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President: Berthold Huber General Secretary: Jyrki Raina

Geneva, 19 August 2014

Mr. Claus-Dietrich Lahrs Chairman of the Managing Board and Chief Executive Officer (CEO) HUGO BOSS AG Dieselstraße 12 72555 Metzingen Germany

By e-mail info@hugoboss.com; Claus-Dietrich_Lahrs@hugoboss.com and telefax +497123942014

Dismissals of Trade Union Members and Fundamental Rights' Violations at Hugo Boss Operations in Turkey

Dear Mr. Lahrs,

I am writing this letter to you on behalf of <u>IndustriALL Global Union</u>, representing more than fifty million workers throughout the whole manufacturing supply chain, including textile and garment sectors, in 141 countries worldwide, to urge you to use your influence over the local management at your operation in Izmir, Turkey, to immediately withdraw from any kind of pressure over the union members in their free choice of trade union membership; reinstate the dismissed workers in line with the court decisions, without any delay; and enter into a meaningful dialogue with TEKSIF to establish constructive labour relations and decent working conditions. The Turkish Union of Textile, Knitting and Clothing Industry Workers TEKSIF and IG Metall in Germany are members of our global organization.

IndustriALL Global Union is outraged over the fundamental worker rights' violations occurring in the operation of Hugo Boss located in Izmir over the last couple of years. Workers are harassed and intimidated, even threatened, if they intend to join the union of their choice, as it is guaranteed by the Constitution of the country as well as main conventions of the International Labor Organization (ILO). Those who join the union face severe reprisals, punishment, and even dismissals. Even relatives and close friends of a worker, who is supposed to be a member of trade union, are unlawfully dismissed.

We are aware that the operation of Hugo Boss in Izmir is one of the most important production sites along with those in Radom (Poland), Morrovalle (Italy), Cleveland (USA) and Metzingen (Germany). The Turkish facility mainly produces suits, trousers, jackets, shirts and classic women's wear of good quality and on-time delivery making up 15 percent of the total volume sourced.

Hugo Boss claims that it subjects itself and its suppliers to the obligation to comply with internationally recognized labour and social standards, including the core labour conventions of the International Labour Organization (ILO), the Universal Declaration of Human Rights, and the United Nations Guiding Principles on Business and Human Rights. Your company further claims that its social standards cover compliance with local law, humane working conditions, prohibition of discrimination, freedom of association and collective wage bargaining.

However, the anti-union behavior of your local management at the Hugo Boss plant in Izmir unequivocally belies the company's claim to abide by human rights and labour rights standards. The company's response to workers exercising their legitimate right to join Teksif was to dismiss twenty-eight union members unlawfully.

Find enclosed a detailed list of dismissed workers. In addition, we would also be prepared to submit original copies of the court verdicts and other materials. All these dismissal cases were taken to court. In accordance with the Turkish Labor Code 4857, it clearly stipulates that employers should have a valid reason in case of termination of employment. It is important to underline that termination of employment on account of union membership is considered an invalid reason.

As a matter of fact, Article 25 of the Turkish Collective Labor Relations Act 6356 entitled "Guarantee of freedom of trade union" states that "No worker shall be dismissed or discriminated against on account of his/her membership or non-membership in a trade union, his/her participation in the activities of trade unions or workers' organizations outside his hours of work or during hours of work with the employer's permission."

The outcome of the whole judiciary process, including the local Labour Court and the Court of Appeals, calls for the immediate reinstatement of twenty workers as their employment contracts were terminated because they had joined a union. There are eight other cases pending but, as you could imagine, the verdict will be the same as for the other twenty workers: reinstatement.

It is truly shocking to us to learn that the company is not only in serious breach of national and international labour law but also the local management in Izmir has repeatedly refused all requests from Teksif to discuss and resolve the pending issues through social dialogue due to the central management's clear policy of refusing any trade union presence in the factory.

Instead of promoting constructive social dialogue, your local management insists on intimidating and harassing workers who try to join the union. The Ministry of Labor and Social Security has recorded, including audio recordings, insults and acts of aggression against union officers and organizers.

It is worth noting that these gross violations of workers' rights have attracted huge public attention, including in Germany, and many national media outlets have travelled to Ismir to conduct interviews with workers, union officers and witnesses. It is therefore not surprising to see the civil society's and NGOs' angry reaction to these violations. You should also be aware that we are following very closely the labour situation—which also calls form immediate redress--at your major supplier Edirne Giyim.

Furthermore, I strongly remind you that your company must abide by the OECD Guidelines for Multinational Enterprises, which explicitly recognizes the right of all employees to be or become members of a trade union and to participate in collective negotiations. The inclusion of the United Nations Guiding Principles on Business and Human Rights recognizes that companies have a duty of due diligence to ensure that rights are respected that protect the dignity, respect and liberty of the employees, including ILO Convention 87, Freedom of Association and Protection of the Right to Organize and C98 Right to Organize and Collective Bargaining Convention. It is incumbent on you to ensure that your operations fully respect international obligations and core labour standards.

Therefore, I urge you to use your influence over the local management in Izmir to immediately withdraw from any kind of pressure over the union members in their free choice of trade union membership; reinstate the dismissed workers in line with the court decisions without any delay; and enter into a meaningful dialogue with TEKSIF to establish constructive labour relations and decent working conditions.

You should know that IndustriALL Global Union and its affiliates worldwide will continue to support its affiliate TEKSIF to ensure that your company fully and fairly addresses these violations of labour rights.

IndustriALL Global Union does believe that the best way to solve problems is to establish a proper social dialogue between trade unions and employers. Consequently, I call on you to hold an urgent meeting with representatives from Hugo Boss, IndustriALL Global Union, Teksif and IG Metall.

I anticipate your quick response.

Sincerely,

Jyrki Raina General Secretary

CC: Berthold Huber, President, IndustriALL Global Union Nazmi Irgat, General President, TEKSIF