



FAIR LABOR
ASSOCIATION®

INDEPENDENT EXTERNAL ASSESSMENT REPORT



COMPANIES: Hugo Boss AG
COUNTRY: Turkey
ASSESSMENT DATE: 10/07/16
ASSESSOR: FLA EMEA
PRODUCTS: Apparel
NUMBER OF WORKERS: 502

Summary of Code Violations

Companies that join the FLA agree to uphold the FLA Workplace Code of Conduct throughout their entire supply chain. The Code of Conduct is based on International Labour Organization (ILO) standards, and defines labor standards that aim to achieve decent and humane working conditions.

While it is important to note when violations of the FLA Workplace Code of Conduct occur, the purpose of these assessments is not simply to test compliance against a particular benchmark, but rather to develop an understanding of where and how improvements can be made to achieve sustainable compliance. Code of Conduct violations can be found throughout the course of an assessment of the employment and management functions, and are addressed in companies' action plans.

Findings and Action Plans

FINDING NO.1

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Recruitment, Hiring & Personnel Development

Finding Explanation

1. The factory currently employs 11 disabled workers, however, these workers do not constitute 3% of the workforce as required by law. The factory needs to hire one more disabled worker to meet the legal requirement based on the number of workers at the time of the assessment.

2. The factory does not have any Personnel Development procedures.

3. There are no written job descriptions prepared for any positions when personnel need to be hired.

4. The factory does not conduct performance reviews for any of the workers, including during their probationary period.

Local Law or Code Requirement

Turkish Labour Law (4857), Article 30; FLA Workplace Code (Employment Relationship Benchmarks ER.1.1 and ER.29; Nondiscrimination Benchmarks ND.1, ND.2, and ND.9)

COMPANY ACTION PLANS

Action Plan no 1.

Description

The factory has hired one more disabled workers.

Company Action Plan Update

completed

Action Plan no 2.

Description

The HR has prepared the documentation for Personnel Development procedures.

Company Action Plan Update

completed

Action Plan no 3.

Description

The HR has prepared written job descriptions for any positions.

Company Action Plan Update
completed

Action Plan no 4.

Description

Factory is now having performance reviews for all of the workers, including the probationary period and workers inform about the new process.

Company Action Plan Update
completed

FINDING NO.2

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Compensation

Finding Explanation

1. There are four workers in the factory who returned to work at the factory after their termination. The provision of annual leave is calculated based on seniority, but these workers' previous employment at the factory is not considered when calculating their seniority. According to local law, all years spent working in the factory should be included in the calculation of seniority. Since this situation was recently brought to the attention of management at the factory, they have calculated the correct number of annual leave days and workers will be provided with the remaining annual leave during the year.

Local Law or Code Requirement

Turkish Labour Law 4857, Article 54 FLA Workplace Code Hours of Work Benchmarks HOW.1, HOW.11 and HOW.13)

COMPANY ACTION PLANS

Action Plan no 1.

Description

The factory ensured that all workers got annual leave based on all years spent working at the factory.

Company Action Plan Update
completed

FINDING NO.3

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Termination & Retrenchment

Finding Explanation

1. The factory does not have any policies or procedures on Retrenchment.

2. The factory does not maintain records in terminated workers' personnel files that documents the reason(s) for Termination.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1.1, ER.27, and ER.32.1)

COMPANY ACTION PLANS

Action Plan no 1.

Description

The HR has prepared the documentation for retrenchment.

Company Action Plan Update
completed

Action Plan no 2.

Description

The factory ensured that they maintain records in terminated workers' personnel files that document the reason(s) for termination.

Company Action Plan Update
completed

FINDING NO.4

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Industrial Relations

Finding Explanation

1. The factory does not have procedures on Industrial Relations.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1.1 and ER.25)

COMPANY ACTION PLANS

Action Plan no 1.

Description

The HR has implemented industrial relations procedures.

Company Action Plan Update
completed

FINDING NO.5

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Hours of Work

Finding Explanation

1. The factory's total daily working hours (regular + overtime hours) exceeded the legal limit of 11 hours per day in April, July, August, and September 2016. From a sample of 36 workers, an average of six workers per month exceeded the legal limit, with maximum of 12 working hours.

2. The factory's overtime procedures state that workers may take time off (leisure time) instead of being compensated for overtime, depending on the employer's decision. This does not comply with local law, which states that workers must consent to taking leisure time instead of receiving overtime pay. In practice, the procedure is not implemented and workers' consent is obtained.

3. The overtime consent letters signed by workers state that the workers shall agree to work overtime without exception. Although this is not implemented, the statement violates the nature of voluntary overtime.

Local Law or Code Requirement

Turkish Labor Law 4857, Articles 41 and 63; FLA Workplace Code (Hours of Work Benchmarks HOW.1 and HOW.8; Compensation

Recommendations for Immediate Action

1. Ensure that daily (regular + overtime) working hours do not exceed 11 hours a day.

COMPANY ACTION PLANS

Action Plan no 1.

Description

The factory trained the supervisors and workers not to work more than 11 hours per day.

Company Action Plan Update
completed

Action Plan no 2.

Description

The factory has already written procedures about how to deal with overtime and they have updated the overtime procedure to reflect the requirements of local law stating that employee's consent to taking leisure time instead of overtime pay is obtained

Company Action Plan Update
completed

Action Plan no 3.

Description

The factory has already written procedures about how to deal with overtime and they have update overtime consent letters to reflect the voluntary nature of overtime. Workers will be informed.

Company Action Plan Update
completed

FINDING NO.6

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Workplace Conduct & Discipline

Finding Explanation

1. There are disciplinary procedures, however, the procedures are not implemented. There is Disciplinary Committee, but it is not functional. There are no records of disciplinary actions; all disciplinary actions are verbal. Therefore, workers do not sign written records of the disciplinary actions taken against them.
2. The factory's procedures on Workplace Conduct & Discipline do not cover how workers can appeal disciplinary actions taken against them.
3. Disciplinary actions are not witnessed by a third party during imposition.
4. Although the workplace conduct and discipline procedures are posted at the canteen, the workers are unaware of them, due to lack of communication and training.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.2, ER.27.3.3, ER.27.3.4, and ER.27.4)

COMPANY ACTION PLANS

Action Plan no 1.

Description

The factory has updated the disciplinary procedure and ensured that all records of all disciplinary actions are made and workers signed a written record of the actions taken against them. The factory already has a disciplinary committee.

Company Action Plan Update
completed

Action Plan no 2.

Description

The factory has updated the disciplinary procedure to include a process by which employees can appeal disciplinary actions taken against them.

Company Action Plan Update
completed

Action Plan no 3.

Description

The factory has ensured that there is a third person available as witness in case of any disciplinary measures. This was also added to the disciplinary procedures.

Company Action Plan Update
completed

Action Plan no 4.

Description

Policies and procedures are posted in the canteen. Factory ensures that workers are informed and they communicate in a regular basis.

Company Action Plan Update
completed

FINDING NO.7

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

1. The factory has not conducted an earthquake resistance test.
2. Static calculation of the mezzanine floors are not conducted to ensure that they are structurally sound.
3. Some of the shelves in the accessory warehouse are bending under the weight of their load. The load capacity is not written on the shelves. Moreover, heavy bales are stored on those shelves.
4. The maximum storage height in the warehouse is marked, but raw materials are stored above this height.
5. The boxes where Personal Protective Equipment (PPE) is stored are not covered. Therefore, the PPE (especially masks) are not properly protected. Moreover, the chemical protection mask filters had expired. The mask filter cartridges were replaced during the assessment.
6. There is no mirror protection installed on the turning machine in the maintenance room.
7. No interlock installed on the door of hydraulic lift at warehouse section.
8. Boxes are stored in front of the electrical panels.
9. Assessors observed an empty thinner bottle and fluorescent lamps inside of a plastic box, which is located in the car garage where paper boxes are stored.
10. None of the workers on the second shift have a steam boiler operator certification.

11. The ambient temperature is a concern for the workers in the sock ironing sections (formhane), especially in summer. A thermal comfort measurement conducted in September showed a high of 29.8 degrees Celsius (85.6 degrees Fahrenheit).
12. There are no written guidance documents for external contractors and service providers concerning Health & Safety.
13. The factory's current size is 12,000 square meters, however, the factory's work permit (issued in 2004) shows the total factory's size is only 1,144 square meters. The factory work permit should be updated to reflect the factory's current size, including the additional buildings.

Local Law or Code Requirement

Turkish Earthquake Code 2007 and The Content of Performance Reports under the Impacts of Earthquake; Health and Safety Law, 6331, Article 4 and 5; Using Personal Protective Equipment in Workplaces Regulation Article 8; Regulation for Health and Safety Requirements in Workplaces and its Extension Buildings, (Addition 1) Articles 3 and 19; Regulation on Opening Workplace and Work Permit, Article 28; FLA Workplace Code (Employment Relationship Benchmark ER.31; Health, Safety & Environment Benchmarks HSE.1, HSE.6.1, HSE.7, HSE.4, HSE.5, HSE.8, HSE.9, HSE.13 and HSE.14.1)

Recommendations for Immediate Action

1. Commission a third party expert to conduct an earthquake resistance test.
2. Provide static calculation of the mezzanine floor to ensure its solidity.
3. Ensure that the shelves have not been loaded over capacity and that the load capacity is written on the shelves. Regularly monitor for compliance.
4. Do not store anything above the maximum storage height in the warehouse. Regularly monitor for compliance.
5. Ensure that PPE is stored properly and regularly inspect and replace the filter cartridges in the chemical protection masks.
6. Install mirror protection on the turning machines in the maintenance room.
7. Ensure that electrical panels are unobstructed at all times.
8. Dispose of hazardous waste appropriately.
9. Ensure that someone on each shift is certified to operate the steam boiler.
10. Ensure that thermal comfort condition is improved for workers' comfort in the ironing sections.

COMPANY ACTION PLANS

Action Plan no 1.

Description

The factory already asked a third party expert to conduct an earthquake resistance test. The report will be shared afterwards.

Company Action Plan Update

09/13/17 : in progress

Action Plan no 2.

Description

The factory has already calculated the statics of mezzanine floor to ensure its solidity.

Company Action Plan Update

completed

Action Plan no 3.

Description

The load capacity is already checked (50 kg) and written on the shelves.

Company Action Plan Update

completed

Action Plan no 4.

Description

The factory ensures not to store anything about maximum height and informs the workforce to not store more on a regular basis.

Company Action Plan Update
completed

Action Plan no 5.

Description

Factory takes an inventory to check the expiration and protection of the PPEs regularly and renew the equipment if needed.

Company Action Plan Update
completed

Action Plan no 6.

Description

The factory installed a mirror protection on the turning machines in the maintenance room.

Company Action Plan Update
completed

Action Plan no 7.

Description

The factory has installed an interlock on the door of the hydraulic lift in the warehouse section.

Company Action Plan Update
completed

Action Plan no 8.

Description

The factory informed the workforce not to obstruct electrical panels anymore. Furthermore, the factory manager checks the compliance on a regular basis.

Company Action Plan Update
completed

Action Plan no 9.

Description

The responsible staff is informed about the hazardous waste and their adequate disposal. This will be done on a regular basis.

Company Action Plan Update
completed

Action Plan no 10.

Description

The factory ensures and adjusted shifts so that per shift one certified operator for the steam boiler is available.

Company Action Plan Update
completed

Action Plan no 11.

Description

The factory has improved the thermal comfort condition for workers' comfort in the ironing sections.

Company Action Plan Update
completed

Action Plan no 12.

Description

The factory has prepared a written guidance documents for external contractors and service providers concerning health and safety.

Company Action Plan Update
completed

Action Plan no 13.

Description

Factory management claimed that they can get a waiver from local municipality about extension of their production areas.

Company Action Plan Update

09/13/17 : Factory management mentioned that they can apply for getting such a document from local municipality -Bayrampasa Municipality- after the religious holiday on second week of September.

FINDING NO.8

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

1. At the time of the assessment there was a car parked in front of the factory building's main emergency exit.
2. The emergency stairs leading out of the basement lead through a window instead of a push bar emergency exit door.
3. The emergency stairs in the factory narrow significantly on the canteen floor, which may hinder evacuation in case of an emergency.
4. During the assessment, parked cars were obstructing the emergency assembly area in front of the factory building.
5. One of the locations indicated on the fire alarm control panel (section 9) did not match the area where the alarm rang (section 7).
6. The line valves of the fire pumps were open and unlocked.
7. Some of the emergency lights in the cafeteria and production area do not function. At the time of the assessment, the batteries in two of them were dead and two others were shut off.
8. Some of the production boxes are stored on the emergency escape stairs, blocking the emergency route.
9. Workers were observed sitting on empty carton boxes while smoking on the emergency escape stairs outside of the building. These workers threw their cigarette butts on the ground, which is a fire risk since there are chemicals and waste stored in that area. Carton boxes were left on the stairs, which poses a falling risk in case of an emergency.

Local Law or Code Requirement

Workplace Health and Safety Law, 6331, Article 11; Protection of Buildings from Fire Regulation, Articles 30, 35, 72 and 99; Regulation for Health and Safety Requirements in Workplaces and its Extension Buildings, (Addition 1) Articles 10 and 14; FLA Workplace Code (Health, Safety & Environment Benchmarks HSE.1 and HSE.5.1)

Recommendations for Immediate Action

1. Ensure that cars are not parked in front of the emergency exits.
2. Install proper exit doors which open outwards with a push bar system.
3. Ensure that emergency escape stairs are wide enough for workers to evacuate safely in case of emergency.
4. Ensure that cars are not parked so as to obstruct the emergency assembly area.
5. Review and correct the location signals on the fire alarm panel.
6. Close and lock the line valves of the fire pumps.

7. Periodically inspect and maintain the emergency lights.
8. Do not store boxes on the emergency escape stairs.
9. Ensure that workers do not smoke on the emergency escape stairs.

COMPANY ACTION PLANS

Action Plan no 1.

Description

The factory has installed signs not to park in front of the emergency exits.

Company Action Plan Update
completed

Action Plan no 2.

Description

Factory management accepted to provide another exit in this section, management will provide technical details - floor layout and pictures- to the HB & FLA for review.

Company Action Plan Update
09/13/17 : in progress

Action Plan no 3.

Description

Factory management has mentioned that there is another staircase at the other side of the factory and they can use it as a third emergency staircase after doing some renovations. management will provide technical details - floor layout and pictures- to the HB & FLA for review.

Company Action Plan Update
completed

Action Plan no 4.

Description

The factory installed signs not to park on the emergency assembly area in front of the factory building.

Company Action Plan Update
completed

Action Plan no 5.

Description

The factory corrected the location signals on the fire alarm panel.

Company Action Plan Update
completed

Action Plan no 6.

Description

The factory closed and locked the line valves of the fire pumps.

Company Action Plan Update
completed

Action Plan no 7.

Description

The factory inspected and maintained the emergency lights now on a regular basis.

Company Action Plan Update
completed

Action Plan no 8.

Description

The factory informed the workforce not to store any boxes on the emergency escape stairs.

Company Action Plan Update
completed

Action Plan no 9.

Description

The factory officially forbid everyone to smoke on the escape stairs. They have communicated this to the workforce and posted signs.

Company Action Plan Update
completed

FINDING NO.9

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

1. The Material Safety Data Sheet (MSDS) for on chemical (Acros) was missing, but was provided during the assessment.
2. None of the MSDS forms were in the local language (Turkish). Instead, they were in English.
3. There were no MSDS forms on the top floor where thinner is used to clean the materials. The workers handling the thinner were not wearing masks either. Both MSDS and masks appropriate for chemical usage were provided during the assessment.
4. There are no protective covers on the florescent lamps in the chemical storage area.
5. There is no chemical spill kit in the hazardous waste storage area.

Local Law or Code Requirement

Regulation About Health & Safety on working with Chemicals, 12.08.2013, Articles 6, 7 and 8; FLA Workplace Code (Health, Safety & Environmental Benchmarks HSE.1, HSE.9, HSE.10 and HSE.13)

Recommendations for Immediate Action

1. Ensure that MSDS forms for all chemicals are kept in the chemical usage areas. Provide MSDS in Turkish.
2. Install covers on the florescent lamps in the chemical storage area.
3. Provide a chemical spill kit for the hazardous waste storage area.

COMPANY ACTION PLANS

Action Plan no 1.

Description

The factory ensured that MSDS forms are available for all chemicals at all times

Company Action Plan Update
completed

Action Plan no 2.

Description

The factory provides MSDS now in turkish language also and completed missing MSDS.

Company Action Plan Update
completed

Action Plan no 3.

Description

The factory ensured that PPE is worn at all times and they review the conditions of the PPE on a regular basis.

Company Action Plan Update
completed

Action Plan no 4.

Description

The factory installed covers on the florescent lamps in the chemical storage area.

Company Action Plan Update
completed

Action Plan no 5.

Description

The factory has provided a chemical spill kit for the hazardous waste storage area.

Company Action Plan Update
completed

FINDING NO.10

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Health & Safety

Finding Explanation

1. There is no sink or refrigerator in the workplace doctor's room.

2. The workplace doctor's working hours are not regular, although the doctor is present at specific time periods determined by management and the doctor. Since the doctor's hours are not regular, assessors could not determine whether he is completing the required number of hours per month. The doctor's irregular schedule also makes it difficult for workers to utilize medical services.

3. The drinking water dispensers are not cleaned periodically and cleaning records are not kept. Moreover, the water analysis samples are not taken from the drinking water dispensers; instead, they are taken from the water filter system outlet, which could result in inaccurate readings.

4. The food samples are only kept for 48 hours (instead for 72 hours) and are much smaller than legally required (less than 150g instead of 250g).

Local Law or Code Requirement

Workplace Doctors' and Other Health Personnel Duties and Responsibilities Regulation, Articles 11 and 12; Food Safety and Quality Regulation Article 8; Official Sample Taking Procedure, Article 5/C; FLA Workplace Code (Health, Safety, & Environment Benchmarks HSE.18, HSE.19, HSE.22 and HSE.23)

COMPANY ACTION PLANS

Action Plan no 1.

Description

The factory has provided a sink and refrigerator in the workplace doctor's room.

Company Action Plan Update

completed

Action Plan no 2.

Description

The doctors working hours are according to the law.
Employees are informed about the working hours of doctor.

Company Action Plan Update

completed

Action Plan no 3.

Description

The factory already checked and maintained cleaning records of drinking water dispensers. They took water analysis samples from the drinking water dispensers.

Company Action Plan Update

completed

Action Plan no 4.

Description

The factory informed the employee in the canteen to keep food samples for the required 72 hours and to keep the correct 250g size.

Company Action Plan Update

completed

FINDING NO.11

IMMEDIATE ACTION REQUIRED

FINDING TYPE: Environmental Protection

Finding Explanation

1. Although the factory collects oil-contaminated water that comes out of the dryer, compressor, and air vessel, it is then discharged directly into the sewage system.
2. There are dedicated waste storage areas for different types of non-hazardous solid waste (plastic-wood-paper), however the factory does not store its waste in these areas because of construction on the building next door.
3. The factory has increased its washing machine capacity, however, they have not checked to see if they need to obtain a renewed discharge permit for the increased capacity.
4. According to the factory's waste management plan and oil waste records, 155 kg of waste oil is generated each year. However, there was no waste oil in the waste storage area and no waste oil has been delivered to a licensed service provider since November 2015. The assessment took place in October 2016, so assessors could not verify what happened to the 155 kg of waste oil that was generated during the past year.
5. Assessors observed oil on the ground near the factory building, which remained after an oil filter or machine parts were cleaned with compressed air.
6. There are seven fire extinguishers containing halocarbon gas in the factory. Halocarbon gas is harmful for environment and ozone layer. The gas which is used in the air conditioners (R22) is not environmentally friendly either.
7. The factory's Environmental Protection procedures do not enable workers to raise environmental concerns or include protections for workers who allege environmental violations.

Local Law or Code Requirement

Waste Management Regulation Articles 11 and 13; FLA Workplace Code (Employment Relationship Benchmark ER.31; Health, Safety & Environment Benchmark HSE.1)

Recommendations for Immediate Action

1. Collect oil-contaminated discharged from the dryer, compressor, and air vessel. Separate the oil from the water. Then, deliver the oil to a certified hazardous waste service provider.
2. Fire extinguishers- use "dry chemical" or CO2; Air conditioners- use r407c/r410a etc.

COMPANY ACTION PLANS

Action Plan no 1.

Description

The factory has collected oil-contaminated discharged from the dryer, compressor, and air vessel and separates the oil from the water.

Company Action Plan Update

completed

Action Plan no 2.

Description

The factory states that right now there is no alternate area for waste storage, but when there will be in future, they will consider this option as well.

Company Action Plan Update

completed

Action Plan no 3.

Description

Renewed permit is not necessary since the washing machine capacity is the same now.

Company Action Plan Update

completed

Action Plan no 4.

Description

The factory disposed of waste oil with a licensed service provider

Company Action Plan Update

completed

Action Plan no 5.

Description

The factory disposed of waste oil with a licensed service provider

Company Action Plan Update

completed

Action Plan no 6.

Description

The factory will buy new more environmentally friendly fire extinguishers when they are not valid anymore.

Company Action Plan Update

completed

Action Plan no 7.

Description

The factory has installed a suggestion box and inform the workforce to use them accordingly.

Company Action Plan Update

completed

FINDING NO.12

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Training (Macro)

Finding Explanation

1. New workers receive orientation training, however, the training does not cover Industrial Relations and workers do not receive written documentation that substantiates all the topics covered during orientation, including a copy of the workplace rules.
2. The factory does not provide specific training for supervisors on any of the Employment Functions.
3. The factory does not provide ongoing training for workers on Recruitment, Hiring and Personnel Development, Termination & Retrenchment, Industrial Relations, Workplace Conduct & Discipline, Grievance System or Environmental Protection.
4. The factory does not provide training on Workplace Conduct & Discipline for the relevant Human Resources (HR) personnel and administrative staff.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1.2, ER.15.1, ER.15.3, ER.17 and ER.27.2)

COMPANY ACTION PLANS

Action Plan no 1.

Description

Orientation training covers Industrial Relations now.

Company Action Plan Update

completed

Action Plan no 2.

Description

The factory has trained supervisors on all employment functions.

Company Action Plan Update

completed

Action Plan no 3.

Description

The factory already gave a training or workers on Recruitment, Hiring and Personnel Development, Termination & Retrenchment, Industrial Relations, Workplace Conduct & Discipline, Grievance System or Environmental Protection and will continue doing that on a regular basis.

Company Action Plan Update

completed

Action Plan no 4.

Description

The factory already provided relevant HR personnel and administrative staff with training on workplace conduct and discipline.

Company Action Plan Update

completed

FINDING NO.13

SUSTAINABLE IMPROVEMENT REQUIRED

FINDING TYPE: Review Process (Macro)

Finding Explanation

1. The factory does not have a systematic review system for its existing policies and procedures. As a result, the factory does not review and update the policies and procedures on any of the Employment Functions.

Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1.3, ER.29.1.1, ER.30.2, and ER.31)

COMPANY ACTION PLANS

Action Plan no 1.

Description

The factory implemented a systematic review system for existing policies and procedures.

Company Action Plan Update

completed