

ILS Social Compliance Audit

Audit Reference #: (audit firm internal)	A4936513	Audit ID #: (Disney's ID)	NA
Date Audit Started: Year/Mo/Day	2021/08/09	Date Audit Completed: Year/Mo/Day	2021/08/10
Code Conducted to:	Disney	Audit Report Date: Year/Mo/Day	2021/08/17
Audit Type:	Initial Audit	Special Program: (only required if applicable to NDAs)	None

Facility Information

Facility ID No.:	FAC-037826		
Facility Name:	C&C Joint Printing Co., (Beijing) Ltd.		
Address Line 1:	No.3, Donghuan North Road, Economy and Technology Development Zone, Beijing City		
Address Line 2:			
City:	Beijing	State/Province:	Beijing
Town:		Country:	China
Zip Code:	100176	GPS Location:	
Contact Name: (First and Last)	Ms. Li Zhu	Contact Person Title:	Manager
Primary Email:	Zhu- l@candcprinting.com	Phone Number: Country code – area code / phone number	010-87110933
Contact Person Title:	Manager	Fax: Country code – area code / phone number	Not provided

Name/Address/Ownership Updates

Facility Name:	None observed
Facility Address:	None observed
Facility Ownership Update:	None observed
Upcoming Relocation or Expansion:	None observed

Audit Team

Audit Firm:	Intertek
Number of Auditors:	Lead/Exclusive auditor

	Name	APSCA Registration Number	APSCA Certification Number
Audit Team Member 1: (Lead/Exclusive Auditor)	Snail Zhang	21700534	21700534
Audit Team Member 2:			
Audit Team Member 3:			
Audit Team Member 4:			
Audit Team Member 5:			
Audit Team Member 6:			
Audit Team Member 7:			
Audit Team Member 8:			

(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

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:			
Current % Capacity Devoted to Disney:	1	Past % Capacity Devoted to Disney:	1
Products Produced:	Publishing		
Disney Products Observed:	Children's Books		
Production Processes:	Plate making, printing, cutting, binding, inspection, packing		
# Total Employees:	496	#Production Employees:	266
# Buildings:	3		
# Buildings by Purpose:	1/ workshop, warehouse, office, kitchen and canteen, 2 / chemical warehouse, 3 / hazardous waste warehouse		
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	Production: 2/ 8:00-20:00, 20:00-08:00; Non-production: 1/8:00-12:00, 13:00-17:00 or 8:15-12:00, 13:00-17:15
Other Brands Present?	Not provided		
Establishment Date: Yr/Mo/Day	2001/04/29		

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

Management Gender (enter # of people):

	Male	Female
Managers	12	7
Supervisors	31	9

Nationality of Workers: (Top 5 Countries)	Approx. % of Total Workforce:
Chinese	100%
List ALL other nationalities in the facility:	NA
<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 type="checkbox"/> May	<input type="checkbox"/> October
	<input type="checkbox"/> January	<input checked="" type="checkbox"/> June	<input checked="" 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 type="checkbox"/> May	<input type="checkbox"/> October
	<input type="checkbox"/> January	<input checked="" type="checkbox"/> June	<input checked="" 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	2021/07/15	Number of Records Sampled:	20
# Individual Employee Interviews:	10	# Employee Group Interviews:	0
Numbers per Group:			
Additional Locations Audited?	No		
Explain Additional Location Details:			
Comments/Observations:			
Communicated Findings With:	Ms. Li Zhu		
Agreed to and Signed CAPAR?	Yes		
Audit Entered by: (Name)	Snail Zhang		

Comments Details

Comments:
Name and Title of Others Present (ex. translators, observers, trainees): None
Attendance Records Provided: 13 months and 8 days / July 1, 2020 – August 8, 2021
Payroll Records Provided: 12 months / July 2020 to June 2021
of Records Sampled (description): Current month: June 2021 - 10, random month: April 2021 - 5, random month: November 2020 - 5
Resources Received from Facility (i.e. transportation, meals): The facility provided lunch to the auditors and the auditors had paid.
Factory Representative in opening meeting (name/title): Ms. Li Zhu / Manager, Ms. Juan Zhang / HR Manager
Factory Representative in closing meeting (name/title): Ms. Li Zhu / Manager, Ms. Juan Zhang / HR Manager
<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>
1. This audit was conducted by one auditor in two days.
2. Through document review and management interview, there were total 496 employees worked in the facility including 485 direct employees and 11 dispatched employees from Beijing Zhongzhi Yiyuan Human Resource Management Co., Ltd., these 11 dispatched employees were covered in this audit.
3. 4. There were 6 outsourcing employees (cleaners) came from Beijing Huacheng Yangguang Property Management Co., Ltd.
4. Out of total 496 employees, 451 employees were domestic migrant employees from Anhui, Gansu, Guangdong, Guangxi, Guizhou, Liaoning, Hebei, Henan, Heilongjiang, Jilin, Inner Mongolia, Hubei, Hunan, Shandong, Jiangxi, Shanxi, Shaanxi, Sichuan, Xinjiang, Yunnan, Tianjin, Chongqing and Aomen. No foreign migrant workers.
5. The prevention and control measures of Covid-19 in the facility: The visitors needed to test temperature, show their green health code entering and require them to register. The facility checked all employees' body temperature every day and worker was required to report to the facility if abnormal temperature.
6. During facility tour and management interview, there was another facility in the same location, which was Beijing Yinmudan Printing Co., Ltd. This facility shared the building with the audited facility, used 3F of the 3-storey (partial 4-storey) building as workshop and warehouse. The two facilities had independent business license, employees and products. Through employee interview, no employee was exchanged between the two facilities. A simple facility tour was allowed for the area used by Beijing Yinmudan Printing Co., Ltd. and no issue could impact the audited facility was noted.
7. Due Beijing City has COVID-19 infected person and has mid-risk areas. There was one auditor (an exclusive auditor) who is in Beijing now. If the audit company assign other auditors to travel to Beijing,

they may be required to quarantine 14 days when they go back to local city. So this audit was conducted by one audit in two days and it was approved by Jessie Li.

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.

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: Additional Comments: No apparent violation</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 violation</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 violation</p>
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<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 violation</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 violation</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 violation</p>

Compensation:	<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:</p> <p>Additional Comments: No apparent violation</p> <p><i>Remarks:</i></p> <p>Local minimum wage standard: (wage per hour or per month): The local minimum wage standard for full-time work was set at RMB 2200 per month equivalent to RMB 12.64 per hour since July 1, 2019.</p> <p>Overtime Hours:</p> <p><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></p> <p><input checked="" type="checkbox"/> Employees work in excess of the legal overtime limit.</p> <p>Law / Code: PRC Labour Law article 41 The employing unit may extend working hours due to the requirements of its production or business after consultation with the trade union and labourers, 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 labourers is guaranteed. However, the total extension in a month shall not exceed thirty-six hours.</p> <p>Additional Comments: Auditor noted that monthly overtime hours exceeded the legal requirement. Through document review, auditor noted that:</p> <ol style="list-style-type: none"> 1) the monthly overtime hours of all 10 randomly selected employees ranged from 45.5 to 72 hours in June 2021 (current month); 2) the monthly overtime hours of all 5 randomly selected employees ranged from 47.5 to 64 hours in April 2021 (random month); 3) the monthly overtime hours of all 5 randomly selected employees ranged from 43.5 to 82 hours in November 2020 (random month). <p><i>Remarks:</i></p> <p>Attendance Recorded by: (automated/electronic, timecard, manual, no recording, etc.): electronic</p> <ol style="list-style-type: none"> 1. All interviewees stated that they worked overtime voluntarily. 2. Through reviewing the provided attendance records and employee interview, working hour statistics was as the following: <ol style="list-style-type: none"> 1) For June 2021 (current month), the maximum weekly working hours were 60 hours (4 out of 10 samples). The maximum monthly overtime were 72 hours per month (1 out of 10 samples). 2) For April 2021 (random month), the maximum weekly working hours were 60 hours (3 out of 5 samples). The maximum monthly overtime were 64 hours per month (1 out of 5 samples). 3) For November 2020 (random month), the maximum weekly working hours were 60 hours (4 out of 5 samples). The maximum monthly overtime were 82 hours per month (1 out of 5 samples).
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<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><i>Predetermined Comments:</i> <input checked="" type="checkbox"/> Acceptable</p> <p>Law / Code: Additional Comments: No apparent violation</p> <p>Social Benefits and Other Compensation: <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 violation</p> <p><i>Remarks:</i> Regular Pay Date: 15th Wage pay in/by (cash, check, direct deposit, etc.): bank transfer</p>
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<p><u>Health and Safety:</u></p>	<p>Dormitories: <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: Not applicable. Remark: The facility did not provide dormitory for employees.</p> <p>Fire & Emergency 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"/> Poor housekeeping in the warehouse storage area.</p> <p>Law / Code: General Rules for Fire Safety Management of Storage Occupancies article 6.8: Objects shall be piled up in the storeroom as per the following requirements: 1. The distance between the top of any pile and the roof shall not be smaller than 0.3m (for any “人” -shaped building, the distance shall be counted from the crossbeam); 2. The distance between the objects and the illumination lamps shall not be smaller than 0.5m; 3. The distance between the objects and the wall shall not be smaller than 0.5m; 4. The distance between any pile of objects and the pole shall not be smaller than 0.3m; 5. The distance between any two piles of objects shall not be smaller than 1m.</p> <p>Additional Comments: Auditor noted that partial goods in the warehouses were stacked against wall. Through facility tour, auditor noted that some goods stored in warehouses were put against the wall directly. (Please refer to picture #1)</p> <p>Hazardous Material: <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 violation</p> <p>Machine & Electrical 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: Additional Comments: No apparent violation</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>
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Law / Code:
Additional Comments: No apparent violation

Other:

Acceptable Needs Improvement N/A Unable to Verify

Predetermined Comments:

Acceptable

Law / Code:
Additional Comments: No apparent violation

Personal Protective Equipment (PPE):

Acceptable Needs Improvement N/A Unable to Verify

Predetermined Comments:

Acceptable

Law / Code:
Additional Comments: No apparent violation

Sanitation:

Acceptable Needs Improvement N/A Unable to Verify

Predetermined Comments:

Acceptable

Law / Code:
Additional Comments: No apparent violation


<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 violation</p> <p>Other: <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"/> Recruitment fees and expenses were reimbursed to employee after the hire date.*</p> <p>Law / Code: Disney INVOLUNTARY LABOR requirement: Workers must not be charged any recruitment fees, expenses, or other costs for them to obtain their jobs. Any expenses associated with obtaining a job must be covered by the employer and workers must be reimbursed if they have paid any such fees.</p> <p>Additional Comments: Auditors noted that the cost of physical exam was not reimbursed to employees in time. Through document review, management and employee interview, auditors noted that the facility required employees to apply for and provide physical exam when joining the facility, the cost of physical exam was borne by the employees themselves. The facility reimbursed the cost to the employees within 2 months after the employees entered the facility.</p> <p>There's no local law on this requirement.</p> <p>- Do the auditors believe there is potential involuntary labor at the facility? Are there other indicators of involuntary labor? Auditors did not find a potential risk of involuntary labor with this violation. There are no other indicators of involuntary labor.</p> <p>- How long has the cited violation existed at the facility? Auditors noted that this violation has existed at the facility for at least 12 months.</p> <p>- Process (management/worker interview, document review) and evidence collected and corroborated to sustain the finding and establish the timing of the violation? Auditors noted the issue from document review and management interview and it was confirmed through employee interviews.</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 violation</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 violation</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 violation</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 violation</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 violation</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 violation</p>

Publication:	<input checked="" type="checkbox"/> Acceptable <input type="checkbox"/> Needs Improvement <input type="checkbox"/> N/A <input type="checkbox"/> Unable to Verify <i>Predetermined Comments:</i> <input checked="" type="checkbox"/> Acceptable Law / Code: Additional Comments: No apparent violation
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Subcontracting:	<input type="checkbox"/> Acceptable <input type="checkbox"/> Needs Improvement <input checked="" type="checkbox"/> N/A <input type="checkbox"/> Unable to Verify <i>Predetermined Comments:</i> <input checked="" type="checkbox"/> N/A Law / Code: Additional Comments: Not applicable. Remark: Through management interview and facility tour, auditors confirmed that C&C Joint Printing Co., (Beijing) Ltd. did not subcontract or receive Disney-branded production from any facility or other sources during the last 12 months.
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Appendix:

<p>1. partial goods in the warehouses were stacked against wall.</p>	<p>2</p>	<p>3</p>
	<p>(paste photo copy here)</p>	<p>(paste photo copy here)</p>
<p>4</p>	<p>5</p>	<p>6</p>
<p>(paste photo copy here)</p>	<p>(paste photo copy here)</p>	<p>(paste photo copy here)</p>

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?