

## ILS Social Compliance Audit

**Audit ID #:** AU122667      **Date Audit Conducted:** 2016-06-16  
Yr/Mo/Day

**Code Conducted to:** Disney      **Audit Report Date:** 2016-06-22  
Yr/Mo/Day

**Audit Type:**       Initial       First F/U       Second F/U       Third F/U       Other F/U

### Facility Information

**Facility ID No.:** N/A

**Facility Name:** FERAH KONFEKSIYON SANAYI VE TURIZM TICARET A.S.

**Address Line 1:** BARBAROS HAYRETTIN MAH, 1993 SK, NO:6, ESENYURT / ISTANBUL

**City:** ISTANBUL      **State/Province:** N/A

**Town:** ESENYURT      **Country:** TURKEY

**Postal Code:** 34750      **GPS Location:** N/A

**Contact Last Name:** DIRIK      **Contact First Name:** EREN

**Primary Email:** erendirik@missclaire.com      **Telephone:** +90 212 852 40 22

**Contact Person Title:** BUSINESS MANAGER      **Fax:** +90 212 852 40 30

### Name/Address/Ownership Updates

**Facility Name:**

**Facility Address:**

**Facility Ownership Update:**

**Upcoming Relocation or Expansion:**

## Audit Team

**Audit Firm:** INTERTEK

**Lead/ Exclusive Auditor:**

**Number of Auditors:** 2

**Audit Team Member 1:** RUHSAN EREYLI

**Audit Team Member 2:** SEVGI ERISEN

## Audit Details & Assessment

### Facility Details

**Access to Facility:**  Accepted  Denied  Denied by phone  Unable to Access – No fault of facility

**Predetermined Comments:**  Acceptable  
 Auditors attempted to conduct an audit and were denied access.  
 Other

**Additional Comments:** N/A

**Current % Capacity Devoted to Disney:** 0 **Past % Capacity Devoted to Disney:** 0

**Products Produced:** Apparel

**Disney Products Observed:** None

**Production Processes:** Cutting, Sewing, Ironing, Packing

**# Total Employees:** 136 **#Production Employees:** 91

**# Buildings:** 1

**# Buildings by Purpose:** The building consists of two parts, A and B.  
Parts' layout plans are as below;  
A part of the building;  
-1 Floor / Ironing, Packing  
Entrance / Showrooms, Financial Administrative  
1<sup>th</sup> Floor / Export Management

2<sup>nd</sup> Floor / Administrative Offices, Doctor Room  
 B part of the building;  
 -1 Floor / Warehouse, Cutting  
 Entrance / Sewing, Modelling  
 1<sup>th</sup> Floor / Production  
 2<sup>nd</sup> Floor / Lunch Hall

**Peak Production Months:**

- |   |   |  |
|---|---|--|
| <input type="checkbox"/> Unknown          | <input checked="" type="checkbox"/> April | <input type="checkbox"/> September           |
| <input type="checkbox"/> None             | <input checked="" type="checkbox"/> May   | <input checked="" type="checkbox"/> October  |
| <input type="checkbox"/> January          | <input checked="" type="checkbox"/> June  | <input checked="" type="checkbox"/> November |
| <input type="checkbox"/> February         | <input checked="" type="checkbox"/> July  | <input type="checkbox"/> December            |
| <input checked="" type="checkbox"/> March | <input type="checkbox"/> August           |  |

**Low Production Months:**

- |   |                                 |  |
|---|---------------------------------|--|
| <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 checked="" 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 |  |

**Facility Regular Hours:**

N/A

**Facility # of Shifts/Hours**

Production and Administration: 08:00-10:00, 10:15-12:00, 12:45-15:00, 15:15-18:15 x 5 days in a week

**Other Brands Present?**

Mothercare, Next, Inditex, Carrefour, Monoprix

**Establishment Date: Yr/Mo/Day**

1960-01-01



## **Comments Details**

Comments: The Company is established on January 1960. The main product of the company is lady underwear. There is a sister company which is named FERAH KONFEKSIYON IHR. SAN. LTD. STI. This company is an export firm which is located in the same building, there is no production unit which belongs to this firm and only 5 administrative employees and 18 sales officers who works at chain stores belong to that company. Therefore FERAH KONFEKSIYON IHR. SAN. LTD. STI. is included in the audit scope. There was no co-mingling issue between companies.

Meal and transportation are provided free of charge to all employees.

Name and Title of Others Present (ex. translators, observers, trainees): SAFAK NAZLICAN –  
Observer Auditor

Attendance Records Provided: 12 / June 2015 – May 2016

Payroll Records Provided: 12 / June 2015 – May 2016

Number of Records Sample: Last Paid Month: May 2016–10, Non-Peak Month: January 2016–5,  
Peak Month: October 2015-5

Resources Received from Facility (i.e. transportation, meals): None

Factory Representative in opening meeting (name/title): EREN DIRIK / BUSINESS MANAGER

Factory Representative in closing meeting (name/title): EREN DIRIK / BUSINESS MANAGER

(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; etc.)

## **Audit Violations**

**Age Requirement**

**Child Labor:**  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

**Young Persons:**

Acceptable  Needs Improvement  N/A  Unable to Verify

*Predetermined Comments:*

Acceptable

Law / Code:

Additional Comments: No apparent violations

**Association:**

Acceptable    Needs Improvement    N/A    Unable to Verify

*Predetermined Comments:*

Acceptable

Law / Code:

Additional Comments: No apparent violations

**Coercion and Harassment:**

**Other:**

Acceptable    Needs Improvement    N/A    Unable to Verify

*Predetermined Comments:*

Acceptable

Law / Code:

Additional Comments: No apparent violations

**Physical Abuse or Sexual Harassment:**

Acceptable    Needs Improvement    N/A    Unable to Verify

*Predetermined Comments:*

Acceptable

Law / Code:

Additional Comments: No apparent violations

**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): 1273.5 TL (Gross), 910.43 TL (Net) (From July 1st 2015 to 1st January 2016). 1647 TL (Gross) and 1177.46 TL (Net) starting from January 2016 wages.

**Overtime Hours:**

Acceptable    Needs Improvement    N/A    Unable to Verify

*Predetermined Comments:*

Acceptable

Law / Code:

Additional Comments: No apparent violations

*Remarks:*

Attendance Recorded by: (automated/electronic, timecard, manual, no recording, etc.): Electronic card

Through reviewing of the provided timecards and payrolls, employees' interview, working hour statistics was as the following:

1) For October 2015 (Peak month), the maximum weekly working hours were 55 hours (4 out of 5 samples). The maximum monthly overtime working hours were 14 hours per month (4 out of 5 samples).

2) For January 2016 (Non-Peak month), the maximum weekly working hours were 49 hours (2 out of 5 samples). The maximum monthly working hours were 10 hours per month (1 out of 5 samples).

3) For May 2016 (Last paid month), the maximum weekly working hours were 55 hours (1 out of 10 samples). The maximum monthly working hours were 19 hours per month (2 out of 10 samples).



**Overtime Wage:**

Acceptable    Needs Improvement    N/A    Unable to Verify

*Predetermined Comments:*

Acceptable

Law / Code:

Additional Comments: No apparent violations

*Remarks:*

The facility pays %150 rates for overtime practices performed in weekdays and weekly off days. Also it is paid %200 rates for working practices on national holidays. However there were no national holiday working practices on the documents reviewed.

**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: 5<sup>th</sup> of the each month

Wage pay in/by (cash, check, direct deposit, etc.): Direct Deposit

**Health and Safety:**

**Dormitories:**

Acceptable    Needs Improvement    N/A    Unable to Verify

*Predetermined Comments:*

N/A

Law / Code:

Additional Comments: The factory does not provide a dormitory to the employees

**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:*

An electrical system analysis or inspection has not been conducted or the records were not provided for review.

Law / Code: In accordance with Turkish Regulation about Occupational Health and Safety circumstances using work equipments (25/04/2013) No: 28628

Addition III - Related Matters for Maintenance, Repairs and Periodical Checks  
Art 2.3.4

Periodical check period and check criteria for some installments are stated on Table 3 provided that the criteria stated in Art 2.1.1 are reserved.

Table 3

Equipment: Electricity Installments, Grounding Installments, Lightning Rod  
Check Period (Max): 1 year

Additional Comments: Auditors noted that there were issues noted that need to be corrected on the electricity grounding measurement report and electricity inside installation suitability report. The grounding measurement was conducted on April 2016.

Machines are not properly maintained and/or lack the proper maintenance records.

Law / Code: Turkish Regulation about Occupational Health and Safety circumstances using work equipments (25/04/2013) No: 28628

Addition III - Related Matters for Maintenance, Repairs and Periodical Checks  
Art 2.1.1.

Basic principle on pressure vessels is performing a hydrostatic test. These test are performed with 1.5 times of facility pressure if unless otherwise stated and annually. However, if there is no possibility to perform hydrostatic test because of the property of equipment and compulsory conditions which caused by facility nondestructive inspection methods which is stated in the standards could be performed except hydrostatic methods. In this situation, this subject is stated in the periodical inspection report.

Additional Comments: Auditors noted that there are improvement needed points in periodic inspection report of boiler (24.03.2016), 1 out 2 water booster periodical inspection report and 1 expansion tank periodical report.

**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:*

Assessment of occupational hazards factors is not conducted annually or as required.

Law / Code: Regulation on the Health and Safety Measures Taken For the Buildings and Additions (No: 28710, Date: 17.7.2013)

Appendix-I Minimum Health and Safety Requirements for Buildings and Additions

22- Workplaces shall be illuminated with sufficient day light. If it is not able to benefit from day light sufficiently reasoned from type of work or construction style of workplace or at night work, illumination is provided with appropriate and sufficient artificial light.

23- Illumination systems on working places and passage ways shall be in style that will not create any accident risk for employees and placed appropriately.

Additional Comments: Auditors noted that 5 out of 16 measured points are noted as insufficient lighting in the indoor lighting measurement report which was conducted on 24.03.2016

**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

**Involuntary Labor:**

**Mandatory Overtime:**

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

**Prison, Bonded, Indentured, Forced Labor:**

Acceptable    Needs Improvement    N/A    Unable to Verify

*Predetermined Comments:*

Acceptable

Law / Code:

Additional Comments: No apparent violations

**Monitoring and Compliance:**

**Ethics:**

Acceptable    Needs Improvement    N/A    Unable to Verify

*Predetermined Comments:*

Acceptable

Law / Code:

Additional Comments: No apparent violations

**Insufficient or Inadequate Records:**

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

**Transparency:**

Acceptable    Needs Improvement    N/A    Unable to Verify

*Predetermined Comments:*

Acceptable

Law / Code:

Additional Comments: No apparent violations

**Non-Discrimination:**

Acceptable    Needs Improvement    N/A    Unable to Verify

*Predetermined Comments:*

Acceptable

Law / Code:

Additional Comments: No apparent violations

**Other Laws (if applicable):**

**Labor Contract:**

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

**Protection of the Environment:**

Acceptable    Needs Improvement    N/A    Unable to Verify

*Predetermined Comments:*

The Environmental Compliance Certificate has not been obtained and/or not provided for review.

Law / Code: Regulation about the obligatory permits and licenses according to the Environment Law(29.04.2009) No: 27214, Article 4; facilities subject to environment permit or to environment permit and license are classified as below regarding to their impact to environment;

1- Facilities which have contaminating impact to environment at high level (Appendix 1)

2- Facilities which have contaminating impact to environment (Appendix 2)  
Facilities which listed at Appendix 1 or 2 are required to obtain environment permit or to environment permit and license.

Additional Comments: Auditors noted that environment permit / exemption letter is not available yet. It is on application process.

**Publication:**

Acceptable    Needs Improvement    N/A    Unable to Verify

*Predetermined Comments:*

Acceptable

Law / Code:

Additional Comments: No apparent violations

**Subcontracting:**

Acceptable    Needs Improvement    N/A    Unable to Verify

*Predetermined Comments:*

N/A

Law / Code:

Additional Comments: Auditors confirmed that (FERAH KONFEKSIYON SANAYI VE TURIZM TICARET A.S.) does not subcontract or receive Disney-branded production from any facility or other sources.