

ILS Social Compliance Audit

Audit Reference #: (audit firm internal)	EVT-CN-DIS-237323	Audit ID #: (Disney's ID)	Not provided
Date Audit Started: Year/Mo/Day	2023/06/27	Date Audit Completed: Year/Mo/Day	2023/06/27
Code Conducted to:	Disney (Licensee)	Audit Report Date: Year/Mo/Day	2023/07/03
Audit Type:	Initial Audit	Special Program: (only required if applicable to NDAs)	None

Facility Information

Facility ID No.:	Not provided		
Facility Name:	Heshan Youmeiya Furniture Co., Ltd		
Address Line 1:	No. 29 Heshan Industrial Area, Shaping Town, Heshan City, Guangdong Province, China		
Address Line 2:	Nil		
City:	Heshan	State/Province:	Guangdong
Town:	Shaping	Country:	China
Zip Code:	529700	GPS Location:	E:112°57'8" N:22°44'42"
Contact Name: (First and Last)	Ms. Jing Wang	Contact Person Title:	HR Manager
Primary Email:	175339402@qq.com	Phone Number: Country code – area code / phone number	86-15975008827
Contact Person Title:	HR Manager	Fax: Country code – area code / phone number	N/A

Name/Address/Ownership Updates

Facility Name:	Nil
Facility Address:	Nil
Facility Ownership Update:	Nil
Upcoming Relocation or Expansion:	Nil

Audit Team

Audit Firm:	Elevate
Number of Auditors:	2

	Name	APSCA Registration Number	APSCA Certification Number
Audit Team Member 1: (Lead/Exclusive Auditor)	Stan Zeng	N/A	CSCA21701202
Audit Team Member 2:	Jonsen Wu	RA 21700110	N/A
Audit Team Member 3:	N/A	N/A	N/A
Audit Team Member 4:	N/A	N/A	N/A
Audit Team Member 5:	N/A	N/A	N/A
Audit Team Member 6:	N/A	N/A	N/A
Audit Team Member 7:	N/A	N/A	N/A
Audit Team Member 8:	N/A	N/A	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:	The factory had a good understanding of social compliance assessment process requirements.		
Current % Capacity Devoted to Disney:	0%	Past % Capacity Devoted to Disney:	0%
Products Produced:	Furniture		
Disney Products Observed:	No Disney product was observed on-site.		
Production Processes:	Cutting, Forming, Welding, Spraying Powder, Assembling, inspecting and Packing		
# Total Employees:	147	#Production Employees:	118
# Buildings:	7		
# Buildings by Purpose:	Facility in the occupied 1 block of 2-storey office, 5 block of 1-storey production buildings, and 1 block of 1-storey dormitory with kitchen. The total approx. area of the factory is 9300 square meters.		
Peak Production Months:	<input type="checkbox"/> Unknown <input type="checkbox"/> April <input type="checkbox"/> September <input checked="" type="checkbox"/> None <input type="checkbox"/> May <input type="checkbox"/> October <input 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		
Low Production Months:	<input type="checkbox"/> Unknown <input type="checkbox"/> April <input type="checkbox"/> September <input checked="" type="checkbox"/> None <input type="checkbox"/> May <input type="checkbox"/> October <input 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	
Facility Regular Hours:	8 hours per day and 40 hours per week	Facility # of Shifts/Hours	1 shift: 8:00 to 12:00, 14:00 to 18:00
Other Brands Present?	Not provided		
Establishment Date: Yr/Mo/Day	2011/07/22		

Nationality of Management:	Chinese
Nationality of owner/owner entity:	Chinese

Management Gender (enter # of people):

	Male	Female
Managers	10	8
Supervisors	6	5

Nationality of Workers: (Top 5 Countries)	Approx. % of Total Workforce:
China	100%
N/A	N/A
N/A	N/A
N/A	N/A
N/A	N/A
List ALL other nationalities in the facility:	N/A

(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

Attendance Records Tested:	<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 type="checkbox"/> February	<input checked="" type="checkbox"/> July	<input checked="" 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 type="checkbox"/> May	<input type="checkbox"/> October
	<input type="checkbox"/> January	<input type="checkbox"/> June	<input type="checkbox"/> November
	<input type="checkbox"/> February	<input checked="" type="checkbox"/> July	<input checked="" type="checkbox"/> December
	<input type="checkbox"/> March	<input type="checkbox"/> August	
Last Pay Date: Year/Mo/Day	2023/05/30	Number of Records Sampled:	30
# Individual Employee Interviews:	11	# Employee Group Interviews:	0
Numbers per Group:	N/A		
Additional Locations Audited?	No		
Explain Additional Location Details:	N/A		
Comments/Observations:	Violations Categories: (1) Compensation (2) Health & Safety		
Communicated Findings With:	Ms. Jing Wang		
Agreed to and Signed CAPAR?	Yes		
Audit Entered by: (Name)	Jonsen Wu		

Comments Details

Comments: Nil
Name and Title of Others Present (ex. translators, observers, trainees): Nil
Attendance Records Provided: 14 months from May 20202 to June 2023
Payroll Records Provided: 12 months from May 2022 to April 2023
of Records Sampled (description): Current 10, random 10, random 10
Resources Received from Facility (i.e. transportation, meals): Nil
Factory Representative in opening meeting (name/title): Mr. Wujian Lu / Administration Manager, Ms. Jing Wang / HR Manager, Mr Haijun Zhang / Production Director
Factory Representative in closing meeting (name/title): Mr. Wujian Lu / Administration Manager, Ms. Jing Wang / HR Manager, Mr Haijun Zhang / Production Director
<i>(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.)</i>

Audit Violations

<u>Age Requirement</u>	
	<p>Child 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: N/A 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: N/A 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: N/A 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></p> <p><input checked="" type="checkbox"/> Acceptable</p> <p>Law / Code: N/A</p> <p>Additional Comments: No apparent violations</p>
<p><u>Coercion and Harassment:</u></p>	<p>Other:</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: N/A</p> <p>Additional Comments: No apparent violations</p> <p>Physical Abuse or Sexual Harassment:</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: N/A</p> <p>Additional Comments: No apparent violations</p>

<p><u>Compensation:</u></p>	<p>Minimum Wage: <input checked="" type="checkbox"/> Acceptable <input type="checkbox"/> Needs Improvement <input type="checkbox"/> N/A <input type="checkbox"/> Unable to Verify</p> <p>Predetermined Comments: <input checked="" type="checkbox"/> Acceptable</p> <p>Law / Code: N/A Additional Comments: No apparent violations</p> <p>Remarks: Local minimum wage standard:(wage per hour or per month): RMB 1720 per month / RMB 9.89 per hour since December 1, 2021</p> <p>Overtime Hours: <input type="checkbox"/> Acceptable <input checked="" type="checkbox"/> Needs Improvement <input type="checkbox"/> N/A <input type="checkbox"/> Unable to Verify</p> <p><input checked="" type="checkbox"/> Employees work in excess of the legal overtime limit.</p> <p>Law / Code: PRC Labor Law article 41, the employer may extend working hours due to the requirements of its production or business after consultation with the trade union and laborers, but the extended working hour for a day shall generally not exceed one hour; if such extension is called for due to special reasons, the extended hours shall not exceed three hours a day under the condition that the health of laborers is guaranteed. However, the total extension in a month shall not exceed thirty-six hours.</p> <p>Additional Comments: Auditors noted that the monthly overtime hours of 10 out of 10 randomly selected workers exceeded 36 hours per month and reached 92 hours in July 2022 (random month), 10 out of 10 randomly selected workers was 94 hours in December 2022 (Random month) and 10 out of 10 randomly selected workers was 88 hours in April 2023 (Current month).</p> <p>Remarks: Attendance Recorded by: (automated/electronic, timecard, manual, no recording, etc.): Electronic Attendance System</p> <p>Hours of Work (Based on provided records): 14 months (from May 2022 to June 2023) of electronic attendance records were provided for review. A sampling of these records for the months of April 2023 (The most recent month), December 2022 (random month) and July 2022 (random month) were reviewed. Hours of work were 8-10 hours per day, and 60 hours per week, with the average being 60 hours per week. The most continuous days without rest were 6, with the average continuous days without rest being 6. No OT extension waiver approved by local labor bureau was provided.</p> <p>Overtime Wage: <input checked="" type="checkbox"/> Acceptable <input type="checkbox"/> Needs Improvement <input type="checkbox"/> N/A <input type="checkbox"/> Unable to Verify</p> <p>Predetermined Comments: <input checked="" type="checkbox"/> Acceptable</p> <p>Law / Code: N/A Additional Comments: No apparent violations</p>
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Social Benefits and Other Compensation:

Acceptable Needs Improvement N/A Unable to Verify

Predetermined Comments:

Employees are not provided with legally mandated benefits.

Law / Code: Social Insurance Act of the People's Republic of China, article 2, the state establishes basic pension insurance, basic medical insurance, occupational injury insurance, unemployment insurance, maternity insurance to form the social security system, to protect citizens' right to receive material assistance from the state and society in accordance with the law from old age, illness, work injury, unemployment, childbirth, etc. Article 4. Employers and employees within the territory of the People's Republic of China should pay social insurance premiums in accordance with the law.

Additional Comments: a total of 142 employees were eligible to receive five types of social insurances in June 2023 according to the law. However, through review of social insurance enrollment list, only 36 employees were enrolled in pension insurance, unemployment insurance, occupational injury insurance, medical insurance and child-bearing insurance. (The factory provided commercial insurance for 130 employees and the valid period was from June 8, 2023 to June 7,2024.)

Remarks:

Regular Pay Date: the end of each month

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

Wages and Benefits (Based on provided records) 12 months (from May 2022 to April 2023) of payroll records were provided for review. A sampling of these records for the months of April 2023 (The most recent month), December 2022 (random month) and July 2022 (random month) were reviewed. Wages for all employees in factory were calculated on hourly rate basis and paid at the end of each month through bank transfer. The workers earned a total take-home monthly wage between RMB 4406.40~ RMB 5066.40, with the average being RMB 4799.12. The calculated minimum hourly wage was RMB 14.40 which above the local minimum wage of RMB 9.89 since December 1st, 2021. The overtime wages were paid at 150% of normal rate for overtime hours on normal working days; 200% of normal rate for overtime hours on Saturday and Sunday; 300% of normal rate for public holidays. The gap between reported wages and legal requirements was nil and the percentage of workers being paid below the minimum wage was nil. A total of 142 employees were eligible to receive five types of social insurances in June 2023 according to the law. However, through review of social insurance enrollment list, only 36 employees were enrolled in pension insurance, unemployment insurance, occupational injury insurance, medical insurance and child-bearing insurance. (The factory provided commercial insurance for 130 employees and the valid period was from June 8, 2023 to June 7,2024.)

A wage slip detailing: normal and OT hours worked, wage rates, allowance, deductions, and total wage paid was provided to each worker.

<p><u>Health and Safety:</u></p>	<p>Worker Housing: <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: N/A Additional Comments: No apparent violations</p>
	<p>Fire & Emergency Safety: <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: N/A Additional Comments: No apparent violations</p>
	<p>Hazardous Materials: <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: N/A Additional Comments: No apparent violations</p>
	<p>Machine & Electrical Safety: <input type="checkbox"/> Acceptable <input checked="" 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"/> Electrical safety warning signs are not posted properly or are not in the local language/languages understood by workers.</p> <p>Law / Code: Warning Sign in the Guidelines for Safety Signs and Usage GB 2894-2008, article 4.2.3, warning sign, form 2, 2-7, electric shock warning sign set up scope and location: electricity devices and circuit where electric shock may happen.</p> <p>Additional Comments: Auditors noted that no warning sign was marked on one out of 5 switch boxes in the assembling section. (Reference the photo 1)</p>
	<p>Medical & First Aid: <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: N/A Additional Comments: No apparent violations</p>
	<p>General Health and Safety:</p>

Acceptable Needs Improvement N/A Unable to Verify

Predetermined Comments:

Acceptable

Law / Code: N/A

Additional Comments: No apparent violations

Personal Protective Equipment (PPE):

Acceptable Needs Improvement N/A Unable to Verify

Predetermined Comments:

Acceptable

Law / Code: N/A

Additional Comments: No apparent violations

Sanitation:

Acceptable Needs Improvement N/A Unable to Verify

Predetermined Comments:

Acceptable

Law / Code: N/A


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: N/A 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: N/A 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: N/A 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: N/A 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: N/A 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: N/A 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: N/A 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: N/A 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: N/A 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: N/A 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: N/A 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: N/A 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"/> N/A</p> <p>Law / Code: N/A Additional Comments: Auditors confirmed that Heshan Youmeiya Furniture Co., Ltd does not subcontract or receive Disney-branded production from any facility or other sources, and the facility did not produce the Disney products currently.</p>

Appendix:

1	2	3
	N / A	N / A

If a PDC with an asterisk () is selected, please provide below additional information for **every** PDC with an asterisk (*), and report under the appropriate sub-category.

- Do the auditors believe there is potential involuntary labor at the facility? Are there other indicators of involuntary labor?
- How long has the cited violation existed at the facility?
- Process (management/worker interview, document review) and evidence collected and corroborated to sustain the finding and establish the timing of the violation?