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Mijo Brajković Director Aluminij d.d. Mostar Baćevići b.b. 88000 Mostar Bosnia and Herzegovina

26 May 2006

Dear Mr Brajković,

I am writing in reply to some of the statements Aluminij has made in a number of written communications which were sent to the International Secretariat of Amnesty International in London, as well as to members of Amnesty International who have been participating in a campaign launched in connection with our recent report *Bosnia and Herzegovina – Behind closed gates: ethnic discrimination in employment* (Index number EUR 63/001/2006).

While thanking you for your letters, I would like to bring to your attention the following points. According to Article 2 of the UN Norms on the Responsibilities of Transnational Corporations and Other Business Enterprises with Regard to Human Rights (UN Norms for Business), companies "shall ensure equality of opportunity and treatment [...] for the purpose of eliminating discrimination based on race, colour, sex, language, religion, political opinion, national or social origin, social status, indigenous status, disability, age – except for children, who may be given greater protection – or other status of the individual unrelated to the inherent requirements to perform a job, or of complying with special measures designed to overcome past discrimination against certain groups".

Aluminij claims that "[n]ot a single employee in Aluminij d.d. Mostar has been fired regardless to her/his nationality". In fact, during the war Aluminij pursued a policy of ethnic discrimination, the effects of which continue to be felt, and elements of which continue to be practised. The fact remains that, from being a company with a significant number of employees from each of the three major communities of Bosnia and Herzegovina (BiH), Bosniaks (Bosnian Muslims), Bosnian Serbs and Bosnian Croats, Aluminij after the 1992-95 war has become a company with an overwhelmingly ethnic Croat workforce. Amnesty International would also like to point out that the organization did not receive from Aluminij, as stated by the company, any report from the American Refugee Committee (ARC), which would allegedly prove the absence of discriminatory dismissals at Aluminij. Amnesty International would be grateful if such report could be forwarded to the organization.

The company's assertion that "only Croatian applicants have been applying to the advertisements, all of which have been public", appears difficult to believe, in light of research conducted by Amnesty International in Mostar and of the fact that Aluminij is one of BiH's most important companies and is perceived as one of the most desirable employers in the Mostar region. Moreover, even if one were to accept that Aluminij receives applications only from ethnic Croats, this would simply point to the failure of the company to break with its history of ethnic discrimination and

to send a clear message that discriminatory policies and practices will not be tolerated. In this respect, Aluminij has a duty to take positive measures to encourage the recruitment of members of ethnic groups underrepresented in its workforce, in line with Article 2 of the UN Norms for Business. Aluminij claims that "concerning the national equality [the company is] in front of others and we want to go a step further". Amnesty International would appreciate if you could provide further information on initiatives taken by the company to promote better representation of members of all ethnic groups in Aluminij's workforce.

Amnesty International acknowledges that some positive steps were taken by Aluminij to ensure that unfairly dismissed workers receive severance pay as provided by Article 143 of the Federation of Bosnia and Herzegovina (FBiH) Law on Labour. Such steps are also discussed in our recent report *Bosnia and Herzegovina – Behind closed gates: ethnic discrimination in employment*. However, the reparation mechanisms defined in Article 143 of the FBiH Law on Labour remain completely inadequate and in this respect, measures taken by the company cannot be considered sufficient to fulfil Aluminij's responsibility in relation to human rights and to the elimination of ethnic discrimination in employment. Amnesty International would also like to receive further information, in connection with the company's obligations towards unfairly dismissed workers, on the public invitation to former Aluminij workers to provide information on their past work records, which was issued by the company in February 2006, and subsequently withdrawn, apparently after Aluminij was requested to do so by the FBiH government.

While Amnesty International notes that the partial privatization of Aluminij was carried out in a non-transparent way, and appears to have had discriminatory consequences affecting non-Croat workers, the organization takes no position on the ongoing discussions on the ownership structure of the company. Aluminij has not been targeted "just because it is a profitable company", but for its own discriminatory practices, independently of the situation in other companies in BiH, as well as an illustrative example of ethnic discrimination in employment, which remains prevalent throughout BiH. Such discrimination remains one of the most serious obstacles to the sustainable return of refugees and internally displaced persons (IDPs). Amnesty International stresses that, regardless of Aluminij's ownership structure, the company and its management have the responsibility to ensure equality of opportunity and treatment, as provided in the relevant national legislation and in the UN Norms for Business. The fact that Aluminij is a profitable and successful company, places on it more responsibility to set a positive example, playing a constructive role in combating ethnic discrimination in employment in BiH, and translating its economic successes into an improvement in the enjoyment of human rights for all.

In light of the above considerations, Amnesty International reiterates its call to Aluminij and its management:

- to ensure equality of opportunity and treatment to all current workers and to all those who apply for positions at Aluminij, regardless of their ethnicity;
- to send a clear message that discriminatory policies and practices will not be tolerated and to publicly commit to the principle of non-discrimination;
- to ensure that vacancies are widely advertised to members of all communities, including former workers and refugees and IDPs who had fled the Mostar area, and are still displaced;
- to monitor the implementation of measures to combat discrimination, including by collecting and maintaining statistical and other information on the ethnic composition of the workforce;
- to engage in a constructive dialogue with the trade unions representing current workers, as well as with trade unions and associations of workers who had been dismissed during the war, to promote non-discrimination;

- to provide training for former workers who were dismissed or placed on a waiting list and wish to be reemployed;
- to promote and foster a culture of inter-ethnic dialogue and tolerance and to adopt a policy of no tolerance towards any form of ethnically motivated harassment;
- to employ an officer tasked with receiving complaints relating to harassment and discrimination in the workplace, and with ensuring that appropriate action is taken where such complaints are substantiated.

I look forward to your response to this letter.

Yours sincerely,

For Nicola Duckworth Director, Europe and Central Asia Programme