



2010

## FAIR LABOR ASSOCIATION INDEPENDENT EXTERNAL MONITORING REPORT

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

**COUNTRY:** Turkey

**FACTORY CODE:** 44007610171

**MONITOR:** Alpay Celikel

**AUDIT DATE:** November 10, 2010

**PRODUCTS:** Knit T-shirts, Trousers, Shorts

**PROCESSES:** Cutting, Sewing, Finishing

**NUMBER OF WORKERS:** 93



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## **Wages, Benefits and Overtime Compensation: General Compliance Wages, Benefits and Overtime Compensation**

WBOT.1 Employers shall comply with all local laws, regulations and procedures concerning the payment of wages and benefits, including overtime compensation. In any case where laws and the FLA Code are contradictory, the standard that provides the greatest protection for workers shall apply. Where provisions are lacking, employers shall take measures to reasonably accommodate matters concerning the payments of wages and benefits, including overtime compensation. (S)

### **Noncompliance**

**Explanation:** Actual payments, be they OT (overtime) compensation and wages higher than the legal minimum wage, do not match with the payroll records registered with the Social Security Administration. It was observed that the workers are registered with the Social Security Administration after the probation period, which is 1 week.

Legal Reference: Social Security and General Health Insurance Law 5510

**Plan Of Action:** H&M requires the supplier and factory to follow local law as well as the requirements in the H&M Code of Conduct. Transparency is of utmost importance for H&M and we require the factory to record all hours and payments truthfully and to provide accurate records for our auditors during audit and follow up visits. H&M is aware that these problems exist in Turkey. These issues with suppliers and factories are addressed through our audit reports and our ongoing dialogue with suppliers and factories. The primary focus is to get suppliers and factories to ensure all workers are registered and to pay premiums to the social security administration as well as paying compensation on time according to law. We do encourage the supplier and factory, in a sustainable way, to work towards full legal compliance in this matter, without forgoing their transparency towards our auditors/H&M.

**Deadline Date:** 01/31/2014



**Supplier CAP:** Factory's certified public accountant and external accountant analyzed the financial databases and economic ratios and tables. If everything goes in the right direction and if there aren't any unexpected changes in the future, (global economical crises, governmental tax increase, etc.) the factory is planning to keep 1 book for 3 years. In order to achieve this target, company will start to reflect overtime compensation on the official payment records first. The practice of requiring a 1-week probation period without social insurance is cancelled and workers' social insurance will be registered on employment day.

**Supplier CAP Date:** 01/31/2014

**Action Taken:** 05/02/2011: Factory began to reflect a couple overtime hours (3-4 hours) and a part of the real wage on the official documents. Their aim is to increasingly report overtime hours up to 20 hours to the official body within 1 year. It's observed that the first day of the probation period is executed without social insurance for some workers. It's because of an urgent need in the work force, according to a management statement. The social insurance registration will be made 1 day before the exact employment date from now on.

**Plan Complete:** No

**Plan Complete Date:**

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**Non-Discrimination: General Compliance Non-Discrimination**

D.1 Employers shall comply with all local laws, regulations and procedures concerning non-discrimination. (S)

**Noncompliance**

**Explanation:** Number of disabled workers is less than the required legal limit.

Legal Reference: Labor Law 4857 Article: 30

**Plan Of Action:** H&M requires that the factories follow labor law. The factory should communicate with ISKUR (Turkish Employment Organization) and do the necessary official applications to reach the legally required percentage of disabled workers.

**Deadline Date:** 08/31/2011

**Supplier CAP:** There was 1 disabled worker in the factory at the time of the FLA audit. Company hired 1 disabled worker on 10/25/2010 and they applied to ISKUR (Turkish Employment Organization) on 10/12/2010 to hire 1 more disabled worker. ISKUR has not replied yet so the necessary percentage of disabled workers would be fulfilled as soon as they receive an affirmative reply from them.

**Supplier CAP Date:** 08/31/2011

**Action Taken:** 05/02/2011: There are 3 disabled workers in the factory and the percentage is in compliance with the related law.

**Plan Complete:** No

**Plan Complete Date:**

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## Code Awareness

GEN.3 Develop a secure communications channel, in a manner appropriate to the culture and situation, to enable Company employees and employees of contractors and suppliers to report to the Company on noncompliance with the workplace standards, with security that they shall not be punished or prejudiced for doing so.

### Noncompliance

**Explanation:** Although there is an active internal grievance system in place encouraged by H&M, there are no complaint channels established between the workers and the FLA member company. During the worker interviews, it was observed that the H&M audit team did not leave their telephone numbers or any other contact information for the workers.

**Plan Of Action:** During our audits and follow up visits in factories H&M compliance staff conduct interviews with workers. During these interviews we hand out our business cards with our contact information. The number we provide on the card is a local line which is specifically for workers' calls and can be called 24/7. We also encourage the workers we interview to spread our contact information to other workers. Further we support the factory in building a dialogue system so that the workers can submit their grievances to the management. During our audits and follow up visits we check the function of these systems.

**Deadline Date:**

**Action Taken:** 02/05/2011: Business cards are handed out to all interviewed workers and a management system study was performed on the "dialogue system between workers and management."

**Plan Complete:** No

**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:** Health and safety trainings are not in compliance with the related local regulation. H&S Committee is not active and members are not doing any regular checks in the facility to check working conditions, PPE (personal protective equipment) selection and usage, etc. Topics covered in H&S Committee meetings are too broad and do not cover most of the H&S topics prescribed in the related local regulation. Legally required H&S specialist is missing.

Legal References: Regulation about Health & Safety Trainings of the Employees (Official Gazette No: 25426, 04/07/2004); Labor Law 4857 Article: 80; Regulation About H&S Committees 04/07/2004, Official Gazette No: 25426; Labor Law 4857 Article: 81

**Plan Of Action:** H&M requires that the factories follow the health and safety regulations in the local law and H&M Code of Conduct. The factory is responsible for providing health and safety specialists, and a training to a sufficient number of workers to inform them about their legal rights and work related risks. The training must be in compliance with the related regulation in terms of materials, checkpoints, choice of personnel to be trained, equipment, trainer, time and all other details.

**Deadline Date:** 01/31/2012

**Supplier CAP:** Health and Safety Committee will be re-established pursuant to current occupational health and safety regulation. This committee will perform risk analysis to identify the risks in the workplace with respect to personal protective equipment selection, safe-working conditions, work related accidents, injuries and diseases. The factory will also hire a health and safety specialist and he'll attend the meeting once a month, which will be held by the Health and Safety Committee. The committee will also plan the training program that will be given to the employees to make sure they take the necessary safety measures in the factory. Decisions that are made in those meetings will be told to the workers.

**Supplier CAP Date:** 01/31/2012



**Action Taken:** 05/02/2011: H&S Committee is not established per the law. The supplier has been in contact with some H&S specialists and companies but they have not decided yet whom they want to hire. Supplier has informed us on 12/25/12 that the company has made an agreement with a health and safety specialist. The committee is supposed to be more effective from this date on.

**Plan Complete:** No

**Plan Complete Date:**

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### Health and Safety: Permits and Certificates

H&S.8 The employer shall at all times be in possession of all legally required and valid permits and certificates related to health and safety issues, such as those related to the purchase and storage of chemicals, fire safety inspections, inspection of machinery, and (chemical) waste disposal. (P)

#### Noncompliance

**Explanation:** The factory does not have a work permit.

Legal Reference: Regulation About Work Permits 07/14/2005 Regulation No: 2005/9207

**Plan Of Action:** H&M requires that the factories follow the health and safety regulations in the local law and H&M Code of Conduct. H&M always encourages the supplier and their factories to have a work license and work permit.

**Deadline Date:** 08/30/2013

**Supplier CAP:** Although the company has a work permit from the Ministry of Labor, the administration of the local municipality will not grant a "work license" since the factory is situated in a residential area. The owner of the factory owns land in an industrial zone and the construction process has already been started. So, the factory is planning to move to a new place within 2.5 years. They will apply for a work license with the responsible body in the industrial zone and with the local municipality as soon as they move to the new place.



**Supplier CAP** 08/30/2013

**Date:**

**Action Taken:** 05/02/2011: Moving project is suspended for a while due to financial reasons. It will be checked in further audits.

**Plan Complete:** No

**Plan Complete Date:**

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### **Health and Safety: Evacuation Requirements and Procedure**

H&S.9 All applicable legally required or recommended elements of safe evacuation (such as posting of evacuation plans, the installation and maintenance of an employee alarm and emergency lighting systems, ensuring aisles/exits are not blocked and that workers are not blocked within their workstations, employee education, evacuation procedures, etc.) shall be complied with. Workers shall be trained in evacuation procedures. Alarm systems shall be regularly tested and evacuation drills shall be undertaken at least annually. (S)

#### **Noncompliance**

**Explanation:** Evacuation requirements in the factory for emergency and fire preparedness are insufficient. For example:

- 1) Fire drill logs need to be detailed, including the number of participants, problems observed during the evacuation drill, and attendance time. Necessary signatures of the H&S staff are also missing on the drill logs.
- 2) Emergency lighting system for the evacuation routes is insufficient.
- 3) Emergency assembly area is not suitable for providing safe evacuation and needs to be relocated.

Legal References: Health & Safety Regulation Article: 19-131 (Official Gazette No: 14765, 01/11/1974); Regulation on Fire Prevention in Buildings Articles: 70-71-72 (06/12/2002/Official Gazette: 24827)

**Plan Of Action:** H&M requires that the factories follow the health and safety regulations in the local law and H&M Code of Conduct. Factory needs to establish a comprehensive health and safety control system to avoid noncompliance regarding the issues mentioned under health and safety. This system should guarantee that the periodical checks are done regularly.

**Deadline Date:** 06/30/2011

**Supplier CAP:** 1) Name of the participants and evacuation time will be recorded in a logbook with the signature of the health and safety specialist; the logbook should also mention any items that were not completed satisfactorily during the drill and the things that need to be worked on in future drills.

2) Number of rechargeable lights will be re-checked and increased according to the needed amount of illumination.

3) Assembly area will be determined again. Additionally, there will be a daily personnel list that will be updated every morning. Personnel officer will take this updated list and check whether anyone is left in the factory after the evacuation.

**Supplier CAP Date:** 06/30/2011

**Action Taken:** 02/05/2011:

1) They have taken a note of problems observed during the evacuation drill. Sound level of the fire alarm that is situated on the second floor will be increased. There will be an escort for disabled workers during the evacuation, etc. Necessary signatures are still missing.

2) Illumination equipment installation has been completed (7 extra rechargeable lights have been added onto evacuation route).

3) Meeting point is changed according to FLA auditors' recommendation.

**Plan Complete:** No

**Plan Complete Date:**

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### **Health and Safety: Safety Equipment and First Aid Training**

H&S.10 All safety and medical equipment (such as fire fighting equipment, first aid kits, etc.) shall be available in sufficient numbers throughout the factory, maintained and stocked as prescribed and easily accessible to workers. A sufficient number of workers shall be trained in first aid and fire fighting techniques. (S)

#### **Noncompliance**

**Explanation:** The number of workers with first aid training certificates is insufficient (2 more needed). There are no smoke detectors in the compressor and elevator machinery rooms. Leaking gas detector is missing in LPG usage areas (kitchen-tea preparation room).

Legal References: First Aid Regulation Article: 16 (05/22/2002 Official Gazette: 24762);  
Regulation on Fire Prevention in Buildings 12/19/2007 Article: 75

**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 should send 2 more workers to first aid training in order to comply with the percentage of workers legally required to have first aid training, and the factory should provide a smoke detector and gas leakage detector in the necessary places.

**Deadline Date:** 06/30/2011



**Supplier CAP:** Number of workers trained in first aid will be increased according to health and safety regulation. LPG gas leakage detector and smoke detector will be placed in the necessary locations.

**Supplier CAP Date:** 06/30/2011

**Action Taken:** 05/02/2011: Number of workers trained in first aid is in compliance with the regulation right now. (Total is 5). LPG detector is installed but they are still researching the right smoke detector.

12/25/12: Supplier has informed us on 12/25/12 that the smoke detector was missing in the room where the compressor was placed and now the compressor is moved to outside of the building.

**Plan Complete:** No

**Plan Complete Date:**

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## Health and Safety: Ventilation/Electrical/Facility Installation and Maintenance

H&S.17 All necessary ventilation, plumbing, electrical, noise and lighting services shall be installed and maintained to conform to applicable laws and in such a manner as to prevent or minimize hazardous conditions to workers in the facility. (S)

### Noncompliance

**Explanation:** Insulation of the internal parts of some of the electrical panels is not complete; grounding connections at the covers of the electrical panels are missing. There is not an active lightning rod for lightning protection at the workplace.

Legal References: Regulation on Fire Prevention in Buildings, Article: 68, Official Gazette No: 26735 dd 12/19/2007; Regulation of Grounding Systems, Official Gazette: 24500 dd 08/21/2001; Labour Law 4857 Article: 77

**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 establish a comprehensive health and safety control system. This system should guarantee that the periodical checks regarding each subject of health and safety are followed properly and on time. Electrical panels and the lighting protection system should be checked by authorized companies or local authorities and recorded.

**Deadline Date:** 06/30/2011

**Supplier CAP:** The factory will make an agreement with an electrical engineer or technician who is a member of the local authority and hire them as a consultant. Insulation of internal parts in the electrical panels will be re-checked by mentioned specialist and renewed accordingly. Grounding connection will be re-checked and then provided for each panel accordingly. The factory is located near the mosque, which has its own lightning rod. Specialist will do the necessary test to see whether the factory is in the mosque's lightning protection area or not. If its not, then a lightning rod and its equipment will be installed.

**Supplier CAP Date:** 06/30/2011

**Action Taken:** 05/02/2011: Insulation of internal parts is completed. Per the report of the consultant engineer who is a member of [The local engineering authority name], the company has full lighting protection.

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

**Plan**  
**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:** Needle protectors (finger) on most of the sewing machines are either missing or not being used by the employees.

Legal References: Labour Law 4857 Article: 77, Health & Safety Regulation, Official Gazette No: 14765 dd 01/11/1974; Regulation of Machinery Protectors, Article: 13, Official Gazette No: 18050 dd 05/17/1983

**Plan Of Action:** A safe and healthy working environment shall be a priority at all times. H&M requires the factory to ensure relevant production machinery is equipped with proper protective devices and workers understand when, how and why to use personal protection and related equipment. Factory should check the finger protectors and replace the missing ones accordingly.

**Deadline** 01/31/2012  
**Date:**

**Supplier** Missing ones will be replaced. Health and safety specialist will give periodic trainings on  
**CAP:** how to use protective guards.

**Supplier CAP** 01/31/2012  
**Date:**

**Action Taken:** 05/02/2011: Sewing machines still are not being operated with needle protectors. As per management statement, the issue will be discussed in health and safety meetings, which will be supported by an H&S specialist.

**Plan Complete:** No

**Plan Complete Date:**

### Health and Safety: Medical Facilities

H&S.21 Medical facilities shall be established and maintained in factories as required by applicable laws. Medical staff shall be fully licensed and recognized under applicable local rules and regulations. An appropriate number of medical staff shall be on duty during all working hours, including any type of overtime, as required under local law. An appropriate stock of medical supplies shall be maintained at all times. Medicines of which the expiration date has passed must be replaced immediately and disposed of in a safe manner. (P)

#### Noncompliance

**Explanation:** There is missing equipment at the Workplace Health and Safety Unit (such as an oxygen tube, a computer). It was observed that the workplace doctor does not conduct the initial health checks of the workers on the first day of recruitment and the delays for the initial health check extends up to 3 weeks. Some periodical health checks were also outdated and health check reports of the trainees were missing.

Legal Reference: Labor Law 4857 Article: 77, Workplace H&S Units and Common H&S Units Regulation 08/15/2009, Official Gazette No: 27320

**Plan Of Action:** H&M requires that the factories follow the health and safety regulations in the local law and H&M Code of Conduct. Factory needs to provide the necessary equipment for the health and safety unit and needs to employ a health & safety specialist who is in charge of all related applications in the factory. The factory doctor should, together with the health & safety specialist, implement a sustainable system for the first and periodical health checks of the employees in order to enable a trace on their health conditions and eliminate the work related risks.

**Deadline** 10/31/2011  
**Date:**

**Supplier** Oxygen tubes will be provided to health unit. However, a computer won't be provided to the health unit since the company doctor does not have enough time to use it. Instead of providing a computer to that unit, the company doctor will take his own notes manually during the examination and will give them to the personnel officer. Then the personnel officer will enter the notes in order to get statistical databases in the future. New hired employees' (including trainees) health checks will be performed on the employment date. If there is no possibility of doing this on that day due to the absence of the company doctor, then necessary checks will be performed as soon as possible in the same week the employee is hired. The outdated health checks for existing employees will be completed in 6 months and these checks will be followed periodically by taking a record in the computer.  
**CAP:**

**Supplier CAP** 10/31/2011  
**Date:**

**Action** 05/02/2011: Oxygen tube was purchased. The company doctor completed initial health inspections; the inspection has been determined to be a routine part of the recruitment process.  
**Taken:**

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

**Plan**  
**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:** The condition of the changing rooms and restrooms needs to be improved. The ventilation in the changing rooms is insufficient and there aren't any benches. Some of the water taps in the restrooms are rusted, and some of the flushes are not working.

Legal References: Labor Law 4857 Article: 77; Health & Safety Regulation Articles: 38-40  
Official Gazette No: 14765, 01/11/1974

**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 improve the condition of the restrooms, changing rooms, dining area and toilets.

**Deadline Date:** 03/31/2011

**Supplier CAP:** Locker room benches cannot be installed due to the layout of the cabinet. But a sufficient number of stools will be provided for all employees. Ventilation devices will be installed. All the taps and flushes will be re-checked and repaired if necessary and the control results will be on a checklist, which will be filled out once a month by the cleaning staff.

**Supplier CAP Date:** 03/31/2011

**Action Taken:** During our follow-up visit conducted on 03/28/2012, we observed that the supplier had completed the corrections written above.

**Plan Complete:** No

**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:** Nearly all the workers worked more than 60 hours per week in the last 3 months (up to 35 hours/week) and most of the workers already exceeded the 270-hour annual OT limit set by the local law within the last 4 months. The management reported that this is due to the high workload in the last 7-month period.

Legal Reference: Labor Law 4857 Article: 41

**Plan Of Action:** H&M requires that the overtime hours should not exceed the legal limit, that overtime work is always done voluntarily, and compensated according to the local law. All H&M suppliers are encouraged to reduce overtime through both 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 perform 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:** 04/30/2012

**Supplier CAP:** Per the factory management statement, one of the reasons for overtime work is because of the washing process since there is no approved washing unit for license garments in the [Industrial city] area. The other reason is the short period of order shipments. Although the reasons were mentioned, the management of the factory will do more specific and analytical studies to see if there are other reasons to explain the overtime work. Therefore, last-year order shipments will be checked and reasons for overtime will be determined and classified, and then necessary measures will be taken depending on the causes. In addition, the factory will coordinate more with the garment supplier that required the washing process. They will discuss the possibility of approving a wash unit in the [Industrial city] area. Moreover, the first action will be to reduce the daily maximum working hours, meaning that the workday will end no later than 20:00 o'clock, instead of 22:00.

**Supplier CAP Date:** 04/30/2012

**Action Taken:** 05/02/2011: Average monthly overtime for the department with the highest number of overtime for last year is 69 hours. Daily combined working hours decreased to 12 hours from 14 hours in order to reduce monthly overtime hours. No action has been taken yet concerning the washhouse project but, per management statement, it will be discussed with other suppliers situated in the [Industrial city] area.

**Plan Complete:** No

**Plan Complete Date:**

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### Hours of Work: Rest Day

HOW.2 Workers shall be entitled to at least 1 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 in the sewing and finishing departments have worked without a weekly rest day during February, June, July and August 2010. The auditors observed up to 13 consecutive workdays.

Legal Reference: Labor Law 4857 Article: 46

**Plan Of Action:** H&M requires that the overtime hours should not exceed the legal limit, 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 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 make sure the plan is sustainable.

**Deadline Date:** 04/30/2012

**Supplier CAP:** 5 new staff will be hired in order to decrease the amount of overtime work on weekends. If it's really necessary to work on weekends, another 1 day off will be given to employees the following week.

**Supplier CAP Date:** 04/30/2012

**Action Taken:** 05/02/2011: 5 workers have been hired as mentioned in action plan. Factory gave 1 day rest in the following week if the workers worked on Sundays. But this was not given to all workers. This is the reason why the maximum consecutive working days are 13.

**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:** 1 pregnant worker works overtime and her working hours are more than the 7.5 hours/day legal limit set by the local laws. There is only 1 young worker at the factory. The young worker is working more than 40 hours/week and works overtime.

Legal References: Regulation About Child and Young Workers Official Gazette No: 25425 Article: 6; Labor Law 4857 Article: 88; Regulation About Working Conditions of Pregnant and Breast Feeding Workers Article: 10, Official Gazette No: 25522, 07/14/2004

**Plan Of Action:** H&M requires the factory to follow the labor laws concerning pregnant women and young workers. We emphasize the importance of building a system to ensure that young workers' and pregnant women's working conditions are in line with the law.

**Deadline Date:** 01/31/2011

**Supplier CAP:** Pregnant women and young workers will work according to the law, meaning they will not work overtime and they will work each workday according to the law.

**Supplier CAP Date:** 01/31/2011

**Action Taken:** 05/02/2011: There is 1 young worker and his working hours are in compliance with the law. There is also 1 pregnant worker and she works 8 hours a day instead of 7.5 hours. Per management statement, half an hour will be added to her break period in order to comply with the law.

Supplier has informed us on 12/25/12 that there is no young worker in the factory.

**Plan Complete:** No

**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:** Document review revealed that 30 workers have not had any paid annual leave in the previous years. The number of days not used is up to 44 days. The management reported that this is due to high workload at the factory. It was also observed that some workers have been paid in cash, instead of having their annual leave.

Source: document review

Legal Reference: Labor Law 4857 Articles: 53-56, Annual Leave Regulation Official Gazette No: 25391, 03/03/2004

**Plan Of Action:** H&M requires that workers' basic right to paid leave is respected and that the factory should provide legal paid leave to workers. Further, we encourage the factory to arrange an Annual Leave Committee to settle or discuss the annual leave requests in the meetings held with worker representatives.

**Deadline Date:** 04/30/2012

**Supplier CAP:** Annual leaves that remain from past years will be completed in 1 year. Additionally, the worker committee will discuss annual leave demands. They will consider production statuses, which will be presented by the factory owner and supervisor. Factory owner will ask their workers whether they wish to be compensated for their leaves in cash or days off, since this was the workers' request. This application will not be in practice anymore in the future.

**Supplier CAP** 04/30/2012

**Date:**

**Action Taken:** 05/02/2011: An annual leave committee is not established yet. Workers are told to meet with their supervisors directly concerning leave. Supervisors take notes in the annual leave request logbook. In the record, annual leaves are planned for the following 5 months. Annual leaves earned in 2009 are fully completed. Per management statement, they took actions to decrease leftover annual leaves that were already earned from past years. So, the number of unused annual leave days should be maximum 20 days by the end of 2012.

**Plan Complete:** No

**Plan Complete Date:**

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