinion, national extraction or social origin, **or other status...**

Commentary on Paragraph 1

The term “**other status**” for the purposes of the Guidelines refers to trade union activity and personal characteristics such as age, disability, pregnancy, marital status, sexual orientation, or HIV status.

2. a) Provide such facilities to workers' representatives as may be necessary to assist in the development of effective collective agreements.
3. Promote consultation and co-operation between employers and workers and their representatives on matters of mutual concern.
- 4c) Take adequate steps to ensure occupational health and safety in their operations.

⁴ Emphasis added.