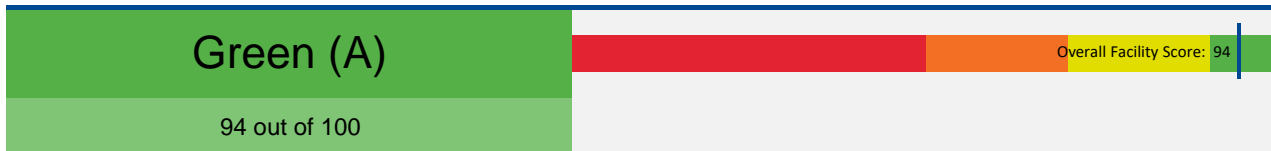


**DONGGUAN HUMEN DELI TOYS FACTORY**  
**EVT-CN-LBL-191346**

**FACILITY INFORMATION**

Report #:	EVT-CN-LBL-191346	City:	Dongguan City
Assessment Date:	July 08, 2022	Country:	China
Last Assessment:	07/15/2021	Assessors:	Rad Wen
Assessment Type:	Annual	Service Provider:	ELEVATE
Schedule Type:	Announced		

**FACILITY SCORE AND BENCHMARKING**



<i>Section</i>	<i>Total Findings</i>	<i>Critical</i>	<i>Major</i>	<i>Moderate</i>	<i>Minor</i>
1. Transparency & Business Integrity	0	0	0	0	0
2. Management System	0	0	0	0	0
3. Hiring, Disciplinary & Termination	0	0	0	0	0
4. Young Worker & Child Labor	0	0	0	0	0
5. Forced Labor and Human Trafficking	0	0	0	0	0
6. Harassment & Abuse	0	0	0	0	0
7. Discrimination	0	0	0	0	0
8. Freedom of Association & Grievance	0	0	0	0	0
9. Foreign Migrant Labor	0	0	0	0	0
10. Wages & Benefits	0	0	0	0	0
11. Hours of Work	1	0	0	1	0
12. Health & Safety	1	0	1	0	0
13. Environment	0	0	0	0	0
14. Subcontracting	0	0	0	0	0
15. Homework	0	0	0	0	0

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The Report shall be read as a whole and sections should not be read or relied upon out of context. All recommendations, where given, are for the purpose of providing directional advice only. Recommendations are not exhaustive and relate solely to identifying key and obvious improvements related to findings in this Report, and do not represent a comprehensive solution to any issue. This Report is based only on the date herein and ELEVATE has no responsibility to update this Report. ELEVATE takes no responsibility for any loss that any party may suffer in connection with any actions, or lack of action, taken to address the findings in the Report. All applicable provisions of ELEVATE's Terms and Conditions remain in effect, and ELEVATE accepts no responsibility or liability except as otherwise expressly set forth in ELEVATE's Terms and Conditions.

## DONGGUAN HUMEN DELI TOYS FACTORY

EVT-CN-LBL-191346

### CRITICAL / MAJOR FINDINGS

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Major: It was noted that no correct safety protective screening was installed to one fan used in injection molding section at 1/F of production building.

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### BEST PRACTICES

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No Best Practices Identified

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### GENERAL AUDIT OVERVIEW

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This announced annual assessment started at 9:20 am and ended at 4:30 pm on the same day of July 8, 2022. One ELEVATE field staff (male) was assigned to verify the overall compliance status of the factory against the ELEVATE Responsible Sourcing Standards as well as applicable local laws. Audit approaches include onsite confidential interviews with workers, document/record review, physical observations and management interviews. Conclusions are drawn based on a limited, yet thorough sampling and collaborated from different information sources. The facility management Ms. Tang Liuqiong / QC Supervisor and other management participated in the opening meeting, and they are cooperative to assessor throughout audit processes. The requested documents and records were provided in a timely manner. All major findings were communicated with the facility management (Ms. Tang Liuqiong) during the closing meeting. They agreed with the findings and promised to make improvements accordingly. The factory has installed proper type of fire extinguishers and fire hydrants in the factory. All emergency exits were kept open and unblocked during the working hours. All emergency exit signs and emergency lights were functional. The evacuation routes were kept unblocked. Fire alarms were available in the factory with back-up battery, the smoke detector was available in factory. Around 3 fire alarms, 16 fire extinguishers and 3 fire hydrants were in equipped in production areas. All firefighting equipment were checked monthly.

DONGGUAN HUMEN DELI TOYS FACTORY

EVT-CN-LBL-191346

Reference	Findings	
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11. Hours of Work

LL11.03.2a	<p><b>Detailed Findings</b></p> <p>It was noted that the monthly overtime hours for 5 out of 5 randomly selected workers exceeded 36 hours in May 2022 with the highest of 97 hours; 5 out of 5 exceeded 36 hours in March 2022 with the highest of 89 hours, 5 out of 5 exceeded 36 hours in December 2021 with the highest of 84 hours; no workers had worked more than 3 overtime hours per day.</p> <p>It was noted that the weekly working hours of 5 out of 5 randomly selected workers exceeded 60 hours in May 2022 with the highest of 66 hours; 5 out of 5 workers exceeded 60 hours in March with the highest of 66 hours; 5 out of 5 exceeded 60 hours in December 2021 with the highest of 66 hours.</p> <p><b>Legal Requirements</b></p> <p>In accordance with 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>In accordance with ERSA requirement</p> <p><b>Recommendations</b></p> <p>It is recommended that the factory should arrange reasonable production plan, increase productivity using positive means (such as bonuses) and reduce the overtime hours to ensure it is within 3 hours per day and 36 hours per month. Employees should be educated on health/safety dangers of excessive overtime.</p> <p>It is recommended that factory should arrange reasonable production plan, increase productivity using positive means (such as bonuses) and limit the working hours to comply with the client's requirement.</p>	Moderate
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12. Health & Safety

12.5 Employee Protection & Machine Safety

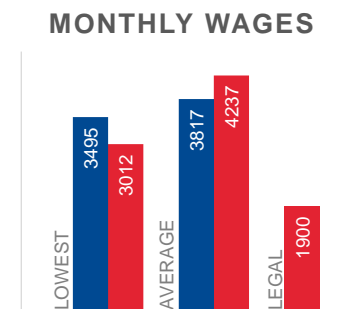
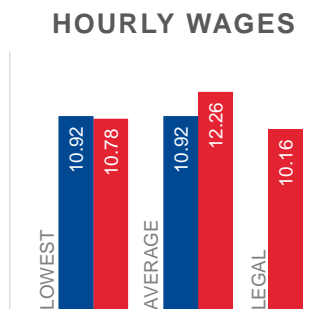
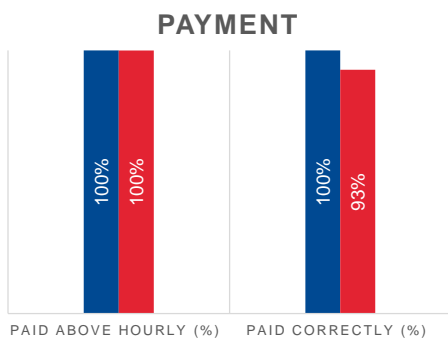
12.5.08	<p><b>Detailed Findings</b></p> <p>It was noted that no correct safety protective screening was installed to one fan used in injection molding section at 1/F of production building.</p> <p><b>Legal Requirements</b></p> <p>In accordance with Article 6.1.6 of Code of Design of Manufacturing Equipment Safety and Hygiene, the external part or dangerous part of any transmission belts, rotational axis, transmission chain, coupling, belt wheel, gear, flying wheels, chain wheels and electric saw that is within 2 meters height of the plane where the operator is operating such device shall be equipped with safety devices.</p> <p><b>Recommendations</b></p> <p>It is recommended that the factory should provide proper Health &amp; Safety training to workers, conduct regular Health &amp; Safety inspection and install safety protective screening for fan to comply with the law. The factory shall develop and implement procedures to reduce or eliminate the risk of an injury from moving machinery parts.</p>	Major
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DONGGUAN HUMEN DELI TOYS FACTORY  
EVT-CN-LBL-191346

WAGES OVERVIEW

KPI	Facility Data	Country Average China (Guangdong)	% Difference
Monthly worker turnover (% avg)	0.00%	4.27%	-100%
Monthly take-home (average)	3,817	4,237	-10%
Monthly take-home (lowest)	3,495	3,012	16%
Paid correctly (%)	100%	93%	8%
Paid above hourly (%)	100%	100%	0%
Hourly wage (average)	10.92	12.26	-11%
Hourly wage (legal)	10.92	10.16	7%
Hourly wage (lowest)	10.92	10.78	1%

Key: Good Performance  
Underperforming



Facility

Country Average

Wages Data	
Wage System:	Hourly Rate
Wage Payment Schedule:	Monthly
Payroll Records Reviewed Period:	From June 2021 to May 2022

Sampling Period			
Record	Current Month	Peak Month	Non-Peak Month
Payroll Records Sampling	May-22	Mar-22	Dec-21
Numbers of Samples Reviewed	5	5	5

PRODUCTION INFORMATION

Main Production Processes: Plastic toys  
Injection molding, assembly, inspection and packing

Main Machine Types: Injection machines, etc.

Average units produced per week:	20,000
Units produced in last 3 months:	2,00,000
Units projection for next 3 months:	2,00,000

Peak Season: Not obvious

Main Product Type:	Toys
Total Number of Machines:	16

Low Season: Not obvious

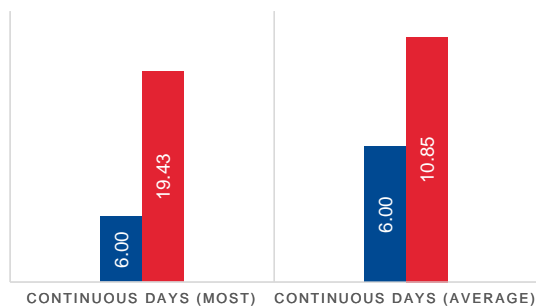
DONGGUAN HUMEN DELI TOYS FACTORY  
EVT-CN-LBL-191346

WORKING HOURS OVERVIEW

KPI	Facility Data	Country Average China (Guangdong)	% Difference
Continuous days (most)	6.00	19.43	-69%
Continuous days (average)	6.00	10.85	-45%
Weekly hours (highest)	66.00	73.76	-11%
Weekly hours (average)	58.00	64.70	-10%
Daily hours (highest)	11.00	11.89	-8%

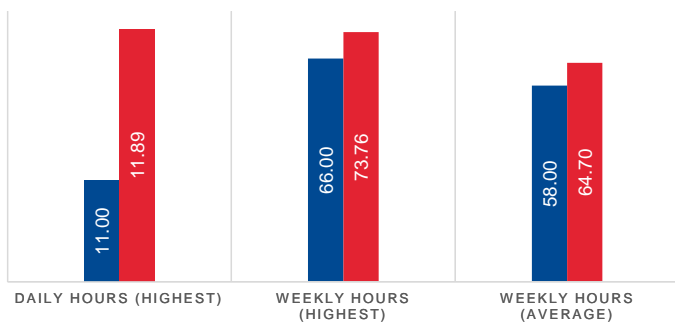
Key: Good Performance Underperforming

WORKING DAYS



Facility

WORKING HOURS



Country Average

Working Hours Data

<b>Time Recording System:</b>	Electronic
<b>Overtime Waiver:</b>	N/A

**Shifts and Operating Hours:** 1 shift, from 8:00 am to 5:30 pm with 1.5 hours of rest from 12:00 noon to 1:30 pm

Sampling Period

Record	Current Month	Peak Month	Non-Peak Month
<b>Time Records Sampling</b>	May-22	Mar-22	Dec-21
<b>Numbers of Samples Reviewed</b>	5	5	5

Fire Safety Information

<b>Fire extinguishers:</b> (Type and numbers)	16 carbon dioxide fire extinguishers
<b>Fixed Fire Fighting System:</b> (Sprinklers/Hydrant/Hose Reel: Details on type and)	Two Hydrants and hose reels on 1F and one on 3F of production building
<b>Fire Alarm &amp; Detection System:</b> (Type of detectors and alarms)	Two fire alarms and smoke detector on 1F and one on 3F of production building
<b>Emergency Lights:</b> (Numbers and type of back up)	4 emergency lights installed on each emergency exits and 4 emergency lights installed on stair way with back-up battery
<b>Training &amp; Preparedness:</b> (Fire Drill/Evacuation frequency & detail)	2 times fire drill were conduct in a year.
<b>Fire Permit/NOC as applicable:</b>	Fire Safety Approval was provided
<b>Secondary Exits:</b> (Numbers/Location/Type)	there have 2 stair ways in the production building for evacuation.

**DONGGUAN HUMEN DELI TOYS FACTORY**  
EVT-CN-LBL-191346

**FACILITY PROFILE**

<b>Facility Name (English):</b>	Dongguan Humen Deli Toys Factory	<b>Facility Legal Name:</b>	东莞市虎门德利玩具厂
<b>Facility Address (English):</b>	Nanzhan Industrial Area, Zone 3, Nanfung Road, Humen Town, Dongguan City	<b>Facility Legal Address:</b>	东莞市虎门德利玩具厂
<b>Primary Contact Name:</b>	Ms. Wu Libing	<b>Location Type:</b>	Industrial Park
<b>Title:</b>	Finance Manager	<b>Year Facility Began Operations:</b>	2001
<b>Email:</b>	pcf888@188.com		
<b>Phone:</b>	86-13712499031		
<b>Social Compliance Contact:</b>	Ms. Wu Libing		
<b>Average # of Assessments in a Year:</b>	1	<b># of Buildings/Approx. Area (m2):</b>	The factory occupied the 1/F and 3/F of 1 block of 4-storey production building, no dormitory, canteen or kitchen was available for workers' use, the total building area was 2940 square meters Remark: audit factory rented the factory building from landlord, the 2/F was rented by "Dongguan Xiexinzheng Hardware Co. Ltd." and 4/F were vacant currently.
<b>Last 3rd Party Assessment:</b>	Conduct by ELEVATE on behalf of Loblaw on July 15, 2021	<b>Dormitories:</b>	No
		<b>Multiple Tenants:</b>	Yes
		<b>Facility Owned:</b>	No

**BUSINESS INFORMATION**

<b>Brand(s) for client:</b>	Not provide
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**Customer Breakdown:**

<i>Primary Customers</i>	<i>% of business</i>
Loblaw Companies Li	1%
Other	99%

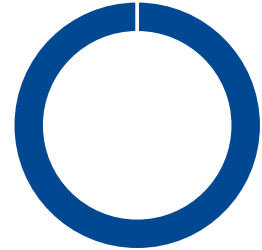


**DONGGUAN HUMEN DELI TOYS FACTORY**

**EVT-CN-LBL-191346**

**EMPLOYEE INFORMATION**

<b>Total Number of Employees:</b>	14	<u>Worker Breakdown</u>	<u># of Workers</u>
<b>Production Workers:</b>	11	<b>China</b>	11
<b>Management Staffs (Non-Prod):</b>	3		
<b>Male:</b>	7		
<b>Female:</b>	7		
<b>Local:</b>	2		
<b># of Domestic Migrant Workers:</b>	9		
<b># of Foreign Migrant Workers:</b>	0		



Languages Spoken:

<b>Management:</b>	Chinese
<b>Employees:</b>	Chinese

Worker Age Data:

<b># of personnel files reviewed:</b>	5
<b>Minimum legal work age:</b>	16
<b>Youngest worker found:</b>	33
<b># of Juvenile workers:</b>	0

**FREEDOM OF ASSOCIATION**

<b>Is there union in facility?</b>	No
<b>If 'Yes', name of union:</b>	NA
<b>Name(s) of union Rep:</b>	NA
<b>Is there a CBA in place?</b>	No
<b>If 'Yes', CBA valid period:</b>	NA
<b>Is there a worker committee of any kind?</b>	Yes
<b>If 'Yes', indicate the details:</b>	EHS committee

**SUBCONTRACTOR INFORMATION**

**Does the Facility employ subcontractors for any part of the production process?** No

Subcontractor Name (Service Provided)

N/A

**CURRENT CERTIFICATIONS/PROGRAMS**

<u>Certification / Program</u>	<u>Status</u>	<u>Expiry Date (Month Day, Year)</u>
BSCI		
ICTI		
EICC (RBA)		
WRAP		
SA8000		
SMETA		
BAP		
Better Work		
ISO14001		
OHSAS18001		