

FLA Audit Profile	
Factory Code	440276115H
Country	Turkey
FLA Affiliate	H and M, Nike
Monitor	Alpay Celikel
Audit Date	May 15-15,2009
Products	Garments
Processes	Cutting, Sewing
Number of Workers	288



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ASSOCIATION™

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## Wages, Benefits and Overtime Compensation: A. 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)

Audit Date	Audit Type	Audit Scope	Auditor	Score
05/15/2009	External	FLA Independent External Monitoring	Alpay Celikel	Notable Feature

**Explanation:** [Workers are mainly happy about the meal quality, Ramadan hampers \(food allowance\) and crèche service provided by employer.](#)

**Plan Of Action:**

**Deadline Date:**

**Supplier CAP:**

**Supplier CAP  
Date:**

**Action Taken:**

**Plan Complete:**

**Plan Complete  
Date:**

**Action Verified:**

**Action Verified  
Text:**

**Action Verified  
Date:**

**Comments:**

**Confidential  
Comments:**

## Wages, Benefits and Overtime Compensation: O. False Payroll Records

WBOT.19 Employers shall not use hidden or multiple payroll records in order to hide overtime, to falsely demonstrate hourly wages, or for any other fraudulent reason. Payroll records maintained shall be authentic and accurate. (P)

Audit Date	Audit Type	Audit Scope	Auditor	Score
05/15/2009	External	FLA Independent External Monitoring	Alpay Celikel	Noncompliance

**Explanation:** [Actual payments, including OT compensation and wages higher than minimum wage, do not match with the payroll records registered in Social Security Administration. This is causing lower severance payments, pension rates, etc. for the workers who are receiving higher than minimum wage. \(Company shared actual records with audit team. Ref: Social Security and General Health Insurance Law 5510 Article: 80](#)

**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 this problem exists in Turkey and this issue is addressed to suppliers and factories 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 pay premiums to social security administration. We do encourage the supplier and factory to, in a sustainable way, work towards full legal compliance in this matter, without forgo their transparency towards our auditors/H&M.

**Deadline Date:** 11/06/2009

**Supplier CAP:** Circumstances of the Turkish economy and garment production industry is the main reason of this non-compliance. According to our meeting on 08.06.2009, the factory will prepare a report regarding their costs in official and unofficial basis.

**Supplier CAP Date:** 11/06/2009

**Action Taken:**

**Plan Complete:**

**Plan Complete Date:**

**Action Verified:**

**Action Verified Text:**

**Action Verified Date:**

**Comments:**

**Confidential Comments:**

## Wages, Benefits and Overtime Compensation: S. Posting Notices

WBOT.23 All notices that are legally required to be posted in the factory work areas shall be posted. All legally required documents, such as copies of legal code or law, shall be kept at the factory and available for inspection. (P)

Audit Date	Audit Type	Audit Scope	Auditor	Score
05/15/2009	External	FLA Independent External Monitoring	Alpay Celikel	Notable Feature

**Explanation:** The text of the Labor Law was posted on prominent places within the workplace and workers are aware of the labor law and their rights.

**Plan Of Action:**

**Deadline Date:**

**Supplier CAP:**

**Supplier CAP Date:**

**Action Taken:**

Plan Complete:  
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 Date:  
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### Wages, Benefits and Overtime Compensation: Y. Other - Wages, Benefits and Overtime Compensation

Other

Audit Date	Audit Type	Audit Scope	Auditor	Score
05/15/2009	External	FLA Independent External Monitoring	Alpay Celikel	Noncompliance

**Explanation:** It was observed that there is no Annual Leave Committee within the facility for determining the annual leave periods and evaluating the annual leave requests of the employees. In addition, there are some missing signatures on annual leave documentation. (Root cause for this noncompliance is lack of knowledge about this regulation by management) Ref: Labor Law 4857 Article: 60; Annual Leave Regulation Article: 15 (Official Gazette No: 25391, 03.03.2004)

**Plan Of Action:** H&M requires that the workers' basic right of leave is respected and the factory should provide legal paid leave to workers respectively. Further we encourage the factory to arrange for an Annual Leave Committee to be settled.

**Deadline Date:** 06/30/2009

**Supplier CAP:** The factory will set up a committee for annual leaves. Members of the committee will be same as the discipline committee. (30.06.2009) Missing signatures on annual leave documentation will be completed.

**Supplier CAP Date:** 06/30/2009

**Action Taken:**

**Plan Complete:**

**Plan Complete Date:**

**Action Verified:**

**Action Verified Text:**

**Action Verified Date:**

**Comments:**

Confidential  
Comments:

### Freedom of Association: E. 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)

Audit Date	Audit Type	Audit Scope	Auditor	Score
05/15/2009	External	FLA Independent External Monitoring	Alpay Celikel	Noncompliance

**Explanation:** Despite the fact that there is a worker representative committee within the workplace, it was observed that there wasn't an election held.

**Plan Of Action:** H&M encourages the factory to develop and maintain functioning communication channels between workers and management. We require the workers' representatives to be elected by the workers and represent the different sections in the workplace.

**Deadline Date:** 06/25/2009

**Supplier CAP:** The factory made the held its last election on 2007 and there are 9 workers. They will hold an election on 25.06.2009.

**Supplier CAP Date:** 06/25/2009

**Action Taken:**

**Plan Complete:**

**Plan Complete Date:**

**Action Verified:**

**Action Verified Text:**

**Action Verified Date:**

**Comments:**

Confidential  
Comments:

### Harassment or Abuse: C. Discipline/Review of Disciplinary Action

H&A.3 The disciplinary system shall include possibilities for workers to have disciplinary action imposed on them reviewed by someone at a higher managerial position than the manager who imposed the disciplinary action. In addition, such a system shall include the ability of a worker to appeal and/or question any disciplinary action against him or her and/or have a third party of his or her choice present when the disciplinary action is being imposed. (P)

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Audit Date	Audit Type	Audit Scope	Auditor	Score
05/15/2009	External	FLA Independent External Monitoring	Alpay Celikel	Noncompliance

**Explanation:** It was observed that disciplinary penalties, like written warning, are under sole control of supervisors and there is no control mechanism over or means to appeal against them on this issue.

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

**Deadline Date:** 06/19/2009

**Supplier CAP:** The factory will set up a discipline committee and all discipline points will be handled in this committee. On the statement forms (minutes) will be also the signature of human resource responsible and management available.

**Supplier CAP Date:** 06/19/2009

**Action Taken:**

**Plan Complete:**

**Plan Complete Date:**

**Action Verified:**

**Action Verified Text:**

**Action Verified Date:**

**Comments:**

**Confidential Comments:**

### Harassment or Abuse: K. 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)

Audit Date	Audit Type	Audit Scope	Auditor	Score
05/15/2009	External	FLA Independent External Monitoring	Alpay Celikel	Noncompliance

**Explanation:** Management practices do not prevent verbal harassment. (On managerial level)

**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 or 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 and dealt with accordingly.

**Deadline Date:** 06/19/2009

**Supplier CAP:** The factory will be careful about this issue. This means owner will talk with the supervisors regularly and warn them regarding this important issue. The owner will also do regular meetings with the workers, to follow up this process.

**Supplier CAP Date:** 06/19/2009

**Action Taken:**

**Plan Complete:**

**Plan Complete Date:**

**Action Verified:**

**Action Verified Text:**

**Action Verified Date:**

**Comments:**

**Confidential Comments:**

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### Miscellaneous: A. Code Awareness

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

Audit Date	Audit Type	Audit Scope	Auditor	Score
05/15/2009	External	FLA Independent External Monitoring	Alpay Celikel	Noncompliance

**Explanation:** Despite the fact that the factory posted its own and some other brands' code of conducts, there is no FLA or H&M code of labor practices posted within the workplace.

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

**Deadline Date:** 05/06/2009

**Supplier CAP:** The supplier is aware of the content of the code of conduct rules and they are also informing their sub-contractors with regular meetings and controls about these rules.

**Supplier CAP Date:** 05/06/2009

**Action**

**Taken:**  
**Plan**  
**Complete:**  
**Plan**  
**Complete**  
**Date:**  
**Action**  
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**Action**  
**Verified**  
**Text:**  
**Action**  
**Verified**  
**Date:**  
**Comments:**  
**Confidential**  
**Comments:**

### Miscellaneous: A. 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.

Audit Date	Audit Type	Audit Scope	Auditor	Score
05/15/2009	External	FLA Independent External Monitoring	Alpay Celikel	Noncompliance

**Explanation:** [There is no established complaint channel between workers and the company.](#)  
**Plan Of Action:** [During our audits and follow up visits in factories H&M compliance staff conducts interviews with workers. During these interviews we hand out our business card with our contact information. The number we provide on the card is a mobile number which workers can call or SMS and put forward their grievances directly to us. We also encourage the workers interviewed to spread our contact information to other workers. Further we support the factory in building a dialogue system in order to have a system for the workers to put forward their grievances to the management. During our audits and follow up visits we check the function of these systems.](#)

**Deadline Date:** 03/31/2010

**Supplier CAP:**  
**Supplier CAP**  
**Date:**  
**Action**  
**Taken:**  
**Plan**  
**Complete:**  
**Plan**  
**Complete**  
**Date:**  
**Action**  
**Verified:**  
**Action**



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Date:  
Comments:  
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## Health and Safety: H. 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)

Audit Date	Audit Type	Audit Scope	Auditor	Score
05/15/2009	External	FLA Independent External Monitoring	Alpay Celikel	Noncompliance

**Explanation:** [The wastewater discharge license is missing. \(Wastewater of printing section is discharging to the city sewage system\) Environmental Effects Evaluation Report \(CED\) is missing. Ref: Regulation About Discharging Wastewater Sewage Systems, 30.11.2006 Environmental Effects Evaluation Regulation 16.12.2003 Official Gazette No: 25318](#)

**Plan Of Action:** [H&M requires the supplier/factory to comply with applicable environmental laws. The outgoing water from wet processes must be treated before discharged. H&M requires that the factory to apply for all applicable environmental permits and licenses. During our next audit in this factory we will check that all applicable environmental permits and licenses are obtained by the factory and we further stress the importance of the factory to adapt a system to ensure that their operations are run in accordance with the law.](#)

**Deadline Date:** [07/30/2009](#)

**Supplier CAP:** [The factory will send wastewater to analysis. \(Deadline 30.06.2009\) and will send an application to the civic government to have permission for wastewater discharge to the city sewage system. \(30.07.2009\)](#)

**Supplier CAP Date:** [07/30/2009](#)

**Action Taken:**

**Plan Complete:**

**Plan Complete Date:**

**Action Verified:**

**Action Verified Text:**

**Action Verified Date:**

**Action Verified Date:**

**Comments:**

**Confidential**

Comments:

## Health and Safety: I. 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)

Audit Date	Audit Type	Audit Scope	Auditor	Score
05/15/2009	External	FLA Independent External Monitoring	Alpay Celikel	Noncompliance

**Explanation:** There is no emergency lighting system for the illumination of the evacuation routes. The power supply of the fire alarm system is not provided from an independent power source and connected to the main electricity line. Ref: Health & Safety Regulation Article: 19 (Official Gazette No: 14765, 11.01.1974), Regulation on Fire Prevention in Buildings Articles: 70-71-72 (12.06.2002/Official Gazette: 24827)

**Plan Of Action:** H&M requires that safety in the factory is maintained according to local law and our Code of Conduct and we encourage the factory to set up and maintain a comprehensive health and safety system. During our audits we regularly check that the health and safety routines are followed and that safety requirements are met. Staff from H&M and Nike visited the factory 8th June 2009. During this visit H&M and Nike agreed that the lighting system is sufficient. The power supply for the fire alarm was corrected during our visit. We have encouraged the factory to maintain an efficient health and safety committee and strengthen their control of the functioning of the system. We will continue to follow up in future audits and visits.

**Deadline Date:** 08/06/2009

**Supplier CAP:** The factory has markings for evacuation and lighting at fire exits. Also power source and generator is available. It is not possible to build lighting system on evacuation routes.

**Supplier CAP Date:** 08/06/2009

**Action Taken:**

**Plan Complete:**

**Plan Complete Date:**

**Action Verified:**

**Action Verified Text:**

**Action Verified Date:**

**Comments:**

**Confidential Comments:**

## Health and Safety: J. 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)

Audit Date	Audit Type	Audit Scope	Auditor	Score
05/15/2009	External	FLA Independent External Monitoring	Alpay Celikel	Noncompliance

**Explanation:** Workers with first aid training certificates are insufficient. Right now there are only 8 workers with first aid certificates. There must be 1 for each 20 workers. (7 more needed) Ref: First Aid Regulation Article 16 (22.05.2002/ Official Gazette: 24762) Number of fire extinguishers is insufficient in some areas and positioning of some fire extinguishers is not suitable for easy access. During the factory walkthrough it was observed that one fire extinguisher was empty on printing section and also company is not asking for backup fire extinguishers from service provider company during the refilling period. Ref: Labor Law 4857 Article: 77, Health & Safety Regulation Article: 123 Official Gazette No: 14765, 11.01.1974; Regulation on Fire Prevention in Buildings Article: 99, 19.12.2007 Official Gazette No: 26735

**Plan Of Action:** H&M requires that safety in the factory is maintained according to local law and our Code of Conduct. First aid equipment must be sufficient and easy accessible. We recommend that at least one person in each department is trained in basic first aid. During our visit 8th June 2009 the empty fire- extinguisher was replaced and we found the number of fire- extinguishers to be sufficient. The factory further needs to implement an effective control system for the factory safety and workers' safety. In future audits and follow up visits we will check the functioning of this system.

**Deadline Date:** 08/31/2009

**Supplier CAP:** The factory will make an application to health center for 7 persons " Workers will receive training in August. The empty fire extinguisher has been changed with a filled one. The factory is keeping check list of the fire extinguishers. " Completed on 22.05.2009. Responsible person for monthly check of fire extinguishers is technician for machinery. After monthly check, this person will give his report to the human resources responsible.

**Supplier CAP Date:** 08/31/2009

**Action Taken:**

**Plan Complete:**

**Plan Complete Date:**

**Action Verified:**

**Action Verified Text:**

**Action Verified Date:**

**Comments:**

Confidential  
Comments:

## Health and Safety: N. Material Safety Data Sheets/Worker Access and Awareness

H&S.14 Material Safety Data Sheets (MSDS) for all chemicals used in the factory must be available at the usage and storage sites of the chemicals, in the local language and the language(s) spoken by workers, if different from the local language. Workers shall have free access to MSDS. (P)

Audit Date	Audit Type	Audit Scope	Auditor	Score
05/15/2009	External	FLA Independent External Monitoring	Alpay Celikel	Noncompliance

**Explanation:** Some MSDS forms of chemicals in use are missing. (Rust removing chemical, ink removing chemical, paint removing chemical) Ref: Regulation on Health and Safety Precautions When Working with Chemicals Article: 10(Official Gazette No: 25328, 26.12.2003)

**Plan Of Action:** H&M requires the factory to ensure that their chemical supplier provides the chemicals correctly labeled along with correct MSDS. The MSDS needs to be accessible both in the workplace and where chemicals are stored. The factory needs to develop a system to ensure the correctness of chemical labeling, hazardous symbol(s), storage and handling. Further, and of utmost importance, information on MSDS must be implemented through training/education of workers handling chemicals (on precautions, correct handling, storing and use of protective equipment).

**Deadline Date:** 05/22/2009

**Supplier CAP:** The factory completed these missing MSDS forms and please find photos of these forms attached. Completed on 22.05.2009. Human resources department will be responsible from the follow of the MSDS forms in future.

**Supplier CAP Date:** 05/22/2009

**Action Taken:** On 8 June 2009, H&M visited the factory and saw that the missing MSDS forms were provided.

**Plan Complete:**

**Plan Complete Date:**

**Action Verified:**

**Action Verified Text:**

**Action Verified Date:**

**Comments:**

Confidential  
Comments:

## Health and Safety: R. Machinery Maintenance and Worker Training

H&S.18 All production machinery, equipment and tools shall be regularly maintained and properly

440276115H – Turkey: H and M, Nike

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)

Audit Date	Audit Type	Audit Scope	Auditor	Score
05/15/2009	External	FLA Independent External Monitoring	Alpay Celikel	Noncompliance

**Explanation:** Needle protectors (finger and eye) on most of the sewing machines are missing or not in use by the employees. Lower pulley guards are missing on some machines. Ref: Labor Law 4857 Article: 77, Personal Protective Equipments Regulation 09.02.2004, Regulation About Usage of Personal Protective Equipments Within the Workplaces 11.02.2004 Official Gazette No: 25370

**Plan Of Action:** A safe and healthy working environment should be a priority at all times. H&M requires the factory to ensure that relevant production machinery is equipped with proper protective devices and to educate the workers in when, how and why to use personal protection and related equipment.

**Deadline Date:** 06/30/2009

**Supplier CAP:** The missing needle protectors and lower guards have been added. (05.06.2009) Employees will be educated regarding using the proper protective equipments. (30.06.2009) Educations will be regular and the factory will designate a responsible person for this issue.

**Supplier CAP Date:** 06/30/2009

**Action Taken:**

**Plan Complete:**

**Plan Complete Date:**

**Action Verified:**

**Action Verified Text:**

**Action Verified Date:**

**Comments:**

**Confidential Comments:**

### Health and Safety: U. 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)

Audit Date	Audit Type	Audit Scope	Auditor	Score
05/15/2009	External	FLA Independent	Alpay Celikel	Noncompliance

External  
Monitoring

**Explanation:** It was noted that there was missing equipments in the workplace health unit, such as oxygen tubes. Periodical health check report format of the workers doesn't comply with related regulation. A nurse or health officer was not present at the workplace health unit. Ref: Regulation About Workplace Health Units and Workplace Doctors Article: 7, Appendix 1, 6 16.12.2003/ Official Gazette: 25318

**Plan Of Action:** H&M encourages the factory to set up and maintain an efficient health and safety committee and develop an effective control system regarding the health and safety conditions in the factory. This committee should be established and work according to law (member of the committee should in accordance with law requirement, committee should do regular checks of the health and safety condition 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:** 09/30/2009

**Supplier CAP:** The factory will have a nurse in two months. Regarding the oxygen tube, the supplier talked about this issue with the Doctor and it is mentioned that oxygen tube is not necessary. Periodical health check report format has been revised to a user-friendly format. Standard check report format was too long and some parts were not needful for the facility.

**Supplier CAP Date:** 09/30/2009

**Action Taken:**

**Plan Complete:**

**Plan Complete Date:**

**Action Verified:**

**Action Verified Text:**

**Action Verified Date:**

**Comments:**

**Confidential Comments:**

## Health and Safety: Z. Drinking Water

H&S.26 Safe and clean drinking water shall be freely available at all times, within reasonable distance of the workplace. Drinking water shall be of a reasonable temperature and the means to drink water (cups, etc.) must be safe and sanitary and available in an appropriate number. (S)

Audit Date	Audit Type	Audit Scope	Auditor	Score
05/15/2009	External	FLA Independent External Monitoring	Alpay Celikel	Noncompliance

**Explanation:** There is only one drinking water fountain within the production area, the number

of fountains needs to be increased so that workers have easy access to the water. Also it was observed that non-drinking water fountains were not marked as non-drinking water. Ref: Health & Safety Regulation Articles: 31-33 Official Gazette No: 14765, 11.01.1974

**Plan Of Action:** H&M requires that clean drinking water should be easily available to all workers and be provided on all floors in the factory. We encourage the factory to increase the number of fountains at production area.

**Deadline Date:** 06/19/2009

**Supplier CAP:** One more drinking water fountain has been added to the production area. The factory marked also water fountains which is not drinking water as non-drinking water.

**Supplier CAP Date:** 06/19/2009

**Action Taken:**

**Plan Complete:**

**Plan Complete Date:**

**Action Verified:**

**Action Verified Text:**

**Action Verified Date:**

**Comments:**

**Confidential Comments:**

## Health and Safety: ZC. Other - Health and Safety

Other

Audit Date	Audit Type	Audit Scope	Auditor	Score
05/15/2009	External	FLA Independent External Monitoring	Alpay Celikel	Noncompliance

**Explanation:** Working License of the printing facility is missing since management thought that one registration would be enough for both companies. Work permits of both garment production facility is missing since management forgot to apply for permits from local municipality.  
Ref: Labor Law 4857 Article: 78-95; Regulation About Establishment and Working Licenses 17.12.2004 Official Gazette No: 25673 Regulation About Work Permits 14.07.2005 Regulation No: 2005/9207

**Plan Of Action:** H&M requires the factory to ensure they at all times obtain relevant legal permits and licenses such as waste water permit, working license, work permit and other applicable legal documents.

**Deadline Date:** 06/08/2009

**Supplier CAP:** The factory sent an application to the civic government for the working license and waiting for reply.

Supplier CAP 06/08/2009  
Date:

Action Taken:

Plan  
Complete:

Plan  
Complete  
Date:

Action  
Verified:

Action  
Verified Text:

Action  
Verified Date:

Comments:

Confidential  
Comments:

## Health and Safety: ZC. Other - Health and Safety

Other

Audit Date	Audit Type	Audit Scope	Auditor	Score
05/15/2009	External	FLA Independent External Monitoring	Alpay Celikel	Noncompliance

**Explanation:** The LPG tank is not fenced and fire extinguishers that need to be placed around this tank are missing.  
Ref: Labor Law 4857 Article: 77; Regulation on Fire Prevention in Buildings Article: 107 (12.06.2002/Official Gazette: 24827

**Plan Of Action:** H&M requires that safety in the factory is maintained according to local law and our Code of Conduct. During our visit on 8th of June, we have observed that LPG tank was fenced and fire extinguisher was placed around this tank.

**Deadline Date:** 05/21/2009

**Supplier CAP:** LPG tank is fenced now and a big fire extinguisher (50 kg) is placed near this tank.

**Supplier CAP Date:** 05/21/2009

**Action Taken:** On 8th of June, H&M visited the factory together with a Nike representative and observed above mentioned measures were taken and thus we regard this finding as corrected.

Plan  
Complete:

Plan  
Complete  
Date:

Action  
Verified:

Action  
Verified Text:

Action  
Verified Date:

Comments:



**Confidential  
Comments:**

**Hours of Work: A. 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)

Audit Date	Audit Type	Audit Scope	Auditor	Score
05/15/2009	External	FLA Independent External Monitoring	Alpay Celikel	Noncompliance

**Explanation:** During the weekly OT records checks it was observed that some workers have worked more than 15 hours per week.(Exceeding 60 hrs/week as combined hours) In the printing part of the factory excessive overtime was found in May08, June08, August08, September 08, November08 In the garment making part of the factory excessive overtime was found in August08, September08, Jan09, March09

**Plan Of Action:** H&M requires that the suppliers' overtime hours should not exceed the legal limit, and overtime work should always be voluntary and properly compensated. All H&M suppliers are encouraged on possible measures for reducing overtime both through our Code of Conduct Supplier Guideline (guidance on how to implement the H&M Code of Conduct requirements) and via workshops held by compliance staff. The aim of these workshops is to make root cause analyze with supplier in order to make them find the reasons of exceeding OT hours. Additionally, overtime hours of this factory have already been followed up by Nike on a weekly base. H&M and Nike will collaborate to support the supplier to find the best way in order to keep OT hours in legal limits.

**Deadline Date:** 06/08/2009

**Supplier CAP:** The factory prepared a report /chart for follow up the weekly OT records for garment production. For printing section flow of incoming orders are changeable, so the OT hours exceeds legal limits. The factory will also prepare a chart for printing section to follow up the weekly OT records.

**Supplier CAP Date:** 06/08/2009

**Action Taken:**

**Plan Complete:**

**Plan Complete Date:**

**Action Verified:**

**Action Verified Text:**

**Action Verified Date:**

**Comments:**

**Confidential  
Comments:**

### Hours of Work: D. 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)

Audit Date	Audit Type	Audit Scope	Auditor	Score
05/15/2009	External	FLA Independent External Monitoring	Alpay Celikel	Noncompliance

**Explanation:** There is no system available for improving the working conditions and hours of pregnant workers. They are working same hours as regular workers and staying OT. Ref: 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 working conditions of pregnant women. Internal regulations should be in line with the law and our Code of Conduct (and should include working conditions/circumstances for pregnant workers). These regulations should be communicated to both workers and management in the factory.

**Deadline Date:** 06/19/2009

**Supplier CAP:** The factory mentioned that pregnant workers are waiting the service because the risks on road is more than in factory. The factory will obtain there consent and will more careful about the working conditions. (Supervisors will be informed about the working conditions of pregnant workers. They will not stay OT and will stay break longer)

**Supplier CAP Date:** 06/19/2009

**Action Taken:**

**Plan Complete:**

**Plan Complete Date:**

**Action Verified:**

**Action Verified Text:**

**Action Verified Date:**

**Comments:**

**Confidential Comments:**

### Hours of Work: W. Other - Hours of Work

Other

Audit Date	Audit Type	Audit Scope	Auditor	Score
05/15/2009	External	FLA Independent External	Alpay Celikel	Noncompliance

440276115H – Turkey: H and M, Nike

Monitoring

**Explanation:** There is an article on job application form that asks if applicant is willing to work OT or not.

**Plan Of Action:** Overtime should be voluntary and H&M requires the factory to revise the application form accordingly. The factory is further encouraged to work on a system to ensure voluntary overtime. During our visit 8th of June it was agreed that the factory will revise the application form by adding information regarding voluntary overtime. This will be check in connection to our next visit in the factory.

**Deadline Date:** 06/19/2009

**Supplier CAP:** The factory has revised the job application forms.

**Supplier CAP Date:** 06/19/2009

**Action Taken:**

**Plan Complete:**

**Plan Complete Date:**

**Action Verified:**

**Action Verified Text:**

**Action Verified Date:**

**Comments:**

**Confidential Comments:**

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