

July 16, 2016



FAIR LABOR
ASSOCIATION®

**FINAL REPORT
TERMINATION OF
THIRD PARTY COMPLAINT
HUGO BOSS IZMIR FACILITY (TURKEY)**

On November 5, 2015, the Fair Labor Association (FLA) instituted a Third Party Complaint regarding freedom of association with respect to the Hugo Boss facility located in Izmir, Turkey (hereinafter Hugo Boss Izmir). This plant is wholly owned and operated by Hugo Boss, an FLA Participating Company.

The Teksif Union, which filed the complaint, alleged harassment of union members by management and that the dismissal of union member Abdullah Satan in October 2015 was motivated by Mr. Satan's union activities. Subsequently, the FLA received a second complaint, also from the Teksif Union, alleging that another union member, Suleyman Budak, had also been dismissed by Hugo Boss Izmir management because of his union activities. The FLA consolidated the two individual complaints into a single Third Party Complaint. The FLA Compliance Benchmarks that would appear to be breached by the alleged actions are FOA.5, Anti-Union Discrimination/Dismissal/Other Loss of Rights, and Blacklisting, and FOA.4, Anti-Union Violence/Harassment or Abuse.

The FLA accepted the case at Step 2 of the Third Party Complaint process. As such, Hugo Boss had up to 45 days to provide the FLA with its assessment and proposed remedial actions.

Assessment by Hugo Boss

In mid-December 2015, Hugo Boss sent two senior staff members from its headquarters in Metzingen, Germany, to investigate the Teksif allegations. The team met with Hugo Boss Izmir management, the Human Resources Department, and leaders of the Communicators Group, the group that represents workers from a given production department or line in front of management. The assessment stated that Hugo Boss has a code of conduct, which applies to all of its subsidiaries and its wholly-owned production sites, that respects freedom of association and does not tolerate anti-union discrimination.

The internal assessment report stated that the newly-appointed Plant Manager, in his introductory address to some 4,000 workers at Hugo Boss Izmir in August 2015, spoke about freedom of association being a key value of the factory and that he also confirmed the importance of respect for freedom of association and publicly repeated the company's commitment to it in an address to workers in September 2015. Meanwhile, the report stated that based on information gathered from the Human Resources Department, the dismissals of Mr. Satan and Mr. Budak were strictly based on objective criteria, and union affiliation or activities did not play a role. This was confirmed by the internal assessment team through an examination of the employees' personnel folders. Workers

who worked alongside the two dismissed workers in the same production lines stated that they feel free to exercise their associational rights and do not experience discrimination for doing so. Finally, the assessment concluded that there was no differentiation in treatment between union and non-union workers at Hugo Boss Izmir under the current management. The assessment recommended, inter alia, that management improve communication to workers around dismissal procedures and ensure that employees know about their right to be unionized.

FLA Assessment

FLA deemed the assessment by Hugo Boss management to be deficient, most importantly because it did not seek to interview and take into consideration the views of the two dismissed workers or of the Teksif Union. Thus, the FLA decided to move the case to Step 3 of the Third Party Complaint process, whereby the FLA designates a third party to assess the situation.

While Step 3 of the Third Party Complaint process was ongoing, the FLA learned that the two workers who were the subject of the Third Party Complaint had filed legal cases in local courts against Hugo Boss Izmir regarding their dismissals. Further, in Mr. Budak's legal case, the complainant breached the rules that govern the Third Party Complaint process by publicly disclosing a draft confidential report by submitting it to the court in the referenced proceeding.¹

Conclusion

Due to the pursuit of local legal remedies and breach of confidentiality, the FLA is terminating this Third Party Complaint.

Nonetheless, there are freedom of association issues at the factory that need to be urgently addressed by Hugo Boss Izmir's management. In an SCI assessment conducted in July 2015,² the FLA identified a number of instances of noncompliance with the FLA Workplace Code of Conduct related to freedom of association, among them several cases where the court had ruled that the employee's dismissal was based on union membership and that the employee was to be reinstated by the employer.³ While the Turkish Labor Law allows for severance pay in lieu of an employee's reinstatement, FLA recommends that the employees whose dismissals have been established by the court to be based on union membership, be reinstated.

¹ Article XI of the FLA Charter states that the Third Party Complaint is a measure that can be initiated after local remedies have been used. Moreover, Article XI states that: "In extreme cases the Executive Director may find that public statements by (i) a Participating Company or College or University Licensee constitute noncompliance with the Association's program, or (ii) by a Third Party provide ground for dismissal of a Complaint."

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<http://portal.fairlabor.org/fla/go.asp?u=/pub/zTr5&tm=5&Rid=1711&Fdn=13&Fna=AA0000001737%5F2015%2Epdf>

³ FLA has been informed that on June 23, the Izmir Labor Court ruled that Hugo Boss Izmir's dismissal of Mr. Budak was based on his union membership.

More importantly, FLA provided Hugo Boss Izmir management with recommendations aimed at ensuring that disciplinary and dismissal decisions are based on objective criteria and are in no way influenced by the employee's union affiliation. The FLA expects that Hugo Boss Izmir would move expeditiously to implement these remedial steps in order to give meaning to the company's expressed commitment to respect the associational rights of workers.