



FAIR LABOR  
ASSOCIATION®

## INDEPENDENT EXTERNAL ASSESSMENT REPORT



COMPANIES: Hugo Boss AG  
COUNTRY: Sri Lanka  
ASSESSMENT DATE: 12/01/17  
ASSESSOR: Insync Global  
PRODUCTS: Apparel  
NUMBER OF WORKERS: 545

## 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: Policies & Procedures (Macro)

##### Finding Explanation

1. The factory does not have written policies and procedures on the following Employment Functions: Recruitment, Hiring & Personnel Development; Termination & Retrenchment; Freedom of Association & Industrial Relations; Workplace Conduct and Discipline; Compensation; and Hours of Work. There is no written policy on Grievance System, either. Management stated that since legal guidelines are followed, there are no separate policies or procedures. ER.1, ER.19, ER.23, ER.27, ER.28, ER.29, ER.30, ER.32
2. The Grievance System procedures do not mention who is responsible for addressing grievances or define the timeline for addressing grievances. ER.25.3
3. The Environmental Protection procedures do not enable workers to raise environmental concerns or protect workers who allege environmental violations against retaliation. ER.31, HSE.1
4. The Standard Operating Procedures (SOPs) as defined in the written Health & Safety procedure are generalized instead of job-specific. Furthermore, the Health & Safety Procedures do not include:
  1. Measures to protect the reproductive health of workers by minimizing their exposure to workplace hazards;
  2. Steps for workers to raise Health & Safety concerns;
  3. Protections against retaliation for workers who raise Health & Safety concerns;
  4. Steps to ensure that all special categories of workers and children in childcare facilities are safely evacuated; or
  5. Steps that workers must take prior to and upon entry into confined spaces. ER.31, HSE.12, ND.8

##### Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.19, ER.23, ER.25, ER.27, ER.28, ER.29, ER.30, ER.31, and ER.32; Non-Discrimination Benchmark ND.8; Health, Safety & Environment Benchmarks HSE.1 and HSE.12)

#### COMPANY ACTION PLANS

##### Action Plan no 1.

##### Description

The company is currently developing written policies and procedures on all mentioned employment functions as well as a policy on grievance systems. The company will ensure that those documents are shared with all employees.

Planned Completion Date

06/30/18

Planned completion date

05/19/18

## Action Plan no 2.

### Description

The company is currently working on including the following into their written health procedures:

1. Measures to protect the reproductive health of workers by minimizing their exposure to workplace hazards;
2. Steps for workers to raise Health & Safety concerns;
3. Protections against retaliation for workers who raise Health & Safety concerns;
4. Steps to ensure that all special categories of workers and children in childcare facilities are safely evacuated; or
5. Steps that workers must take prior to and upon entry into confined spaces.

Planned Completion Date

08/30/18

### Planned completion date

05/19/18

### Company Action Plan Update

07/24/18 : The company is currently working on including the following into their written health procedures: 1. Measures to protect the reproductive health of workers by minimizing their exposure to workplace hazards; 2. Steps for workers to raise Health & Safety concerns; 3. Protections against retaliation for workers who raise Health & Safety concerns; 4. Steps to ensure that all special categories of workers and children in childcare facilities are safely evacuated; or 5. Steps that workers must take prior to and upon entry into confined spaces.

## Action Plan no 3.

### Description

The company developed a grievance procedure manual. This document is shared amongst all employees and available in the local language.

### Planned completion date

05/19/18

### Company Action Plan Update

07/24/18 : The company developed a grievance procedure manual. This document is shared amongst all employees and available in the local language.

## Action Plan no 4.

### Description

The company has changed the environmental protection procedures according to protect workers who raise environmental concerns.

### Planned completion date

05/19/18

### Company Action Plan Update

07/24/18 : The company has changed the environmental protection procedures according to protect workers who raise environmental concerns.

## FINDING NO.2

### SUSTAINABLE IMPROVEMENT REQUIRED

#### FINDING TYPE: Review Process (Macro)

### Finding Explanation

The following policies and procedures are not signed by management or dated and do not have a defined review period: Grievance System procedures; Health & Safety policies and procedures; and Environmental Protection policies and procedures. ER.1.1, ER.31

### Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1.1 and ER.31)

## COMPANY ACTION PLANS

### Action Plan no 1.

#### Description

The mentioned procedures have been signed by management as required. The review period has been added to grievance system procedure.

#### Planned completion date

05/19/18

#### Company Action Plan Update

07/24/18 : The mentioned procedures have been signed by management as required. The review period has been added to grievance system procedure.

## FINDING NO.3

### SUSTAINABLE IMPROVEMENT REQUIRED

#### FINDING TYPE: Training (Macro)

#### Finding Explanation

1. The factory does not provide specific or ongoing training to workers or the relevant supervisors on the following Employment Functions: Recruitment, Hiring & Personnel Development; Termination & Retrenchment; Freedom of Association & Industrial Relations; Workplace Conduct & Discipline; Grievance System; Hours of Work; or Compensation. Some awareness is provided during orientation training. ER.1, ER.15, ER.17, ER.25, ER.27
2. Only 120 out of 520 workers and 10 out of 15 supervisors have been trained on Environmental Protection. ER.1, ER.15
3. Only 11 out of 520 workers have been trained on the proper use of Personal Protective Equipment (PPE). ER.1, ER.15, HSE.8

#### Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.15, ER.17, ER.25, and ER.27; Health, Safety & Environment Benchmark HSE.8)

### COMPANY ACTION PLANS

#### Action Plan no 1.

#### Description

The company is designing training program to address these points. This will take a fair amount of time as training sessions will need to be scheduled in small groups over a period of time. Therefore the training sessions will start at the end of 2018

#### Planned Completion Date

12/31/18

#### Planned completion date

05/19/18

#### Action Plan no 2.

#### Description

The training on environmental protection are recommencing from may 2018 onwards. The trainings are scheduled once per month. The factory is using video media to teach the employees.

#### Planned completion date

05/19/18

#### Company Action Plan Update

07/24/18 : The training on environmental protection are recommencing from may 2018 onwards. The trainings are scheduled once per month. The factory is using video media to teach the employees.

#### Action Plan no 3.

#### Description

The factory is developing training session for proper use of PPE. This will be conducted over a period of time until all workers have received the training. They will commencing August 2018.

#### Planned completion date

05/19/18

#### Company Action Plan Update

07/24/18 : The factory is developing training session for proper use of PPE. This will be conducted over a period of time until all workers have received the training. They will commence August 2018.

## FINDING NO.4

### SUSTAINABLE IMPROVEMENT REQUIRED

#### FINDING TYPE: Responsibility & Accountability (Macro)

##### Finding Explanation

The factory has not assigned responsibility in writing to management staff for any of the Employment Functions, although responsibility is verbally communicated. ER.1.2

##### Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmark ER.1.2)

### COMPANY ACTION PLANS

#### Action Plan no 1.

##### Description

The company has enhanced the job description letters for management staff responsibility.

##### Planned completion date

05/19/18

##### Company Action Plan Update

07/24/18 : The company has enhanced the job description letters for management staff responsibility.

## FINDING NO.5

### SUSTAINABLE IMPROVEMENT REQUIRED

#### FINDING TYPE: Recruitment, Hiring & Personnel Development

##### Finding Explanation

1. Workers' employment contracts state that the probation period is six months long and can be extended by another three months. Management stated that as of December 11, 2017, the probation period would be reduced to three months. The employment contracts also state that at the end of the six-month probation period the factory would confirm the worker's employment, however, letters confirming employment are not issued to workers. C.3
2. When there are vacancies, workers are promoted based on verbal feedback from their supervisor and production manager. The factory does not maintain written documentation of performance evaluations or promotions. Workers receive letters informing them of promotions, demotions, or job reassignments (e.g. from quality checker to trainee supervisor) but the letters do not contain any information on the terms of employment, and although workers receive raises when promoted, the letters do not contain information on wage increases. ER.29, ER.30
3. The factory does not have a written agreement with its external caterer. ER.6
4. The factory's written agreement with the security service provider is not signed by factory representatives. Besides detailing wages, the FLA Employment Relationship Benchmarks are not included in the agreement. ER.11
5. The factory does not have written job descriptions for any positions. ER.1

##### Local Law or Code Requirement

Board of Investment - Labour Standard and Employment Relation Manual - Section 2; FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.6, ER.11, ER.29, and ER.30; Compensation Benchmark C.3)

### COMPANY ACTION PLANS

#### Action Plan no 1.

Description

The factory is in the process of designing the employee evaluation forms.

Letter of promotion now do include information on wage increase.

Planned Completion Date

12/31/18

Planned completion date

05/19/18

Company Action Plan Update

07/24/18 : The factory is in the process of designing the employee evaluation forms. Letter of promotion now do include information on wage increase.

Action Plan no 2.

Description

This work is in progress and partially completed. Job descriptions will be completed by end July 2018.

Planned Completion Date

07/30/18

Planned completion date

05/19/18

Company Action Plan Update

07/24/18 : This work is in progress and partially completed. Job descriptions will be completed by end July 2018.

Action Plan no 3.

Description

Letters confirming employment are being issued to workers. Also available in local language

Planned completion date

05/19/18

Company Action Plan Update

07/24/18 : Letters confirming employment are being issued to workers. Also available in local language

Action Plan no 4.

Description

The factory provided the written agreement.

Planned completion date

05/19/18

Company Action Plan Update

07/24/18 : The factory provided the written agreement.

Action Plan no 5.

Description

Written agreement with security provider has been signed and FLA employment relationship benchmark has been included

Planned completion date

05/19/18

Company Action Plan Update

07/24/18 : Written agreement with security provider has been signed and FLA employment relationship benchmark has been included

## FINDING NO.6

### IMMEDIATE ACTION REQUIRED

### FINDING TYPE: Compensation

Finding Explanation

1. The factory does not calculate "no pay" (wage deductions for absenteeism) correctly. Workers' daily wages are calculated by dividing their monthly wages by 23 instead of 26. As a result, the amount of wages deducted is higher than legally allowed. C.1, C.5
2. The factory does not calculate security guards' overtime wages correctly. There were several discrepancies in the overtime hours reflected on the security guards' wage slips when compared with their time cards. For instance:
  1. According to one security guard's time card, she worked 45 hours of overtime in October 2017. However, her wage slip shows that she was paid for 57 hours of overtime; and
  2. According to another security guard's time card, she worked 53 hours of overtime. However, her wage slip shows that she was paid for 60 hours of overtime. C.7
3. Security guards are compensated for overtime work on Saturdays after eight hours of work instead of five hours of work. This violates local law, which states that any Saturday work over five hours should be considered overtime. Therefore, security guards are being underpaid for Saturday work. For instance, time records show that one guard worked three hours of overtime on 19 weekdays and six hours of overtime on one Saturday, a total of 63 overtime hours. However, he was only paid for 60 overtime hours that month. C.1, C.5, C.7

#### Local Law or Code Requirement

Board of Investment – Labour Relations Manual – Sections 2.1, 3.2.4, and 3.3.1; FLA Workplace Code (Compensation Benchmarks C.1, C.5, and C.7)

#### Recommendations for Immediate Action

1. Calculate wage deductions as required by local law. Retroactively compensate workers who were underpaid in the last 12 months.
2. Accurately record overtime hours and correctly compensate workers for all overtime hours worked. Retroactively compensate workers who were underpaid in the last 12 months.

## COMPANY ACTION PLANS

### Action Plan no 1.

#### Description

Factory:

Had meeting with KJ (security provider) and they have agreed that issues will not be repeated. Correct wage slips will be provided & clocked hours by KJ

Planned Completion Date

05/30/18

#### Planned completion date

05/19/18

#### Company Action Plan Update

07/24/18 : no update yet

### Action Plan no 2.

#### Description

Factory:

See Agency Agreement Point 20

Planned Completion Date

06/30/18

#### Planned completion date

05/19/18

#### Company Action Plan Update

07/24/18 : Hugo Boss: Agreed. Thank you for your effort. Please provide evidence that the workers have been compensated for underpayment no update yet

### Action Plan no 3.

#### Description

Please find letter of approval from Labour Ministry for 5 day work week attached. Also I am attaching calculation of No Pay example so you can see this is correct.

#### Planned completion date

05/19/18

#### Company Action Plan Update

07/24/18 : Please find letter of approval from Labour Ministry for 5 day work week attached. Also I am attaching calculation of No Pay example so you can see this is correct.



### IMMEDIATE ACTION REQUIRED

#### FINDING TYPE: Hours of Work

##### Finding Explanation

1. A review of time records from January, June, July, and October 2017 reflected that female workers worked between 66 and 83 hours of overtime in June and July 2017. This violates local law, which states that female workers cannot work more than 60 hours of overtime per month. HOW.1, HOW.4
2. In September 2017, three out of six young workers worked 53, 59, and 72 hours of overtime. This violates local law, which states that young workers cannot work more than 50 hours of overtime per month. Additionally, two out of five young workers worked 65 hours total during the first week of October 2017. HOW.1, HOW.4
3. A review of time records from January, July, and October 2017 revealed the following:
  1. 30% of sampled workers worked between 65 and 67 hours during the second week of January 2017 and the second week of July 2017;
  2. 100% of sampled workers worked between 65 and 67 hours during the third week of January 2017 and the third week of July 2017. HOW.1.3, HOW. 8.3
4. All workers worked on the POYA day (a national holiday provided on the full moon) in January, July, and October 2017. HOW.1, HOW.10
5. Security guards are compensated for overtime work on Saturdays after eight hours of work instead of five hours of work. This violates local law, which states that any Saturday work over five hours should be considered overtime. HOW.1
6. Local law states that working hours should not exceed eight hours per day, five days per week, plus 5.5 hours on Saturdays. However, workers at the factory work nine hours per day, five days per week. The factory's approval to work nine hours per day instead of eight hours per day expired on December 31, 2015. They did not obtain approval for 2016. The factory applied for approval from the Labour Department on March 8, 2017 but has not yet received it; however, workers continue to work nine hour shifts instead of eight hour shifts as legally required. HOW.1
7. Workers' employment contracts define their hours of work as nine hours and 50 minutes (including 50 minutes for meals and breaks) on "weekdays" (Monday-Saturday), with Sunday as the weekly day off. This implies that workers work a total of 54 hours per week (nine hours per day, six days per week), which violates the local law limiting regular working hours to 45.5 hours per week. However, this is a documentation error since in practice workers only work 45 hours per week (nine hours per day, five days per week). ER.2, ER.10
8. Workers' employment contracts state that they are required to work a reasonable amount of overtime. This could pose a risk of involuntary overtime. HOW.1, HOW.8
9. Security guards work 12-hour shifts, which include overtime, as per the factory's agreement with the security service provider. This constitutes involuntary overtime as overtime hours are included in the security guards' regular schedules rather than used as needed in exceptional circumstances and the factory does not obtain the security guards' consent for each instance of overtime. Furthermore, this demonstrates that the factory is not making an effort to reduce excessive hours of work. HOW.1, HOW.8

##### Local Law or Code Requirement

Board of Investment – Labour Relations Manual – Sections 2.1, 3.3.4(a), 3.3.4(b), and 4.2; FLA Workplace Code (Employment Relationship Benchmarks ER.2 and ER.10; Hours of Work Benchmarks HOW.1, HOW.4, HOW.8, and HOW.10)

##### Recommendations for Immediate Action

1. Do not allow female workers to work more than 60 hours of overtime per month.
2. Do not allow young workers to work more than 50 hours of overtime per month.
3. Do not allow workers to work more than a total of 60 hours per week (including regular hours and overtime).
4. Provide workers with a day off on national holidays.
5. Count any work beyond five hours per day performed by security guards on Saturdays as overtime.
6. Follow up with the Labour Department and obtain approval to work nine hours per day, five days per week.
7. Limit regular working hours to 45.5 hours per week.
8. Do not require workers to work overtime.

### COMPANY ACTION PLANS

#### Action Plan no 1.

##### Description

Factory:

Overtime hours have been tracked in the past. However, it has not been possible to adhere to limit at all times due to nature of business. Please see Female Employee hours worked in April for example of tracking OT hours - well below 60 in month of April

##### Planned completion date



05/19/18

Company Action Plan Update

07/24/18 : Hugo Boss: It is really important to adhere to the limits. If this finding occurs again it might lead to consequences. Please make sure to stick to our social compliance requirements. As long as overtime is recorded properly and adheres to limits it is ok.

Action Plan no 2.

Description

We will try to schedule production to stay within the stipulated amount of overtime for young workers.

Planned completion date

05/19/18

Company Action Plan Update

07/24/18 : Hugo Boss: Please be aware that this finding will be checked in the next audit. It is really important to us that you stick to the regulations for young workers.

Action Plan no 3.

Description

We will try to schedule production to stay within the stipulated amount of overtime.

Planned completion date

05/19/18

Company Action Plan Update

07/24/18 : Hugo Boss: Please be aware that this finding will be checked in the next audit. It is really important to us that you stick to the regulations for workers.

Action Plan no 4.

Description

Factory adjusted the agreement. See Agency Agreement Point 20.

Planned completion date

05/19/18

Company Action Plan Update

07/24/18 : Factory adjusted the agreement. See Agency Agreement Point 20.

Action Plan no 5.

Description

Followed up with Labour Department. Verbally approval has been communicated. Official letter of approval is expected in 14 days time.

Planned completion date

05/19/18

Company Action Plan Update

07/24/18 : Letter has been issued by Labor Ministry. See attachment. They have asked us to renew this on biannual basis and we will do this.

Action Plan no 6.

Description

Please see corrected appointment letter

Planned completion date

05/19/18

Company Action Plan Update

07/24/18 : Please see corrected appointment letter

Action Plan no 7.

Description

Please see Employment contract point 9

Planned completion date

05/19/18

#### Company Action Plan Update

07/24/18 : Previously it was stated that: "workers are required to work a reasonable amount of overtime". Therefore the new wording is an improvement in our opinion. Overtime is no longer "required".

#### Action Plan no 8.

##### Description

Factory:

We recognise and provide workers with a day off on statutory holidays as per government schedule - see attachment. Monthly (full moon) Poya days do not fall into this category.

Planned Completion Date

06/30/18

##### Planned completion date

05/19/18

##### Company Action Plan Update

07/24/18 : Hugo Boss: We got the information from the FLA that the full moon Poya Day of each month is a holiday with pay for monthly paid employees. If an employee is required to work on such day he shall be paid an extra half day's wage in addition to the monthly wage. When a poya day falls on a weekly holiday or public holiday, no additional holiday need be given to employees in lieu of the poya day. Please make a statement on this.

#### Action Plan no 9.

##### Description

Factory:

In talks with security provider to address this. They are following practice under the Wages Board act for Security Trade

Planned Completion Date

06/30/18

##### Planned completion date

05/19/18

##### Company Action Plan Update

07/24/18 : Hugo Boss: We'd kindly like to ask you to give an update No update yet.

## FINDING NO.8

### SUSTAINABLE IMPROVEMENT REQUIRED

#### FINDING TYPE: Workplace Conduct & Discipline

##### Finding Explanation

Verbal warnings are not documented. ER.27.2.2

##### Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmark ER 27.2.2)

### COMPANY ACTION PLANS

#### Action Plan no 1.

##### Description

Verbal warnings will be documented. See attached verbal warning format which will be filed in personal files as required.

##### Planned completion date

05/19/18

##### Company Action Plan Update

07/24/18 : Verbal warnings will be documented. See attached verbal warning format which will be filed in personal files as required.

## FINDING NO.9

## SUSTAINABLE IMPROVEMENT REQUIRED

### FINDING TYPE: Grievance System

#### Finding Explanation

There is no system in place for workers to coconfidentially report grievances. The suggestion box is located in the canteen, so workers are not able to use it in a confidential manner. ER.25

#### Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmark ER.25)

## COMPANY ACTION PLANS

### Action Plan no 1.

#### Description

Suggestion Box has been relocated.

#### Planned completion date

05/19/18

#### Company Action Plan Update

07/24/18 : Suggestion Box has been relocated.

## FINDING NO.10

## SUSTAINABLE IMPROVEMENT REQUIRED

### FINDING TYPE: Communication & Worker Involvement (Macro)

#### Finding Explanation

The factory does not properly or effectively communicate the policies and procedures or their updates to the general workforce regarding the following Employment Functions: Recruitment, Hiring & Personnel Development; Termination & Retrenchment; Industrial Relations; and Grievance System. ER.1, ER.16, ER.25, ER.29, ER.30

#### Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.16, ER.25, ER.29, and ER.30)

## COMPANY ACTION PLANS

### Action Plan no 1.

#### Description

Policies are displayed openly in Canteen area.

#### Planned completion date

05/19/18

#### Company Action Plan Update

07/24/18 : Policies are displayed openly in Canteen area.

## FINDING NO.11

## IMMEDIATE ACTION REQUIRED

### FINDING TYPE: Health & Safety

#### Finding Explanation

1. The factory has not conducted a thorough risk assessment. The National Institute of Occupational Safety and Health (NIOSH) conducted chemical and fire safety assessments on November 20, 2017, however, the reports do not provide information on the risks identified, the impact on workers, the risk rating (low, medium, or high), or recommendations for risk elimination or/and control. HSE.1
2. The hand washing and drinking water taps are right next to one another, which poses a risk for the contamination of the drinking water. HSE.23
3. There are no hand drying devices in the restrooms. HSE.20
4. There are no hazard markings on the chemical containers. HSE.9

#### Local Law or Code Requirement

Board of Investment – Labour Relations Manual – Section 6.2; FLA Workplace Code (Health, Safety & Environment Benchmarks HSE.1, HSE.9, HSE.20, and HSE.23)

#### Recommendations for Immediate Action

1. Separate the hand wash taps and drinking water taps to prevent the contamination of drinking water.
2. Provide hand drying devices in the restrooms.
3. Post hazard labels on all chemical containers.

## COMPANY ACTION PLANS

### Action Plan no 1.

#### Description

Factory is still in the process of finding a company that can do the assessment for us to include your requested points. Hope to find it by end of this month.

#### Planned completion date

05/19/18

#### Company Action Plan Update

07/24/18 : Factory is still in the process of finding a company that can do the assessment for us to include your requested points. Hope to find it by end of this month.

### Action Plan no 2.

#### Description

partition in place see picture

#### Planned completion date

05/19/18

#### Company Action Plan Update

07/24/18 : partition in place see picture

### Action Plan no 3.

#### Description

Hand Dryers purchased and now in place. Picture of 2 examples

#### Planned completion date

05/19/18

#### Company Action Plan Update

07/24/18 : Hand Dryers purchased and now in place. Picture of 2 examples

### Action Plan no 4.

#### Description

Hazard markings in place. See picture

#### Planned completion date

05/19/18

#### Company Action Plan Update

07/24/18 : Hazard markings in place. See picture

## IMMEDIATE ACTION REQUIRED

### FINDING TYPE: Health & Safety

#### Finding Explanation

1. The evacuation routes in the sampling and cutting sections are partially blocked. HSE.5, HSE.1
2. The aisles in the embroidery section are too narrow (18 inches wide) and the evacuation route is not marked. The evacuation routes in the color matching and hand cutting sections are not marked either. HSE.5, HSE.1
3. The in-line pasting areas in the sewing lines, sampling section, and cutting sections are congested, restricting access to the aisles. HSE.5, HSE.1
4. Assessors observed around 5% of workers in the sewing section sitting back-to-back with restricted access to the aisles. Approximately 8% to 10% of workers in the sewing areas had blocked their access to the aisle with bins. Access to the aisle from the rear side of the thread pushing section was blocked by work stations. HSE.5, HSE.1
5. There is no fire alarm installed in the laser cutting section. HSE.5, HSE.6
6. The factory has not provided the fire brigade with the appropriate equipment to fight fires, including the correct PPE (e.g. a breathing apparatus). HSE.6, HSE.7
7. Information on the number of employees, visitors, and contractors present during fire drills and the total number of people evacuated is not recorded in the evacuation drill logs. HSE.5

#### Local Law or Code Requirement

Board of Investment – Labour Relations Manual – Sections 6.14 and 6.15; FLA Workplace Code (Health, Safety & Environment Benchmarks HSE.1, HSE.5, HSE.6, and HSE.7)

#### Recommendations for Immediate Action

1. Keep the evacuation routes in the sampling and cutting sections clear at all times.
2. Widen the aisles in the embroidery section. Clearly mark the evacuation routes in the embroidery, color matching, and hand cutting sections.
3. Decongest the in-line pasting areas in the sewing lines, sampling section, and cutting sections to allow unrestricted access to the aisles.
4. Monitor the sewing and thread pushing sections and ensure that workers have unrestricted access to the aisles.
5. Install a fire alarm in the laser cutting section.
6. Provide the appropriate equipment (such as gas masks) to the fire brigade.
7. Record the following information in the fire drill logs: the number of employees, visitors, and contractors present in the factory during the drill and the total number of people evacuated.

## COMPANY ACTION PLANS

### Action Plan no 1.

#### Description

Factory keeps evacuation routes in these sections clear at all times.

#### Planned completion date

05/19/18

#### Company Action Plan Update

07/24/18 : Factory keeps evacuation routes in these sections clear at all times.

### Action Plan no 2.

#### Description

Said areas will need to be re-arranged. This will take some time due to limited space currently available.

#### Planned Completion Date

07/31/18

#### Planned completion date

05/19/18

#### Company Action Plan Update

07/24/18 : Said areas will need to be re-arranged. This will take some time due to limited space currently available.

### Action Plan no 3.

#### Description

Number of people evacuated will be correctly logged. Will be documented in the next fire drill which is scheduled for July 2018

#### Planned Completion Date

07/31/18

Planned completion date

05/19/18

Company Action Plan Update

07/24/18 : no update yet

#### Action Plan no 4.

Description

Factory re-marked aisles to width requested.

Planned completion date

05/19/18

Company Action Plan Update

07/24/18 : Factory re-marked aisles to width requested.

#### Action Plan no 5.

Description

Access to aisles in these instances has been cleared. See pictures.

Planned completion date

05/19/18

Company Action Plan Update

07/24/18 : Access to aisles in these instances has been cleared. See pictures.

#### Action Plan no 6.

Description

Factory installed a fix fire alarm in this section. See picture.

Planned completion date

05/19/18

Company Action Plan Update

07/24/18 : Factory installed a fix fire alarm in this section. See picture.

#### Action Plan no 7.

Description

The factory bought the equipment.

Planned completion date

05/19/18

Company Action Plan Update

07/24/18 : The factory bought the equipment.

## FINDING NO.13

### IMMEDIATE ACTION REQUIRED

#### FINDING TYPE: Health & Safety

##### Finding Explanation

1. The factory does not provide all the appropriate and necessary PPE to workers. For instance:

1. Snap button machine operators do not have eye shields;
2. Maintenance workers do not have safety shoes, eye shields, or helmets;
3. Electricians do not have rubber gloves;
4. Workers spraying adhesive in the production lines do not have respiratory masks;
5. Workers who work at heights do not have helmets. HSE.7
2. During the assessment, the sand spray workers were not using their eye shields. HSE.8
3. There are no signs posted indicating whether the elevator is for cargo or human use. HSE.1
4. There are no warning signs on the water tanks to warn workers of the confined space. HSE.1

5. Most workers work in their bare feet. This is dangerous as their feet are not protected. HSE.7
6. The paths and lanes inside the factory are not marked. HSE.1
7. The needle guards on most of the sewing machines have been pushed upwards, rendering them ineffective. HSE.14
8. The factory does not provide anti-fatigue mats to workers who work standing up in in the sewing, cutting, and color matching sections. HSE.17

#### Local Law or Code Requirement

Board of Investments - Labour Standards and Employment Relations Manual - Section 6.2, Section 6.3; FLA Workplace Code (Health, Safety & Environment Benchmarks HSE.1, HSE.7, HSE.8, HSE.14, and HSE.17)

#### Recommendations for Immediate Action

1. Provide all appropriate and necessary PPE to workers. For instance: provide eye shields to snap button machine operators; provide safety shoes, eye shields, and helmets to maintenance workers; provide rubber gloves to electricians; provide respiratory masks to workers spraying adhesive in the production lines; provide helmets to workers who work at heights.
2. Train all workers on the use and maintenance of PPE.
3. Post signs indicating whether elevators are for cargo or human use.
4. Post warning signs near confined spaces to warn workers.
5. Provide all appropriate PPE, including shoes, to workers.
6. Mark traffic lanes inside the factory.
7. Ensure that all needle guards are positioned properly, educate workers on the proper use of machinery, and monitor workers to ensure that they are using the needle guards properly.

## COMPANY ACTION PLANS

### Action Plan no 1.

#### Description

Factory bought clear eye shields, safety shoes, hard hat, rubber gloves, helmets, harness.

#### Planned completion date

05/19/18

#### Company Action Plan Update

07/24/18 : Factory bought clear eye shields, safety shoes, hard hat, rubber gloves, helmets, harness.

### Action Plan no 2.

#### Description

Hugo Boss is waiting for an answer from the FLA (Factory does not know which area of production is meant)

Planned Completion Date

05/31/18

#### Planned completion date

05/19/18

#### Company Action Plan Update

07/24/18 : no update yet

### Action Plan no 3.

#### Description

Factory will mark the single one way road in the property.

Planned Completion Date

05/31/18

#### Planned completion date

05/19/18

#### Company Action Plan Update

07/24/18 : no update yet

### Action Plan no 4.

#### Description

The factory posted the sign - cargo only.

#### Planned completion date



05/19/18

Company Action Plan Update

07/24/18 : The factory posted the sign - cargo only.

#### Action Plan no 5.

Description

The factory posted the sign - cargo only.

Planned completion date

05/19/18

Company Action Plan Update

07/24/18 : The factory posted the sign - cargo only.

#### Action Plan no 6.

Description

Factory posted signs

Planned completion date

05/19/18

Company Action Plan Update

07/24/18 : Factory posted signs

#### Action Plan no 7.

Description

All the workers who work with heavy machinery are wearing safety-shoes.

Planned completion date

05/19/18

Company Action Plan Update

07/24/18 : All the workers who work with heavy machinery are wearing safety-shoes.

#### Action Plan no 8.

Description

Maintenance staff and operators are being continuously trained to keep needle guard in correct position.

Planned completion date

05/19/18

Company Action Plan Update

07/24/18 : Maintenance staff and operators are being continuously trained to keep needle guard in correct position.

#### Action Plan no 9.

Description

Found product that might be suitable. Please see attachment. In process of working out requirement and purchasing accordingly.

Planned completion date

05/19/18

Company Action Plan Update

07/24/18 : Found product that might be suitable. Please see attachment. In process of working out requirement and purchasing accordingly.

## FINDING NO.14

### IMMEDIATE ACTION REQUIRED

### FINDING TYPE: Health & Safety

#### Finding Explanation

1. There are no anti-skid pads under the leg of the ladders used by the maintenance team. Additionally, the wheel locks installed on the

- wheels of the stand ladder used in the storage areas are not effective. HSE.1, HSE.14
2. There is no lockout-tagout system in place. HSE.14
  3. There is no lightning protection system installed in the factory. HSE.13
  4. There is no safety equipment (e.g. helmets, respiratory masks, safety ropes, safety shoes, and lights) available for workers who enter water tanks to clean them. HSE.1, HSE.6, HSE.7

#### Local Law or Code Requirement

FLA Workplace Code (Health, Safety & Environment Benchmarks HSE.1, HSE.6, HSE.7, HSE.13, and HSE.14)

#### Recommendations for Immediate Action

1. Install anti-skid pads under the legs of the ladder used by the maintenance team. Repair or replace the locking mechanisms installed on the wheels of the stand ladder used in the storage areas.
2. Implement a lockout-tagout system for maintenance work.
3. Install a lightning protection system in the factory.
4. Provide safety equipment for workers who enter water tanks.

## COMPANY ACTION PLANS

### Action Plan no 1.

#### Description

Anti-skid pad under leg in place. Locking mechanism of stand ladder used in the storage areas repaired.

#### Planned completion date

05/19/18

#### Company Action Plan Update

07/24/18 : Anti-skid pad under leg in place. Locking mechanism of stand ladder used in the storage areas repaired.

### Action Plan no 2.

#### Description

Factory is in process of sourcing this item and installing it.

Planned Completion Date

05/30/18

#### Planned completion date

05/19/18

#### Company Action Plan Update

07/24/18 : no update yet

### Action Plan no 3.

#### Description

Factory installed lightning protector. See picture.

#### Planned completion date

05/19/18

#### Company Action Plan Update

07/24/18 : Factory installed lightning protector. See picture.

### Action Plan no 4.

#### Description

Factory bought items and put them in place.

#### Planned completion date

05/19/18

#### Company Action Plan Update

07/24/18 : Factory bought items and put them in place.