



2010

FAIR LABOR ASSOCIATION INDEPENDENT EXTERNAL MONITORING REPORT

COMPANY: H&M Hennes & Mauritz AB

COUNTRY: Turkey

FACTORY CODE: 440077612471

MONITOR: Alpay Celikel

AUDIT DATE: October 26 – 27, 2010

PRODUCTS: Woven Trousers, Shorts,
Skirts, Blouses

PROCESSES: Cutting, Sewing, Finishing

NUMBER OF WORKERS: 91



CONTENTS:

Wages, Benefits and Overtime Compliance: Holidays, Leave, Legal Benefits and Bonuses 3

Wages, Benefits and Overtime Compliance: General Compliance Wages, Benefits and Overtime Compensation 4

Wages, Benefits and Overtime Compliance: Record Maintenance..... 6

Freedom of Association: Employer Interference/Constitution, Elections, Administration, Activities and Programs 7

Harassment or Abuse: Discipline/Verbal Abuse 8

Non-Discrimination: General Compliance Non-Discrimination 10

Health and Safety: General Compliance Health and Safety 11

Health and Safety: Evacuation Requirements and Procedure..... 12

Health and Safety: Safety Equipment and First Aid Training..... 14

Health and Safety: Ventilation/Electrical/Facility Installation and Maintenance..... 15

Health and Safety: Machinery Maintenance and Worker Training 17

Health and Safety: Medical Facilities 18

Health and Safety: Sanitation in Factory Facilities..... 19

Hours of Work: General Compliance Hours of Work..... 20

Hours of Work: Protected Workers (Women and Young Workers) 21

Hours of Work: Annual Leave 22



Wages, Benefits and Overtime Compliance: Holidays, Leave, Legal Benefits and Bonuses

WBOT.5 Employers shall provide all legally mandated holidays, leave, benefits and bonuses, such as official holidays, annual leave, sick leave, severance payments and 13th month payments, to all eligible workers within legally defined time periods. In addition, all leave and bonuses shall be calculated correctly. (S)

Noncompliance

Explanation: The company has not paid any OT premiums for national holidays, except for August 30, 2010.

Legal Reference: Labor Law 4857 Article: 44

Plan Of Action: H&M requires that the supplier and factory follow the labor law. It has been reminded 1 more time that, as per labor law, national holidays are considered as off days; if factory work is on a national holiday, workers should be paid 1 day more as overtime. Upon our meeting with the supplier and factory, the factory paid all national holidays that workers worked as overtime. We also encouraged the supplier to establish a system to be sure that all wages and OT wages are paid correctly and on time.

Deadline Date: 11/06/2010

Supplier CAP: Company was paying only August 30, October 29, and January 1 as OT. On November 6, with the salaries and OT of October, retroactive OT, such as April 23, and May 1 and 19 have been paid to workers. It will be continue to be paid.

Supplier CAP Date: 11/06/2010

Action Taken: May 12, 2011 H&M audit: The company now pays the OT premiums for national holidays correctly.

Plan Complete: No

Plan Complete Date:

Wages, Benefits and Overtime Compliance: 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. Workers are registered late on social security administration, up to a 1-month probation period. Auditors observed 12 workers working without social security benefits in the workplace.

Legal Reference: Social Security and General Health Insurance Law 5510

Plan Of Action: H&M requires the supplier and inside subcontractor to follow local law and the requirements in the H&M Code of Conduct (COC). We had a meeting with the supplier and factory, and firstly reminded them of the labor law and H&M requirements regarding this finding, then discussed root causes, to be able to take the proper actions to make the factory show all payments correctly. Since this finding is a kind of cost-related issue, we required the supplier to analyze the current situation first in terms of cost. We will consider the analyzed results together with the supplier and factory and will make a plan to show that all payments are correct. H&M will guide the supplier and factory to reduce the cost by supporting them with the proper projects, such as decreasing OT hours, etc. Regarding registering workers with the Social Security on time, H&M reminded them that all employees, including daily workers, must be registered with the national social insurance office 1 day before their employment, as required by law. Since the reason of not registering on time is cost related again, the action mentioned above will also help the supplier and factory to solve this issue.

Deadline Date: 02/01/2011

Supplier CAP: We calculated the additional cost of registering all payments with the Social Security. It increases the costs 20% for a month. First of all, we will start with lowering the overtime hours like we have to. After a time, like a year, we will register actual salaries to the Social Security. Then we will continue to register the actual overtime hours. This way this noncompliance will not exist. The management decided to register workers 1 day before they start to work. Also, we are searching for a way to prevent circulation of worker changes.

Supplier CAP Date: 02/01/2011

Action Taken: May 12, 2011 H&M audit: We did not note any progress on above finding.

July 30, 2012 H&M audit: The factory did not correct the finding completely; however, the probation period for registration to Social Security has decreased to 2 weeks from 1 month. Currently, at the factory, there are 2 uninsured personnel working. One of them is working at the factory for 4 days; the other is working for 5 days. As per analyzed results, the factory has to pay between 57 – 63 TL for 1 worker for 15 days. When they analyzed the last 1-year, they found that only 23 workers decided to leave the factory after 2 weeks; the cost of this is between 1300 – 1500 TL. Factory decided that that's not a payment they cannot handle. According to this, the factory will do Social Security registration as per labor law as of 2013. Factory has been included in a project by H&M. The first step of this project is to follow the OT hours on a monthly basis for 1 year. After completing the OT hour data (end of 2012), necessary actions will be taken based on the root causes of overtime for this factory.

Plan Complete: No

Plan Complete Date:

Wages, Benefits and Overtime Compliance: Record Maintenance

WBOT.21 Employers shall ensure that all legally required payroll documents, journals and reports are available, complete, accurate and up-to-date. (P)

Noncompliance

Explanation: Document review revealed that there are some missing documents in workers' personnel files, such as the yearly statement of consent for OT work and resignation/termination documents.

Legal Reference: Labor Law 4857 Articles: 19-75

Plan Of Action: H&M requires the supplier and factory to follow the labor law regarding having a complete personnel file for each worker. We had a meeting with the supplier and factory and agreed on getting workers' confirmation for working overtime before starting work and then keeping this record in their personnel files. Also, we reminded them that the factory needs to keep the resignation/termination records in the personnel files for the workers who resign or whose contracts are terminated. The factory agreed on the corrections, and will do it for all the workers working in the factory for the moment and also will implement a system to keep all necessary documents in a sustainable way.

Deadline Date: 01/01/2011

Supplier CAP: An overtime consent document has been prepared. It will be represented to workers and signed copies will be put in their files. For the workers who resigned or were dismissed, their resignation and termination document will be taken from now on.

Supplier CAP Date: 01/01/2011

Action Taken: May 12, 2011 H&M audit: Personnel files were completed.

Plan Complete: No

**Plan
Complete
Date:**

Freedom of Association: Employer Interference/Constitution, Elections, Administration, Activities and Programs

FOA.5 Employers shall not interfere with the right of workers to draw up their constitutions and rules, to elect their representatives in full freedom, to organize their administration and activities and to formulate their programs. (S)

Noncompliance

Explanation: Worker representatives in the facility are appointed by the factory management rather than elected by workers.

Plan Of Action: H&M encourages the factory to develop and maintain functioning communication channels between workers and management. We require that workers are informed about their rights. A communication channel should be built between workers and factory management through worker representatives. Worker representatives should be elected by workers themselves and represent the different sections in the workplace. We had a meeting with the supplier and factory and reminded them of our requirements. Factory management agreed that workers will elect worker representatives and that all records regarding this process will be kept.

Deadline Date: 12/15/2010

Supplier CAP: At the last meeting, management decided to make a selection between workers for their representatives. Every worker will choose 1 woman candidate and 1 man candidate. The workers who get the most votes will be representatives. We consider making this poll within 1 month maximum.

Supplier CAP Date: 12/15/2010

Action Taken: May 12, 2011 H&M audit: Workers elected worker representatives.

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: There are no policies or procedures for the prevention of verbal harassment. Worker interviews revealed that there are cases of verbal harassment and some cases of physical abuse against helpers.

Plan Of Action: H&M requires the factory to set up a policy against sexual harassment, abusive behavior, forced labor, and discrimination. H&M does not accept any kind of harassment and abuse from the factory against workers. The factory should work on implementing a grievance procedure to ensure any cases of harassment and abuse can be detected immediately. Cases of harassment or abuse should, if they occur, be dealt with in a fair and constructive way, for example, through a progressive disciplinary system.

Deadline Date: 01/01/2011

Supplier CAP: Every month, there is a meeting between worker representatives and management. Existing problems discussed at these meetings are always resolved and recorded. But, for possible problems, such as verbal harassment, we decided to take a different action. First of all, there will be a general survey to determine the existing problems and things never mentioned before. According to the results of this survey, there will be another survey. This system will be repeated periodically to apply preventive actions. For minor and daily problems, the open door policy exists. This system is always been used, but there were no records. Now we are recording the conversations between workers and management and the actions taken.

Supplier CAP Date: 01/01/2011

Action Taken: July 30, 2012 H&M audit: We observed that this issue is in progress. The factory has taken some actions in order to prevent verbal harassment, but the factory did no proper follow up. This issue will be followed up in coming audits.

Plan Complete: No

Plan Complete Date:

Non-Discrimination: General Compliance Non-Discrimination

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

Noncompliance

Explanation: The number of disabled workers is less than the legal limit.

Legal Reference: Labor Law 4857 Article: 30

Plan Of Action: H&M requires the factory to follow the labor law concerning the employment of the disabled workers.

Deadline Date: 04/01/2011

Supplier CAP: Application to ISKUR has been made. There will be a meeting on December 17 between disabled workers and employers. When there is a need in a department, disabled workers will be considered first.

Supplier CAP Date: 04/01/2011

Action Taken: May 12, 2011 H&M audit: There was no progress on the above finding.
July 30, 2012 H&M audit: Management informed us that cooperation with ISKUR is still going on. At the moment, there is 1 disabled worker working in the factory. From time to time at the meetings with ISKUR, the factory is responsible for trying to hire new disabled workers by taking into consideration their properties and needs.

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 and safety (H&S) trainings are not in line with the related regulation. H&S Committee has not conducted the regular meetings since July 2010, due to high workload.

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

Plan Of Action: H&M requires that their factories follow the H&S regulations in the local law and H&M COC. The factory is responsible for providing a sufficient number of workers a training to inform them about their legal rights and work-related risks. The training must be in compliance with the related regulation in terms of material, choice of personnel to be trained, equipment, trainer, time, and all other details. Workers' safety is a priority at all times. The factory is responsible for informing the workers about their legal rights and work on related risks. H&M encourages the factory to set up and maintain an efficient H&S Committee and to develop an effective control system regarding the H&S conditions in the factory. This committee shall be established and work according to law. The facility doctor and an H&S specialist should guide the committee. The H&S specialist should evaluate the risks in the factory and create the agenda of each meeting according to the work-related conditions and level of awareness in the factory. Members of the committee should be in accordance with the law; the committee should do regular checks of the H&S conditions in the factories and the necessary improvements must be done and monitored by this committee, etc. Minutes of the meetings should be recorded, and should enable a follow up on the topics by monitoring the improvements from the records.

Deadline Date: 01/01/2011

Supplier CAP: Workers took all training that concerned H&S. H&S Committee has been summoned and decided to make these trainings every year. Occupational H&S responsible staff will follow the meetings and trainings and make sure the committee gathers every last week of every month.



Supplier 01/01/2011
CAP Date:

Action May 12, 2011 H&M audit: H&S Committee had started to conduct regular meetings.
Taken: July 30, 2012 H&M audit: The factory has been working with a H&S expert. The expert conducted H&S trainings. Trainings contents and records are being kept. All workers in the factory did both fire drills and fire fighting trainings. A team has been established from these trainings and tasks shared between workers like rescue team, fire fighting team, and first aid team.

Plan No
Complete:

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 the factory are insufficient.

1. Fire drill log needs to be detailed, adding 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. Emergency evacuation routes were not marked (some workstations are blocked).
5. Positioning of some fire extinguishers are not suitable for easy access.
6. There is only 1 fire alarm button in the workplace.

Legal References: Health & Safety Regulation Article: 19-131 (Official Gazette No: 14765, 11.01.1974), Regulation on Fire Prevention in Buildings Articles: 70-71-72-75 (19.12.2007/Official Gazette: 26735), Labor Law 4857 Article: 77

Plan Of Action: H&M requires that H&S in the factory is maintained according to local law and our COC. We encourage the factory to set up and maintain a comprehensive H&S system. During our audits, we regularly check that the H&S routines are followed and that safety requirements are met.

Deadline Date: 02/01/2011

Supplier CAP:

1. The last evacuation drill was November 4; the report kept was much more detailed. Every 6 months, with regular evacuation drills, we will continue to keep it detailed.
2. A restructuring has been started in the factory. Emergency lightning system has been changed. The routes are determined and marked on the floor. Missing exit signs and emergency lights have been provided and hanged.
3. There is a little area in front of the warehouse down at the car park; it is designated as the emergency assembly place.
4. Machines and desks that are not used or needed have been cleared. While preparing the new line change, the routes have determined. Also, with the corrected evacuation plan, the routes will be clearer.
5. The height and location of fire extinguishers has been set in a reachable position.
6. 2 more buttons have been set near emergency exits, 1 in the back exit route and the other in the management office.

Supplier CAP Date: 02/01/2011

Action Taken: May 12, 2011 H&M audit: An evacuation drill was conducted, but not all workers had joined this drill.

July 30, 2012 H&M audit: The factory fixed all mentioned issues.

Plan Complete: No

Plan Complete Date:

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 workers with first aid training certificates is insufficient, 3 more are needed. Leaking gas detector is missing in natural gas 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 factory safety is maintained according to local law and our COC. We suggest for the factory that "first aid equipment must be available in each factory and at least 1 person in each department should have training in basic first aid." We will encourage the supplier to send 3 extra employees to first aid training. Also, a leaking gas detector will be provided. H&M conducted a visit to the factory after the FLA audit on November 4, 2010. The factory had planned for first aid training for 3 employees and that the training will be conducted at the end of November 2010.

Deadline Date: 12/01/2010

Supplier CAP: Application was made for 3 more workers for first aid education. They will attend education November 25 and 26, and earn their certificates with the test they take on November 27. A gas detector is attached to the kitchen and, also, smoke detectors have been set in the production area.

Supplier CAP Date: 12/01/2010

Action Taken: May 12, 2011 H&M audit: The above finding was corrected.

Plan Complete: No

Plan Complete Date:

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: No active lightning rod for providing lightning protection within the workplace. Some electrical joints and extension wires are not in good condition. Some electrical wires are lying across walkways in the production area.

Legal References: Regulation on Fire Prevention in Buildings, Article 68, Official Gazette No: 26735 dd 19.12.2007; Regulation of Grounding Systems, Official Gazette: 24500 dd 21.08.2001; Labor Law 4857 Article 77

Plan Of Action: H&M requires that safety in the factory is maintained according to local law and H&M COC. We suggest for the factory to set up a complete H&S system. This system should check that all electrical joints and wires are in good condition.

Deadline Date: 03/01/2011

Supplier CAP: There are other companies in the building. We will come up with this problem when there is a meeting. Also, we are searching for the other buildings around, because they are higher and have lightning rod. The cables around the factory also cleared.

Supplier CAP Date: 03/01/2011

Action Taken: May 12, 2011 H&M audit: There was no progress about lightning protection. We also noted that the finding about electrical joints and extension wires was corrected.

July 30, 2012 H&M audit: We were informed that the factory has been searching for a company to have lightning protection and will share it with the other companies in the building.

Plan Complete: No

Plan Complete Date:

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 and eye) on most 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 relevant production machinery is equipped with proper protective devices and workers are informed about when, how, and why to use personal protection and related equipment.

Deadline Date: 03/01/2011

Supplier CAP: The fixing of the needle protectors has been started on the machines. And, with a meeting, workers have been informed about using finger and eye guards properly.

Supplier CAP Date: 03/01/2011

Action Taken: May 12, 2011 H&M audit: The needle protectors were completed, but still were not being used by all workers.

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 in the Workplace Health and Safety Unit (i.e., oxygen tube, computer).

Legal References: 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 factory to set up and maintain an efficient H&S Committee and to develop an effective control system regarding the H&S conditions in the factory. This committee should be established and work according to law (in accordance with law requirements, committee should do regular checks of the H&S conditions in the factory, necessary improvements must be done and monitored by this committee, etc.). The factory should establish a health unit and all necessary equipment should be available in this health unit; also a nurse should be employed in this health unit according to law.

Deadline Date: 02/01/2011

Supplier CAP: Company doctor is bringing his own laptop. And, we ordered an oxygen tube and are waiting for it to arrive.

Supplier CAP Date: 02/01/2011

Action Taken:

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 the 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 COC. Factory needs to improve the conditions in restrooms and changing rooms.

Deadline Date: 12/01/2010

Supplier CAP: Restrooms and changing rooms have been painted and tiled during the national holiday. All the lockers changed and also painted. A full-time cleaning person has been hired and will be responsible for the cleanliness of all areas.

Supplier CAP Date: 12/01/2010

Action Taken: May 12, 2011 H&M audit: The above finding was corrected.

Plan Complete: No

**Plan
Complete
Date:**

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 workers exceeded the 270 hours legal annual OT limit within the first 8 months of 2010. In some peak months (February, March), weekly OT limit was exceeded.

Legal Reference: Labor Law 4857 Article: 41

Plan Of Action: H&M is interested in being shown the true situation in the factory and requires factories to always provide correct attendance records and salary lists. Providing incomplete or fake documents is a violation of our basic requirement of transparency. Only after knowing the real OT are we able engage in dialogue with the factory to establish a system to reduce OT in a sustainable manner. The long-term aim is to, through improved production planning and efficiency, steadily reduce the OT hours in order to meet the legal limit of OT hours per month.

Deadline Date: 05/01/2011

Supplier CAP: We will make meetings and examine with our manufacturer firm, first starting with finding out the reasons for the overtime. Then, we will work to resolve the issue.

Supplier CAP Date: 05/01/2011

Action Taken: May 12, 2011 H&M audit: We noted that there was no progress on this finding.

Plan Complete: No

**Plan
Complete
Date:**

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: Young workers are working more than 40 hours a week and work during OT hours.

Legal Reference: Regulation About Child and Young Workers Official Gazette No: 25425 Article: 6

**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 COC and labor law requirements and to communicate it to all relevant personnel in the factory, including the young workers.

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

**Supplier
CAP:** Young workers will work a maximum of 40 hours a week. To achieve this, we decided to teach the young workers' tasks to selected workers, so we can have backup when young workers leave the factory 1 hour earlier. With this action, our production will not be affected. After we complete the backup worker training, young workers will leave the factory 1 hour earlier. We are planning to complete training within 2 years.

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

**Action
Taken:** May 12, 2011 H&M audit: There was no progress on this finding.

July 30, 2012 H&M audit: There were 4 young workers working at the factory. 4 workers are being trained as backup for them.

Plan Complete: No

Plan Complete Date:

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: Workers are allowed to use only 1 week of paid annual leave per year; the rest of the annual leave that is not used is not calculated.

Legal Reference: 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 pays workers all leave that they are entitled to according to the law. Workers should have the right to take paid annual leave according to the law. The facility should establish a system to be sure that annual leave is provided to all employees according to law.

Deadline Date: 01/01/2012

Supplier CAP: Starting from the beginning, the entire annual leave for all employees will be calculated and kept in an annual book. Then, with a meeting, the remaining annual leave that they earned will be announced. In 2011, earned annual leave will be accumulated one by one according to Annual Leave Committee.

Supplier CAP Date: 01/01/2012



Action Taken: May 12, 2011 H&M audit: There was no progress on this finding.

Plan Complete: No

Plan Complete Date:
