



March 27th 2020

Business & Human Rights Resource Centre
Ms. Ana Zbona and Mr. Mauricio Lazala

Reply to your letter of 24 March 2020

Dear Ms. Ana Zbona and Mr. Mauricio Lazala,

We are writing in connection with your e-mail, which we received on 24 March 2020.

First of all, we refute any and all insinuations about the company LIDL Slovenija d.o.o. k.d. allegedly initiating the procedure of ordinary termination for misconduct due to her trade union activities against its employee, Mrs Tjaša Kozole, who is also the President of SDTS – Lidl Slovenia Union. We also refute allegations about LIDL Slovenija d.o.o. k.d. exerting any pressure against other union members. We already held a meeting about the aforementioned matters with the Slovenian Retail Workers' Union (SDTS) on 12 March 2020. The fact is that LIDL Slovenija d.o.o. k.d. guarantees to all employees the rights derived from the Slovenian Constitution, laws and collective agreements, including trade union freedom.

We would like to explain that LIDL Slovenija d.o.o. k.d. fully respects the provisions of the Employment Relationships Act (*Zakon o delovnih razmerjih*) applicable in the Republic of Slovenia. According to Article 89 in conjunction with Article 85 of that Act, regular termination on the ground of misconduct is foreseen in cases where contractual and other obligations arising from the employment relationship are violated.

Mrs Tjaša Kozole is indeed the President of SDTS – Lidl Slovenia Union, but does not enjoy, due to her status as union president, any special protection from termination of employment if contractual and other obligations arising from the employment relationship are violated. We further explain that Mrs Tjaša Kozole received two reasoned written warnings preceding ordinary termination for reasons of misconduct. By issuing those written warnings, we wished and expected that Mrs Kozole would start performing her work stipulated in the employment contract with the necessary diligence. Sadly, following the service of the last written warning, we again observed several violations, and for that reason decided to initiate the procedure of ordinary termination of the employment contract for misconduct and invite her to a defense meeting.

Please note that on 28 February 2020, we began the process of serving on her a written notification prior to the ordinary termination for misconduct, together with an invitation to a defense meeting.



However, Mrs Kozole has not accepted the notification to date and has been avoiding the service of the document. It is therefore not true that Mrs Kozole found out about the procedure of ordinary termination for misconduct from the media on 3 March 2020. Mrs Kozole accepted the written notification preceding ordinary termination for misconduct on 17 March 2020. By means of that document, she has been informed of a defence meeting, which was held on 23 March 2020 and where Mrs Kozole was able to present any facts and evidence in her favour. Following the defence meeting LIDL Slovenija d.o.o. k.d. adopted a definitive decision and sent it to Mrs Kozole through a legal executor. Until this moment (26 March 2020) Mrs Kozole has not accepted the documents.

It is equally untrue that Mrs Kozole was reassigned, due to her status of SDTS - Lidl Slovenia Union president, to a remote LIDL store. The reassignment of Mrs Kozole from the Krško store to the Celje store was performed in accordance with Article 21 of the *Collective Agreement for Slovenia's Trade Sector*¹, of which the Slovenian Retail Workers' Union is also a signatory, and the employment contract signed with Mrs Kozole. The Company's management informed Mrs Kozole as early as 20 November 2018 that she would be requested to start working at another store, namely in Celje, because another employee – store manager would be returning from maternity leave. In accordance with the Collective Agreement we had to provide this employee with a workplace closer to home. For this reason Mrs Kozole was reassigned to another store 60 kilometers away from her home (and not 100 kilometres as she claims in the media). We further explain that a few years ago when Mrs Kozole was returning from maternity leave the Company's management performed the same for her.

At that time, Mrs Kozole strongly opposed such reassignment to another store and on 29 November 2018 established the SDTS - Lidl Slovenia Union. The reassignment of Mrs Kozole to the Celje store was effected on 20 December 2018 and was completely lawful. We would especially like to stress that Mrs Kozole is provided with a company car of the medium-price segment which she can use for both business and private purposes. Her remuneration on a monthly basis substantially exceeds the average monthly salary in the Republic of Slovenia.

Unfortunately, we cannot avoid the conclusion that Mrs Kozole has been abusing the SDTS - Lidl Slovenia Union and her status as union president solely for her private purposes, in

¹ Among others, Article 21 stipulates that the place of work may be defined in broader terms, according to the network of the employer's organisational units; in case the place of work is defined in broader terms in the employment contract, all the employer's organisational units to and from which travel from the worker's place of residence stated in the employment contract by available means of transport does not last more than three (3) hours, and not more than one (1) hour in case of mothers with children up to three years of age, shall be considered the place of work.



order to diminish and justify her violations of contractual obligations. Sadly, Mrs Kozole has also been abusing the Slovenian Retail Workers' Union to protect her private interests. In order to justify her contract violations, Mrs Kozole has, unfortunately, been pursuing a very aggressive campaign against LIDL Slovenija in the media (TV, press, internet posts) and has urged others to boycott and protest in front of LIDL stores, which is an unprecedented action not previously seen in the Republic of Slovenia. We will not and must not succumb to such pressures. If we did, this would represent a more benevolent treatment of Mrs Kozole compared to other employees. It would also represent a direct violation of the constitutional right of equality before the law and equal treatment of all employees of LIDL Slovenija d.o.o. k.d.

We kindly request you to inform us of any specific examples of potential violations of workers' rights you might be aware of. We will examine them and take every necessary action. It is our wish to provide all employees with all the rights they are entitled to according to the laws and regulations.

We understand that Mrs Kozole is a single mother, and as a mother she enjoys special benefits in accordance with the law and the collective agreement. These benefits, which are available to workers – parents according to the law and the Collective Agreement for Slovenia's Trade Sector, and many other benefits are also provided to other employees of LIDL Slovenija d.o.o. k.d.

Moreover, we provide our employees with appropriate working conditions; we offer remuneration exceeding the average level in the retail sector in the Republic of Slovenia; for our employees' children, we have been organizing and financing holiday camps for several years; once a year, we organize a well-visited picnic for our employees; we present co-workers with a gift for every new-born baby; employees and their children up to 15 years of age are offered flu vaccination free of charge; we organize Christmas gift giving for our employees' children every year, and also free psychological counselling by phone was introduced several years ago; it can be used for our workers' personal needs or the needs of their family members. We also introduced additional discount cards for all employees, by means of which either they or their close family members can use special discounts offered by various providers, for instance for tyre changing services, hairdresser services, wellness and even holiday facilities.

Employee satisfaction is established through regular surveys. The most recent satisfaction survey has shown that more than 80% of our employees are satisfied with their employment with LIDL Slovenija d.o.o. k.d. We follow our employees' proposals and wishes in designing projects and measures intended to provide a positive working environment in the company. Many favorably accepted measures are carried out under the umbrella of the Family Friendly



Lidl Slovenija

Enterprise Certificate, which we have held in full scope since 2017. We have systematically and transparently put in place employee training and promotion systems (more than 100 employees are promoted on an annual basis).

LIDL Slovenia is a well-regulated company abiding by the laws and other regulations applicable in the Republic of Slovenia, and we will continue to work in accordance with these principles in the future.

Yours sincerely,

Gregor Kosi
CEO
LIDL Slovenija d.o.o. k.d.