

<b>CALIK DENIM</b>	<b>CUSTOMER COMPLAINT &amp; SATISFACTION PROCEDURE</b>	<b>CUSTOMER RELATIONS</b>	
		Document No	MIM.01-P-001
		First Effective Date	01.06.2016
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## 1.0 PURPOSE

It is to describe the process of initiating the corrective and preventive actions required for communicating customer feedback and complaints, receiving complaints, monitoring, assessing, investigating, escalating, concluding and closing complaints, to prevent the complaint from occurring again within the scope of customer complaint and satisfaction management system.

## 2.0 SCOPE

Following the delivery of products and services, it covers customer complaint and satisfaction management activities which is initiated by the submission of feedbacks and complaints by the customer and up to the completion of the process, and additionally, the assessment of the level of the customers' satisfaction.

## 3.0. RESPONSIBILITIES

Customer relations department is responsible of the application and currency of this procedure, and all the personnel and their line managers are responsible to act in a compliant way.

## 4.0. DEFINITIONS

Customer Complaint: Dissatisfaction with the product or service provided to the customer.

Customer Feedback: Expectations and recommendations for product or service development.

Customer Satisfaction; Satisfaction rate after the customer needs are remedied and their request is fulfilled.

Corrective and Preventive Action: Identification of current non-compliance, examination of root causes and removal of these causes to prevent the reoccurrence of the problem.

## 5.0 KEY PRINCIPLES

Customer complaints are handled by logging the SAP system with the transaction codes listed below in accordance with the Customer complaint and satisfaction management process.

SAP Operation Codes

ZCDS0003: Complaint Entry

ZCDS0004: Complaint Change

ZCDS0005: Complaint Monitoring

ZCDS0006: Complaint Listing

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## 5.1 Handling Complaints

### 1.1.1 Complaint Communication

Customer complaints are received either verbally (telephone) or in writing (email) by the customer representative responsible for the customer complaining. Written notices are made at any time within the email environment, verbal notices are received by a customer representative during shifts.

Information about the subject of the complaint or the feedback and the related order or purchase are obtained from the customer and recorded with the involvement of the customer representative. Contact with the complaining customer is made by the customer representative according to the communication procedure.

#### Relevant Documents

KG.05-P-005 Communication Procedure

### 5.1.2 Receiving Complaints

The information relating to the complaint of the customers is logged and communicated to the Relations Manager in the SAP system at the complaint entry module ZCDS003, by selecting the complaint code identified in the SAP system by the relevant customer representative, and automatically classified in terms of fault severity. Error codes and severity are defined in the relevant module of SAP.

Customer complaints are recorded in the status "new record". If a sample review of the complaint is to be performed, the complaint status remains a "new record" until the sample is delivered to the Customer Relations Department. When the sample is delivered to the Customer Relations Department, the status of the complaint record switches to "Customer Relations". If a sample review of the complaint is not to be performed, the status of the record is recorded as "Customer Relations" by entering the information required to review the complaint.

### 5.1.3 Follow-up of Complaints

Customer complaints is also recorded with relevant transaction codes in SAP to ensure process traceability. Information on the current status of the complaint and its stage can be viewed in the SAP environment. Customer complaints are addressed with precision, importance and care in the context of customer focus approach, ensuring that they are resolved as soon as possible. The customer is informed by the customer representative about their complaint being processed and customer will also be informed, if required at a later stage, about the current status of their complaint.

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#### 5.1.4 Accepting Complaints

The complaint submitted by the customer is processed and communicated to the customer by the relevant customer representative where the process has been initiated.

#### Relevant Documents

KG.05-P-005 Communication Procedure

#### 5.1.5 Initial Assessment of Complaint

Customer Relations Department will review the information relating to the complaint and if there is any missing information about the complaint, they will conduct a preliminary inspection, providing the necessary information from the relevant customer or customer representative. The Department conducts a customer site visit with the customer representative to take samples or see the complaint on site, if necessary at this stage. Based on the information and findings obtained, the Customer Relations Manager first conducts an assessment to identify the main department where the complaint originates, and also logs the relevant information in the complaint assessment record by passing the complaint record to the relevant department. (ZCDS0004)

Priority assessment takes place where necessary, taking into account the content, quantity, impact on relations, security, reputation, business relations, customer impact, etc. of the complaint by the Customer Relations Department and ensuring that all complaints are resolved as soon as possible.

Complaints related to health and safety issues are considered highly important, thus immediately treated and evaluated.

#### 5.1.6 Investigating Complaints

Following initial assessment of complaints and escalation to the main department where the complaint has been raised, the main department where the complaint has been referred to processes the complaint record and conveys the notification to the relevant sub-department.

The sub-department reviews the information relating to the complaint record submitted to them and then objectively evaluates their opinion to the complaint notification, providing the notification record to the Customer Relations department.

The complaint investigation considers all sources of information objectively and impartially by assessing the likelihood of them causing complaints or feedback.

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### 5.1.7 Response to Complaint

The remedial/preventive activity is initiated by the relevant department and Customer Relations department and the results are monitored to prevent the errors from repeating based on the frequency of occurrence of customer complaints parameters such as cause, quantity, volume and impact.

#### Relevant Documents

KG.07-P-007 Non-Compliance Corrective Action Procedure  
GN-PRD-009 Continuous Improvement Procedure

### 5.1.8 Communicating the Decision

The final decision on the complaint is communicated to the Customer in writing or verbally by the Customer Representative. The information obtained is shared with the customer when the final decision is notified.

#### Relevant Documents

KG.05-P-005 Communication Procedure

### 5.1.9 Closing of the Complaints

Upon the completion of the investigation, the Customer Relations department objectively and impartially evaluates the information of the complaint and decides whether to accept or reject it according to the authorizations specified in Article 4.1.10.

After the final decision on the termination of the complaint, the complaint record switches to "Notification Control" status. Customer relations reviews the complaint record and gives the complaint a completed status, if all documents are complete. After the complaint evaluations, the invoice information of the amount related to the decisions such as return or claim etc. is added to the complaint record.

Upon acceptance or rejection of the complaints, the result is communicated to the customer by the customer representative together with justifications. If a solution can be offered during the customer site visit specified in the first evaluation article of the complaint, the complaint is finalized by presenting a solution at this stage.

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Complaints are closed after the result is notified to the customer and settlement is reached. Complaints that cannot be settled are not closed.

In case of failure to reach a settlement, Sales Executive and Managing Director are consulted and the final decision is made by reassessing according to the related information and the final decision is notified to the customer.

In the event that no settlement is reached based on the final assessment, all disputes arising in relation to the complaint shall be settled by İstanbul (Çağlayan) Courts and Execution Offices. In disputes arising outside the borders of the country, competent court/arbitration shall be decided separately for each dispute.

#### **5.1.10 Authorization for Finalizing the Complaint**

The complaint management process is monitored and coordinated by the Customer Relations Manager and finalized as soon as possible. The authorization for complaint closure is as follows.

- Customer Relations Manager approves returns up to 4,000 mt and claims up to \$10,000
- The General Manager approves the results of the complaint over 4,000 mt and \$10,000.
- Customer Relations Manager approves the return for reprocessing without having any meter and quantity restrictions
- The customer relations manager approves the records of complaints recorded as "Not a complaint" such as the early advance payment discount, which is recorded as a complaint but does not have the feature of being a complaint, the shipment of the product shipped at the request of the customer to another manufacturer, etc.

#### **5.2 Evaluating Complaints Handling Satisfaction**

The customer satisfaction regarding the effectiveness of the process of handling complaints is specified by Customer Relations once a year through surveys, written or verbal evaluations of customers with complaints. Improvement is achieved by conducting evaluations based on satisfaction level.

In surveys conducted by Customer relationships;

The customer will score from 1 to 5 points based on the satisfaction criteria defined on the form.

Surveys conducted are evaluated by Sales and Customer Relations.

The results are compiled in a report.

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The total score is assessed at 15 and those over 75% is considered to be an adequate level of satisfaction.

Remedial action is initiated by the Customer Relations department for areas below this value that need to be evaluated, aligned and improved.

Assessment results are sent to senior management and line managers.

### 5.3- Analysis and Evaluation of Complaints

All complaints are recorded. Customer Relations analyze complaints based on their cause, quantity and frequency before determining on a corrective action. Corrective, preventive actions are initiated to improve and prevent recurrence of products and services by eliminating root causes for complaints that fall under the criteria.

#### Relevant Documents

KG.07-P-007 Non-Compliance Corrective Action Procedure

### 5.4 Complaints Error Classification and Planning of Closure Process

Failure class codes for customer complaints and the severity of these error classes are defined in three categories in SAP as "HIGH, MEDIUM and LOW".

The planning of the closure period according to the severity of the complaints is as follows; with the first notification of the complaint, the Customer Representative takes the complaint record to "new record" status. If the sample examination related to the complaint is to be carried out, the status of the complaint record is "Customer relations" when the sample is delivered to the customer relations. If the sample examination related to the complaint is not to be performed, the necessary information for the examination of the complaint is entered into the complaint record by the Customer Representative and the status of the record is switched to "Customer relations".

The date of commencement for the first complaint investigation is the date the status of the complaint record is switched to "customer relations".

The status of the complaint record is switched to "main department" by referring the information and/or samples to the relevant main department according to the preliminary examination by the customer relations, the customer visit, if necessary, and the following evaluation result.

#### MI1: Customer visit and preliminary survey deadlines

2. After performing a survey, main department conveys the complaint record to the relevant sub-department concerned with the root cause of the complaint.

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**MAIN: Sampling period and preliminary evaluation period**

3. The sub-department examines the complaint in line with the samples and information received and enters the necessary information into the complaint record and directs the complaint to "Customer Relations". All samples examined are sent to Customer Relationship again to be shown to the customer. At this stage, the complaint record is approved by the Director.

**SUB: Sub-Department examination period**

4. Customer Relations department evaluates all inspection results and notifies the relevant customer representative by entering the complaint result in the complaint record to be communicated to the customer after the notification and approval of the Managing Director.

The status of the complaint registration with this record is switched to "Customer".

MI2: 2nd evaluation period conducted by customer relations

The complaint assessment period is finalized at this stage.

The planned time to complete a complaint notification based on the classification and severity of the complaint is as follows;

For rating HIGH;

MI1+MI2=3 days

MAIN=2 days

SUB=2 days

Sample and test inspection is not performed for MEDIUM and LOW errors.

For rating MEDIUM and LOW;

MI1+MI2=2 days

MAIN=1 day

SUB=1 day

**5.5 Taking Corrective and Preventive Actions for the Causes of Customer Complaints**

- Relevant departments resulting in customer complaints, root causes of the complaint and corrective and preventive actions in relation to the root cause are defined in SAP.

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•Customer complaints Customer Relations department reviews the SAP-defined corrective and preventive action performance and the analysis results of the complaints. Either the customer relations or the relevant departments, if needed, take action for the complaints that meet the following criteria. Upon reviewing the complaints that meet the relevant criteria, corrective preventive action is taken if the already taken ones are not sufficient.

- For the Factory Production area, when the criteria below happens within 1 month,
- When 3 consecutive complaints are received for the same type with the same error code in the same sub-department,
- When the complaint measures more than 3.000 meters for one single type,
- For Factory Service, Logistic Foreign Trade, Finance departments, when the criteria below happens in 1 month,
- When 2 consecutive complaints are received with the same error code in the same sub department,
- For Sales Marketing department, when the criteria below happens within 1 month,
- When 3 consecutive complaints are received for the same customer with the same error code,
- When 3 consecutive complaints are received for different customers with the same error code,

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