

# ILS Social Compliance Audit

<b>Audit Reference #:</b> (audit firm internal)	AU141757	<b>Audit ID #:</b> (Disney's ID)	NA
<b>Date Audit Started:</b> Year/Mo/Day	2020/05/20	<b>Date Audit Completed:</b> Year/Mo/Day	2020/05/20
<b>Code Conducted to:</b>	WALT DISNEY	<b>Audit Report Date:</b> Year/Mo/Day	2020/05/27
<b>Audit Type:</b>	Initial Audit	<b>Special Program:</b> (only required if applicable to NDAs)	None

## Facility Information

<b>Facility ID No.:</b>	NA		
<b>Facility Name:</b>	ERTE KOZMETIK SAN. VE TIC. A.S.		
<b>Address Line 1:</b>	YAKUPLI MAH. DEREBOYU CAD. BEYSAN SAN. SIT. NO:4		
<b>Address Line 2:</b>	NA		
<b>City:</b>	ISTANBUL	<b>State/Province:</b>	NA
<b>Town:</b>	BEYLIKDUZU	<b>Country:</b>	TURKEY
<b>Zip Code:</b>	34524	<b>GPS Location:</b>	41.003985, 28.681243
<b>Contact Name:</b> (First and Last)	PELIN ORCAN CERID	<b>Contact Person Title:</b>	QUALITY ASSURANCE MANAGER
<b>Primary Email:</b>	pelin.cerid@ertecosmet ics.com	<b>Phone Number:</b> Country code – area code / phone number	+90 212 875 81 82
<b>Contact Person Title:</b>	QUALITY ASSURANCE MANAGER	<b>Fax:</b> Country code – area code / phone number	+90 212 875 82 02

## Name/Address/Ownership Updates

<b>Facility Name:</b>	NA
<b>Facility Address:</b>	NA
<b>Facility Ownership Update:</b>	NA
<b>Upcoming Relocation or Expansion:</b>	NA

## Audit Team

<b>Audit Firm:</b>	Intertek
<b>Number of Auditors:</b>	3

	<b>Name</b>	<b>APSCA Registration Number</b>	<b>APSCA Certification Number</b>
<b>Audit Team Member 1:</b>	ELIF HACIOGULLARI	RA21703571	NA
<b>Audit Team Member 2:</b>	SEVINC YILDIRIM	ASCA21703531	NA
<b>Audit Team Member 2:</b>	GAMZE TOKGOZ	RA21703530	NA

*(Note: In FANS, please input auditor(s)' APSCA Registration Number(s) in the Cross-Reference Tab of the DDM – 1 row for each auditor)*

# Audit Details & Assessment

## Facility Details

<b>Access to Facility:</b>	Accepted		
<b>Access to Facility - Predetermined Comments</b>	<input checked="" type="checkbox"/> Acceptable <input type="checkbox"/> Auditors attempted to conduct an audit and were denied access. <input type="checkbox"/> Other		
<b>Access to Facility - Additional Comments:</b>	NA		
<b>Current % Capacity Devoted to Disney:</b>	0 %	<b>Past % Capacity Devoted to Disney:</b>	5 %
<b>Products Produced:</b>	Personal Care		
<b>Disney Products Observed:</b>	None		
<b>Production Processes:</b>	Mixing, stilling&filling, and packaging		
<b># Total Employees:</b>	216	<b>#Production Employees:</b>	154
<b># Buildings:</b>	1		
<b># Buildings by Purpose:</b>	4 <sup>th</sup> floor / Perfume stilling 3 <sup>rd</sup> floor / Perfume filling and packing 2 <sup>nd</sup> floor / Bath&body care goods production 1 <sup>st</sup> floor / Finished products and packing material warehouse, lunch hall, doctor room Mezzanine floor / Offices Entrance floor / Offices, Showroom -1 <sup>st</sup> floor / Bottle warehouse		

<b>Peak Production Months:</b>	<input type="checkbox"/> Unknown	<input type="checkbox"/> April	<input checked="" type="checkbox"/> September
	<input type="checkbox"/> None	<input type="checkbox"/> May	<input checked="" type="checkbox"/> October
	<input type="checkbox"/> January	<input type="checkbox"/> June	<input type="checkbox"/> November
	<input type="checkbox"/> February	<input type="checkbox"/> July	<input checked="" type="checkbox"/> December
	<input type="checkbox"/> March	<input type="checkbox"/> August	
<b>Low Production Months:</b>	<input type="checkbox"/> Unknown	<input type="checkbox"/> April	<input type="checkbox"/> September
	<input type="checkbox"/> None	<input type="checkbox"/> May	<input type="checkbox"/> October
	<input type="checkbox"/> January	<input type="checkbox"/> June	<input type="checkbox"/> November
	<input checked="" type="checkbox"/> February	<input type="checkbox"/> July	<input type="checkbox"/> December
	<input checked="" type="checkbox"/> March	<input type="checkbox"/> August	
<b>Facility Regular Hours:</b>	N/A	<b>Facility # of Shifts/Hours</b>	For production and offices / 1 shift: 08:00–10:00 10:15-12:30 13:00 16:00 16:15 18:00
<b>Other Brands Present?</b>	NEXT, ELLE BASIC, ARMADA, PRIMARK, MADAM COCO, ENGLISH HOME		
<b>Establishment Date:</b> Yr/Mo/Day	2003/01/02		

<b>Nationality of Management:</b>	TURKISH
<b>Nationality of owner/owner entity:</b>	TURKISH

**Management Gender (enter # of people):**

	Male	Female
Managers	29	33
Supervisors	0	0

<b>Nationality of Workers:</b> (Top 5 Countries)	<b>Approx. % of Total Workforce:</b>
TURKISH	100 %
<b>List ALL other nationalities in the facility:</b>	TURKISH

(Note: If there are North Korean workers in the facility, please additionally provide the following details in the Comments section of the Audit Report:

- Employment dates of each North Korean worker
- Labor agent of each North Korean worker
- Type of work authorization/permission for each North Korean worker
- Summary of Code category violation related to the North Korean workers (detailed info of the Code category violation related to the North Korean workers shall be reported as per the standard reporting process)

## Audit Details

<b>Attendance Records Tested:</b>	<input type="checkbox"/> Unknown	<input checked="" type="checkbox"/> April	<input type="checkbox"/> September
	<input type="checkbox"/> None	<input type="checkbox"/> May	<input type="checkbox"/> October
	<input type="checkbox"/> January	<input type="checkbox"/> June	<input type="checkbox"/> November
	<input checked="" type="checkbox"/> February	<input type="checkbox"/> July	<input checked="" type="checkbox"/> December
	<input type="checkbox"/> March	<input type="checkbox"/> August	
<b>Payroll Ledgers Tested:</b>	<input type="checkbox"/> Unknown	<input checked="" type="checkbox"/> April	<input type="checkbox"/> September
	<input type="checkbox"/> None	<input type="checkbox"/> May	<input type="checkbox"/> October
	<input type="checkbox"/> January	<input type="checkbox"/> June	<input type="checkbox"/> November
	<input checked="" type="checkbox"/> February	<input type="checkbox"/> July	<input checked="" type="checkbox"/> December
	<input type="checkbox"/> March	<input type="checkbox"/> August	
<b>Last Pay Date:</b> Year/Mo/Day	2020/05/15	<b>Number of Records Sampled:</b>	78
<b># Individual Employee Interviews:</b>	10	<b># Employee Group Interviews:</b>	0
<b>Numbers per Group:</b>	0		
<b>Additional Locations Audited?</b>	No		
<b>Explain Additional Location Details:</b>	NA		
<b>Comments/Observations:</b>	NA		
<b>Communicated Findings With:</b>	PELIN ORCAN CERID – QUALITY ASSURANCE MANAGER		
<b>Agreed to and Signed CAPAR?</b>	Yes		
<b>Audit Entered by:</b> (Name)	SEVINC YILDIRIM		

## Comments Details

**Comments:** The facility was established in Avcilar/Istanbul in 2003. It has been located in Beylikduzu/Istanbul since 2010. Main products of the facility are perfume and bath&body care goods. Production processes of the facility are mixing, stilling&filling, and packaging. The capacity is 4.830.000 pcs/month. The facility is operating in 5.356 sqm. closed area of 6-storey building. There are total 216 workers at the facility. Administrative: 33 female and 29 male, Production: 116 female and 38 male. Meal and transportation are provided free of charge to all employees. The audit is combined with Smeta 2P. APSCA Disclaimer "This audit includes elements beyond the scope of a Social Compliance Audit as defined by the APSCA Competency Framework. The association of the auditor's APSCA number with this report is limited to those elements outlined in the APSCA Competency Framework. APSCA makes no representations with respect to the auditor's competency to professionally evaluate compliance with any other audit elements"

**Name and Title of Others Present (ex. translators, observers, trainees):** N/A

**Attendance Records Provided:** 12/May2019 – April 2020

**Payroll Records Provided:** 12/ May2019 – April 2020

**# of Records Sampled (description):** Current month: April 2020 - 26 records, non-peak month: February 2020 – 26, Peak month: December – 26 record,

**Resources Received from Facility (i.e. transportation, meals):** NA

**Factory Representative in opening meeting (name/title):** PELIN ORCAN CERID - QUALITY ASSURANCE MANAGER, SEDA GENC - HUMAN RECOURCES MANAGER, AYNUR BASTURK - HUMAN RECOURCES

**Factory Representative in closing meeting (name/title):** PELIN ORCAN CERID - QUALITY ASSURANCE MANAGER, SEDA GENC - HUMAN RECOURCES MANAGER, AYNUR BASTURK - HUMAN RECOURCES

*(Note: other comments may include but not limit to: details if "Agreed to and signed CAPAR" is indicated "No"; further details regarding audit scope; special observation or comments on the audit process; reason as to why audit report is submitted late; reason as to why auditors assigned in the DDM differ from auditors at site; details of North Korean workers, etc.)*

## Audit Violations

<b><u>Age Requirement</u></b>	
	<p><b>Child Labor:</b> <input checked="" type="checkbox"/> Acceptable    <input type="checkbox"/> Needs Improvement    <input type="checkbox"/> N/A    <input type="checkbox"/> Unable to Verify</p> <p><i>Predetermined Comments:</i> <input checked="" type="checkbox"/> Acceptable</p> <p>Law / Code: Additional Comments: No apparent violations.</p> <p><b>Other:</b> <input checked="" type="checkbox"/> Acceptable    <input type="checkbox"/> Needs Improvement    <input type="checkbox"/> N/A    <input type="checkbox"/> Unable to Verify</p> <p><i>Predetermined Comments:</i> <input checked="" type="checkbox"/> Acceptable</p> <p>Law / Code: Additional Comments: No apparent violations.</p> <p><b>Young Persons:</b> <input checked="" type="checkbox"/> Acceptable    <input type="checkbox"/> Needs Improvement    <input type="checkbox"/> N/A    <input type="checkbox"/> Unable to Verify</p> <p><i>Predetermined Comments:</i> <input checked="" type="checkbox"/> Acceptable</p> <p>Law / Code: Additional Comments: No apparent violations.</p>

<p><b><u>Association:</u></b></p>	<p><input checked="" type="checkbox"/> Acceptable   <input type="checkbox"/> Needs Improvement   <input type="checkbox"/> N/A   <input type="checkbox"/> Unable to Verify</p> <p><i>Predetermined Comments:</i>  <input checked="" type="checkbox"/> Acceptable</p> <p>Law / Code:  Additional Comments: No apparent violations.</p>
<p><b><u>Coercion and Harassment:</u></b></p>	<p><b>Other:</b>  <input checked="" type="checkbox"/> Acceptable   <input type="checkbox"/> Needs Improvement   <input type="checkbox"/> N/A   <input type="checkbox"/> Unable to Verify</p> <p><i>Predetermined Comments:</i>  <input checked="" type="checkbox"/> Acceptable</p> <p>Law / Code:  Additional Comments: No apparent violations.</p> <p><b>Physical Abuse or Sexual Harassment:</b>  <input checked="" type="checkbox"/> Acceptable   <input type="checkbox"/> Needs Improvement   <input type="checkbox"/> N/A   <input type="checkbox"/> Unable to Verify</p> <p><i>Predetermined Comments:</i>  <input checked="" type="checkbox"/> Acceptable</p> <p>Law / Code:  Additional Comments: No apparent violations.</p>

**Compensation:**

**Minimum Wage:**

Acceptable    Needs Improvement    N/A    Unable to Verify

*Predetermined Comments:*

Acceptable

Law / Code:

Additional Comments: No apparent violations.

*Remarks:*

Local minimum wage standard: (wage per hour or per month):  
Since January 1st, 2020: 2.943,00 TL (Gross- including subsistence allowance);  
2.324,70TL (Net- including subsistence allowance),  
From January 1st, 2019 to January 1st, 2020: 2.558,40TL (Gross- including subsistence allowance); 2020,90 TL (Net- including subsistence allowance).

**Overtime Hours:**

Acceptable    Needs Improvement    N/A    Unable to Verify

Acceptable

Law / Code:

Additional Comments: No apparent violations.

*Remarks:*

Attendance Recorded by: (automated/electronic, timecard, manual, no recording, etc.): Face scan time recording system

- 1) For April 2020 (Current month), The maximum weekly working hours were 45 hours (26 out of 26 samples). The maximum monthly overtime were 0 hour per month (26 out of 26 samples).
- 2) For February 2020 (Non-Peak month), The maximum weekly working hours were 49 hours (9 out of 26 samples). The maximum monthly overtime were 4 hours per month (9 out of 26 samples).
- 3) For December 2019 (Peak month), The maximum weekly working hours were 49 hours (15 out of 26 samples). The maximum monthly overtime were 12 hours per month (15 out of 26 samples).

**Overtime Wage:**

Acceptable    Needs Improvement    N/A    Unable to Verify

*Predetermined Comments:*

Acceptable

Law / Code:

Additional Comments: No apparent violations.

*Remarks:*

Overtime rate for weekday: 150%  
Overtime rate for National Holiday: 200%

**Social Benefits and Other Compensation:**

Acceptable    Needs Improvement    N/A    Unable to Verify

*Predetermined Comments:*

Acceptable

Law / Code:

Additional Comments: No apparent violations.

*Remarks:*

Regular Pay Date: Between 15<sup>th</sup> day of each month

Wage pay in/by (cash, check, direct deposit, etc.): Bank transfer.

**Health and Safety:**

**Dormitories:**

Acceptable    Needs Improvement    N/A    Unable to Verify

*Predetermined Comments:*

N/A

Law / Code:

Additional Comments: There is no dormitory in the facility.

**Fire & Emergency Safety:**

Acceptable    Needs Improvement    N/A    Unable to Verify

*Predetermined Comments:*

Acceptable

Law / Code:

Additional Comments: No apparent violations.

**Hazardous Material:**

Acceptable    Needs Improvement    N/A    Unable to Verify

*Predetermined Comments:*

Acceptable

Law / Code:

Additional Comments: No apparent violations.

**Machine & Electrical Safety:**

Acceptable    Needs Improvement    N/A    Unable to Verify

*Predetermined Comments:*

Acceptable

Law / Code:

Additional Comments: No apparent violations

**Medical & First Aid:**

Acceptable    Needs Improvement    N/A    Unable to Verify

*Predetermined Comments:*

Acceptable

Law / Code:

Additional Comments: No apparent violations.

**Other:**

Acceptable    Needs Improvement    N/A    Unable to Verify

*Predetermined Comments:*

Acceptable

Law / Code:

Additional Comments: No apparent violations.

**Personal Protective Equipment (PPE):**

Acceptable    Needs Improvement    N/A    Unable to Verify

*Predetermined Comments:*

Acceptable

Law / Code:

Additional Comments: No apparent violations.

**Sanitation:**

Acceptable    Needs Improvement    N/A    Unable to Verify

*Predetermined Comments:*

Acceptable

Law / Code:

Additional Comments: No apparent violations.

<p><b><u>Involuntary Labor:</u></b></p>	<p><b>Mandatory Overtime:</b>  <input checked="" type="checkbox"/> Acceptable    <input type="checkbox"/> Needs Improvement    <input type="checkbox"/> N/A    <input type="checkbox"/> Unable to Verify</p> <p><i>Predetermined Comments:</i>  <input checked="" type="checkbox"/> Acceptable</p> <p>Law / Code:  Additional Comments: No apparent violations</p> <p><b>Other:</b>  <input checked="" type="checkbox"/> Acceptable    <input type="checkbox"/> Needs Improvement    <input type="checkbox"/> N/A    <input type="checkbox"/> Unable to Verify</p> <p><i>Predetermined Comments:</i>  <input checked="" type="checkbox"/> Acceptable</p> <p>Law / Code:  Additional Comments: No apparent violations</p> <p><b>Prison, Bonded, Indentured, Forced Labor:</b>  <input checked="" type="checkbox"/> Acceptable    <input type="checkbox"/> Needs Improvement    <input type="checkbox"/> N/A    <input type="checkbox"/> Unable to Verify</p> <p><i>Predetermined Comments:</i>  <input checked="" type="checkbox"/> Acceptable</p> <p>Law / Code:  Additional Comments: No apparent violations</p>
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<p><b><u>Monitoring and Compliance:</u></b></p>	<p><b>Ethics:</b>  <input checked="" type="checkbox"/> Acceptable   <input type="checkbox"/> Needs Improvement   <input type="checkbox"/> N/A   <input type="checkbox"/> Unable to Verify</p> <p><i>Predetermined Comments:</i>  <input checked="" type="checkbox"/> Acceptable</p> <p>Law / Code:  Additional Comments: No apparent violations</p> <p><b>Insufficient or Inadequate Records:</b>  <input checked="" type="checkbox"/> Acceptable   <input type="checkbox"/> Needs Improvement   <input type="checkbox"/> N/A   <input type="checkbox"/> Unable to Verify</p> <p><i>Predetermined Comments:</i>  <input checked="" type="checkbox"/> Acceptable</p> <p>Law / Code:  Additional Comments: No apparent violations</p> <p><b>Other:</b>  <input checked="" type="checkbox"/> Acceptable   <input type="checkbox"/> Needs Improvement   <input type="checkbox"/> N/A   <input type="checkbox"/> Unable to Verify</p> <p><i>Predetermined Comments:</i>  <input checked="" type="checkbox"/> Acceptable</p> <p>Law / Code:  Additional Comments: No apparent violations.</p> <p><b>Transparency:</b>  <input checked="" type="checkbox"/> Acceptable   <input type="checkbox"/> Needs Improvement   <input type="checkbox"/> N/A   <input type="checkbox"/> Unable to Verify</p> <p><i>Predetermined Comments:</i>  <input checked="" type="checkbox"/> Acceptable</p> <p>Law / Code:  Additional Comments: No apparent violations.</p>
<p><b><u>Non-Discrimination:</u></b></p>	<p><input checked="" type="checkbox"/> Acceptable   <input type="checkbox"/> Needs Improvement   <input type="checkbox"/> N/A   <input type="checkbox"/> Unable to Verify</p> <p><i>Predetermined Comments:</i>  <input checked="" type="checkbox"/> Acceptable</p> <p>Law / Code:  Additional Comments: No apparent violations</p>

<p><b><u>Other Laws (if applicable):</u></b></p>	<p><b>Labor Contract:</b>  <input checked="" type="checkbox"/> Acceptable   <input type="checkbox"/> Needs Improvement   <input type="checkbox"/> N/A   <input type="checkbox"/> Unable to Verify</p> <p><i>Predetermined Comments:</i>  <input checked="" type="checkbox"/> Acceptable</p> <p>Law / Code:  Additional Comments: No apparent violations.</p> <p><b>Other:</b>  <input checked="" type="checkbox"/> Acceptable   <input type="checkbox"/> Needs Improvement   <input type="checkbox"/> N/A   <input type="checkbox"/> Unable to Verify</p> <p><i>Predetermined Comments:</i>  <input checked="" type="checkbox"/> Acceptable</p> <p>Law / Code:  Additional Comments: No apparent violations.</p>
<p><b><u>Protection of the Environment:</u></b></p>	<p><input checked="" type="checkbox"/> Acceptable   <input type="checkbox"/> Needs Improvement   <input type="checkbox"/> N/A   <input type="checkbox"/> Unable to Verify</p> <p><i>Predetermined Comments:</i>  <input checked="" type="checkbox"/> Acceptable</p> <p>Law / Code:  Additional Comments: No apparent violations.</p>
<p><b><u>Publication:</u></b></p>	<p><input checked="" type="checkbox"/> Acceptable   <input type="checkbox"/> Needs Improvement   <input type="checkbox"/> N/A   <input type="checkbox"/> Unable to Verify</p> <p><i>Predetermined Comments:</i>  <input checked="" type="checkbox"/> Acceptable</p> <p>Law / Code:  Additional Comments: No apparent violations</p>
<p><b><u>Subcontracting:</u></b></p>	<p><input type="checkbox"/> Acceptable   <input type="checkbox"/> Needs Improvement   <input checked="" type="checkbox"/> N/A   <input type="checkbox"/> Unable to Verify</p> <p><i>Predetermined Comments:</i>  <input checked="" type="checkbox"/> N/A</p> <p>Law / Code:  Additional Comments: Auditor confirmed that ERTE KOZMETIK SAN. VE TIC. A.S. does not subcontract or receive Disney-branded production from any facility or other sources during [2020/04/30 – 2019/05/01].</p>