

FLA Audit Profile		
Country	China	440015491EV
Factory name	440015491E	Independent External Verification conducted by Level Works
IEM	A.L.G.I.	
Date(s) in facility	11/15/2006 & 11/18/2006	April 2-3, 2008
PC(s)	Hennes & Mauritz AB	Hennes & Mauritz AB
Number of workers	655	600
Product(s)	Apparel	
Production processes	Cutting, sewing, ironing, inspection, packing	

FLA Code/ Compliance Issue	Country/Legal Reference	FLA Benchmark	Non-compliance	Risk of Non-compliance	IEM Findings				Remediation				Updates (Cite Date of Follow up)		Third-Party Verification		Company Verification Follow up					
					Evidence of Non-compliance (un corroborated)	If not corroborated, explain why	Sources/Documentation used for corroborating	Notable Features implemented by Factory Management or Company	PC Internal audit findings (Optional)	PC Remediation plan	Target Completion Date	Factory Response (Optional)	Company follow up (Cite date of follow up)	Documentation	Completed/Pending/On-going	Documentation	External Verification (Date) Independent External Verification was conducted by Level Works on April 2nd & 3rd, 2008	Documentation	Company Follow up	Documentation		
1. Code Awareness																						
Code Posting/Information		FLA Principle of Monitoring, Obligation of Companies: Establish and articulate clear, written workplace standards. Formally convey those standards to Company factories as well as to licensees, contractors and suppliers.	According to management, the PC provided them with a copy of CoC. However, it was not observed posted in the facility compound.				Management interview and factory tour				Generally we do not require our Code of Conduct to be posted in the factory. In the case a factory produces for different buyers, it might be confusing for the workers. Instead we encourage the factories to develop internal regulations in line with our Code of Conduct and local legislation and to clearly communicate these to all workers, for example through a handbook for the workers or on the notice board.					On-going			Not Corrected: It was noted that no H&M Code of Conduct was posted in the factory.	Plant tour, management and workers interview.	Generally H&M does not require factories to post our Code of Conduct, since it might be confusing for the workers if the factory produces for different buyers. Rather we work long term with the factories and encourage them to develop internal regulations and routines in line with our Code of Conduct.	
Confidential Non-compliance Reporting Channel		FLA Principle of Monitoring, Obligation of Companies: 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 non-compliance with the workplace standards, with security that they shall not be punished or prejudiced for doing so.	H&M has not established a confidential non-compliance reporting mechanism for workers to report complaints.				Management interview				During our audits and discussions with the factory, H&M primarily encourage them to develop and deepen its own confidential non-compliance system. We support the factory in building a dialogue system within the factory in order to have a forum for the workers to communicate grievances to the management. During our audits, we regularly check the function of these systems. At all H&M audits we conduct worker interviews. During these confidential, one-to-one interviews, our contact information is provided to the workers in order for them to be able to contact with us to put forward their grievances directly to us. We have decided to establish a hotline in order to ensure that the workers can put forward confidential complaints directly to H&M. It will be a mobile number that the workers can call or SMS. The mobile number will be printed on business cards that will be provided to the workers during worker interviews.						On-going			Not Corrected: It was noted that H&M had not established a confidential non-compliance reporting mechanism for workers to report complaints.	Plant tour, management and workers interview.	During our audits we regularly conduct interviews with the workers, during which we hand out our business card with a confidential non-compliance number.
2. Forced Labor																						
There will not be any use of forced labor, whether in the form of prison labor, indentured labor, bonded labor or otherwise																						
3. Child Labor																						
No person will be employed at an age younger than 15 (or 14 where the law of the country of manufacture allows) or younger than the age for completing compulsory education in the country of manufacture where such age is higher than 15.																						
4. Harassment or Abuse																						
Every employee will be treated with respect and dignity. No employee will be subject to any physical, sexual, psychological or verbal harassment or abuse.																						
Record Maintenance		Employers will maintain written records of disciplinary actions taken.	There is no disciplinary record kept by the factory.				Documentation review and management interview.				We encourage the factory to develop internal regulations in line with our Code of Conduct and local legislation and to clearly communicate these to all workers. These should include all disciplinary procedures, including procedures for hiring and termination in place in the factory. Records of disciplinary actions should be kept in the factory for review.	Start from now.	The factory will keep written record if any disciplinary action would occur.						Corrected: It was noted that the factory had kept disciplinary record.	Documents review (Disciplinary Records) and management interview.		
Monetary Fines and Penalties	Art. 16 of Interim Regulation on the Payment of Wages: Bearing damages for the employee's cause, the employer could ask for compensation from the employee according to the labor contract. The compensation could be deducted from the salary or wages of the employee. The deduction can be not more than 20% of the salary or wage regulated by local government and the final amount to be received by worker after the deduction should meet the minimum wage requirement.	Employers will not use monetary fines and penalties for poor performance.					Employee and management interview and document review				We will follow-up on this issue at next worker interview occasion in the factory.	11/1/2007							Corrected: It was noted that no monetary fines and penalties in the factory.	Documents review (Payroll Records from March 2007 to February 2008, Disciplinary Records), management and workers interview.		
5. Nondiscrimination																						
No person will be subject to any discrimination in employment, including hiring, salary, benefits, advancement, discipline, termination or retirement, on the basis of gender, race, religion, age, disability, sexual orientation, nationality, political opinion, or social or ethnic origin.																						
Protection and Accommodation of Pregnant Workers and New Mothers		Employers shall abide by all protective provisions in local laws and regulations benefiting pregnant workers and new mothers, including provisions concerning maternity leave and benefits, prohibitions regarding night work, temporary reassignments away from work stations and work environments that may pose a risk to the health of pregnant women and their unborn children or new mothers and their newborn children, temporary adjustment of working hours during and after pregnancy, and the provision of breast-feeding breaks and facilities. Where such legal protective provisions are lacking, employers shall take reasonable measures to ensure the safety and health of pregnant women and their unborn children. Such measures shall be taken in a manner that shall not unreasonably affect the employment status, including wages and benefits, of pregnant women.									Full audit (announced), 2006-05-16. Factory has no policy concerning or records of maternity leave.		H&M will require the factory to pay workers all leaves that they are entitled to according to the law.	30-Nov-06	Will update the record of maternity leave once available.	Follow-up 1 (announced), 2007-01-26: Still no maternity leave record, factory claims female workers will voluntarily quit work in case of pregnancy.		Pending.	Follow-up 2 (unannounced), 2007-07-31: There are still no records, but factory now has regulations concerning maternity leave. Follow-up 3 (unannounced), 2008-01-30: Factory has clear policy about maternity leave. But there are still no records. Factory maintains that female workers will go back home in case of pregnancy.			
6. Health and Safety																						
Employers will provide a safe and healthy working environment to prevent accidents and injury to health arising out of, linked with, or occurring in the course of work or as a result of the operation of employer facilities																						
Document Maintenance/Accessibility	Art. 12 of PRC Safe Use of Chemical Materials in Production Areas: The chemical materials used in the factory should be labeled. Dangerous chemical materials should bear safety labels, and safety instructions shall be provided to operators. MSDS should be offered to workers who use it.	All documents required to be available to workers and management by applicable laws (such as policies, MSDS, etc.) shall be made available in the prescribed manner and in the local language or language spoken by majority of the workers if different from the local language	No MSDS was posted in the inspection area where gasoline was used, nor in the chemical storage room.				Factory tour and management interview				The workers should be provided with relevant personal protective equipment depending on work process, along with education both orally and in writing in their native language on how to use it.	15-Dec-06	The factory will post MSDS in chemical storage room.	Follow-up 2 (unannounced), 2007-07-31: Still no MSDS posted in the storage room.		Completed.	Follow-up 3 (unannounced), 2008-01-30: Factory has posted MSDS in chemical storage.		Corrected: It was noted that the MSDS was posted both in chemical using and storing areas.	Plant tour and management interview.		
Safety Equipment	Art. 5.1.1 of Design Regulations for Installation of Fire Extinguisher (GBJ 140-90): Fire extinguishers shall be installed in noticeable and accessible locations, and shall not be obstructed during safety evacuation.	All safety and medical equipment (such as fire fighting equipment, first aid kits, etc.) shall be in place, maintained as prescribed and accessible to the employees.	No fire extinguisher was available in the chemical storage room.				Factory tour and management interview				We require the factory to ensure that the safety in the building is maintained according to local law and our Code of Conduct. The workers should be able to easily evacuate the premises in case of emergency, and the building is to be considered as safe. The factory premises should be equipped with enough and well maintained fire extinguishers. The workers should at regular intervals receive training on how to use the fire extinguishers.	15-Dec-06	The factory will add 2 fire extinguishers in the chemical storage room.	Follow-up 2 (unannounced), 2007-07-31: Factory added two fire extinguishers in the chemical storage room and also arranged a separate storage room for chemicals.		Completed.		Corrected: It was noted that the factory had installed 2 fire extinguishers in chemical storage room.	Plant tour and management interview.			
Chemical Management	Art. 19 of Regulations on Safe Use of Chemicals in the Workplace: the facilities used to hold, transport and store hazardous chemicals shall be high lighted with colors, escautochours or labels, and indicating its lethal nature. Art.20 of Regulations on Safe Use of Chemicals in the Workplace: The information concerning health and safety when utilizing hazardous chemicals shall be open to the employees. And the employees shall be trained to recognize safety labels, understand technical directions and master necessary means to deal with emergency and save themselves. Besides, there shall be regular training on how to use chemicals safety in the workplace. Art. 60 of PRC Factory Safety and Sanitary Regulations: Poisonous and hazardous goods shall be stored at specific locations separately, and shall be managed with stringency.	All chemicals and hazardous substances should be properly labeled and stored in accordance with applicable laws. Workers should receive training, appropriate to their job responsibilities, in the safe use of chemicals and other hazardous substances	The container of the hazardous chemical (H2O2) was not labeled.				Factory tour and management interview				All chemicals should be labeled with relevant hazard symbol, and MSDS in local language should be posted both at the storage room and at the workstation. All workers who handle chemicals should receive training on safety measures in the handling process.	15-Dec-06	The factory will label MSDS outside the chemical container.	Follow-up 1 (announced), 2007-01-26: Chemical still not labeled.		Completed.	Follow-up 2 (unannounced), 2007-07-31: The chemical H2O2 is now labeled.		Corrected: It was noted that all hazardous chemical containers were found with proper label.	Plant tour and management interview.		
Ventilation/Electrical/Facility Maintenance	Art. 11.2 and 11.3 of Regulations for the use of Toxic Materials in production areas. The area for the use of toxic products must be separated from regular work area and must be equipped with proper ventilation.	All ventilation, plumbing, electrical, and lighting services shall be provided and maintained to conform to applicable laws and prevent hazardous conditions to employees in the facility.	No ventilator was installed in the chemical warehouse.				Factory tour and management interview				We will follow-up on the factory remediation plan at next audit.	15-Dec-06	The factory will add a ventilator in chemical warehouse.	Follow-up 2 (unannounced), 2007-07-31: Ventilation is sufficient in chemical warehouse.		Completed.		Not Corrected: It was noted that no ventilator was installed in the chemical warehouse.	Plant tour and management interview.	During our audit in July 2007, our auditor deemed ventilation in chemical warehouse sufficient given the small size of the room. Due to the discrepancies between findings, we will thoroughly follow up on this issue during our next audit. We plan to do a follow-up audit within the next six months. Follow-up, 2008-12-17: The chemical warehouse is now moved to a separate building outside the main factory building (since May 2008 according to factory management). The building is relatively small, but with one window at each end, and gaps in the wall above the windows. The ventilation is thus deemed sufficient.		
Sanitation in Facilities	Art. 68 of PRC Factory Safety and Sanitary Regulations: The factory should be equipped with production auxiliary facilities such as bathrooms, lavatories, dressing rooms, retiring rooms and female sanitary rooms as required. The aforementioned restrooms and other facilities should be maintained regularly to keep them clean and functional.	All facilities including factory buildings, toilets, canteens, kitchens, and clinics, shall be kept clean and safe and be in compliance with applicable laws.	No soap was provided in the male's restroom in the production area.				Factory tour and management interview				All restrooms should be maintained clean.	15-Dec-06	The factory will add soap in the male's restroom in the production area.	Follow-up 1 (announced), 2007-01-26: There is now soap in the men's restroom.		On-going.		Corrected: It was noted that there was soap in the restroom.	Plant tour and workers interview.			

FLA Code/ Compliance Issue	Country Law/Legal Reference	FLA Benchmark	Non-compliance	Risk of Non-compliance	EM Findings			Sources/Documentation used for corroborating	Notable Features Implemented by Factory Management or Company	PC Internal Audit Findings (Optional)	PC Remediation plan	Remediation			Documentation	(Status)	Updates (Cite Date of Follow up)		Third-Party Verification		Company Verification Follow up		
					Evidence of Non-compliance (unsubstantiated)	If not corroborated, explain why	Target Completion Date					Factory Response (Optional)	Company follow up (Cite date of follow up)	Completed/Pending/On-going			Company Follow up	Documentation	External Verification (Date)	Independent External Verification was conducted by Level Works on April 2nd & 3rd, 2008	Documentation	Company Follow up	Documentation
Worker Participation	Art. 9 of Fire Prevention and Safety Rules of Textile Industry. Every enterprise and institution should establish a volunteer fire prevention and control team. The proportion of volunteer fire fighters must be no less than 10% of the total workers.	Workers should be involved in planning for safety, including through worker safety committees.	The factory has failed to establish a health and safety committee, comprised of management and worker members.			Workers are not corroborated, explain why		Documentation review and management interview			H&M requires that safety in the factory as well as the dormitory is maintained according to local law and our Code of Conduct. We will encourage the factory to participate in external training on health and safety in order to improve the health and safety awareness in the factory.	15-Jan-07	The factory will establish a health and safety committee, and keep the written records in file.	Follow-up 3 (unannounced), 2008-01-30: Even though there is still no such committee established in the factory, the health and safety systems in the factory are improving. The factory has held first aid training, evacuation training, as well as established an injury record.		On-going.			Corrected: It was noted that workers in factory had formed a health and Safety Committee and relevant records were provided for review.	Documents review (Safety Committee Structure, Name list, Meeting Minutes etc), management and Health and Safety committee representative interview.			
7. Freedom of Association and Collective Bargaining																							
Employers will recognize and respect the right of employees to freedom of association and collective bargaining																							
Freedom of Association: FLA Comment		FLA Comment: The Chinese constitution guarantees Freedom of Association; however, the Trade Union Act prevents the establishment of trade unions independent of the sole official trade union – the All China Federation of Trade Unions (AFTU). According to the ILO, many provisions of the Trade Union Act are contrary to the fundamental principles of freedom of association, including the non-recognition of the right to strike. As a consequence, all factories in China fall short of the ILO standards on the right to organize and bargain collectively. Recently, however, the government has introduced new regulations that could improve the functioning of the labor relations.																					
		The Amended Trade Union Act of October 2001 does stipulate that union committees have to be democratically elected at members' assemblies and trade unions must be accountable to their members. The trade union has the responsibility to consult with management on key issues of importance to their members and to sign collective agreements. It also grants the trade union an enhanced role in dispute resolution. In December 2003, the Collective Contracts Decree introduced the obligation for representative trade unions and employers to negotiate collective agreements, in contrast to the previous system of non-negotiated administrative agreements.																					
Grievance Procedure			Employer shall have in place written grievance procedures that allow first an attempt to settle grievances directly between the worker and the immediate supervisor but that, where this is inappropriate or has failed, it is possible for the worker to have the grievance considered at one or more steps, depending on the nature of the grievance and the structure and size of the enterprise. Employers shall ensure that the grievance procedures and applicable rules are known to workers.							Full audit (announced), 2006-05-16: There is no log book with a register of complainants available in the factory.	We require our factories to establish a grievance system.	30-Nov-06	We will add this book in factory	Follow-up 1 (announced), 2007-01-26: Factory has established a suggestion box, but so far no suggestions recorded.		On-going.	Follow-up 2 (unannounced), 2007-07-31: Some complaints about living conditions have been received through the suggestion box. Follow-up 3 (unannounced), 2008-01-30: Workers can put present complaints through the suggestion box or speak directly to the management. Factory is keeping records of the complaints. The feedback is displayed in the workshop or communicated verbally to the workers.						
Policy			The factory does not have a written policy on Freedom of Association.					Documentation review and management interview.		We encourage the factory to develop internal regulations in line with our Code of Conduct and local legislation. And to clearly communicate and ensure that the workers are informed of their rights regarding freedom of association.									Corrected: It was noted that the factory had established policy of Freedom of Association.	Documents review (Factory Rule, Freedom of Association Policy) and management interview.			
Other										Full audit (announced), 2006-05-16: No regular documented meetings are being held between workers and management.	H&M require our factories to establish platforms for communication. This could be within the framework of the union or other worker - management committees, the records from meetings should be recorded and filed.	30-Nov-06	We will keep regular documented meetings between workers and management.	Follow-up 1 (announced), 2007-01-26: Still no recorded management-worker meetings being held.		On-going.	Follow-up 2 (unannounced), 2007-07-31: Factory has arranged meeting with workers representative where living and working conditions were discussed. Follow-up 3 (unannounced), 2008-01-30: Only one meeting between worker representatives and management held every year. Factory promised to hold more meetings.						
8. Wages and Benefits																							
Employers recognize that wages are essential to meeting employees' basic needs. Employers will pay employees, as a base, at least the minimum wage required by local law or the prevailing industry wage, whichever is higher, and will provide legally mandated benefits.																							
Minimum Wage		Employers shall pay workers at least the legal minimum wage or the prevailing industry wage, whichever is higher.																					
																				New Finding: In accordance with the PRC Labor Law article 48 and Opinion of the Ministry of Labor on Several Questions concerning the Implementation of the Labor Law (1995) article 57, employees, including those who are in probationary, training or internship period, shall not be paid lower than the local minimum standard set at RMB 850 per month since October 2007. Through review of payroll records from October 2007 to February 2008, it was noted that all logistics staffs (cleaning staff, cafeteria workers) were paid RMB 750 per month for regular working hours, as compared with local minimum wages standards RMB 850 per month, there was a monthly wage gap of RMB100 in between.	Documents Review (Payroll Records from March 2007 to February 2008), Management and Workers Interview	In our work towards improving conditions in our supply chain, H&M has decided to at present focus our scope to workers taking part in the production of our garments. Thus, at the moment we do not audit the conditions for groups such as gatekeepers, cleaners or office staff for example, since they are not directly participating in garment production.	
Time-recording System		Time worked by all employees, regardless of compensation system, will be documented by time cards or other accurate and reliable recording systems such as electronic swipe cards.	Logistics staff's (cleaning staff, cafeteria workers) working hours are not recorded.					Documentation review, management interview and employee interview		We require the factory to provide true documentation on salaries and working hours for all workers.	15-Jan-07	The factory will record the working hours for logistics staff.	Follow-up 2 (unannounced), 2007-07-31: Factory has had written time record for all the cleaning and cafeteria workers, no overtime OT for this group of workers recorded, but OT worked on Saturdays.		On-going.	Corrected: It was noted that the factory had recorded logistics staffs (cleaning staff, cafeteria workers) working hours by manual attendance records.	Documents review (Manual Attendance Records) and management interview.						
9. Hours of Work																							
Except in extraordinary business circumstances, employees will (i) not be required to work more than the lesser of (a) 48 hours per week and 12 hours overtime or (b) the limits on regular and overtime hours allowed by the law of the country of manufacture or, where the laws of such country will not limit the hours of work, the regular work week in such country plus 12 hours overtime; and (ii) be entitled to at least one day off in every																							
Overtime Limitations	Art. 41 of PRC Labor Law: Employees should not be allowed to work more than three overtime hours per day and 36 overtime hours per month. Art. 38 of PRC Labor Law: Employer shall guarantee that its laborers have at least one day off per week. Article 5 of Regulations on enterprises implementation of irregular working system and comprehensive working hours calculation (Chapter IV: Working Hours, Rest and Vacations): Enterprises can implement comprehensive working hours calculation (a unique way of classifying cycles	Factory obtained a multi-calculation waiver issued by the local labor bureau which allows them to have up to 216 OT hours during a half a year period (valid from April to October 2006). However, as per sampling the time cards from May to October, the average of OT hours during this period reached 338.5, which surpassed the 216 hours limitation established by the waiver.	Except in extraordinary business circumstances, employees will (i) not be required to work more than the lesser of (a) 48 hours per week and 12 hours overtime or (b) the limits on regular and overtime hours allowed by the law of the country of manufacture or, where the laws of such country will not limit the hours of work, the regular work week in such country plus 12 hours overtime; and (ii) be entitled to at least one day off in every seven day period. An extraordinary business circumstance is a temporary period of extra work that could not have been anticipated or alleviated by other reasonable efforts.					Documentation review and management interview		The aim is to, through dialogue with the factory, establish a system to reduce the overtime in a sustainable manner. The long-term aim is to, through improved production planning and efficiency, steadily reduce the overtime hours in order to meet the legal limit of overtime hours per month. In the short term, we require the factory to make sure that they can ensure that the workers may have one day off per week, and reduce the number of overtime hours in the weekdays. H&M will carry out unannounced audits in order to monitor the development according to the factory remediation plan.	15-May-07	OT will be lowered with more production planning and a long-term overview on production. When working overtime all workers will get paid overtime compensation according to the law.	Follow-up 3 (unannounced), 2008-01-30: In the past half year total OT was about 440 hours. Although the amount of overtime work still exceeds the legal limit, the factory compensate it in accordance with the law.		On-going.	Not Corrected: The factory had obtained a Comprehensive Working Hours System waiver from local labor bureau. One period was from May to October 2007 and the other period was from November 2007 to April 2008, and the total allowed working hours in each period were 1220. As per attendance records review, it was noted that the total working hours May to October 2007 for 5 out of 5 selected workers were ranged from 1341 to 1358.5, which exceeded the total allowed working hours by the waiver.	Documents Review (Attendance Records from May to October 2007) and management & workers interview.	We will continue to address the overtime hours with the factory and will follow up their efforts to control and reduce the overtime hours in a sustainable manner.					
10. Overtime Compensation																							
In addition to their compensation for regular hours of work, employees will be compensated for overtime hours at such premium rate as is legally required in the country of manufacture or, in those countries where such laws will not exist, at a rate at least equal to their regular hourly																							
OT Compensation	Art. 44.1 of PRC Labor Law: The employer shall pay workers no less than 150% of their regular wages if they are required to work overtime. Art. 44.2 of PRC Labor Law: Payment of wages to laborers should be no less than 200% of the normal wage if the employees are required to work on a day of rest and no deferred rest can be taken. Art. 44.3 of PRC Labor Law: Payment to workers should be no less than 300% of the normal wage if they are required to work during a legal holiday.	The factory shall comply with applicable law for premium rates for overtime compensation.	Logistics staff (cafeteria workers and cleaning staff) received a flat salary of 700 Yuan per month without OT premium.					Documentation review, management interview and worker interview.		All normal working hours should be compensated according to the law. When working overtime the workers should be compensated according to the legal overtime rates.	15-Jan-07	To pay for OT premium if logistics staff have any OT working hours.	Follow-up 2 (unannounced), 2007-07-31: Cleaning and cafeteria workers received around RMB800 every month according to the working date of every month, May – August; March & April – RMB800		On-going.	Not Corrected: It was noted that logistics staff (cafeteria workers and cleaning staff) received a flat salary of RMB 750 per month without OT premium.	Document review (Payroll Records from March 2007 to February 2008), management and workers interview.	In our work towards improving conditions in our supply chain, H&M has decided to at present focus our scope to workers taking part in the production of our garments. Thus, at the moment we do not audit the conditions for groups such as gatekeepers, cleaners or office staff for example, since they are not directly participating in garment production.					
Miscellaneous																							
Illegal Subcontracting			Facility fails to assign someone to oversee the subcontractors to make sure they are compliant with the code of conduct. No contract signed between the factory and the subcontractor was available for the audit team to review.					Documentation review and management interview		The supplier is, according to our Code of Conduct, responsible to inform H&M when using own units, or other subcontractors including wash, press and embroidery. Which has to pass an H&M audit prior to receiving the first H&M order.						On-going.	We are now in the process of auditing our suppliers subcontractors, including the ones used by this supplier.	Not Corrected: It was noted that facility fails to assign someone to oversee the subcontractors to make sure they are compliant with the code of conduct. Furthermore, no contract signed between the factory and the subcontractor was available for review in this audit.	Documents Review and Management Interview.	H&M has a business cooperation with suppliers who in their turn place orders with individual factories. The subcontractors used by individual factories can have an agreement either with the supplier or directly with the factory. However, the responsibility for making sure that subcontractors are in compliance with our Code of Conduct always lies with the supplier, who we encourage to designate personnel responsible for Code of Conduct compliance among subcontractors. Furthermore, H&M regularly conducts audits not only at the production units, but also at the subcontractors used, to ensure that the supplier fulfills this responsibility.			