

Final statement by the German National Contact Point for the OECD Guidelines for Multinational Enterprises on a complaint by Metro Habib Employee Union, Karachi Pakistan (on behalf of the employees of METRO Habib Cash & Carry Pakistan) against METRO Cash & Carry about violations of the OECD Guidelines for Multinational Enterprises

Metro Habib Employee Union (hereinafter referred to as "the complainant") of the Stargate Store METRO Habib Cash & Carry (MHCCP) in Karachi, Pakistan, a subsidiary of METRO AG, Düsseldorf, lodged a complaint with the German National Contact Point for the OECD Guidelines for Multinational Enterprises (NCP) on 8 January 2014 against METRO Cash and Carry in Pakistan.

The complainant alleged that employment contracts were breached in terms of remuneration and working hours, that trade union members were treated in an unfair way and threatened because of their union activities, and that hygiene standards and safety provisions were not observed. According to the complainant, the human resources department of METRO Cash and Carry Pakistan and the management did not react to the employees' complaints.

The OECD Guidelines for Multinational Enterprises, as part of the OECD Declaration on International Investment and Multinational Enterprises, present recommendations for responsible corporate conduct in the case of investment abroad and function on a voluntary basis. The governments of the OECD member countries and other participating countries have committed themselves by way of their respective National Contact Points to promoting the use of this voluntary code of conduct and to helping to arrive at solutions to complaints via confidential mediation involving relevant partners.

In line with the Procedural Guidance for the OECD Guidelines for Multinational Enterprises, the NCP conducted a first thorough evaluation, which was partly based on a statement by METRO AG, to examine whether the questions raised in the context of the complaint justified an in-depth investigation.

In parallel to this procedure, METRO AG addressed the problems in its subsidiary in Pakistan and worked towards an in-house solution already, as the complainant had approached METRO AG in Dusseldorf only a couple of days prior to contacting the German NCP. For this purpose, it directly involved the trade union UNI Global Union in the solution of the dispute. This co-operation was based on a joint statement between METRO AG and UNI Global Union to conduct a dialogue and to work together to find solutions.

The joint measure consisted of contacting the trade union in Pakistan and the local management. A workshop focusing on the following issues was organised for the management of all METRO stores in Pakistan at short notice: relationship between employer and employees, social dialogue and the relationship with workers' representatives. On its turn, UNI Global Union organised a meeting for local employee representatives focusing on relationship with management. Both workshops met with a great positive response and resulted in a dialogue at the end of March 2014 in Lahore. Representatives of Country Management MHCCP and MHCCP Union were invited and present, supported by representatives of METRO AG in Dusseldorf and UNI Global Union. Following this dialogue, the management elaborated proposals for the solution of the problems, on which a positive agreement was reached between the concerned

parties. Employees that had been dismissed on a legal basis in the meantime were rehired.

UNI Global Union, the trade union involved, explicitly welcomed the exemplary conduct of METRO AG. It said that METRO AG is a leading company in the trade sector as regards common labour standards and the implementation and auditing of these standards and the willingness to co-operate with the various stakeholders.

The NCP on 4 April 2014 received a message by the complainant requesting a termination of the complaint procedure, since the parties had reached an agreement.

As a consequence, it was not necessary for the NCP to accept the complaint for closer examination. The procedure has been terminated.

The NCP welcomes the commitment of METRO AG to elaborate and implement in-house solutions together with UNI Global Union.

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For the National Contact Point
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