B4Ukraine

Götz Schmiedeknecht, Chief Executive Officer Salamander Industrie-Produkte GmbH Jakob-Sigle-Straße 58 86842 Türkheim Germany

November 24, 2023

RE: Salamander Industrie-Produkte GmbH's (Salamander's) business operations in Russia

Dear Mr. Schmiedeknecht,

We write to you as <u>B4Ukraine</u>, a coalition of Ukrainian and international civil society organizations working to curtail the financial resources enabling the Russian invasion of Ukraine. In the spirit of respect for the fundamental rights of all people, the rules-based international order, and a prosperous global economy, we expect companies to demonstrate public support for the people, democracy, and territorial integrity of Ukraine, opposition to Russia's war of aggression, and alignment with the UN Guiding Principles on Business and Human Rights (UNGPs).

We request an urgent dialogue regarding potential inconsistencies between Salamander's obligations under international humanitarian and human rights law and the company's ongoing business operations and relationships in Russia that may contribute to, or be linked with, human rights harms.

It has been 19 months since Russia invaded Ukraine and the devastating impacts continue to shock the global conscience and shake the global economy. Russia is violating international humanitarian law (IHL), including war crimes and crimes against humanity, through attacks on civilians and civilian infrastructure (e.g., mass executions, sexual violence, torture, forcible transfer of civilians). More than 27,000 Ukrainian civilians have been killed and injured and millions more have been forced to flee their homes, creating one of the largest humanitarian and refugee crises of modern times. In recognition of the severity of abuses, in March 2023 the International Criminal Court issued an arrest warrant for Vladimir Putin to answer war crimes charges.¹

In response to this unprovoked and unjustified war² many other companies have already left Russia. According to the Kyiv School of Economics Institute's #LeaveRussia <u>company tracker</u>, Salamander has decided to stay and continue its operations in Russia.

As you are aware, according to the Insider report, Salamander SPS GmbH & Co. KG maintained its supply of leather to Donubov, a Russian company responsible for manufacturing boots for the

¹ International Criminal Court, "Situation in Ukraine: ICC judges issue arrest warrants against Vladimir Vladimirovich Putin and Maria Alekseyevna Lvova-Belova," March 17, 2023, <u>https://www.icc-cpi.int/news/situation-ukraine-icc-judges-issue-arrest-warrants-against-vladimir-vladimirovich-putin-and</u> (accessed March 22, 2023).

² The UN General Assembly condemned Russia's "aggression against Ukraine" and demanded that Moscow "unconditionally withdraw all of its military forces from the territory of Ukraine within its internationally recognized borders."

Russian military and proudly serving as a contractor for the Russian Ministry of Defence.³ Furthermore, following the start of the full-scale invasion, Salamander allegedly extended its leather sales to another Russian company, Faraday, which also holds a contracting relationship with the Russian Ministry of Defence.⁴ In response to these findings and an enquiry sent by the Business and Human Rights Resource Centre, Salamander responded by announcing an "immediate discontinuation of deliveries to Russia and Belarus."⁵ Salamander further clarified that the company decided to immediately stop deliveries to Russia and Belarus and to discontinue all other business in the two countries. Likewise, the company stated that "difficult neighbouring countries will also be subjected to a critical review in the short term."⁶

Latest reporting shows that the Russian "Faraday" bought leather and other goods worth \$80,000 from Salamander in 2023.⁷ The Russian manufacturer "Donubov", which is in open cooperation with the Russian Ministry of Defence, was directly supplied leather worth \$60,000 by Salamander in 2023.⁸ Both Faraday and Donubov are sanctioned by Ukraine.

Additionally, export data available to the B4Ukraine Coalition shows that Salamander supplied leather on at least 2 separate occasions following its May 17, 2023, statement. Likewise, Salamander Windows & Doors Systems S.A. also continued to export goods to Russia, predominantly as Poland as the country of origin.

While we understand that these business operations may be in compliance with sanctions, they may not be in accordance with the internationally recognised standards on business and human rights and may be "tantamount in prolonging the war in Ukraine."⁹

We are writing now to enquire Salamander on whether it has fully ceased all ongoing business operations in or with Russia, in line with its stated commitment to an "immediate discontinuation of deliveries to Russia and Belarus." Could Salamander provide insights into its due diligence and supply chain control processes, which are in place to ensure that none of its products are supplied to the Russian military? Likewise, we are asking Salamander to share its heightened human rights due diligence processes and mechanisms employed to minimise adverse human rights impacts of its operations with regards to the conflict-specific context of the war against Ukraine.

Notifying Salamander on the serious and increasing risks the company faces by continuing its operations in Russia, we urge you to:

• Immediately cease operations and presence in Russia and completely exit the Russian market.

³ Sergei Ezhov, "BiZness as usual: 25 European companies still supplying the Russian army," *The Insider*, May 17, 2023, <u>https://theins.ru/en/economics/261792</u> (accessed October 20, 2023).

⁴ Ibid.

⁵ Salamander, "Statement on the publication," <u>https://media.business-</u>

humanrights.org/media/documents/Salamander_response.pdf (accessed October 20, 2023). ⁶ Ibid.

⁷ Roman Steblivskyi, Anna Golishevska, Inna Popovych, "The occupier's boots: this year, boot manufacturers for the Rosarmy bought \$4.1 million worth of products from the EU," *Trap Aggressor*, November 20, 2023, https://trap.org.ua/publications/bertsi-okupanta-tsohorich-vyrobnyky-chobit-dlia-rosarmii-kupyly-produktsiiu-yes-na-4-1-mln-dolariv/?fbclid=IwAR0hDy2ogRu-qMYTP35AgtB2s63PelMvsqT-SI9e-UOEcPsq0mrlHe8fGbo (accessed November 24, 2023).

⁸ Ibid.

⁹ DiDiego Ghidotti, "Made in Italy (legal) for Russian army boots," Stand for Ukraine, November 23, 2023, <u>https://www.standforukraine.it/en/2023/11/23/aziende-italia-germania-stivali-militari-russi-faraday-trap-aggressor/</u> (accessed November 24, 2023).

- Refrain from any future business, trade, or investment in Russia until Russia ends its war in Ukraine, territorial integrity of Ukraine is restored, and accountability imposed for war crimes and the destruction of Ukrainian infrastructure and property.
- Establish and implement comprehensive human rights due diligence measures for any responsible exit from or re-engagement with Russia.

We request an urgent dialogue with Salamander's relevant senior management and staff to discuss the company's ongoing activities and relationships in Russia and associated risks to the people of Ukraine and the company.

Please keep in mind that this letter and any response or lack thereof will be published on the B4Ukraine webpages. If Salamander is prepared to meet with B4Ukraine to discuss the issues raised in this letter, the meeting will be held under Chatham House Rules.

Please contact the B4Ukraine Coalition at <u>contact@b4ukraine.org</u> to schedule a call. We kindly ask for your response by 5:00pm CET, December 8th, 2023.

Sincerely,

The B4Ukraine Coalition