

# Disney International Labor Standards Group

## CORRECTIVE ACTION PLAN ACKNOWLEDGEMENT REPORT

The Corrective Action Plan Acknowledgement Report (CAPAR) will be used to summarize the preliminary facility audit findings and a draft corrective action plan that both the auditor and the facility representative believe is reasonable to ensure conformity with the Disney Code of Conduct for Manufacturers (Disney Code of Conduct) and applicable local laws.

The form should be used in the following manner:

- Document preliminary facility audit findings on the form below prior to the closing meeting;
- Then use the form as an agenda during the closing meeting;
- During the closing meeting, explain the preliminary facility audit findings with the facility representative;
- Document the corrective action plan;
- Both auditor and facility representative should sign and date the form.

Please leave one copy of the CAPAR with the facility representative and retain one copy with the audit program or working papers.

Facility Huizhou Huiyang Xinxu Invotive Plastic Factory D.B.A / A.K.A	ILS #  Audit Type: Initial	Date April 27, 2012-4-27
Facility Address Dongfeng Industrial area, Xinxu Town, Huiyang District, Huizhou City, Guangdong Province, China	Country China	
Facility Telephone Number 86-752-3336784	Fax Number 86-752-3336776	
Auditor Name Ben Lee & Kation Huang	Firm Insite Compliance Services - MTS	
Start time of audit 10:45 am	End time of audit 17:00 pm	
Facility Representative: Mr. Zhang Qiang	Title Admin Manager	

CL - Child Labor	IL - Involuntary Labor	CH - Coercion and Harassment
DI - Discrimination	AS - Association	MW - Minimum Wage
OW - Overtime wage	OH - Overtime Hours	SB - Social Benefits
OC - Other Compensation	MC - Monitoring & Compliance	HS - Health & Safety
DO - Dormitories	PE - Protection of the Environment	Sub - Subcontracting
OL - Other Laws	PU - Publication	

CL	No finding.
IL	No finding.
CH	No finding.
DI	No finding.
AS	No finding.
MW	No finding.

Int. \_\_\_\_\_ Int. \_\_\_\_\_  
Auditor Facility Rep.

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OW	No finding.
OH	No finding.
SB	No finding.
OC	No finding.
MC	No finding.
HS	<p><b>Finding 1:</b>  <b>Description of Non-Compliance:</b> It was noted that 3 emergency lights were out of order, e.g. vulcanization workshop and molding workshop on 1/F, and the top of production building.</p> <p><b>Legal Requirement:</b> In accordance with Article 11.3.1 of the Code for design of building fire protection and prevention (GB50016-2006), the place of nonresidential civil building, factory and Type C warehouse below should install fire safety emergency lighting:</p> <ol style="list-style-type: none"> <li>1. Enclosed stair, smoke prevention staircase and its atria, the atria and sharing atria of fire lift;</li> <li>2. Fire protection control room, fire protection water pump house, house generator room, switching house, smoke-proof and smoke-exhausting machinery room and other rooms that need to be normally functioned during the fire.</li> <li>3. Auditorium, exhibition hall, business hall, multifunctional hall, dining hall with an area of more than 400 square meters, and broadcasting studio with an area of more than 200 square meters.</li> <li>4. The public room of underground and semi-underground building or basement and semi-basement with 300 M2 in area.</li> <li>5. The evacuation passages in public building.</li> </ol> <p>In accordance with Article 11.3.3 of the Code of Fire Prevention for Architectural Design, emergency lights should be installed on the upside of wall, the ceiling or the top of exit.</p> <p><b>Recommended Corrective Action:</b> It is recommended that management adopt practices and controls to ensure that emergency lights are installed above all exits in the factory and ensure they are in good condition.</p> <p><b>Finding 2:</b>  <b>Description of Non-Compliance:</b> It was noted that 1 set of eye washing facilities located in the chemicals warehouse on 1/F was out of order.</p> <p><b>Legal Requirement:</b> In accordance with Article 23 of Law of the People's Republic of China on the Prevention and Treatment of Occupational Diseases, for the poisonous and harmful work place where acute occupational injuries are likely to take place, the employing work unit shall set up alarming equipments, allocate on-spot emergent treatment articles, washing equipments, emergent withdrawal passages and necessary danger-releasing zones.</p> <p><b>Recommended Corrective Action:</b> It is recommended that management adopt practices and controls to ensure that eye washing facilities are in good condition.</p> <p><b>Finding 3:</b>  <b>Description of Non-Compliance:</b> It was noted that no fire safety sign was posted in the packing materials warehouse on 3/F.</p> <p><b>Legal Requirement:</b> In accordance with Article 46 of Rules for Fire Safety Management in Warehouses, warehouses shall have eye-catching fire safety signs installed. Personnel entering Type 1 and II storage areas shall register and surrender any lighters, matches or other material that can set a fire.</p> <p><b>Recommended Corrective Action:</b> It is recommended that management adopt practices and controls</p>

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	<p>to ensure that fire safety signs are posted in the mentioned warehouse.</p> <p><b>Finding 4:</b>  <b>Description of Non-Compliance:</b> It was noted that 1 flammable alcohol container being used in the Manual workshop on 2/F was not posted with a safety label.</p> <p>In accordance with Article 14 of the Regulation For Chemical Usage Safety in Work Place: (1) In case of transferring or loading the chemicals purchased into a new container, it is required to mark clearly the descriptions of these chemicals on the newly adopted container. As to those dangerous chemicals that have been transferred or loaded into a new container, it is necessary to stick a safety precautions mark on the new container. (2) The original safety precautions mark upon those containers that contain dangerous chemicals shall not be replaced before these containers have been cleansed.</p> <p><b>Recommended Corrective Action:</b> It is recommended that management adopt practices and controls to ensure that all hazardous chemicals stored or being used in the factory workshops are posted with safety labels.</p>
DO	No finding.
PE	No finding.
Sub	No finding.
OL	No finding.
PU	No finding.

A closing meeting has been performed. The above preliminary facility audit findings were discussed and a draft corrective action plan was explained to the facility representative. Please note that while all preliminary facility audit findings are subject to a final review process, and it is possible further updates to these preliminary facility audit findings may be necessary, the facility is responsible for and expected to take immediate corrective actions of the preliminary facility audit findings.

The facility should contact the customer who contracted with the facility for Disney-branded production for the final version of the Corrective Action Plan letter to ensure that all issues are promptly identified and addressed. Continued finding of nonconformity with the Disney Code of Conduct and applicable local laws may lead to termination of the facility for all Disney production.

The signatures below reflect that the auditor has explained the preliminary facility audit findings to the facility representative.

_____ Signature Auditor	_____ Date
<b>Kation Huang / Ben Lee</b> Print name Auditor	<b>April 27, 2012</b> Date

_____ Signature Facility Representative	_____ Date
<b>Mr. Zhang Qiang</b> Print name Facility Representative	<b>April 27, 2012</b> Date

Note: Disney may authorize production for a specific period of time and may assess compliance to its Code, but does not currently maintain a list of approved suppliers. Possession of a Disney Manufacturer's Agreement (MA), Factory and Merchandise Authorization (FAMA), audit, CAPAR, Corrective Action Plan letter, or other document does not indicate that a facility is an approved Disney supplier.