



2010

## FAIR LABOR ASSOCIATION INDEPENDENT EXTERNAL MONITORING REPORT

**COMPANY:** H&M Hennes & Mauritz AB

**COUNTRY:** Turkey

**FACTORY CODE:** 4400761014I

**MONITOR:** Evre Kaynak

**AUDIT DATE:** June 6-7, 2010

**PRODUCTS:** Women's Wear (Tops)

**PROCESSES:** Cutting, Sewing, Quality  
Control, Packing

**NUMBER OF WORKERS:** 175 Permanent,  
25 Temporary



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### **Forced Labor: Forced Overtime**

F.14 The imposition of mandatory overtime beyond the limits set by the law, a freely negotiated collective bargaining agreement, and/or the FLA Code, in an environment where a worker is unable to leave the work premises, constitutes forced labor. (S)

#### **Noncompliance**

**Explanation:** The facility frequently requires overtime work, especially in peak production periods, such as December 2009. During this month, some workers worked beyond legal and FLA code limits (e.g., a total of 65 hrs/wk and 34 hours consecutively in 2 working days). This especially becomes an undeniable mandate for workers working on specialized tasks, such as those operating multitask sewing machines, since they cannot leave the factory. The root cause is obvious, not having sufficient replacement for such personnel, but also worker absenteeism, unstable worker performance (resulting in inability to reach the targets on some days) and well-known fabric delays.

**Plan Of Action:** H&M requires that the overtime hours should not exceed the legal limit, and that overtime work is always done voluntarily as well as compensated according to local law. All H&M suppliers are encouraged on possible measures for reducing overtime both through our Code of Conduct Supplier Guideline (guidance on how to implement the H&M Code of Conduct requirements) and via workshops held by compliance staff. In the short term, we require the factory to ensure that workers are off one day per week and to work on measures that limit the number of overtime hours on weekdays. The supplier is requested to send monthly OT analysis reports to H&M for each section. Further, we will make a root cause analysis with the supplier to find the reason for excessive overtime and support the supplier in possible measures to keep overtime within legal limits.

**Deadline Date:** 10/01/2010

**Supplier CAP:** The operations that require special proficiency will be determined and training needs will be sorted out. We will provide trainings to more than one worker for each special skills position and rotate the workers in the same position. These actions will avoid excessive/mandatory overtime hours and make it easier for the workers to ask for leave.

**Supplier CAP Date:** 10/01/2010



**Action Taken:** As per Follow-Up Audit, conducted on October 20, 2010: Factory has educated more workers for the specific processes.

As per August 2010, all workers almost have same overtime hours. Average overtime hours in August is 70. (There were 3 workers in the past for the buttoning process, 4 more were educated. There was 1 worker for the elastic band process, 4 more were educated. In addition, 1 more machine has been rented. For the bottom of skirts, there were 4 workers in the past, 4 more were educated. There was 1 worker at the cutting section for the numbering, now there are 3 workers who can do this work.)

Results of the correction will be followed up at the next audits.

**Plan Complete:** No

**Plan Complete Date:**

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## Freedom of Association: Right to Freely Associate

FOA.2 Workers, without distinction whatsoever, shall have the right to establish and, subject only to the rules of the organization concerned, to join organizations of their own choosing without previous authorization. The right to freedom of association begins at the time that a worker seeks employment, and continues through the course of employment, including eventual termination of employment, and is applicable as well to unemployed and retired workers. (S)

### Noncompliance

**Explanation:** There is no policy or procedure on worker representative elections, and worker representation is not effectively communicated with newly recruited workers.

**Plan Of Action:** H&M encourages the factory to develop and maintain functioning communication channels between workers and management. We require that the workers are informed about their rights. A communication channel should be built between the workers and the factory management through worker representatives. Worker representatives should be elected by the workers themselves and represent the different sections in the workplace. The factory management should meet the representatives regularly and keep minutes of the meetings to enable a follow up of the discussed topics. Workers should be informed about the actions taken by the factory management.

**Deadline Date:** 10/01/2010

**Supplier CAP:** Written factory policy and procedures will be prepared for the worker representatives system. After that, a new representatives' election will be organized, with a closed voting system. The elected worker representatives will be introduced to the new workers within the framework of the worker orientation program, to enable better communication between the workers and the factory management.

**Supplier CAP Date:** 10/01/2010

**Action Taken:** As per Follow-Up Audit conducted on October 20, 2010: Policy and procedure have been prepared, however, policy does not include the purpose of the worker representative system. It seems that the purpose of the system is to improve the health and safety conditions, instead of improving the dialogue between workers and management. Worker representatives have been re-selected by the workers and management is having meetings with representatives regularly.

**Plan Complete:** No

**Plan  
Complete  
Date:**

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### **Freedom of Association: Grievance Procedure**

FOA.26 Employer shall have in place written grievance procedures that allow first an attempt to settle grievances directly between the worker and the immediate supervisor but that, where this is inappropriate or has failed, it is possible for the worker to have the grievance considered at one or more steps, depending on the nature of the grievance and the structure and size of the enterprise. Employers shall ensure that the grievance procedures and applicable rules are known to workers. (P)

#### **Noncompliance**

**Explanation:** There is no grievance procedure in place, and the worker representatives are not actively involved in the grievance practices.

**Plan Of Action:** H&M encourages the factory to develop and maintain functioning communication channels between workers and management. We require that the workers are informed about their rights. A communication channel should be built between the workers and the factory management through worker representatives. Worker representatives should be elected by the workers themselves and represent the different sections in the workplace. The factory management should meet with the representatives regularly and keep minutes of the meetings to enable a follow up of the discussed topics. Workers should be informed of the actions taken by the factory management.

**Deadline Date:** 10/01/2010

**Supplier CAP:** We will have monthly face-to-face meetings between the worker representatives and the HR manager, within the system for suggestions and complaints. In addition, we will form questionnaires to collect data for all suggestions and complaints. The output will be announced to all workers, in written format on the notice boards.

**Supplier CAP Date:** 10/01/2010

**Action Taken:** As per Follow-Up Audit conducted on October 20, 2010: Policy is not clear. Procedure does not include all steps/details. However, workers have forwarded their complaints to the worker representatives and complaints/suggestions have been discussed during the meeting performed regularly.

**Plan Complete:** No

**Plan Complete Date:**

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### **Harassment or Abuse: Discipline/Written Disciplinary System**

H&A.5 Employers shall maintain a system of written disciplinary rules, procedures and practices. Disciplinary rules, procedures and practices shall be clearly communicated to all workers. (P)

#### **Noncompliance**

**Explanation:** There is no system of written disciplinary rules, procedures and practices.

**Plan Of Action:** H&M requires the factory to set up an efficient system of progressive discipline. The disciplinary actions should follow legal requirements and should be clearly communicated to all workers. We have clarified to the factory how to handle disciplinary practices in different circumstances. Decision making authority must be given to both employer and employee representatives, not only to the supervisor.

**Deadline Date:** 10/01/2010

**Supplier CAP:** A written disciplinary guideline has been prepared according to the factory policy and procedures. This has been announced to all workers. The top management has already been trained on the new guideline. Currently, we are continuing the second group's training, which is for the middle management. July 20, 2010 we will start the trainings for the production workers. The effectiveness of the implementations will be controlled via both questionnaires and meetings between worker representatives and management.

**Supplier CAP Date:** 10/01/2010



**Action Taken:** As per Follow-Up Audit conducted on October 20, 2010: Procedures have been prepared as a draft, but not implemented yet.

**Plan Complete:** No

**Plan Complete Date:**

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**Harassment or Abuse: Other - Harassment or Abuse**

Other

**Noncompliance**

**Explanation:** Despite the fact that the factory had issues (e.g., complaints on food quality vs. the temporary closure of the workers' canteen) with a lack of non-abusive practices in the past, and the workers' ongoing concerns to the same end, there is still no policy or procedure on harassment and abuse. Unless policies and procedures are developed and implemented, there is a risk that this could occur again.

**Plan Of Action:** H&M requires the factory to set up an efficient system of progressive discipline. The disciplinary actions should follow legal requirements and should be clearly communicated to all workers. Workers need to be protected from harassment and abuse. Factory shall maintain a written policy and procedures, along with informing everyone to enable a functioning system.

**Deadline Date:** 10/01/2010

**Supplier CAP:** A written disciplinary guideline, including the topics "Harassment and Abuse," has been prepared according to factory policy and procedures. This has been announced to all workers. The top management has already been trained in the new guideline. Currently, we are continuing the second group's training, which is for middle management. July 20, 2010 we will start the trainings for the production workers. The effectiveness of the implementations will be controlled via meetings between questionnaires, along with meetings between worker representatives and the management.





**Supplier CAP** 10/01/2010

**Date:**

**Action Taken:** As per Follow-Up Audit conducted on October 20, 2010: Disciplinary procedure has been prepared as a draft, but not implemented yet.

**Plan** No

**Complete:**

**Plan**

**Complete**

**Date:**

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#### **Code Awareness:**

GEN.2 Ensure that all Company factories as well as contractors and suppliers inform their employees about the workplace standards orally and through the posting of standards in a prominent place (in the local languages spoken by employees and managers) and undertake other efforts to educate employees about the standards on a regular basis.

#### **Noncompliance**

**Explanation:** Despite that there are policies and procedures communicated within the factory management, the FLA brand code was not posted and the workers were not aware of the code practices.

**Plan Of Action:** All H&M suppliers are informed about the content of our code of conduct through workshops held by H&M compliance staff. H&M does not require our code of conduct to be posted in the factories. Rather we encourage the factories to develop internal regulations in line with our code of conduct and labor law, and then communicate these to all workers. During audits and follow-up visits, we conduct interviews with workers and hand out our contact information, so that the workers can put forward their grievances directly to us. From now on, we will also encourage the supplier to train workers in factory regulations, local labor law and our code of conduct.

**Deadline**

**Date:**

**Action Taken:**

Plan No  
Complete:

Plan  
Complete  
Date:

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### Health and Safety: General Compliance Health and Safety

H&S.1 Employers shall comply with all local laws, regulations and procedures concerning health and safety. (S)

#### Noncompliance

**Explanation:** The factory does not have a H&S Policy and procedures in place in line with the local H&S laws and regulations. This includes an effective H&S Committee with the effective involvement of workers, conducting risk assessments and an appropriate health unit.

**Plan Of Action:** H&M requires that the factories follow the H&S regulations in the local law and the H&M Code of Conduct. Factory needs to employ a H&S specialist who is in charge of all related applications in the factory. The factory doctor should, together with the H&S specialist, implement a sustainable system for both initial and periodic health checks of the employees, in order to track their health conditions and eliminate work-related risks.

**Deadline Date:** 10/01/2010

**Supplier CAP:** We will prepare a factory policy and procedures for occupational H&S and form a committee according to the related law. This committee will meet monthly to determine the risks in the factory; they will decide on actions and follow up to prevent the all kinds of risks in H&S conditions.

**Supplier CAP Date:** 10/01/2010

**Action Taken:** As per Follow-Up Audit conducted on October 20, 2010: Factory has an agreement with a consultant to prepare the procedures, it is still in progress.

Plan No  
Complete:

Plan  
Complete  
Date:

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### Health and Safety: Health and Safety Management System

H&S.5 The health and safety policy shall contain the framework for a comprehensive health and safety management system within which employers' responsibilities and workers' rights and duties, various responsibilities of designated personnel, procedures that enable workers to raise health and safety concerns and procedures for reporting death, injury, illness and other health and safety issues (for instance, near-miss accidents) are clear and regularly tested and reviewed. (P)

#### Noncompliance

**Explanation:** The factory does not have a documented and maintained H&S system in place, with the involvement of systems to prevent fire safety risks. These risks include blocked hoses and aisles, fire extinguisher mapping with ensured charging at all times, functioning emergency lighting, insulated/non-hanging wires and safety in transportation vehicles. The symptomatic issues in areas cited here as observed by monitors can only be remedied sustainably via proven and written management systems communicated to all staff.

**Plan Of Action:** H&M requires that the factories follow the H&S regulations in the local law and the H&M Code of Conduct. Factory needs to employ a H&S specialist who is in charge of all related applications in the factory. The factory doctor should, together with the H&S specialist, implement a sustainable system for both initial and periodic health checks of the employees, in order to track their health conditions and eliminate work-related risks. Factories need to involve all workers in their systems to enable a sustainable implementation, with the related records kept by each person in charge.

**Deadline Date:** 10/01/2010

**Supplier CAP:** We will prepare a factory policy and procedures for occupational H&S, and form a committee according to the related law. This committee will meet monthly to determine risks in the factory; they will decide on actions and follow up to prevent all kinds of risks in H&S conditions.



**Supplier CAP** 10/01/2010

**Date:**

**Action Taken:** As per Follow-Up Audit conducted on October 20, 2010: Factory has an agreement with a consultant to prepare the procedures, it is still in progress.

**Plan** No

**Complete:**

**Plan**

**Complete**

**Date:**

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### **Health and Safety: Personal Protective Equipment**

H&S.11 Workers shall be provided with effective and all necessary personal protective equipment (such as gloves, eye protection, hearing protection, respiratory protection, etc.) to prevent unsafe exposure (such as inhalation or contact with solvent vapors, noise, dust, etc.) to health and safety hazards, including medical waste. (S)

#### **Noncompliance**

**Explanation:** The personal protective equipment (PPE) signs are not always in the local language and the necessary PPE is not provided in all necessary areas (e.g., goggles in bundle roller cutting unit).

**Plan Of Action:** A safe and healthy working environment should be a priority at all times. H&M requires the factory to ensure relevant production machinery is equipped with proper protective devices and to educate the workers in the whens, hows and whys of using PPE and related equipment. Factory needs to maintain the necessary warning signs for each machine/device in the local language to enable their safe operation.

**Deadline** 06/01/2010

**Date:**

**Supplier CAP:** Current PPE signs are translated in Turkish and proper PPE has been provided. When it is needed to operate a new machine in the factory, we will translate the usage directory and the warning signs in Turkish. The placement of the machine and the usage guidelines will be determined by the technical person responsible and the company manager. The user will start operating the new machine after having the complete training and receiving the necessary PPE.

**Supplier CAP** 06/01/2010

**Date:**

**Action Taken:** As per Follow-Up Audit conducted on October 20, 2010: Instruction has been translated into the local language and necessary PPE has been provided with signs in the local language.

**Plan** Yes

**Complete:**

**Plan** 10/20/2010

**Complete**

**Date:**

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### **Health and Safety: Machinery Maintenance and Worker Training**

H&S.18 All production machinery, equipment and tools shall be regularly maintained and properly guarded. Workers shall receive training in the proper use and safe operation of machinery, equipment and tools they use. Employers shall ensure safety instructions are either displayed/posted near all machinery or are readily accessible to the workers. (S)

#### **Noncompliance**

**Explanation:** The elevator can be operated while the elevator doors are open. The warning signs around the elevator are not sufficient enough to keep workers from being around the area while the elevator is in use.

**Plan Of Action:** A safe and healthy working environment should be a priority at all times. H&M requires the factory to ensure the relevant production machinery is equipped with proper protective devices and to educate the workers in the whens, hows and whys of PPE and related equipment usage. Warning signs need to be provided around the risky machinery and devices.



**Deadline** 07/01/2010  
**Date:**

**Supplier CAP:** Security barrier is re-controlled. We provided a chain and protection barrier to work safely. The system will only be activated if only these barriers are closed.

**Supplier CAP** 07/01/2010  
**Date:**

**Action Taken:** As per Follow-Up Audit conducted on October 20, 2010: Elevator cannot work while the door is open. Necessary warning signs are provided.

**Plan** Yes  
**Complete:**

**Plan** 10/20/2010  
**Complete**  
**Date:**

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### **Health and Safety: Sanitation in Factory Facilities**

H&S.22 All facilities including factory buildings, toilets, canteens, kitchens, and clinics, shall be kept clean and safe and be in compliance with all applicable laws, including relevant sanitation, medical and safety and health regulations. (S)

#### **Noncompliance**

**Explanation:** One side of the building was highly affected by humidity, most probably caused by the lack of appropriate insulation. The wall looks damaged, and the air quality near these walls is reduced.

**Plan Of Action:** A safe and healthy working environment shall be a priority at all times. H&M requires the factory to ensure proper physical conditions. The physical safety of the building shall be monitored regularly and necessary actions shall be taken to improve the air quality.

**Deadline** 10/01/2010  
**Date:**



**Supplier CAP:** We will analyze the physical condition of the factory, determine the missing points in insulation, and thus, will increase the air quality.

**Supplier CAP** 10/01/2010  
**Date:**

**Action Taken:** As per Follow-Up Audit conducted on October 20, 2010: Damaged walls and cells have been repaired.

**Plan** No  
**Complete:**

**Plan**  
**Complete**  
**Date:**

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## Hours of Work: General Compliance Hours of Work

HOW.1 Employers shall comply with all local laws, regulations and procedures concerning hours of work, public holidays and leave. (S)

### Noncompliance

**Explanation:** Overtime hours in the facility exceed daily and annual legal limits. The workers' overtime hours last up to 22:00 frequently, reaching until 24:00 and even full night shifts for some workers. (The last full night shifts were observed in December 2009.)

References: Labor Law 4857, Article 63: Working hours cannot exceed 11 hours a day. Regulation on Over Time Work (April 6, 2004; Official Gazette 25425), Article 5: Over time hours cannot exceed 270 hours annually.

**Plan Of Action:** H&M requires that the overtime hours should not exceed the legal limit, and that overtime work is always done voluntarily and compensated according to the local law. All H&M suppliers are encouraged on possible measures for reducing overtime both through our Code of Conduct Supplier Guideline (guidance on how to implement the H&M Code of Conduct requirements) and via workshops held by compliance staff. In the short term, we require the factory to ensure that workers are off 1 day per week and to work on measures that limit the number of overtime hours on weekdays. The supplier is requested to send monthly OT analysis reports to H&M for each section. Further, we will make a root cause analysis with the supplier to find the reason for excessive overtime and support the supplier in possible measures to keep overtime within legal limits.

**Deadline Date:** 10/01/2010

**Supplier CAP:** We will employ an experienced person in the department of production planning on July 19, 2010. This person will educate the production department in the following subjects: high performance in production, '0' mistake '0' reserve, continuity and productivity, lowest cost, and on time achievement in production. This education will be very helpful in avoiding overtime work.

**Supplier CAP Date:** 10/01/2010

**Action Taken:** As per Follow-Up Audit conducted on October 20, 2010: August 2010 in and out records have been reviewed, and the average overtime hours are 65. As per September's record, there are workers that worked till morning.



**Plan Complete:** No

**Plan Complete Date:**

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### Hours of Work: Rest Day

HOW.2 Workers shall be entitled to at least one day off in every seven-day period. If workers must work on a rest day, an alternative day off must be provided within that same seven-day period or immediately following the seven-day period. (P)

#### Noncompliance

**Explanation:** The workers, especially during peak production periods, work without a weekly rest day and at times, up to 19 consecutive days.

**Plan Of Action:** H&M requires that the overtime hours should not exceed the legal limit, and that overtime work is always done voluntarily and compensated according to the local law. In the short term, we require the factory to ensure that workers may have 1 day off per week. In the long term, we ask the suppliers to work on their production planning to keep the overtime hours within legal limits and in a sustainable manner in the future.

**Deadline Date:** 10/01/2010

**Supplier CAP:** We will employ an experienced person in the department of production planning on July 19, 2010. This person will educate the production department on the following subjects: high performance in production, '0' mistake '0' reserve, continuity and productivity, lowest cost and on time achievement in production. This education will be very helpful in avoiding overtime work.

**Supplier CAP Date:** 10/01/2010

**Action Taken:** As per Follow-Up Audit conducted on October 20, 2010: August 2010 records have been reviewed, and it was found that some workers worked 13 days without time off.

**Plan Complete:** No

**Plan Complete Date:**

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### **Hours of Work: Protected Workers (Women and Young Workers)**

HOW.4 The factory shall comply with all applicable laws governing work hours regulating or limiting the nature, frequency and volume of work performed by women or workers under the age of 18. (S)

#### **Noncompliance**

**Explanation:** The young workers in the facility exceed weekly normal work hours and also work overtime like normal workers. In the peak period (December 2009), they worked more than 60 hours a week and until 10pm on most weekdays. In November 2009, OT hours reached up to 60 hours a month, with December 2009 up to 110 hours.

References: Regulation on Over Time Work (6 April 2004, Official Gazette 25425), Article 8.a) Workers under the age of 18 cannot work over time.

**Plan Of Action:** H&M requires the factory to follow the Labor Law concerning the working conditions of young workers. We will further encourage the factory to systematically implement the H&M Code of Conduct and Labor Law requirements and communicate them to all relevant personnel in the factory, including the young workers.

**Deadline Date:** 01/01/2011

**Supplier CAP:** Daily working hours will be decreased from 9 to 8 hours, so that young workers will work 40 hours a week only on weekdays. Young workers will not work on weekends (Saturdays and Sundays). Young workers will be assigned to only 1 production line, which will be the preparation line; consequently, they will not need to work any overtime.

**Supplier CAP Date:** 01/01/2011

**Action Taken:** As per Follow-Up Audit conducted on October 20, 2010: Young workers work 40 hours a week, but they do overtime just like the ordinary workers. Hours above 40 are paid as overtime.

**Plan Complete:** No

**Plan Complete Date:**

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### **Hours of Work: Overtime/Reduced Mandated Overtime**

HOW.8 The employer shall demonstrate a commitment to reduce overtime and to enact a voluntary overtime system, including for overtime mandated to meet extraordinary business circumstances. (P)

#### **Noncompliance**

**Explanation:** The workers performing specialized tasks are not able to refuse OT. In December 2009, a machine operator able to operate special cutting machines worked overnight with no rest, and continued to work the following day (consecutively 34 hours). The worker responsible for the interface (Turkish: 'tela') operations on fabric has no replacement, and thus, had to work during the entire OT work at the sewing unit. The management reported that the OT is due to delays of fabric, errors in dyeing (a subcontracted work) or mismatch of planning and production. (Note that management attempts to hire temporary workers (e.g., for ironing work at peak production times), to decrease OT, but this is at the expense of employing workers without social securities, even for a short period.)

**Plan Of Action:** H&M requires that the overtime hours should not exceed the legal limit, and that overtime work is always done voluntarily and compensated according to the local law. All H&M suppliers are encouraged on possible measures for reducing overtime both through our Code of Conduct Supplier Guideline (guidance on how to implement the H&M Code of Conduct requirements) and via workshops held by compliance staff. In the short term, we require the factory to ensure that workers are off 1 day per week and to work on measures that limit the number of overtime hours on weekdays. The supplier is requested to send monthly OT analysis reports to H&M for each section. Further, we will make a root cause analysis with the supplier, to find the reason for excessive overtime, and support the supplier in possible measures to keep overtime within legal limits.



**Deadline** 10/01/2010  
**Date:**

**Supplier CAP:** The operations which require special proficiency will be determined and training needs will be sorted out. We will provide trainings to more than 1 worker for each special skills position; workers in the same position will be rotated to avoid excessive/mandatory overtime hours and make it easier for the workers to ask for leave.

**Supplier CAP** 10/01/2010  
**Date:**

**Action Taken:** As per Follow-Up Audit conducted on October 20, 2010: Factory has educated more workers on specific processes.

As per August 2010, all workers almost have same overtime hours. Average overtime hours in August is 70. (There were 3 workers for the buttoning process in the past, 4 more were educated. There was 1 worker for the elastic band process, 4 more were educated on this process. In addition, 1 more machine has been rented. For the bottom of skirts, there were 4 workers in the past, 4 more were educated. There was 1 worker at the cutting section for the numbering, now there are 3 workers who can do this work.) Results of the correction will be followed up at the next audits.

**Plan** No  
**Complete:**

**Plan**  
**Complete**  
**Date:**

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**Hours of Work: Annual Leave**

HOW.14 Employers shall provide workers with paid annual leave as required under local laws, regulations and procedures. (S)

**Noncompliance**

**Explanation:** There is no annual leave committee to monitor determination and provision of paid annual leaves.

References: Labor Law No 4857, Article 53: Paid annual leave for workers under the age of 18 cannot be less than 20 days. Regulation on Paid Annual Leave (March 3, 2004; Official Gazette No 25391), Article 15: Work places with more than 100 workers shall establish an annual leave committee with the involvement of 1 representative from the management, and 2 worker representatives elected by workers. Apprenticeship and Occupational Training Law No 3308, Article 26: Apprentices shall be given 1 month annual paid leave.

**Plan Of Action:** H&M requires that workers' basic right of leave is respected and that the factory should provide legal paid leave to workers respectively. Further, we encourage the factory to arrange for an Annual Leave Committee to be settled. The worker representatives of the Annual Leave Committee shall be elected by the workers, not appointed by the management.

**Deadline Date:** 10/01/2010

**Supplier CAP:** We are going to establish a committee which will arrange the leaves according to the legislation. According to this, 1 factory person responsible and 2 worker representatives will be working on the required arrangements.

**Supplier CAP Date:** 10/01/2010

**Action Taken:** As per Follow-Up Audit conducted on October 20, 2010: They have prepared the procedures as a draft, it has neither been issued nor implemented yet.

**Plan Complete:** No

**Plan Complete Date:**

### Hours of Work: Leave/Retaliation

HOW.17 Employers shall not impose any sanction on workers for requesting or taking any type of leave, such as annual, sick, maternity or other leave, in line with all applicable rules and procedures. (S)

#### Noncompliance

**Explanation:** The workers performing specialized tasks find it very difficult to ask for leave.

**Plan Of Action:** H&M requires that the overtime hours should not exceed the legal limit, and that overtime work is always done voluntarily and compensated according to the local law. All H&M suppliers are encouraged on possible measures for reducing overtime both through our Code of Conduct Supplier Guideline (guidance on how to implement the H&M Code of Conduct requirements) and via workshops held by compliance staff. In the short term, we require the factory to ensure that workers are off 1 day per week and to work on measures that limit the number of overtime hours on weekdays. Factories shall have grievance systems to monitor if the overtime work is done on a voluntary basis and that take action where necessary.

**Deadline Date:** 10/01/2010

**Supplier CAP:** The operations which require special proficiency will be determined and training needs will be sorted out. We will provide trainings to more than 1 worker for each position of special skills. We will rotate the workers in the same position to avoid excessive/mandatory overtime hours, making it easier for the workers to ask for leave.

**Supplier CAP Date:** 10/01/2010

**Action Taken:** As per Follow-Up Audit conducted on October 20, 2010: Factory has educated more workers for the specific processes.

As per August 2010, all workers almost have same overtime hours. Average overtime hours in August is 70. (There were 3 workers for the buttoning process in the past, 4 more were educated. There was 1 worker for the elastic band process, 4 more were educated on this process. In addition, 1 more machine has been rented. For the bottom of skirts, there were 4 workers in the past, 4 more were educated. There was 1 worker at the cutting section for the numbering, now there are 3 workers who can do this work.) Results of the correction will be followed up at the next audits.



**Plan**            **No**  
**Complete:**

**Plan**  
**Complete**  
**Date:**

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