COMPANY: H&M Hennes & Mauritz AB
COUNTRY: Turkey
FACTORY CODE: 4400761016I
MONITOR: Alpay Celikel, Safak Nazilcan
AUDIT DATE: October 12-13, 2010
PRODUCTS: Knit T-Shirts, Trousers, Shorts, Skirts, Jackets
PROCESSES: Cutting, Sewing, Finishing
NUMBER OF WORKERS: 64

For an explanation on how to read this report, please visit the FLA website here.
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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 compensation or wages higher than legal minimum wage, do not match with the payroll records registered with the Social Security Administration (SSA). It was observed that workers are registered late on SSA due to 2-week probation period. There are 6 workers working without social security benefit in the workplace.

Legal Reference: Social Security and General Health Insurance Law 5510

**Plan Of Action:**

1) H&M requires the supplier and subcontractor to follow local law as well as the requirements in the H&M Code of Conduct. We had a meeting with the supplier and factory and firstly reminded them of the labor law and H&M requirement regarding double bookkeeping. We then discussed on root causes in order to take the proper actions to make the factory register all payments correctly. Since this is a cost-related issue, we required the supplier to analyze the current situation first in terms of cost. We will consider the analysis results together with the supplier and factory and will make a plan to register all payments correctly. H&M will guide the supplier and factory to reduce the cost by supporting them with the proper projects, starting with a project to decrease OT hours.

2) We have reminded the factory that H&M does not accept any illegal probation period. Workers shall be registered to SSA on time, 1 day before recruitment as required by law.

**Deadline Date:** 12/31/2014
We started working on how to decrease overtime hours. We are aiming to register real wages until the end of 2013 and to register 50% of overtime hours until the end of 2014. New employees will be allowed to work only after their registration to SSA is completed. The implementation of a 1-week probation period without social insurance has been cancelled and workers' social insurance will now be started on employment day.

Supplier CAP Date: 12/31/2014

Action Taken:

Plan Complete: No

Plan Complete Date:

Harassment or Abuse: Discipline/Verbal Abuse

H&A.11 Employers shall not use any form of verbal violence, including screaming, yelling, or the use of threatening, demeaning, or insulting language, as a means to maintain labor discipline. (S)

Noncompliance

Explanation: Management practices do not prevent verbal harassment. There are no written policies or practices for prevention, and supervisors perpetrate verbal harassment in cases of production failures and problems.

Plan Of Action: H&M requires the factories to follow ILO core convention as well as related country labor law and H&M commitments. No employee shall be subject to any physical, sexual, psychological, or verbal harassment or abuse. Therefore, we encourage the factories to establish a functional grievance system in order to obtain the highest level of dialogue between management and employees.
Deadline Date: 08/31/2012

Supplier CAP: The factory will develop a written policy against verbal harassment, will announce this policy to the employees in a meeting, and will affix it on the company's announcement board. The policy will be supported by systems like open-door application and requests-complaints box. The factory has a flexible establishment that allows for different approaches to be taken. Due to this flexible set-up, sometimes the workers are required to work on operations that exceed their capacity and experience. This situation causes stress to the workers and their supervisors. For such styles, the company owner, who is also the operating manager, will support the workers and supervisors by examining the stitching line plan prepared by the supervisor and making the necessary corrections. The supervisor will be supported to develop his managerial skills by joining the training and seminars for middle level executives organized by administration of ([City name] Industrial Zone).

Supplier CAP Date: 08/31/2012

Action Taken:

Plan Complete: No

Plan Complete Date: 
Child Labor: Legal Compliance (Apprenticeships and Vocational Training)

CL.10 Employers shall comply with all regulations and requirements of apprentice or vocational education programs, and shall be able to document to monitors that these are legally recognized programs. Informal arrangements of any kind are not acceptable. (P)

Noncompliance

Explanation: Depending on the production workload, sometimes the company requests apprentices to stay and work on their school day. There are no master trainers for vocational training of the apprentices.

Legal Reference: Vocational and Technical Training Law 05.06.1986 Official Gazette No: 19139

Plan Of Action: H&M requires that the factories follow labor law, relevant regulations for conditions of apprentices (working hours, school days, annual leaves, trainer certificates, etc.). We emphasize the importance of building a system to ensure that young employees’ working conditions are in line with the law.

Deadline Date: 09/30/2011

Supplier CAP: According to the law, when the apprentices exceed the non-attendance limit, they are expelled from school. Therefore, the company owner gives utmost importance to the students’ school attendance and follows it very closely. Saturday is normally a school day for the apprentices. Only during the first 2 weeks of school, they showed non-attendance due to the fact that they were working. These first 2 weeks, the company owner could not make his production plan properly and had requested the apprentices to work. Now, he has arranged his production plan so that the apprentices can go to school on Saturday. In order to avoid this problem for the second semester, precautions will be taken. The company owner will apply to get the master trainer certificate for vocational training of the apprentices.

Supplier CAP Date: 09/30/2011

Action Taken:
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 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 legal percentage of disabled workforce.

**Deadline Date:** 06/30/2013

**Supplier CAP:** ISKUR (Turkish Employment Organization) will be contacted for counseling regarding this issue. According to the information given by ISKUR, the company will make the necessary applications and will employ the person(s) who may suit this sector, as suggested by ISKUR.

**Supplier CAP Date:** 06/30/2013

**Action Taken:**
Plan Complete: No

Plan Complete Date:

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 & Safety (H&S) trainings are not in compliance with the related regulation. The legally required H&S Committee is missing. Legally required H&S Specialist is missing.

Legal References: Regulation about Health & Safety Trainings of the Employees (Official Gazette No: 25426, 07.04.2004); Labor Law 4857 Article: 80; Regulation About H&S Committees 07.04.2004, Official Gazette No: 25426; Labor Law 4857 Article: 81

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. The factory needs to establish an H&S Committee pursuant to occupational H&S regulation.

Deadline Date: 06/29/2012

Supplier CAP: H&S Committee will be established. Yearly meeting schedule will be planned. The meeting results will be announced to the employees. Trainings will be given to the employees according to the Yearly Training Schedule prepared by the H&S Committee. H&S Specialist with appropriate qualification will be hired.

Supplier CAP Date: 06/29/2012
Action Taken:

Plan Complete: No

Plan Complete Date:

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 for emergency and fire preparedness of factory are insufficient:

1) Fire drill log needs to be detailed, adding the number of participants, problems observed during the evacuation, and attendance time. Necessary signatures of H&S staff are also missing on drill logs.

2) Emergency lighting system for the illumination of the evacuation routes is insufficient and needs to be improved.

3) Emergency assembly area needs to be designated.

4) Some emergency evacuation routes were blocked by packing materials and other raw materials.

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

Deadline Date: 06/30/2013

Supplier CAP: The criticisms have been evaluated together with a consulting company that provides professional advice to the company concerning this issue. A written agreement will be made with the consulting company to make fire evacuation drills every 6 months and fire fighting drill and training once a year. The company will assign an employee to be responsible for keeping the drill log and organizing the tracking system. In order to get better performance on the fire evacuation drills, which will be organized together with the consulting company every 6 months, responsible staff will be assigned for each floor and department. This responsible staff will examine the evacuation, determine the problems, and record the names of each employee at the emergency assembly area. Finally, a detailed fire drill log will be kept. One evening, when the production department is not working, the electricity will be cut off and the emergency lighting system for the illumination of the evacuation routes will be examined. All the non-complying parts will be eliminated or corrected. This application will be performed periodically (once a month) and will be marked on the checklist. Emergency assembly areas will be designated and announced to the staff. During each drill, it will be made sure that everybody arrives at the assembly area and that their names will be recorded by the responsible staff. In order to avoid blocking the emergency evacuation routes, each responsible department and the workers will be trained and these routes will be continuously checked and marked on the checklist.

Supplier CAP Date: 06/30/2013

Action Taken:

Plan Complete: No
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: Number of the workers with first aid training certificates is below the legal limit (2 more needed). Leaking gas detector is missing in LPG usage areas (kitchen-tea preparation room).

Legal References: First Aid Regulation Article 16 (22.05.2002/ Official Gazette: 24762); Regulation on Fire Prevention in Buildings 19.12.2007 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 comply with the legal percentage concerning first aid training and they should provide the gas leakage detector to the necessary places.

Deadline Date: 05/31/2011

Supplier CAP: 2 workers will be determined and sent for first aid training. Leaking gas detector will be obtained and assembled.

Supplier CAP Date: 05/31/2011
Plan Complete: No

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


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. The factory needs to establish a comprehensive H&S control system. This system should guarantee that the periodical checks regarding each subject of H&S are followed properly and on time. Electrical panels and lighting protection system should be checked by authorized companies or local authorities and recorded.

Deadline Date: 01/31/2013

Supplier CAP: Isolation of the internal parts and grounding connections at the covers of the electrical panels will be completed. Factory will get professional support from an authorized company to research and implement lighting rod system.
Supplier: CAP Date: 01/31/2013

Action Taken:

Plan Complete: No

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:** Labor Law 4857 Article 77; Health & Safety Regulation, Official Gazette No: 14765 dd 11.01.1974; Regulation of Machinery Protectors, Article 13, Official Gazette No: 18050 dd 17.05.1983

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

**Deadline Date:** 06/30/2013
Machine operators will be trained periodically (every 6 months) by H&S staff to educate them about using needle protectors. The line supervisor will be trained and will be given the responsibility to make sure that the machine operators are using needle protectors.

Supplier CAP Date: 06/30/2013

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: Workplace doctor and Health & Safety Unit are missing. The initial health check reports of some workers, and periodical health check reports of all of the workers and apprentices are missing.

Legal Reference: Labor Law 4857 Article: 77-81; Workplace H&S Units and Common H&S Units Regulation 15.08.2009, Official Gazette No: 27320
Plan Of Action: H&M encourages the factories to set up and maintain an efficient H&S Committee and develop an effective control system regarding the health and safety conditions in the factory. The facility should employ a doctor and establish a health unit. All necessary equipment should be provided to this health unit according to current regulation.

Deadline Date: 06/30/2013

Supplier CAP: A workplace doctor will be employed and a suitable area will be assigned as Health & Safety Unit/Infirmary. The new employees will not be able to start work before their first health check is completed. The periodic health checks of workers will be made upon employment of the workplace doctor.

Supplier CAP Date: 06/30/2013

Action Taken: No

Plan Complete: No

Plan Complete Date: 
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 conditions of restrooms and changing rooms need to be improved (i.e. in changing rooms: some lockers are not in good condition, overall cleaning and ventilation need to be improved, in restrooms: insufficient cleaning and ventilation).

Legal References: Labor Law 4857 Article: 77; Health & Safety Regulation Articles: 38-40
Official Gazette No: 14765, 11.01.1974

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. The factory needs to improve the conditions of restroom, changing room, dining area, and toilets.

Deadline Date: 08/31/2011

Supplier CAP: A cleaning schedule will be prepared for the cleaning staff in order to track and make sure that cleaning is done regularly. Lockers in the changing rooms will be cleaned and repaired. The workers will be trained to use the rest rooms and the changing rooms more neatly and carefully. Ventilation will be maintained by opening the changing room and dining room windows. In order to maintain enough ventilation, ventilation schedule will be formed and applied along with the cleaning plan.

Supplier CAP Date: 08/31/2011

Action Taken: 

Plan Complete: No
Plan
Complete
Date:

Health and Safety: Food Preparation
H&S.25 All food made available to workers shall be prepared, stored, and served in a safe and sanitary manner in accordance with all applicable laws. All workers handling food shall be provided with the tools and equipment necessary to do so in a safe and sanitary manner. (S)

Noncompliance

Explanation: Periodic health check reports of the kitchen staff are outdated. Overall physical conditions of the kitchen and canteen areas need to be improved (i.e., in kitchen: insulation problems on ceiling and walls, some food preparation materials, such as knives, spoons, chopping board, etc. are not in good conditions, no fly screens on the windows; in the canteen area: insufficient ventilation, insulation problems on the ceiling).

Legal References: Labor Law 4857 Article: 77; Health & Safety Regulation Official Gazette No: 14765, 11.01.1974; Regulation About Food Production Places 10.07.1996 Official Gazette No: 22692

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 needs to establish a system to ensure health checks and the necessary medical tests of kitchen staff are followed periodically and the physical conditions of kitchen and canteen are in line with the law.

Deadline Date: 08/31/2011

Supplier CAP: [Employee name], who is the administrator responsible, will ensure that the health checks of the kitchen staff are done every 6 months. Physical conditions of the kitchen and the canteen area will be improved by insulating the ceilings and walls. Food preparation materials will be checked and the inappropriate ones will be replaced. Fly screens will be attached to the canteen windows. The canteen will be regularly ventilated. In order to maintain enough ventilation, ventilation schedule will be formed and applied along with the cleaning plan.
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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:** Most of the workers had exceeded the 270 hours annual legal OT limit within the first 8 months of 2010.

**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 is compensated according to the local law. All H&M suppliers are encouraged to reduce overtime and advised on possible measures for doing so 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 have 1 day off 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 will support the supplier in possible measures to keep overtime within legal limits.

**Deadline Date:** 09/28/2012
Firstly legal OT limits (daily 2 hours, weekly 12 hours, and monthly 48 hours) will not be exceeded. Secondly, the production planning and the factory set up will be organized so that overtime is avoided. Organization will be made as follows:

1) Production planning will be made without overtime, taking daily production capacity (pieces/day) and requested delivery date into consideration; total quantity will be calculated accordingly.

2) Production quantities will be amended if any delays or problems occur during raw material arrival or in processes such as embroidery, printing, washing, etc.

3) Flexible production organization will be established by training the workers to increase their ability to work in each stitching operation. Hence, during a production crisis, overtime will be avoided.
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: Pregnant workers are working over the 7.5 hours/day legal limit. Apprentices are working as regular employees (45 hours/week). Young workers are working more than 40 hours/week and staying OT.

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, 14.07.2004

Plan Of Action: H&M requires the factory to follow the labor law concerning the conditions for 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: 09/28/2012

Supplier CAP: It is difficult for the pregnant workers to go home by public transportation instead of the factory shuttle buses when they end their working day earlier. Therefore, they prefer to work until the regular finishing hour. For the pregnant workers, daily break periods will be prolonged. Thus, their working hours will be limited to 7.5 hours/day and they will be able to leave work together with the other workers using the shuttle buses. Normally, the apprentices work 40 hours/week, since Saturday is a school day for them. However, the first 2 weeks of the school semester, they have worked on Saturday and, therefore, they have exceeded their weekly working limit by 5 hours. Since they will be going to school every Saturday hereafter, they will be working 40 hours/week. With the corrections in production planning (this was also mentioned in previous action plan), OT for apprentices will be avoided.

Supplier CAP Date: 09/28/2012

Action Taken:
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 a group of workers who were not be able to use their paid annual leave from previous years (up to 40 days) due to high workload at the factory. It was also observed that some workers have been paid instead of using their annual leave. Apprentices are not allowed to use their annual leave; they are entitled to 1 month.

Legal References: Labor Law 4857 Article: 53-56; Annual Leave Regulation Official Gazette No: 25391, 03.03.2004

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 an Annual Leave Committee to be settled or discuss the annual leave requests in the meetings held with worker representatives. In this case, we reminded the factory that it is not legal to make payment of the non-used annual leave days and requested them to change their system in order to make sure everyone uses their annual leave regularly and according to law.

Deadline Date: 06/01/2014
Some workers in need have requested to receive payment instead of using their annual leaves. Thus, the company owner has paid them. Upon our conversation with H&M, we decided to change this system. At the moment, there are only 3 workers who are entitled to use annual leave of more than 40 days. The company owner will make sure that the workers use their annual leave, instead of getting payment for the non-used annual leave, within the same year. All workers who deserve annual leave will use their leave according to law. All apprentices will be given the right to have 1 month of annual leave.

06/01/2014