

ILS Social Compliance Audit

Audit Reference #: (audit firm internal)	AU 147392	Audit ID #: (Disney's ID)	NA
Date Audit Started: Year/Mo/Day	2021/07/05	Date Audit Completed: Year/Mo/Day	2021/07/05
Code Conducted to:	WALT DISNEY	Audit Report Date: Year/Mo/Day	2021/07/08
Audit Type:	Initial Audit	Special Program: (only required if applicable to NDAs)	None

Facility Information

Facility ID No.:	NA		
Facility Name:	DENIZLI RATEKS TEKSTIL SAN. VE TIC. A.S.		
Address Line 1:	BOZBURUN MAHALLESİ 7050.SK. NO:3 MERKEZEFENDİ/DENİZLİ		
Address Line 2:	NA		
City:	DENİZLİ	State/Province:	NA
Town:	N/A	Country:	TURKEY
Zip Code:	20000	GPS Location:	37°49'52.9"N 29°03'11.8"E
Contact Name: (First and Last)	TUGBA SONUC	Contact Person Title:	QUALITY SYSTEM RESPONSIBLE
Primary Email:	tugba.sonuc@goldstar teks.com	Phone Number: Country code – area code / phone number	0090 258 371 34 35
Contact Person Title:	QUALITY SYSTEM RESPONSIBLE	Fax: Country code – area code / phone number	0090 258 371 04 38

Name/Address/Ownership Updates

Facility Name:	N/A
Facility Address:	N/A
Facility Ownership Update:	N/A
Upcoming Relocation or Expansion:	N/A

Audit Team

Audit Firm:	Intertek
Number of Auditors:	2

	Name	APSCA Registration Number	APSCA Certification Number
Audit Team Member 1: <i>(Lead/Exclusive Auditor)</i>	SEBLA EROGLU	RA21702600	N/A
Audit Team Member 2:	HATICE SIRIN	RA21705227	N/A
<i>(Note: In FANS, please input auditor(s)' APSCA Registration Number(s) in the Cross-Reference Tab of the DDM – 1 row for each auditor)</i>			

Audit Details & Assessment

Facility Details

Access to Facility:	Accepted		
Access to Facility - Predetermined Comments	<input checked="" type="checkbox"/> Acceptable <input type="checkbox"/> Auditors attempted to conduct an audit and were denied access. <input type="checkbox"/> Other		
Access to Facility - Additional Comments:	NONE		
Current % Capacity Devoted to Disney:	%0	Past % Capacity Devoted to Disney:	%0
Products Produced:	Apparel		
Disney Products Observed:	NONE		
Production Processes:	WEAVING,CUTTING, EMBROIDERY, SEWING, INLINE QC, PACKING		
# Total Employees:	607	#Production Employees:	509
# Buildings:	2		
# Buildings by Purpose:	<p><u>Building 1</u> Ground floor: Weaving, raw materials warehouse, semi-finished goods warehouse, lunch hall, doctor room, 1st floor: Cutting, embroidery sewing, and packing section Entrance hall, offices</p> <p><u>Building 2</u> Ground floor: Carton and finished goods warehouse 1st floor: cutting and sewing sections, packing section</p> <p>*** These are industrial two buildings which are used as production sites and have inter-related transition. One of these buildings built in 2019. They have legal permits. Buildings belong to RATEKS TEXTILE.</p>		

Peak Production Months:	<input type="checkbox"/> Unknown <input checked="" type="checkbox"/> None <input type="checkbox"/> January <input type="checkbox"/> February <input type="checkbox"/> March	<input type="checkbox"/> April <input type="checkbox"/> May <input type="checkbox"/> June <input type="checkbox"/> July <input type="checkbox"/> August	<input type="checkbox"/> September <input type="checkbox"/> October <input type="checkbox"/> November <input type="checkbox"/> December
Low Production Months:	<input type="checkbox"/> Unknown <input checked="" type="checkbox"/> None <input type="checkbox"/> January <input type="checkbox"/> February <input type="checkbox"/> March	<input type="checkbox"/> April <input type="checkbox"/> May <input type="checkbox"/> June <input type="checkbox"/> July <input type="checkbox"/> August	<input type="checkbox"/> September <input type="checkbox"/> October <input type="checkbox"/> November <input type="checkbox"/> December
Facility Regular Hours:	NA	Facility # of Shifts/Hours	1 shift / 9 hours per day From Monday to Friday(for administration and production) 07:45-18:15 including 60' break 3 shifts / 7,5 hours per day(6 days working)(For weaving and embroidery section) 08:00-16:00, 16:00-24:00, 24:00-08:00 including 30' min break for each shifts.
Other Brands Present?	Due to the confidentiality principle of the facility, it did not share this information with the auditors.		
Establishment Date: Yr/Mo/Day	1994/12/12		

Nationality of Management:	TURKISH
Nationality of owner/owner entity:	TURKISH

Management Gender (enter # of people):

	Male	Female
Managers	8	10
Supervisors	40	40

Nationality of Workers: (Top 5 Countries)	Approx. % of Total Workforce:
TURKISH	%100
List ALL other nationalities in the facility:	TURKISH
<p><i>(Note: If there are North Korean workers in the facility, please additionally provide the following details in the Comments section of the Audit Report:</i></p> <ul style="list-style-type: none"> • <i>Employment dates of each North Korean worker</i> • <i>Labor agent of each North Korean worker</i> • <i>Type of work authorization/permission for each North Korean worker</i> • <i>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)</i> 	

Audit Details

Attendance Records Tested:	<input type="checkbox"/> Unknown <input checked="" type="checkbox"/> April <input type="checkbox"/> September <input type="checkbox"/> None <input checked="" 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 type="checkbox"/> December <input type="checkbox"/> March <input type="checkbox"/> August		
Payroll Ledgers Tested:	<input type="checkbox"/> Unknown <input checked="" type="checkbox"/> April <input type="checkbox"/> September <input type="checkbox"/> None <input checked="" 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 type="checkbox"/> December <input type="checkbox"/> March <input type="checkbox"/> August		
Last Pay Date: Year/Mo/Day	2021/06/10	Number of Records Sampled:	20

# Individual Employee Interviews:	10	# Employee Group Interviews:	0
Numbers per Group:			
Additional Locations Audited?	No		
Explain Additional Location Details:	N/A		
Comments/Observations:	NONE		
Communicated Findings With:	TUGBA SONUC- QUALITY SYSTEM RESPONSIBLE		
Agreed to and Signed CAPAR?	Yes		
Audit Entered by: (Name)	SEBLA EROGLU – LEAD AUDITOR		

Comments Details

<p>Comments: The factory is established in 1994. The main product of the facility are bath towel and bathrobe for home textile sector. The monthly production capacities are 1.500.000 pieces/month for towel, 50.000 pieces/month for bath robe and 20.000 pieces/month for baby care products. There were totally 607 workers including 98 administrative staff. Production employees(AT TOTAL 509) were 135 male and 374 female. They were locating in 2 buildings in which 1st & 2nd buildings belong the Denizli Rateks Textile. Total closed area of the facility is 20.944 square meters.</p> <p>COVID-19 PRECAUTIONS; There is a thermometer in the security of the facility, employees’ fevers are controlled daily. Facility has disinfections in a lot of areas. Masks are given to employees and make them use in all time. Employees’ lunch times are scheduled and number of workers who have lunch in same time are decreased.</p> <p>APSCA Disclaimer <i>“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 into bottom position of this field for each audit report.</i></p>
Name and Title of Others Present (ex. translators, observers, trainees): N/A
Attendance Records Provided: 12/ May 2021 - May 2020
Payroll Records Provided: 12/ May 2021 - May 2020

of Records Sampled (description):): Current month: May 2021 - 10, Randomly month: April 2021 - 5, Randomly month: January 2021 - 5

(There was no peak season, so auditor reviewed randomly months.)

Resources Received from Facility (i.e. transportation, meals): N/A

Factory Representative in opening meeting (name/title): TUGBA SONUC / QUALITY SYSTEM RESPONSIBLE, NURI CAYOGLU / RESPONSIBLE OF HR

Factory Representative in closing meeting (name/title):): TUGBA SONUC / QUALITY SYSTEM RESPONSIBLE, NURI CAYOGLU / RESPONSIBLE OF HR

(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

<u>Age Requirement</u>	Child Labor: <input checked="" type="checkbox"/> Acceptable <input type="checkbox"/> Needs Improvement <input type="checkbox"/> N/A <input type="checkbox"/> Unable to Verify
	<p><i>Predetermined Comments:</i> <input checked="" type="checkbox"/> Acceptable</p> <p>Law / Code: Additional Comments: No apparent violations.</p>
	<p>Other: <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>Young Persons: <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><u>Association:</u></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><u>Coercion and Harassment:</u></p>	<p>Other: <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>Physical Abuse or Sexual Harassment: <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><u>Compensation:</u></p>	<p>Minimum Wage:</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></p> <p><input checked="" type="checkbox"/> Acceptable</p> <p>Law / Code: Additional Comments: No apparent violations.</p> <p><i>Remarks:</i> Local minimum wage standard: (wage per hour or per month): Since January 1st 2020: 2943 TL (Gross- including subsistence allowance);2324,7 TL (Net- including subsistence allowance) / month) Since January 1st 2021: 3577,50 TL (Gross- including subsistence allowance);2825,9 TL (Net- including subsistence allowance) / month)</p> <p>Overtime Hours:</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></p> <p><input checked="" type="checkbox"/> Acceptable</p> <p>Law / Code: Additional Comments: No apparent violations.</p> <p><i>Remarks:</i> Attendance Recorded by: (automated/electronic, timecard, manual, no recording, etc.): Digital card time recording system is used by the facility.</p> <p>For May 2021 (Current month): The maximum weekly working hours were 52,5 hours (6 out of 10 samples). The maximum monthly overtime were 15 hours per month. (3 out of 10 samples).</p> <p>For April 2021 (Randomly month): The maximum weekly working hours were 49 hours (2 out of 5 samples). The maximum monthly overtime were 6 hours per month. (2 out of 5 samples).</p> <p>For January 2021 (Randomly month): The maximum weekly working hours were 48 hours (1 out of 5 samples). The maximum monthly overtime were 8 hours per month. (1 out of 5 samples).</p> <p>Overtime Wage:</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></p> <p><input checked="" type="checkbox"/> Acceptable</p> <p>Remarks: The facility pays %150 rates for overtime practices performed in weekdays, and 200% for weekly off days and statutory holidays.</p>
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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: 10th 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 at 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><u>Involuntary Labor:</u></p>	<p>Mandatory Overtime: <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>Other: <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>Prison, Bonded, Indentured, Forced Labor: <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><u>Monitoring and Compliance:</u></p>	<p>Ethics: <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>Insufficient or Inadequate Records: <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>Other: <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>Transparency: <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><u>Non-Discrimination:</u></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><u>Other Laws (if applicable):</u></p>	<p>Labor Contract: <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>Other: <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><u>Protection of the Environment:</u></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><u>Publication:</u></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><u>Subcontracting:</u></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"/> NA</p> <p>Law / Code: Additional Comments: Auditor confirmed that DENIZLI RATEKS TEKSTIL SAN.VE TIC.A.S does not subcontract or receive Disney-branded production from any facility or other sources during MAY 2020 - JUNE 2021</p>