



COMPANIES: Hugo Boss AG  
PVH Corp

COUNTRY: Italy

ASSESSMENT DATE: 08/26/16

ASSESSOR: FLA EMEA

PRODUCTS: Apparel

NUMBER OF WORKERS: 139

# Understanding this Assessment Report

This is a report of a workplace assessment conducted by Fair Labor Association assessors following FLA's Sustainable Compliance methodology (SCI), which evaluates a facility's performance in upholding fair labor standards through effective management practices throughout the entire employment life cycle.

This report identifies violations and risks of noncompliance with the Fair Labor Association Workplace Code of Conduct in its assessment of the employment functions, and includes a description of the root causes of violations, recommendations for sustainable and immediate improvement, and the corrective action plan for each risk or violation as submitted by the company. This document is not a static report; rather, it reflects the most recent progress updates on remediation in the "Progress Update" section for each finding.

## 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.

FLA Code Element	Violations
------------------	------------

## Findings and Action Plans

### FINDING NO.1

#### SUSTAINABLE IMPROVEMENT REQUIRED

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

##### Finding Explanation

1. The factory has policies on Recruitment & Hiring based on the national collective bargaining agreement, however there are no policies related to Personnel Development. Moreover, there are no procedures on performance reviews, including steps and processes to job grading, or procedures on raising or broadening skills for career development. Finally, there are no procedures or information on managing promotion, demotion and job reassignment.
2. The facility does not conduct performance reviews for employees. Workers are evaluated daily by supervisors on the work floor but there are no clear objective procedures. Reviews are not documented and employees cannot access their reviews.
3. The factory provides orientation training for the workers, however, it does not document and update the training regularly. Training is delivered upon hire based on the collective bargaining agreement (CBA) requirements, however workers do not receive written documentation that substantiates all the issues covered in orientation.

##### Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.15 ER.28, ER.29 and ER.30)

#### COMPANY ACTION PLANS

1. Action Plan Title  
Recruitment, Hiring & Personnel Development 1

#### Details

Immediate Action: The factory has scheduled a meeting on 9/30/2017 regarding the drafting of policies related to personnel development, performance reviews, job grading and raising and broadening skills for career development, and managing promotion, demotion and job reassignment. PVH and Hugo Boss will work with the factory to ensure that progress is being made.

Planned Completion Date

10/01/17

Action plan status: Scheduled

Planned completion date: 12/10/16

#### 2. Action Plan Title

Recruitment, Hiring & Personnel Development 2

#### Details

Immediate Action: The factory has scheduled a meeting on 9/30/2017 regarding the drafting of policies related to performance reviews. PVH and Hugo Boss will work with the factory to ensure that progress is being made.

Planned Completion Date

10/01/17

Action plan status: Scheduled

Planned completion date: 12/10/16

#### 3. Action Plan Title

Recruitment, Hiring & Personnel Development 3

#### Details

Immediate Action: The factory has scheduled a meeting on 9/30/2017 regarding the drafting of policies related to issues covered during orientation. PVH and Hugo Boss will work with the factory to ensure that progress is being made.

Planned Completion Date

11/01/17

Action plan status: Scheduled

Planned completion date: 12/10/16

## FINDING NO.2

### SUSTAINABLE IMPROVEMENT REQUIRED

#### FINDING TYPE: Termination & Retrenchment

#### Finding Explanation

1. The facility does not conduct ongoing training on Termination & Retrenchment. Information regarding the Termination & Retrenchment process is included in the national collective bargaining agreement which is updated every four years. The CBA is provided to workers, however, no specific ongoing training is delivered.

2. Supervisors do not receive specific training on Termination & Retrenchment.

#### Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1 and ER.17)

### COMPANY ACTION PLANS

#### 1. Action Plan Title

Termination & Retrenchment 1

#### Details

Immediate Action: The factory will continue consultations with union representatives on all relevant labor relations topics, including termination retrenchment and training. This consultation will also occur during the meeting on 9/30/17. PVH and Hugo Boss will work with the factory to ensure progress is being made on this finding.

Planned Completion Date

11/01/17

Action plan status: Scheduled

Planned completion date: 12/10/16

#### 2. Action Plan Title

Termination & Retrenchment 2

#### Details

Sustainable Action: The factory will provide training to supervisors on termination and retrenchment.

Planned Completion Date

02/27/17

Action plan status: In progress  
Planned completion date: 12/10/16  
Progress update: 12/21/17 : Pending PVH Verification.

## FINDING NO.3

### SUSTAINABLE IMPROVEMENT REQUIRED

#### FINDING TYPE: Grievance System

##### Finding Explanation

1. The facility does not have written policies or procedures on the Grievance System. There is a grievance system in place, which is based on an open door policy, union meetings and a suggestion box however there is no documentation regarding those processes. Moreover, employees and supervisors are not trained on the Grievance System.
2. The suggestion box is located in a public area, near one of the emergency exits on the production floor, which does not ensure confidentiality.
3. The factory only sporadically communicates updates regarding the Grievance System to the general workforce.

##### Local Law or Code Requirement

FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.16, ER.17 and ER.25)

### COMPANY ACTION PLANS

#### 1. Action Plan Title

Grievance System 1

Details

Immediate Action: The factory will post the rules on the grievance procedure in a location that is accessible to all workers.

Specifically, the rules will address the factory's open door policy, discussing complaints with supervisors, factory owner or unions.

Planned Completion Date

11/01/17

Action plan status: In progress  
Planned completion date: 12/10/16  
Progress update: 12/21/17 : Pending PVH Verification.

#### 2. Action Plan Title

Grievance System 2

Details

Immediate Action: The factory will move the suggestion box to an area that will ensure confidentiality.

Planned Completion Date

11/01/17

Action plan status: Scheduled  
Planned completion date: 12/10/16  
Progress update: 12/21/17 : Pending PVH Verification.

#### 3. Action Plan Title

Grievance System 3

Details

Sustainable Action: The factory has consulted experts in order to gain more information on effective grievance procedures to ensure compliance with FLA benchmarks. PVH and Hugo Boss will work with the factory to ensure progress is being made.

Planned Completion Date

11/01/17

Action plan status: In progress  
Planned completion date: 12/10/16  
Progress update: 12/21/17 : Pending PVH Verification.

## FINDING NO.4

### SUSTAINABLE IMPROVEMENT REQUIRED

## FINDING TYPE: Environmental Protection

### Finding Explanation

Employees working with chemicals have not been trained on the environmental impact of chemicals used during production.

### Local Law or Code Requirement

H&S Law Decreto 81/2008 – Titolo IX; FLA Workplace Code (Health, Safety, and Environment Benchmark HSE.9)

## COMPANY ACTION PLANS

### 1. Action Plan Title

Environmental Protection 1

#### Details

Immediate Action: The factory will retain external consultants to train relevant workers on the chemical risk management which will include information on environmental impact of chemicals used during production.

Planned Completion Date

11/14/16

Action plan status: In progress

Planned completion date: 12/10/16

Progress update: 12/21/17 : Pending PVH Verification.

## FINDING NO.5

## SUSTAINABLE IMPROVEMENT REQUIRED

## FINDING TYPE: Health & Safety

### Finding Explanation

1. No specific training has been conducted on the use and maintenance of PPE. Employees are not instructed on how to read Material Safety Data Sheets (MSDS) and ensure that they use adequate PPE. Signs regarding the use of PPE are not posted in any of the areas where PPE is compulsory.

2. The employees are not trained on chemical handling and storage and they are not familiar with the risk of chemicals and the chemicals contents.

### Local Law or Code Requirement

H&S Law Decreto 81/2008 - Titolo IX; FLA Workplace Code (Health, Safety & Environment Benchmarks HSE.8 and HSE.9)

## COMPANY ACTION PLANS

### 1. Action Plan Title

Health & Safety 1

#### Details

Immediate Action: Specific training is provided on the use and maintenance of PPE during the factory's security class. The factory will work with the individuals responsible for training to ensure that workers will be training on how to read MSDS. Furthermore, the factory will post the relevant signage. PVH and Hugo Boss will work with the factory to ensure progress is being made.

Planned Completion Date

11/01/17

Action plan status: In progress

Planned completion date: 12/10/16

Progress update: 12/21/17 : Pending PVH Verification.

### 2. Action Plan Title

Health & Safety 2

#### Details

Immediate Action: The factory had conducted a training on chemical risk management using external consultants.

Planned Completion Date

11/14/16

Action plan status: In progress

Planned completion date: 12/10/16

Progress update: 12/21/17 : Pending PVH Verification.

## IMMEDIATE ACTION REQUIRED

## FINDING TYPE: Health &amp; Safety

Finding Explanation

1. Chemical management system does not properly function since the factory has not completed a chemical risk assessment to accurately identify the chemical risks of production activities and create the corresponding preventive action plan.
2. The aspiration system in the dyeing room does not work adequately since the pipe is manually moved from one table to the other and fixed with tape. This set-up does not permit efficient aspiration.
3. There are no emergency eye wash stations or emergency showers available where chemicals are used and stored.
4. During the assessment, four glass jars containing chemicals (solvent) were found to be unlabelled. Once this was noted, workers immediately labelled the jar with the appropriate stickers.
5. In the maintenance room, a finger protection guard was broken on one of the two grinder machines.

Local Law or Code Requirement

H&S Law Decreto 81/2008 Titolo IX; FLA Workplace Code (Health, Safety, and Environment Benchmarks HSE.9 and HSE.14)

Recommendations for Immediate Action

1. Ensure that the risk assessment is completed, including the identification of chemical risks and a preventive action plans. Ensure that workers are trained on the risks of chemicals.
2. Provide proper and functioning aspiration system for each dyeing workstation.
3. Provide proper eye wash stations and emergency showers for chemical storage and chemical use areas.
4. Ensure that all chemicals are properly labelled and workers are trained on the risks of unlabelled chemicals.

## COMPANY ACTION PLANS

## 1. Action Plan Title

Health &amp; Safety 1

Details

Immediate Action: The factory will work with external experts to ensure that its chemical management system is properly functioning. Additionally, the factory will work with an external expert to provide a training to relevant staff on chemical management.

Planned Completion Date

10/01/17

Action plan status: In progress

Planned completion date: 12/10/16

Progress update: 12/21/17 : Pending PVH Verification.

## 2. Action Plan Title

Health &amp; Safety 2

Details

Immediate Action: The factory will repair the aspiration system in the dyeing room and the safety tape will be removed and an appropriate means will be installed to ensure efficient aspiration.

Planned Completion Date

12/31/16

Action plan status: In progress

Planned completion date: 12/10/16

Progress update: 12/21/17 : Pending PVH Verification.

## 3. Action Plan Title

Health &amp; Safety 3

Details

Immediate Action: The factory will install the eye wash stations to ensure compliance with local law and FLA guidelines.

Planned Completion Date

04/30/17

Action plan status: Scheduled

Planned completion date: 12/10/16

## 4. Action Plan Title

Health &amp; Safety 4

#### Details

Immediate Action: The factory has labeled the jars containing chemicals with the appropriate stickers.

Planned Completion Date

12/31/16

Action plan status: In progress

Planned completion date: 12/10/16

Progress update: 12/21/17 : Pending PVH Verification.

#### 5. Action Plan Title

Health & Safety 5

#### Details

Immediate Action: The factory repaired the finger protection guard that was broken on the grinder machine in the maintenance room.

Planned Completion Date

12/31/16

Action plan status: In progress

Planned completion date: 12/10/16

Progress update: 12/21/17 : Pending PVH Verification.

## FINDING NO.7

### IMMEDIATE ACTION REQUIRED

#### FINDING TYPE: Health & Safety

#### Finding Explanation

1. One emergency exit was found locked in the warehouse. Management explained that all exits are locked at night for security reasons and then unlocked in the mornings by supervisors. This specific exit was still locked since the warehouse main door that is next to this emergency exit door was open to keep the air fresh in the warehouse.
2. Evacuation paths are marked on the floor, however many were faded and not always visible. Additionally, the markings are not fluorescent and are therefore not visible in case of darkness or smoke.
3. The posted evacuation plans are very small and therefore not clearly visible. Moreover the "you are here" marking is not correct.
4. About 10% of the fire extinguishers have been found blocked by production goods on the production floor.
5. Forklifts are charged in the warehouse and not in an isolated and ventilated area and therefore the risk of explosion and fire is not under control.
6. The factory risk assessment for explosions was last conducted in 2004 and has therefore expired. The risk assessment did not include the chemical warehouse which was constructed after 2004. The risk assessment is supposed to be renewed in October 2016 as per management report.

#### Local Law or Code Requirement

H&S Law Decreto 81/2008, H&S Law Decreto 81/2008 – Allegato IV; H&S Law Decreto Ministeriale Marzo 1998; FLA Workplace Code (Health, Safety, and Environment Benchmarks HSE.1, HSE.5, and HSE.6)

#### Recommendations for Immediate Action

1. Ensure that all emergency exits are unlocked and easily opened during working hours.
2. Replace the evacuation path markings as to be more visible and easily seen also in case of the dark and smoke.
3. Provide bigger evacuation plans with correct "you are here" markings.
4. Ensure that fire extinguishers are easily accessible and not blocked.
5. Ensure that forklifts are charged in an isolated and ventilated area.
6. Ensure that the explosion risk assessment report includes the chemical warehouse and are renewed in a timely manner, as legally required.

### COMPANY ACTION PLANS

#### 1. Action Plan Title

Health & Safety 1

#### Details

Immediate Action: The factory will monitor all emergency exits to ensure that they are easily opened during working hours.

Planned Completion Date

12/25/16

Action plan status: In progress

Planned completion date: 12/10/16

Progress update: 12/21/17 : Pending PVH Verification.

## 2. Action Plan Title

Health & Safety 2

Details

Immediate Action: The factory has posted adequate evacuation signs and enlarged the evacuation plans.

Planned Completion Date

06/30/17

Action plan status: Completed

Planned completion date: 12/10/16

Progress update: 12/21/17 : Please see evidence provided.

Completion date: 06/30/17

## 3. Action Plan Title

Health & Safety 3

Details

Immediate Action: The factory will post adequate evacuation signs and enlarge the evacuation pathways.

Planned Completion Date

06/30/17

Action plan status: In progress

Planned completion date: 12/10/16

Progress update: 12/21/17 : Pending Verification by PVH.

## 4. Action Plan Title

Health & Safety 4

Details

Immediate Action: The factory will monitor all fire extinguishers and ensure that they are easily accessible.

Planned Completion Date

12/31/16

Action plan status: In progress

Planned completion date: 12/10/16

Progress update: 12/21/17 : Pending Verification by PVH.

## 5. Action Plan Title

Health & Safety 5

Details

Immediate Action: The factory has created a new space for the forklifts.

Planned Completion Date

06/30/17

Action plan status: Scheduled

Planned completion date: 12/10/16

## 6. Action Plan Title

Health & Safety 6

Details

Immediate Action: The factory has obtained authorization from the district on this risk assessment.

Planned Completion Date

06/30/17

Action plan status: In progress

Planned completion date: 12/10/16

Progress update: 12/21/17 : Pending PVH Verification.