

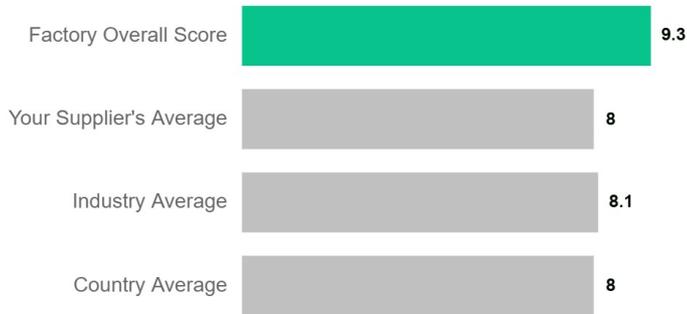
Client	Merlin Attraction Operations	QIMA Service Number	R-Cloud-23181051
Vendor	Shenzhen Aung Crown Industrial Ltd.	Auditee	Shenzhen Aung Crown Industrial Ltd.
Auditor	Rocky Zhou	Date	20-Sep-2023
Industry	Textile, Apparel, Footwear & Accessories	Country/Region	China
Audit Type	Initial Audit	Merlin Code	Merlin1499

Overall Score 9.3

Audit Rating Green Approved

Overview Of Audit Findings

Section	Critical NC	Major NC	Minor NC	Total	Score
1 Health & Safety, Hygiene	0	2	1	3	9.1
2 Waste Management	0	1	1	2	8.5
3 Child Labour	0	0	0	0	10
4 Working Hours, Wages and Benefits	0	0	1	1	9.3
5 Labour Practices	0	0	0	0	10
Overall Score	0	3	3	6	9.3



Valid until : 19-Sep-2024



About Factory

Audit Parameters	
Audit Type	Initial
Announcement Type	Semi Announced
Verification Method	Onsite Visit
Report Reviewed by:	Sarrah Armamento

Time Recording			
Departure time from Home / Office	8:00 AM		
Time Recording Per MD	Man Day	Arrival time at Factory	Departure time from Factory
	1	9:55 AM	5:00 PM

GPS Coordinates	
Longitude	114.123
Latitude	22.666

Pictures



Picture of the Auditor



Final Product



Factory Gate



Factory Name

Pictures



Map & GPS



Production Line-Woven-mark



Production Line-Cutting



Production Line-Inspection & packing



Production Line-Embroidering



Production Line-Sewing

Pictures



Licenses/Accreditations



Office



Sample Room



Factory Building



Factory Building



Workers Onsite

Pictures



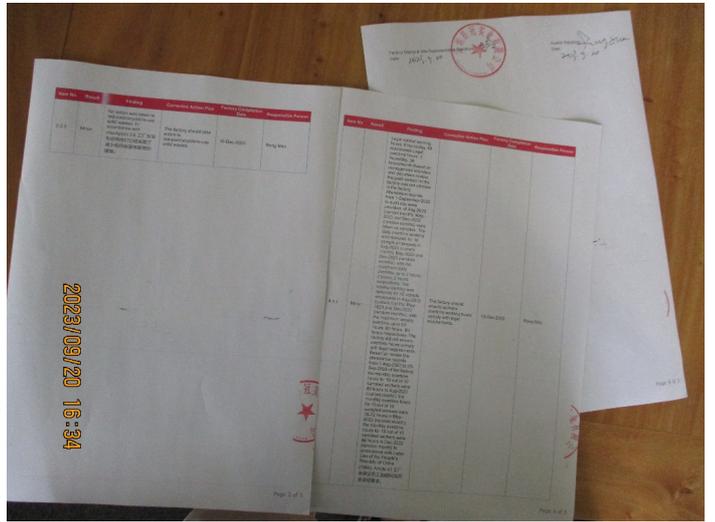
Workers Onsite



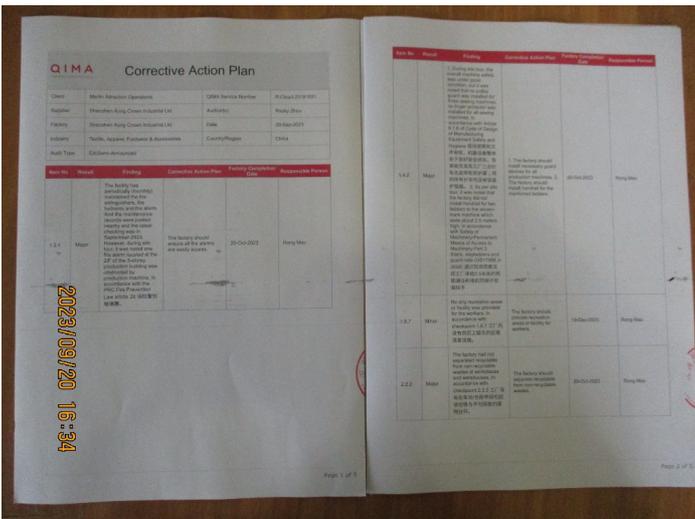
Raw Material in the Factory



Code of Conduct



Corrective Action Plan



Corrective Action Plan



Factory Disclaimer

Description of Audited Plant

Merlin Code

Merlin1499

Description of Audited Plant	
Description of audited plant	<p>The factory is located at No. 30, Xinmuxinyuan Industrial Zone, Pinghu Street, Longgang District, Shenzhen, China. It is consisted in one 3-storey production building, half of the 1/F of one 3-storey production building and one 4-storey dormitory building, kitchen and canteen is located at the 1st floor of the dormitory building.</p> <p>The main products are hats in the factory, and the main production processes are cutting, sewing, embroidering, woven-mark, inspection and packing. No process is subcontracted by the factory.</p> <p>Total 181 workers in the factory during the audit.</p> <p>The management showed a cooperative attitude during the whole process.</p>

Basic Factory Profile	
Main Markets	US and Europe
Factory Date of Formation	27-May-2010
Location	No. 30, Xinmuxinyuan Industrial Zone, Pinghu Street, Longgang District, Shenzhen, China
Total Staff in the Factory	181
Total Office Staff	59
Total Management Staff	19
Factory Manager Name	Fangqiong Wu

Business License	
Business License Number	91440300555446559J Nil.
Business License Date of Issue	29-Apr-2021 Nil.
Business License Expiry Date	20-Sep-2023 Long Term

Homeworkers and Subcontractors	
Is there any subcontractor used by factory?	No No subcontractor used by factory.
Description of Subcontractor used by factory?	No subcontractor used by factory.
Is there any home workers used by factory?	No No home workers used by factory.
Description of home workers used by factory	No home workers used by factory.

1. Health & Safety, Hygiene

1.1. General			
Item No	Requirement	Result	Findings/Comment
1.1.1	Is a risk analysis conducted to identify the risks associated with production and is this risk analysis reviewed regularly and updated when necessary?	Pass	The factory conducted a risk analysis to identify the risks associated with production, and the records were provided for review. Factory also conducted occupational disease hazard factors monitoring for relevant workplaces, and the report was provided for review.
1.1.2	Is there a senior management representative for Health & Safety?	Pass	There was a senior management representative for Health & Safety/Ms. Meizhen Zhou. Safety officer certificate was available for review.
1.1.3	Does the factory arrange health and safety training for new workers and for everyone who changes working roles?	Pass	The factory arranged health and safety training for new workers within one day while recruited.
1.1.4	Does the factory have a working environment that is well-ventilated, comfortable temperature, decent lighting, clean, tidy and enough room for each worker? If there are any possible issues that would impact the health of the worker, please give details.	Pass	The factory has a working environment that is well-ventilated, comfortable temperature, decent lighting, clean and enough room for each worker. Factory had conducted occupational disease examination for related workers, and the reports were also provided for review.
1.1.5	Are all serious work-related accidents reported and recorded and corrective actions taken to prevent recurrence of work-related accidents?	Pass	There was a work-related accidents procedure in place and work-related injury records were available and based on document review and workers interview, no injury was occurred in the past year.
1.1.6	Is appropriate and adequately maintained personal protective equipment (PPE) provided by the factory?	Pass	Based on factory tour it was noted that Personal Protective Equipment (PPE) such as masks and earplugs have been provided by the factory for free of charge.
1.1.7	Have workers been trained in the use of PPE and are using provided equipment correctly?	Pass	The workers had been trained in the use of PPE. And proper PPE such as masks were provided for tempo printing operators and earplugs for injection free of charge.
1.1.8	Do workers have access to an adequate amount of fresh drinking water?	Pass	The factory provided the employees with adequate drinking water, and the testing report was provided for review.
1.1.9	Is there an adequate number of first aid kits?	Pass	The factory installed first aid kit at each work floors; there was a total 4 first aid kit in the facility workshops.
1.1.10	Are first aid kits easily accessible and clearly marked and the content within the expiry date, applicable and replaced when used?	Pass	First aid kits were easily accessible and clearly marked, all first aid suppliers are valid.
1.1.11	Are adequate workers trained on first aid?	Pass	There were 3 trained first aiders in the factory with relevant training record.
1.1.12	Are lavatory and or washroom facilities, clean, well maintained, adequate in number, separated by sex, and with relevant privacy?	Pass	The lavatory and washrooms were found well clean, maintained, adequate in number, separated by sex, and with relevant privacy. Remark: Total 9 toilets for males, 9 toilets for females.

1.2. Building Safety			
Item No	Requirement	Result	Findings/Comment
1.2.1	Are legal construction certificates (building structure) available?	Pass	The Building Structure Safety Certificates for all buildings were provided for review during the audit.
1.2.2	Are all site buildings, including dormitories maintained in good condition without posing a threat to the health of workers?	Pass	The factory building was maintained in good condition without posing a threat to the health of workers.

1.3. Fire Safety

Item No	Requirement	Result	Findings/Comment
1.3.1	Does the factory have adequate unblocked fire exits for every factory workshop/floor?	Pass	At least 2 fire exits with unblocked or unlocked were available for every workshop and warehouse.
1.3.2	Has the factory been certified by the local fire bureau, and made efforts to comply with recommendations from audits?	Pass	The factory obtained Fire Safety Certificates from local fire bureau for all buildings in the factory.
1.3.3	Are there an adequate number of fire extinguishers and or other fire extinguishing systems in each building (including the dormitories)?	Pass	There are sufficient fire extinguishers and fire hoses for all production areas. There are 30 fire extinguishers, 18 fire hydrant and 22 fire alarm.
1.3.4	Are all fire extinguishing systems (including fire hoses) inspected, maintained properly and ready to use at all times?	Major	The facility has periodically (monthly) maintained the fire extinguishers, fire hydrants and fire alarm and the maintenance records were posted nearby and the latest checking was in Sep-2023. However, during site tour, it was noted one fire alarm located at the 2/F of the 3-storey production building was obstructed by production machine. In accordance with the PRC Fire Prevention Law article 28 消防警铃被堵塞。
1.3.5	Are fire drills conducted regularly?	Pass	The facility has conducted fire drill twice per year and the latest two fire drills were conducted on 3-Aug-2023 and 2-Mar-2023.
1.3.6	Are there fire alarms on each floor and adequate emergency lighting above exits and in working order?	Pass	Based on site observation, adequate fire alarm was installed at each production floor, and emergency lighting and exit sign were installed above all exits.
1.3.7	Are there fire/evacuation procedures in place with relevant evacuation plans posted in every workshop?	Pass	Evacuation map was posted on the work floors. Evacuation line was also clearly marked on each work floors.
1.3.8	Are smoke detectors/sprinklers installed in all workshops/warehouses?	Pass	Smoke detectors and sprinklers were installed at the warehouse/workshops.

1.4. Machines/Installations

Item No	Requirement	Result	Findings/Comment
1.4.1	Does the factory have appropriate maintenance/inspections for boilers, elevators, pressure vessels and other equipment per local regulation?	Pass	One cargo lift was used in the factory, the latest annual inspection reports were provided for review.
1.4.2	Are adequate guarding or devices installed for moving/rotating parts of machine, pulleys and belts or any other dangerous parts of machines?	Major	1. During site tour, the overall machine safety was under good condition, but it was noted that no pulley guard was installed for three sewing machines, no finger protector was installed for all sewing machines. In accordance with Article 6.1.6 of Code of Design of Manufacturing Equipment Safety and Hygiene 现场观察和文件审核，机器设备整体处于良好安全状态，但审核员发现工厂三台针车无皮带轮防护罩；同时所有针车均没有安装护指器。 2, As per site tour, it was noted that the factory did not install handrail for two ladders to the woven-mark machine which were about 2.5 meters high. In accordance with Safety of Machinery-Permanent Means of Access to Machinery-Part 3: Stairs, stepladders and guard-rails (GB17888.3-2008) 通过现场观察发现工厂未给2.5米高的两部通往织喷机的梯子安装扶手
1.4.3	Are all electricians, welding operators and forklift drivers and other employees who operate special equipment trained and qualified per local regulations?	Pass	Employees who operated special equipment trained and obtained operation certificate. There was one qualified electrician to deal with the electricity in the factory. And the certificate was provided for review during the audit date.
1.4.4	Are all electrical panels, wires and outlets in the facility adequately protected?	Pass	During factory tour, auditor found that all electrical wires were adequately protected by tubes and electrical boxes were installed with protective cover.

1.4.5	Are there appropriate warning signs and written instructions for the operators of machinery?	Pass	Appropriate warning signs and written instructions were provided for the operators of machinery.
1.4.6	Do operators of machinery get training about safety regulations and operating procedures?	Pass	Workers operate machines are provided with training safety regulations and operating procedures.

1.5. Hazardous Materials

Item No	Requirement	Result	Findings/Comment
1.5.1	Are hazardous materials / chemicals properly stored, with relevant container and secondary container?	N/A	No hazardous materials / chemicals used in the factory.
1.5.2	Does the factory have MSDS and warning / "No Smoking" signs for each chemical products?	N/A	No hazardous materials / chemicals used in the factory.
1.5.3	Are these materials only accessible to competent employees ?	N/A	No hazardous materials / chemicals used in the factory.
1.5.4	Are the designated employees properly trained for the handling of these hazardous materials?	N/A	No hazardous materials / chemicals used in the factory.

1.6. Canteen and Dormitories (if Applicable)

Item No	Requirement	Result	Findings/Comment
1.6.1	Are the factory kitchen and canteen clean and hygienic with adequate facilities and the required permits and certificates, including canteen staff health certificate?	Pass	Valid permit of the kitchen and canteen was provided for review, there were 9 workers in kitchen and canteen, and all of them obtained healthy certificates.
1.6.2	Are workers' dormitories separated from production's building and/or warehouse?	Pass	Based on site observation, no workshop or warehouse was located in the dormitory building.
1.6.3	Are all exits unblocked and unlocked at all times for emergency evacuation in dormitories?	Pass	All the emergency exits are unblocked and unlocked.
1.6.4	Are workers free to exit & re-enter dormitory freely? Please provide details of any limitations.	Pass	The employees are freely exit or re-enter the dormitory. Confirmed by workers interviews.
1.6.5	Does each worker have adequate living space? Please indicate the space per worker and number of workers per room.	Pass	All the employees are having sufficient space and about 2 to 4 employees share one room. Each room was about 20 m ² .
1.6.6	Are the dormitories clean? Are there adequate toilets with hand basins available to workers at adequate distance at dormitory? Are there adequate bathrooms available to workers at dormitory? Are sanitary areas clean and hygienic with available washing facilities.	Pass	The dormitory was maintained clean enough, adequate toilets with hand basins were available to workers and there were adequate bathrooms with clean and hygienic washing facilities available to workers at dormitory too.
1.6.7	Are there recreation areas for the workers?	Minor	No any recreation areas or facility was provided for the workers. In accordance with checkpoint 1.6.7 工厂内没有供员工娱乐的区域或者设施。

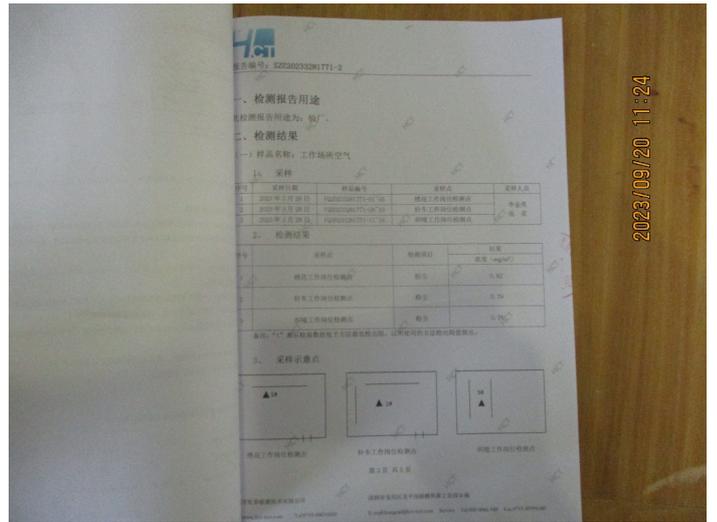
Special Remarks on this section

Positive findings	<ol style="list-style-type: none"> All documents such as building structure safety certificate, fire safety certificate, risk analysis, fire drill records and photos, training records, occupational hazard factor testing report, occupational health check reports and etc were provided for review. All fire equipment such as fire extinguishers, fire hydrant, fire hoses, fire alarm, smoke detectors and sprinkler was installed in the factory and maintained properly. Toilet was maintained clean, drinking water and PPEs were provided by the factory. Special equipment such as cargo lift used in the factory. The inspection reports and operation certificate were provided for review, there was one qualified electrician to deal with the electricity in the factory. And the certificate was provided for review during the audit date. Dormitory was maintained clean and safe, kitchen obtained permit and kitchen staffs also obtained health certificates. No hazardous materials/chemicals used in the factory.
Negative findings	<ol style="list-style-type: none"> Fire alarm was obstructed by production machines. Production machines were lack of necessary guard devices, and ladder had no handrail installed. No any recreation areas or facility was provided for the workers.

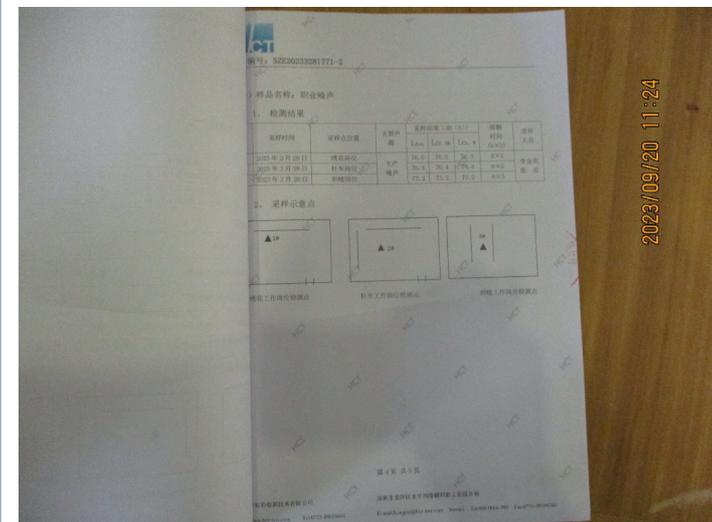
Pictures



Risk analysis records



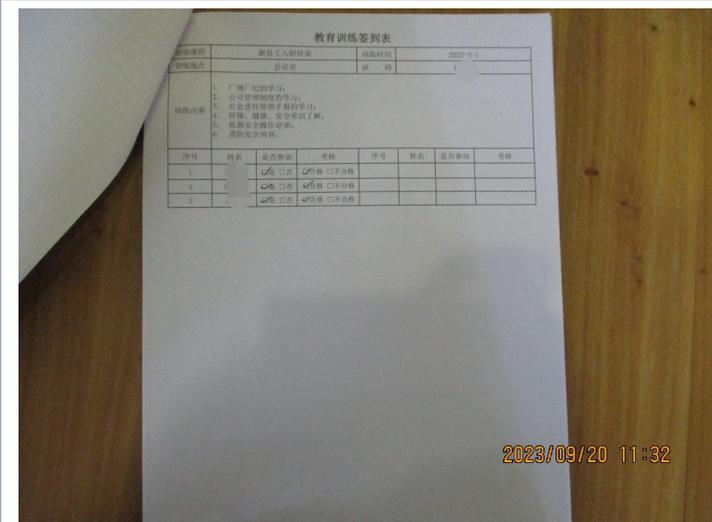
occupational disease hazard factors monitoring



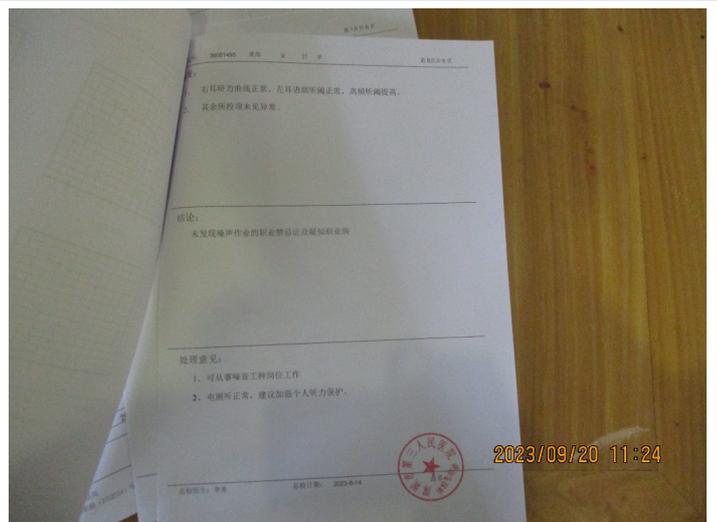
Occupational disease hazard factors monitoring report



Health & Safety officer certificate



Training record



Occupational disease examination report

2023/09/20 11:24

2023/09/20 11:21

2023/09/20 11:24

2023/09/20 11:20

2023/09/20 11:32

2023/09/20 11:24



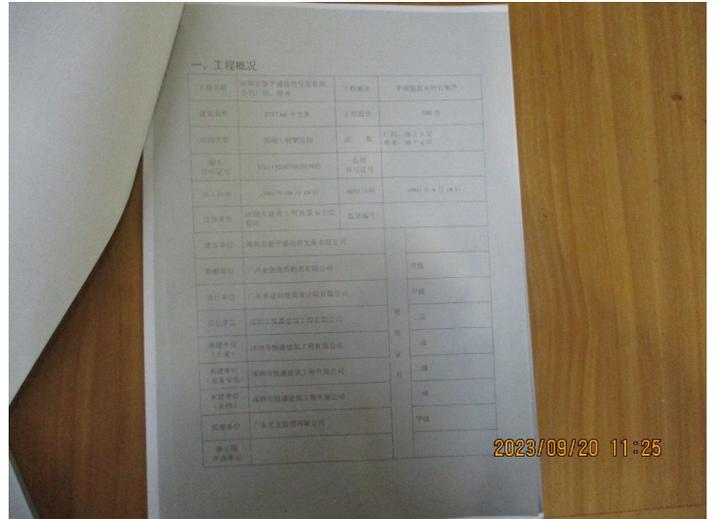
First aid kit



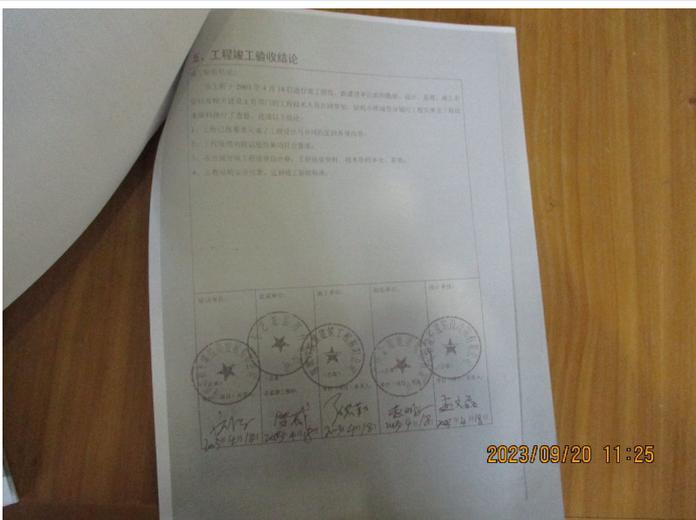
First aider certificates



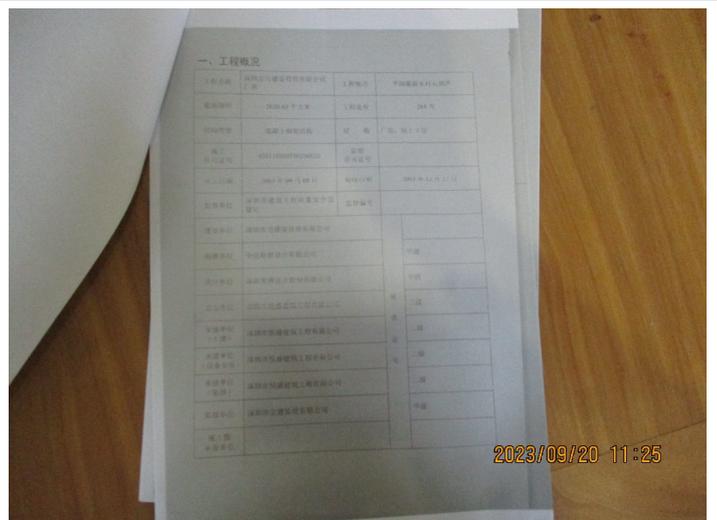
Toilet



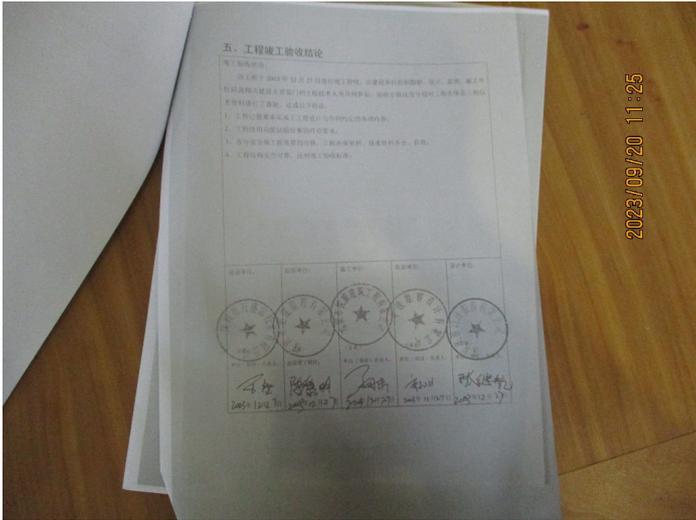
Building Structure Safety Certificate



Building Structure Safety Certificate



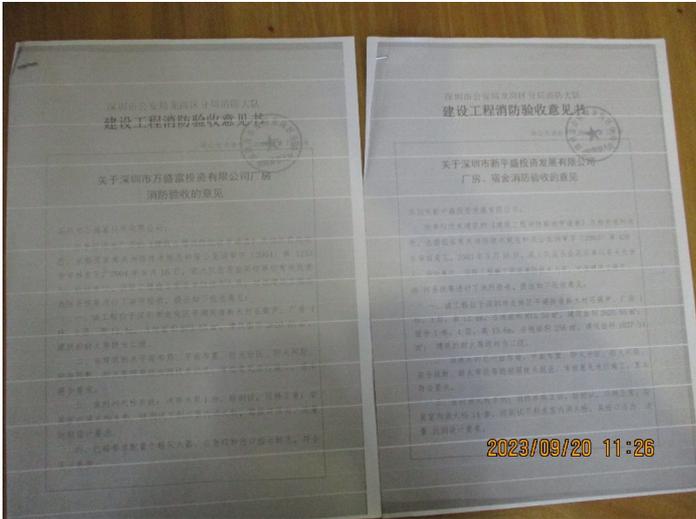
Building Structure Safety Certificate



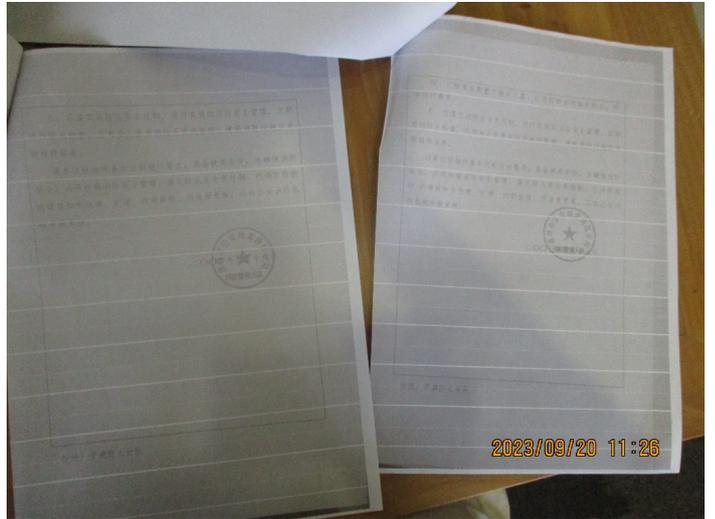
Building Structure Safety Certificate



Emergency exit



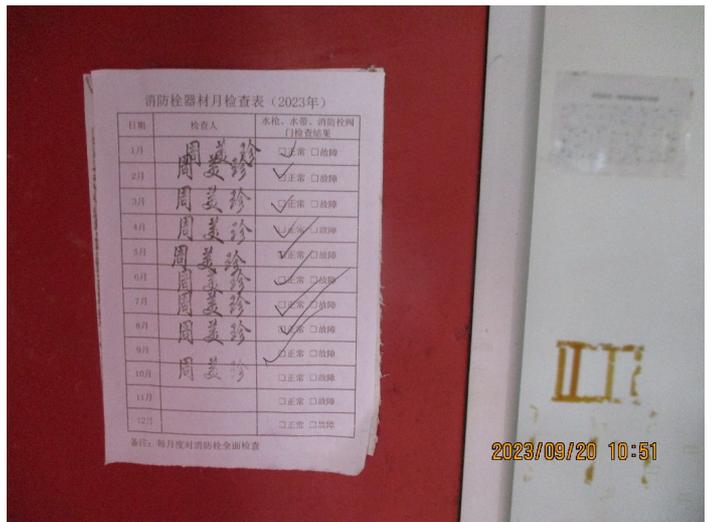
Fire Safety Certificates



Fire Safety Certificates



Fire-fighting equipment



Inspection records



Fire alarm was obstructed by production machines.



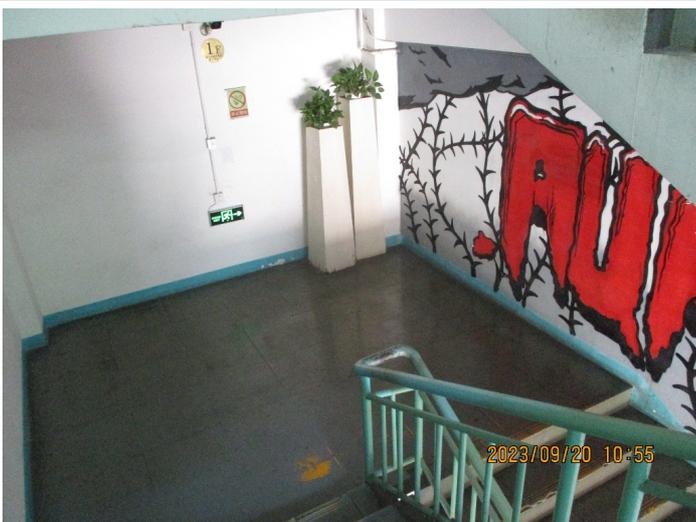
Fire drill records



Fire alarm



Emergency light and exit sign



Evacuation indicating sign



Evacuation map



Electrician certificate



Electrical box with warning sign



Boubel buttons for cutting machine



Warning sign for operator of machinery



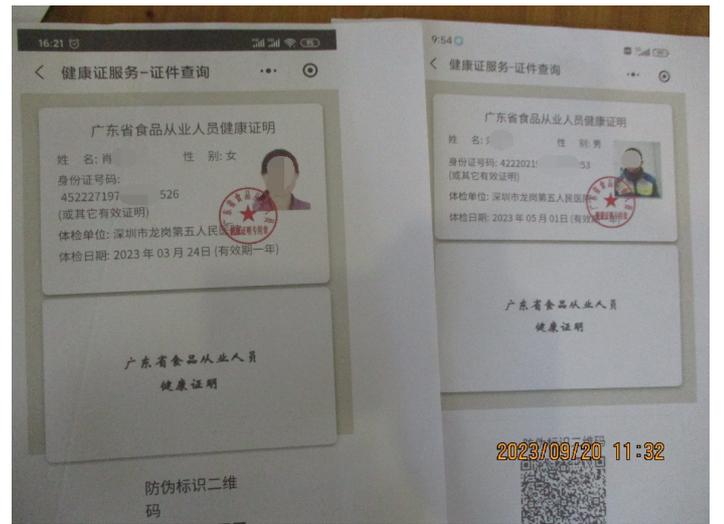
Canteen



Kitchen



Permit



Health certificates for kitchen staffs



Dormitory building



Dormitory room

2. Waste Management

2.1. Legal Authorizations			
Item No	Requirement	Result	Findings/Comment
2.1.1	Does factory have a valid Environmental Impact Assessment (where applicable)?	Pass	The factory provided environmental impact registration form for review.
2.1.2	Does factory have a valid Approval Report of Environmental Impact Assessment, or relevant legal document to start operations?	Pass	The factory provided environmental impact registration form with approval for review.
2.1.3	Does factory maintain a valid Pollutant Discharge Permit or equivalent, where applicable?	Pass	Pollutant Discharge Permit was obtained and provided for review by the factory.

2.2. Solid and Hazardous Wastes			
Item No	Requirement	Result	Findings/Comment
2.2.1	Does factory inventory all solid wastes, including kind, sources, and quantities?	Pass	The factory had established inventory for all solid wastes, including kind, sources, and quantities.
2.2.2	Does factory adequately separate recyclable from non-recyclable wastes in workshops/warehouses?	Major	The factory did not separate recyclable from non-recyclable wastes at workplaces and warehouses. In accordance with checkpoint 2.2.2 工厂没有在车间/仓库中将可回收垃圾与不可回收的废物分开。
2.2.3	Can factory prove that they have taken actions to reduce/recycle/re-use solid wastes as much as possible?	Minor	No action was taken to reduced/recycle/re-use solid wastes. In accordance with checkpoint 2.6 工厂并没有证明他们已经采取了减少或回收固体废物的措施。
2.2.4	Does factory inventory all hazardous wastes, including kind, sources, and quantities?	N/A	No hazardous waste generated by factory activities.
2.2.5	Does factory store hazardous wastes in a relevant ways, closed, with control access and ensure it cannot spill?	N/A	No hazardous waste generated by factory activities.
2.2.6	Is factory able to prove that hazardous wastes are transferred to 3rd party with relevant certifications, and keep records of wastes transfer including quantities?	N/A	No hazardous waste generated by factory activities.

2.3. Waste Water, Air Emissions and Noise			
Item No	Requirement	Result	Findings/Comment
2.3.1	Does factory inventory all waste water, including domestic waste water and industrial waste water, with sources and quantities?	Pass	The factory identified that there was only domestic waste water.
2.3.2	If applicable, is factory able to demonstrate that waste water is treated adequately before discharge, with relevant equipment and trained staff?	N/A	No industrial waste water generated by factory processes.
2.3.3	Is factory able to demonstrate that waste water at discharge point is meeting the local standards requirement (through lab testing reports)?	N/A	No industrial waste water generated by factory processes.
2.3.4	When observing waste water discharge point, does water seem to have color or odor on audit day?	N/A	No industrial waste water generated by factory processes.
2.3.5	Does factory inventory all air emissions, with sources and identification of treatment needed?	Pass	The factory established the air emission inventory, with sources and identification of the treatment needed.
2.3.6	Is factory able to demonstrate that air quality at factory's boundaries is meeting the local standards requirement (through lab testing reports)?	Pass	Based on lab testing report that all air emissions was met the local standard requirements, and the last testing report was on 16-May-2023.

2.3.7	On audit day, is there any smell, fog, or dust observed by auditor on factory's direct environment, linked to factory's activity?	Pass	No smell, fog, or dust observed by auditor on factory's direct environment.
2.3.8	Is factory able to demonstrate that noise level at factory's boundaries is meeting the local standards requirement (through lab testing reports)?	Pass	Based on lab testing report that all boundaries noise level was met the local standard requirements. (last testing report on 16-May-2023.)

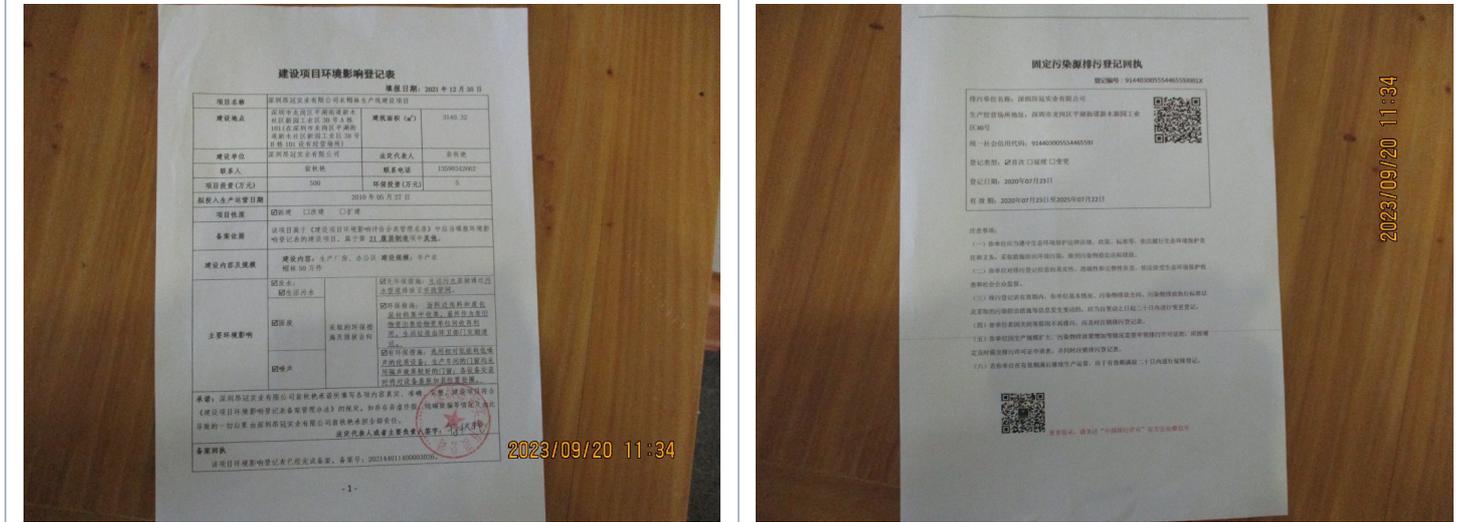
2.4. Energy and Water reduction

Item No	Requirement	Result	Findings/Comment
2.4.1	Can factory demonstrate that energy use is monitored and that actions have been taken to reduce energy use?	Pass	The factory monitored energy use and takes some actions to reduce energy use. For example, shut down power switch timely.
2.4.2	Can factory demonstrate that water use is monitored and that actions have been taken to reduce water use?	Pass	The factory monitored water use and takes some actions to reduce water use. For example, all workers should turn off the tap after using.

Special Remarks on this section

Positive findings	<ol style="list-style-type: none"> Documents such as environmental impact registration form with approval, Pollutant Discharge Permit, waste gas and noise level testing report and etc were provided for review. Solid waste and waste air were controlled and managed properly. No hazardous waste and industrial wastewater generated by factory activities.
Negative findings	<ol style="list-style-type: none"> The factory did not separate recyclable from non-recyclable wastes, and no action was taken to reduced/recycle/re-use solid wastes. No action was taken to reduced/recycle/re-use solid wastes.

Pictures



Environmental impact registration form

Pollutant Discharge Permit

昂冠固体废物清单

序号	废弃物名称	废弃物类别	产生部门	公司内部管理要求		送外处理要求		备注
				清运周期	责任单位	处理单位	清运周期	
1	签字笔	一般	全厂	每天	行政部	行政部	不遗漏	每天
2	办公用纸	一般	全厂	每天	行政部	行政部	不遗漏	每天
3	办公家具	一般	全厂	每月	行政部	行政部	不遗漏	每月
4	文件夹	一般	全厂	每天	行政部	行政部	不遗漏	每天
5	公司信封	一般	全厂	每天	行政部	行政部	不遗漏	每天
6	订书针	一般	全厂	每天	行政部	行政部	不遗漏	每天
7	垃圾袋	一般	全厂	每天	行政部	行政部	不遗漏	每天
8	证件套	一般	全厂	每天	行政部	行政部	不遗漏	每天
9	材料包装	一般	全厂	每天	行政部	行政部	不遗漏	每天
10	生活垃圾	一般	全厂	每天	行政部	行政部	不遗漏	每天
11	边角料	一般	裁床	每天	行政部	行政部	不遗漏	每天
12	塑料瓶	一般	全厂	每天	行政部	行政部	不遗漏	每天
13	机油桶	一般	机修	每月	行政部	供应商回收	不遗漏	每天

2023/09/20 11:52



2023/09/20 10:55

Solid waste inventory

The factory did not separated recyclable from non-recyclable wastes

昂冠废气清单

序号	环境因素	活动	产污工序	主要污染物	排放形式	排放去向	排放浓度	排放总量	排放频率
1	废水排放	绿化水/洗洁水/冲洗水	√	√	√	√	√	√	√
2	废气排放	喷漆	√	√	√	√	√	√	√
3	固体废物	废渣	√	√	√	√	√	√	√
4	噪声	生产噪声	√	√	√	√	√	√	√
5	其他	其他	√	√	√	√	√	√	√

2023/09/20 12:20

昂冠工业废气检测报告

样品名称: 工业废气

序号	采样日期	采样点	采样人员
1	2023年9月9日	厂界	黄建强

序号	采样点	检测项目	检测结果	标准限值
1	北侧厂界下风向	颗粒物	0.180	1.0
2	北侧厂界下风向	VOCs	0.130	1.0
3	北侧厂界下风向	NOx	0.180	1.0
4	北侧厂界下风向	SO2	0.130	1.0
5	北侧厂界下风向	CO	0.130	1.0

2023/09/20 11:34

Aie emission inventory

Air emissions monitoring report

边界噪声监测报告

检测日期: 2023年9月9日

测点	噪声值 (dB)	标准限值 (dB)
1	55.2	60
2	56.8	60
3	58.1	60
4	59.5	60
5	60.2	60
6	61.5	60

2023/09/20 11:34

2023年水电统计

月份	用电量 (度)	耗水量 (吨)
1月	3145.9	338
2月	1769	380
3月	2872.2	750
4月	3494.8	529
5月	3428.8	534
6月	4229	617
7月	4920	714
8月	5217.4	760
9月	4300	600
10月	4300	600
11月	3845.94	537
12月	3437	488

2023/09/20 12:20

Boundary noise level monitoring report

Water and energy monitoring records

<p>Energy and Water reduction plan</p>	

3. Child Labour

3.1. Child Labour

Item No	Requirement	Result	Findings/Comment
3.1.1	Does the factory complies with the legal minimum age? Please note the age of the youngest worker found.	Pass	16 years old with restriction and the youngest employee was 21 years old in the factory who was born on 15-Jan-2002 and hired on 28-Jun-2023.
3.1.2	Does the factory sign contracts with all workers and keep copies or records of ID documents of workers or similar way to check age?	Pass	The factory signed contracts with the workers and kept copies or records of ID documents of workers to check age.
3.1.3	Does the factory have effective procedures such as verifying suspected young worker documents to confirm the correct age of the worker at the time of recruitment?	Pass	The factory established the procedure to verify the age of employees. Age document was checked together with the employee statement before recruitment.
3.1.4	Does the factory understand the requirements of laws and regulations on child labour and young workers? If so, is there a written child labor policy?	Pass	The factory understood the requirements of laws and regulations on child labour and young workers. The procedure was also established.

3.2. Young Workers

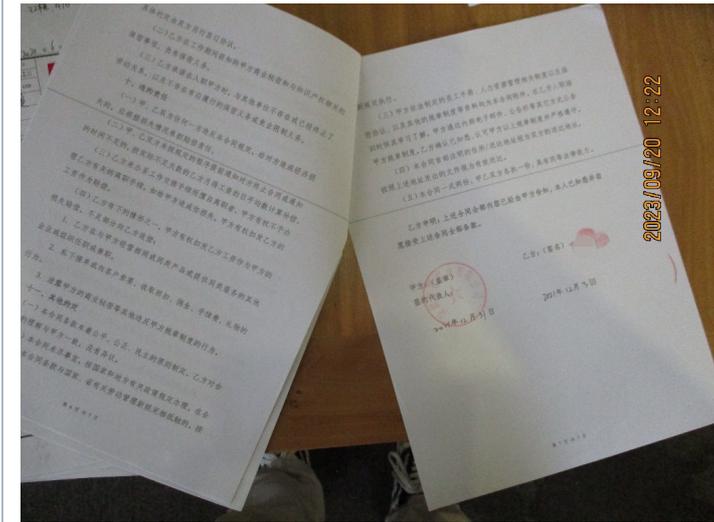
Item No	Requirement	Result	Findings/Comment
3.2.1	Are young workers exempted from hazardous work?	N/A	No young worker was employed in the factory.
3.2.2	Are young workers exempted from night shift?	N/A	No young worker was employed in the factory.
3.2.3	Are young workers exempted from overtime?	N/A	No young worker was employed in the factory.
3.2.4	Are young workers registered and given annual health checks?	N/A	No young worker was employed in the factory.

Special Remarks on this section

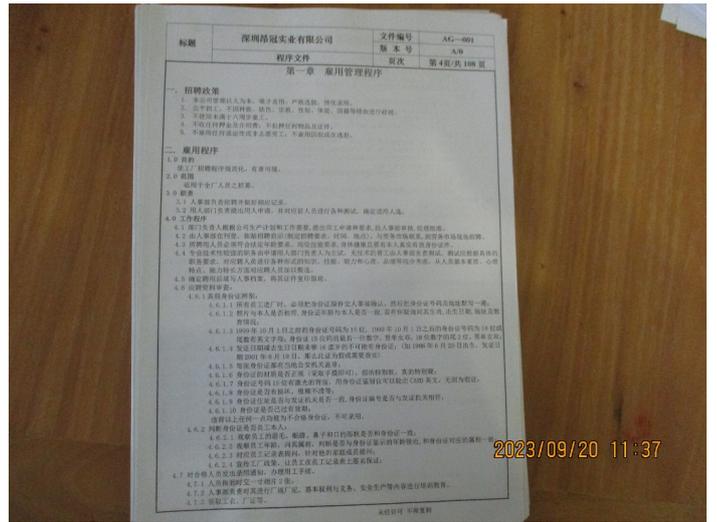
Positive findings	<p>1. All employees' personal files with ID cards copies were provided for review. No child labor or young workers were identified during this factory visit.</p> <p>2. The factory signed labor contracts with all employees and gave a copy to each employee.</p>
Negative findings	Nil.

Pictures

<p>2023/09/20 12:21</p>	<p>2023/09/20 12:21</p>
Personnel file with ID copy	Labor contract



Labor contract



Recruitment policy

4. Working Hours, Wages and Benefits

4.1. Working Hours			
Item No	Requirement	Result	Findings/Comment
4.1.1	Do the working hours of individual workers comply with local regulation? Do the working hours exceeds the international recommendation of 60 hours / week ?	Minor	<p>Legal normal working hours: 8 hours/day, 40 hours/week Legal overtime hours: 3 hours/day, 36 hours/month</p> <p>Based on management interview and document review, the peak season in the factory was not obvious in the factory.</p> <p>Attendance records from 1-Sep-2022 to audit day were provided, of Aug-2023 (current month), May-2023 and Dec-2022 (random months) were taken as samples. The daily overtime working was detected for 10 sample employees in Aug-2023 (current month), May-2023 and Dec-2022 (random months), with the maximum daily overtime up to 2 hours, 2 hours, 2 hours respectively. The weekly working was detected for 10 sample employees in Aug-2023 (current month), May-2023 and Dec-2022 (random months), with the maximum weekly overtime up to 60 hours, 60 hours, 60 hours respectively.</p> <p>The factory did not ensure overtime hours comply with legal requirements.</p> <p>Based on review the attendance records from 1-Sep-2022 to 20-Sep-2023 of the factory, the monthly overtime hours for 10 out of 10 sampled workers were 80 hours in Aug-2023 (current month), the monthly overtime hours for 10 out of 10 sampled workers were 70-72 hours in May-2023 (random month), the monthly overtime hours for 10 out of 10 sampled workers were 86 hours in Dec-2022 (random month)</p> <p>In accordance with Labor Law of the People's Republic of China (1994), Article 41 工厂未保证员工加班时间符合法规要求。</p>
4.1.2	Do workers have 1 day off within 7 days (or 2 days off within 14 days where applicable)?	Pass	Based on reviewing the provided attendance records from 1-Sep-2022 to the audit date, it was noted that all sampled workers could enjoy one day off in a week. The maximum consecutively working day was 6 days in the factory.
4.1.3	Does the factory record the working hours of individual workers in a reliable manner?	Pass	The factory had electronic attendance system (fingerprinting system) to record the working hours. All workers were conducted for one shift, 8:00-12:00, 14:00-18:00, OT from 19:00 to 21:00 at most. Worker needed to work overtime on Saturdays, but never on Sundays.
4.1.4	Are workers given reasonable time for lunch and rest breaks?	Pass	Workers were given reasonable time (2 hours from 12:00 to 14:00) for lunch and rest breaks.
4.1.5	Are workers assigned overtime on a voluntary basis?	Pass	As per the interviewed employees, overtime was conducted on a voluntary basis.
4.1.6	Do workers have legal vacation, national holidays and paid leave?	Pass	The employees can enjoy their legal vacation and national holiday.

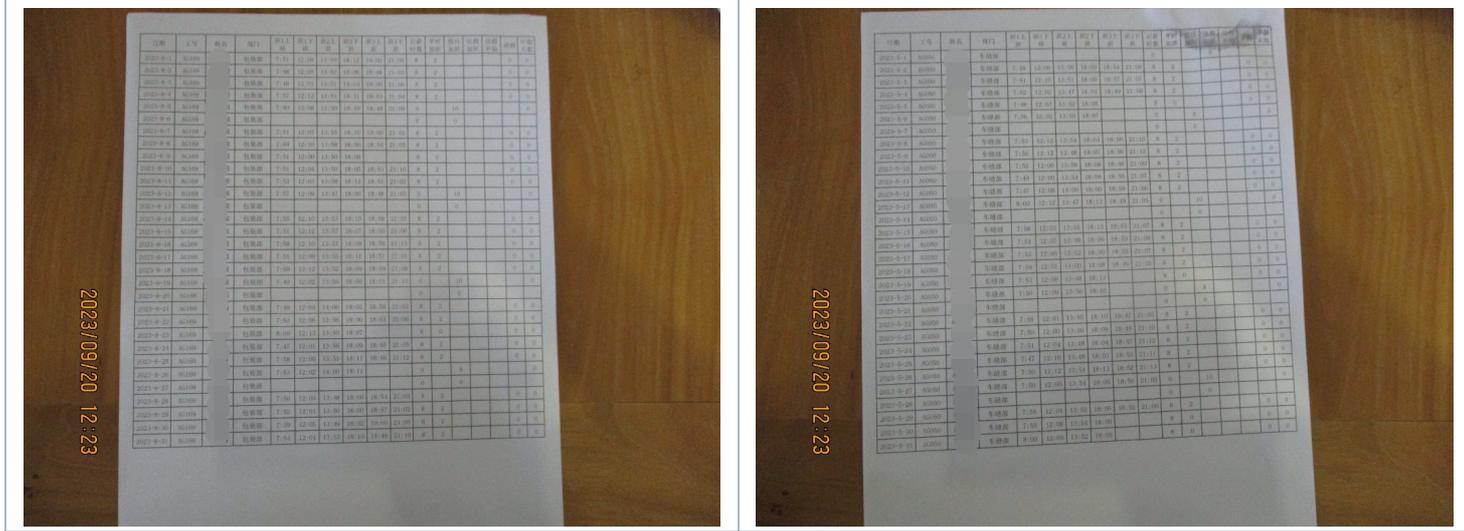
4.2. Wages and Benefits			
Item No	Requirement	Result	Findings/Comment

4.2.1	Is there any evidence that the legal minimum wage is not paid for regular working hours ? Please specify	Pass	Local legal minimum wage was RMB 2360 per month which equivalent to RMB 13.56 per hour since 1-Jan-2022. Per document review, 12 months' payrolls records from Sep, 2022 to Aug, 2023, the minimum wage in the factory for workers was at least RMB 2360/month; which was compliance with the local minimum wage requirements.
4.2.2	Are overtime hours paid with legal premium?	Pass	Overtime hours were paid with legal premium. 150% of normal wages for overtime on weekdays; 200% of normal wages for overtime on rest days; no overtime work on holidays.
4.2.3	Does the factory have written employment conditions on compensation, compensation methods and benefits that is communicated to and understood by all workers?	Pass	The factory has a clear written employment conditions on compensation, compensation methods and benefits that is communicated to and understood by all workers.
4.2.4	Is the payment paid at a reasonable and legal frequency (monthly), and in a form convenient for workers (cash, bank, ...)?	Pass	The payrolls were calculated by hourly rate and paid around the 7th of the following month. The workers were paid by cash.
4.2.5	Do workers receive a pay slip to sign that has information that will allow them to confirm their wages and see all deductions and bonuses?	Pass	Pay slip was provided to the employees before payment.
4.2.6	Are deductions fair, reasonable and legal (such as social insurance or other tax)?	Pass	Social insurance was deducted from wages, which was acceptable.
4.2.7	Are all workers provided social insurance as per local legal requirements? If no, please specify what is the percentage of employees without social insurance scheme.	Pass	All employees were provided social insurance as per local legal requirements.
4.2.8	Is maternity and paid leaves paid as per regulations?	Pass	Maternity and paid leave are paid as per regulation.
4.2.9	If deductions as disciplinary practices are used, are they falling under regulatory rules?	Pass	No disciplinary deduction as confirmed by workers during interview and document review.

Special Remarks on this section

Positive findings	<ol style="list-style-type: none"> All employees' wages and attendance records of past 12 months were provided for review, all workers had one day off per seven days and weekly working hours were controlled within 60 hours per week, the minimum wages of all workers met local minimum wage, and the overtime wages were paid as per legal requirements. The factory used electronic attendance system (fingerprinting system) to record workers' working times. Benefits such as social insurance, annual leave and statutory holiday were provided for all employees. Wages were paid around the 7th of the following month by cash.
Negative findings	<ol style="list-style-type: none"> The factory did not ensure overtime hours comply with legal requirements.

Pictures



Attendance records (monthly OT exceeded 36 hours)

Attendance records (monthly OT exceeded 36 hours)

5. Labour Practices

5.1. Ability for Workers to be represented towards management			
Item No	Requirement	Result	Findings/Comment
5.1.1	If applicable by Local Law, do workers have the right to join or for trade unions and bargain collectively, without interference of employer?	Pass	Workers has the right to join or for trade unions and bargain collectively, without interference of employer.
5.1.2	If there is no union, are there fair and effective parallel means to resolve grievances of workers (workers representatives,...)?	Pass	No trade union established, but three worker representatives were selected by the factory. And the employees were freely to join any union as they want. Suggestion box was also installed for the employees.
5.1.3	Is there evidence that workers cannot efficiently communicate grievances to management out of direct supervisors?	Pass	The employees could use suggestion boxes to efficiently communicate grievances to senior management.

5.2. Forced Labour			
Item No	Requirement	Result	Findings/Comment
5.2.1	Does the factory knowingly use forced labor – including prison labor, trafficking, slavery, and/or indentured or bonded labor – in which workers’ freedom of movement, ability to willingly leave work, and human rights are denied or severely restricted?	Pass	Based on management interview, workers interview and on-site observation, work was conducted on voluntary basis, with no threat of penalty or sanctions, and the factory does not use forced labor including prison labor, trafficking, slavery, and/or indentured or bonded labor.
5.2.2	Does the factory confiscate any original personal documents of workers? Especially does migrant/foreign workers have free access to their personal documents such as passport, work visa, birth certificate, etc?	Pass	Through management interview and employee interview, the factory did not require workers to lodge deposits or original documents such as ID cards, training certificates, etc. Through document review, the facility only kept the photo copy of ID, operation certificate, etc. No foreign workers were used by the factory.
5.2.3	Does the factory prevent workers from resigning from employment with reasonable notice?	Pass	No any restrictions on workers’ freedom to terminate employment were found. According to the procedure/policy on termination of employment, workers who were employed within one month could resign from the factory without any notice. Worker who worked over one month and had signed a formal labor contract should submit a written notice of 30 days in advance if they want to resigned from the factory.
5.2.4	Does the factory pay any labor brokers the worker’s wages, benefits or bonuses?	N/A	The factory does not use any labor labor brokers for employee recruitment. All randomly selected interviewees stated that they were recruited directly by the factory through advertisement online/ at factory gate, workers’ introduction and human resource market.
5.2.5	Does the factory impose unreasonable curfews in dormitories that restrict the movement of workers during their leisure time (curfews should be agreed to by residents to be reasonable for personal safety)?	N/A	The factory does not use any labor labor brokers for employee recruitment. All randomly selected interviewees stated that they were recruited directly by the factory through advertisement online/ at factory gate, workers’ introduction and human resource market.
5.2.6	Does the factory deduct from workers’ wages, costs or fees associated with employment eligibility such as health check, employment registration, work permits or recruitment agency fees?	Pass	Through employee interview and management interview, the factory does not deduct from workers’ wages, costs or fees associated with employment eligibility. No general health check was required by the factory. The employment registration and work permits were not required per local law. And no recruitment agency was used by the factory.

5.2.7	Does the factory restrict foreign workers from joining unions?	Pass	No foreign workers were used by the factory. And the factory ensures that all workers have the right to join or for trade unions and bargain collectively, without interference of employer.
5.2.8	Does the factory have a resignation policy in the language of workers that outlines procedures and protocols to follow upon resignation?	Pass	The factory established a resignation policy in the language of workers that outlines procedures and protocols to follow upon resignation.
5.2.9	Does the factory restrict the amount of times a worker can use the toilets?	Pass	Through employee interview, no any time restriction was existent for worker using the toilets.
5.2.10	Does the factory unnecessarily delay the granting of permission for workers to leave the workplace (workers may face reasonable penalties for not following agreed upon company rules)?	Pass	Workers were allowed to leave the factory compound after work at any time and freely move about during a shift, which was confirmed by workers interview and on-site observation.
5.2.11	Does the factory have a written policy prohibiting the use of Forced Labour of any kind? What language is the policy made available in?	Pass	The factory established written policy prohibiting the use of Forced Labor of any kind. This policy clearly identified the different types of situations which would be classified as Forced Labor and type of action that would be taken if any form of Forced Labor is uncovered.
5.2.12	Does the factory provide training to management and workers policies and procedure regarding the use of Forced Labor?	Pass	Through document review, management interview and employee interview, the factory provided training to management and workers policies and procedure regarding the use of Forced Labor.
5.2.13	Does the factory verify that workers hired through a labor broker have not paid any deposit?	N/A	The factory does not use any labor labor brokers for employee recruitment. All randomly selected interviewees stated that they were recruited directly by the factory through advertisement online/ at factory gate, workers' introduction and human resource market.
5.2.14	Does the factory require the labor broker to provide copies of the labor contracts that migrant workers signed? Ensure that the contract is legal, does not have any unethical items and that the worker received a copy of the contract written in his/her own language.	N/A	The factory does not use any labor labor brokers for employee recruitment. All randomly selected interviewees stated that they were recruited directly by the factory through advertisement online/ at factory gate, workers' introduction and human resource market.
5.2.15	Does the factory ensure all overtime hours are voluntary (not imposed under threat of penalty or force)?	Pass	Based on workers interview and on-site observation, work was conducted on voluntary basis, with no threat of penalty or sanctions.
5.2.16	Does the factory verify with foreign/migrant workers that their contracts were freely signed?	Pass	No foreign workers were used by the factory. All interviewees including migrant workers stated that their contracts were freely signed.
5.2.17	Does the factory use only government registered or legally licensed recruitment agencies, either locally or from foreign countries, and maintain a database of reputable employment agencies (if using employment agencies is common practice)?	N/A	The factory did not use any labor labor brokers for employee recruitment. All randomly selected interviewees stated that they were recruited directly by the factory through advertisement online/ at factory gate, workers' introduction and human resource market.
5.2.18	Does the factory refuse to return the worker's savings as the deposit at the end of the contract or upon resignation?	Pass	Through employee interview, no any savings were kept by the factory. And the factory did not withhold any part of workers salary or benefits in order to force such to continue working for the factory.
5.2.19	Does the factory verify that approved subcontractors have written policies and procedures in place to prevent incidents of forced labor?	Pass	The factory established a subcontractor selecting procedure and subcontractor assessment for social compliance was conducted. Through subcontractor assessment for social compliance, the factory verified the subcontractors had the written policies and procedures in place to prevent incidents of forced labor.
5.2.20	Does the factory require workers to live in factory owned or controlled residences? Please specify if these are on site or off side residences.	Pass	Workers were allowed to leave the factory compound after work at any time and freely move about during a shift, which was confirmed by workers interview and on-site observation.
5.2.21	Does the factory provide workers with appropriate benefits such as meals, beverages, rest breaks, transportation, etc., during overtime work hours as required by law or as per factory mandates?	Pass	No such local law requirement. Through employee interview, meals, beverages, rest breaks were provided to them during the overtime hours.

5.3. Discrimination

Item No	Requirement	Result	Findings/Comment
5.3.1	Is non-discrimination guarantee in term of employment, promotion, compensation, welfare, dismissal and retirement, etc. within the company based on criteria of race, birth, religion, national or social origins, sex, family responsibilities, marital status, handicap, sexual orientation or political opinions?	Pass	No negative evidence of discrimination in gender was identified during the audit. And the discrimination procedure was available in the factory.
5.3.2	The factory doesn't insist on blood tests, pregnancy or virginity tests before hiring?	Pass	The factory does not require blood tests, pregnancy or virginity tests before hiring.
5.3.3	Is there a written anti-discrimination policy?	Pass	There was a written anti-discrimination policy.

5.4. Disciplinary Practices

Item No	Requirement	Result	Findings/Comment
5.4.1	Is mental / physical /sexual coercion forbidden and avoided in the factory? If not, please give details of the situation.	Pass	There was no mental / physical /sexual coercion forbidden and avoided in the factory.
5.4.2	Does the factory have documented disciplinary rules that are clearly communicated to all workers?	Pass	The factory documented disciplinary rule that was clearly communicated to all workers.
5.4.3	Does the company keep a record of fines/disciplinary actions?	Pass	The factory kept a record of fines/disciplinary actions.
5.4.4	Are the complaint and appeal methods defined and proved to be efficient?	Pass	The employees could use suggestion boxes and hotline to complaint and appeal methods, and the management would solve it every week.

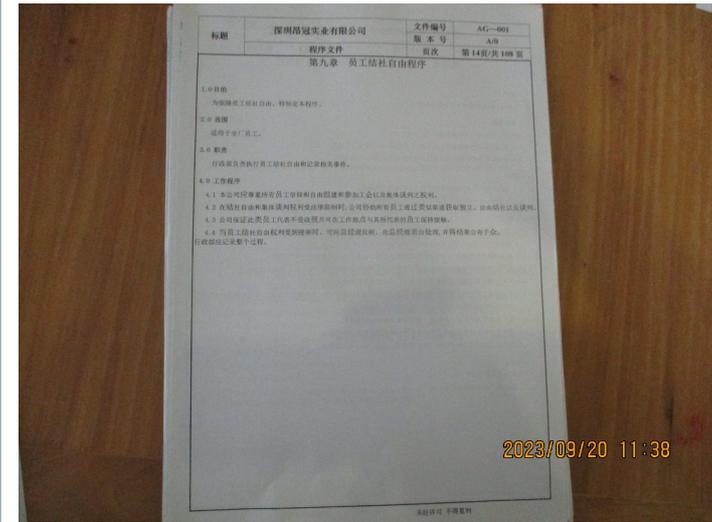
5.5. Migrant Workers Policy

Item No	Requirement	Result	Findings/Comment
5.5.1	Does the factory treat such migrant workers fairly and provide the same terms and conditions of employment as national employees including compensation, holidays and leaves of absence and any employer provided housing except where country law requires different benefits (for example with respect to payment of social security benefits)?	N/A	No foreign migrant worker was used by the factory, and only domestic migrant workers were employed by the factory. The factory treats domestic migrant workers fairly and provides the same terms and conditions of employment as local employees including compensation, holidays and leaves of absence and any employer provided housing.
5.5.2	Does the factory ensure workers are not responsible for any fees paid to agencies or the factory in exchange for employment, nor for medical examinations (if they are mandatory), nor for inbound or outbound travel costs?	Pass	The factory does not use any labor agencies for employee recruitment. All randomly selected interviewees stated that they were recruited directly by the factory through advertisement online/ at factory gate, workers' introduction and human resource market. Through employee interview, no any recruitment fee was needed. And no mandatory medical examination are required before employment.
5.5.3	Does the factory ensure that each migrant worker understands that neither the agency nor factory shall retain a worker's passport for any reason other than processing work visas?	Pass	No foreign migrant workers were used by the factory, and only domestic migrant workers were employed by the factory. Through employee interview, the factory did not require workers to lodge deposits or original documents such as ID cards, training certificates, etc.
5.5.4	Does the factory ensure that all migrant workers are given a secure place to store their personal documents (i.e. passports, working papers)?	N/A	No foreign migrant workers were used by the factory, and only domestic migrant workers were employed by the factory.
5.5.5	Does the factory ensure that if a contract exists between the agency and each migrant worker, it is written in the workers' local language and include: • Wages (regular, overtime, and holiday) • Working hours (regular, overtime, and holiday) • Living conditions to expect • Benefits and insurance that will be provided by the agency • Job description and required job skills • Contract duration	N/A	The factory does not use any labor agencies for employee recruitment. All workers signed the labor contracts with the factory directly.

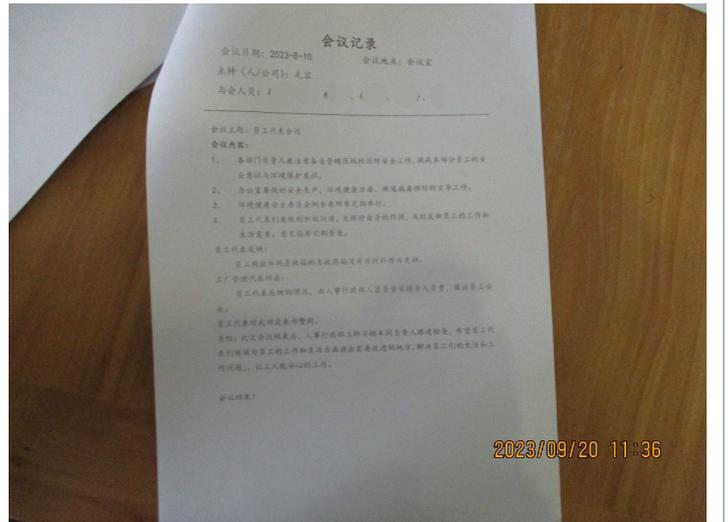
5.5.6	Does the factory ensure that at a minimum, the contract between the agency and the factory includes: Fees the factory will pay the agency (if any fees apply), Wages (regular, overtime, and holiday), Working hours (regular, overtime, and holiday), Job description and required job skills, Contract term, including start and end dates.	Pass	The factory does not use any labor agencies for employee recruitment. All workers signed the labor contracts with the factory directly.
5.5.7	Does the factory ensure that if a contract exists between the agency and each migrant worker, copies are readily available at the audited site at all time?	Pass	The factory does not use any labor agencies for employee recruitment. All workers signed the labor contracts with the factory directly.
5.5.8	Does Factory ensure that the contract between the audited site and worker is consistent with (or better than) the contract between the agency and worker? At a minimum, the contract shall be written in the workers' local language and include: Wages (regular, overtime, and holiday), Working hours (regular, overtime, and holiday), Living conditions to expect, Benefits and insurance that will be provided by the agency, Job description and required job skills, Contract duration, Termination policies (including terms for being sent back to the sending country).	Pass	The factory does not use any labor agencies for employee recruitment. All workers signed the labor contracts with the factory directly.
5.5.9	Does the factory ensure that the contract between the agency and the factory is readily available at the audited site at all times?	Pass	The factory does not use any labor agencies for employee recruitment. All workers signed the labor contracts with the factory directly.
5.5.10	Does Auditee ensure that, in addition to any legal requirements of the host country and country of origin regarding repatriation of foreign workers, at the completion of the employment relationship, or earlier upon termination of employment, the contractor provides return air or land transport tickets to any foreign worker hired or recruited by the contractor from another country?	N/A	The factory does not use any labor agencies for employee recruitment. All workers signed the labor contracts with the factory directly. And no foreign migrant workers were used by the factory, only domestic migrant workers were employed by the factory.
5.5.11	Does the factory ensure that all migrant workers go through an orientation at the factory to review the following points (written in workers' local language): Job training, Health and safety, Factory policies and rules, Grievance systems and process, Termination policies (including terms for being sent back to the sending country).	N/A	No foreign migrant workers were used by the factory, only domestic migrant workers were employed by the factory.

Special Remarks on this section	
Positive findings	<ol style="list-style-type: none"> 1. No violation on forced labor, discrimination, entitlement to work and immigration and etc was identified. While related procedure/policy (such as forced labor, antidiscrimination policy, disciplinary rule, entitlement to work and immigration and etc) were established. 2. No trade union was found in the factory, three worker representatives were selected by the factory. Sufficient channels (such as suggestion boxes, etc) were provided to workers to report their concerns. 3. Employees were employed based on recognized and documented employment relationships. No subcontractor, agency or dispatched worker used by the factory. Assessment had been conducted to its suppliers. 4. No foreign migrant worker was used by the factory, and no any labor agency was used for employee recruitment.
Negative findings	Nil.

Pictures



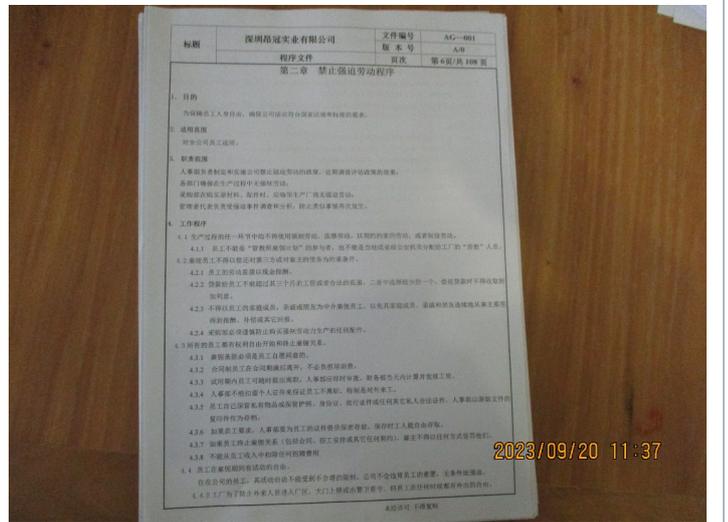
Freedom of Association procedure



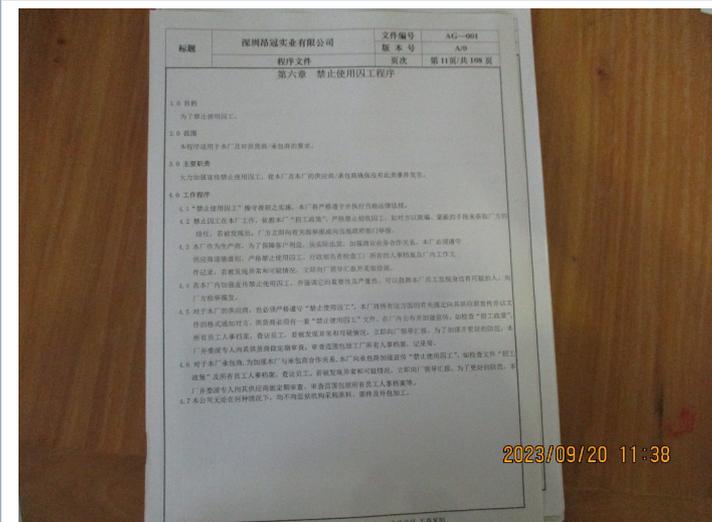
Worker representative meeting record



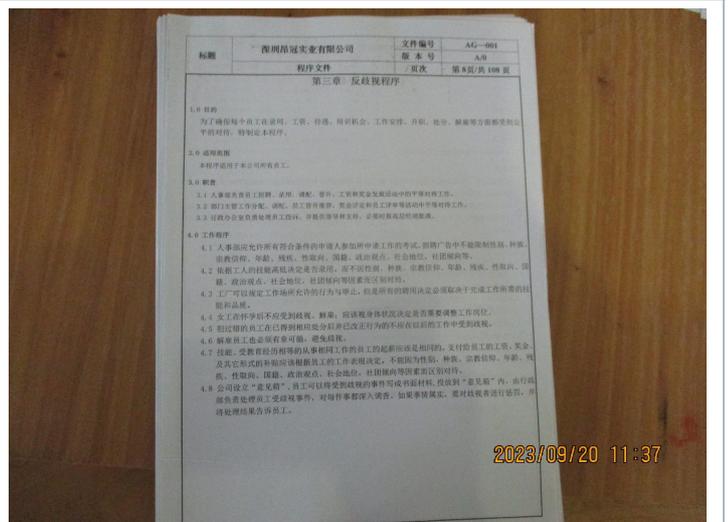
Suggestion box



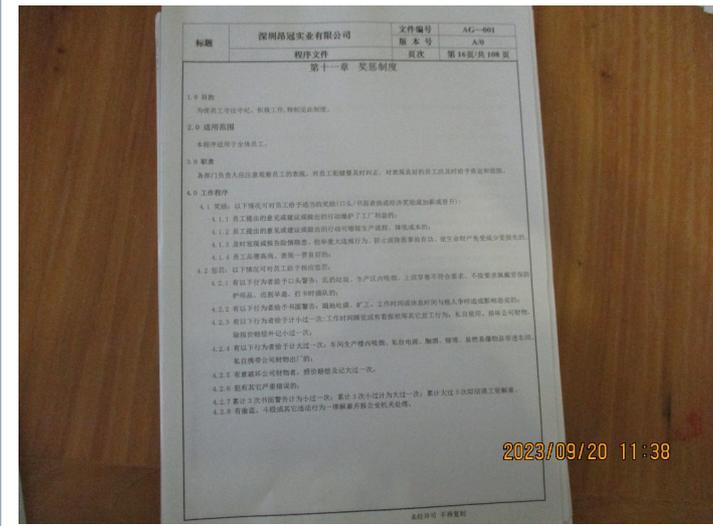
Anti-forced labor procedure



Anti-forced labor procedure



Anti-discrimination procedure



Disciplinary management procedure

Specific Attachments

Employee's interview

Interview No	Dept.	Comments *
1	Cutting.	Individual interview and no special situation reported.
2	Sewing.	Individual interview and no special situation reported.
3	Sewing.	Individual interview and no special situation reported.
4	Emboidering.	Individual interview and no special situation reported.
5	Packing.	Individual interview and no special situation reported.
6	Production.	Group interview and no special situation reported.

Corrective Action Plan

Item No	Result	Finding/Violation	Responsible Person	Factory Completion Date	Corrective Action
1.3.4	Major	<p>The facility has periodically (monthly) maintained the fire extinguishers, fire hydrants and fire alarm and the maintenance records were posted nearby and the latest checking was in Sep-2023.</p> <p>However, during site tour, it was noted one fire alarm located at the 2/F of the 3-storey production building was obstructed by production machine.</p> <p>In accordance with the PRC Fire Prevention Law article 28 消防警铃被堵塞。</p>	Rong Mao	20-Oct-2023	The factory should ensure all fire alarms are easily access.
1.4.2	Major	<p>1. During site tour, the overall machine safety was under good condition, but it was noted that no pulley guard was installed for three sewing machines, no finger protector was installed for all sewing machines.</p> <p>In accordance with Article 6.1.6 of Code of Design of Manufacturing Equipment Safety and Hygiene 现场观察和文件审核，机器设备整体处于良好安全状态，但审核员发现工厂三台针车无皮带轮防护罩；同时所有针车均没有安装护指器。</p> <p>2, As per site tour, it was noted that the factory did not install handrail for two ladders to the woven-mark machine which were about 2.5 meters high.</p> <p>In accordance with Safety of Machinery-Permanent Means of Access to Machinery-Part 3: Stairs, stepladders and guard-rails (GB17888.3-2008) 通过现场观察发现工厂未给2.5米高的两部通往织唛机的梯子安装扶手</p>	Rong Mao	20-Oct-2023	<p>1. The factory should install necessary guard devices for all production machines.</p> <p>2. The factory should install handrail for the mentioned ladders.</p>
1.6.7	Minor	<p>No any recreation areas or facility was provided for the workers.</p> <p>In accordance with checkpoint 1.6.7 工厂内没有供员工娱乐的区域或者设施。</p>	Rong Mao	19-Dec-2023	The factory should provide recreation areas or facility for workers.

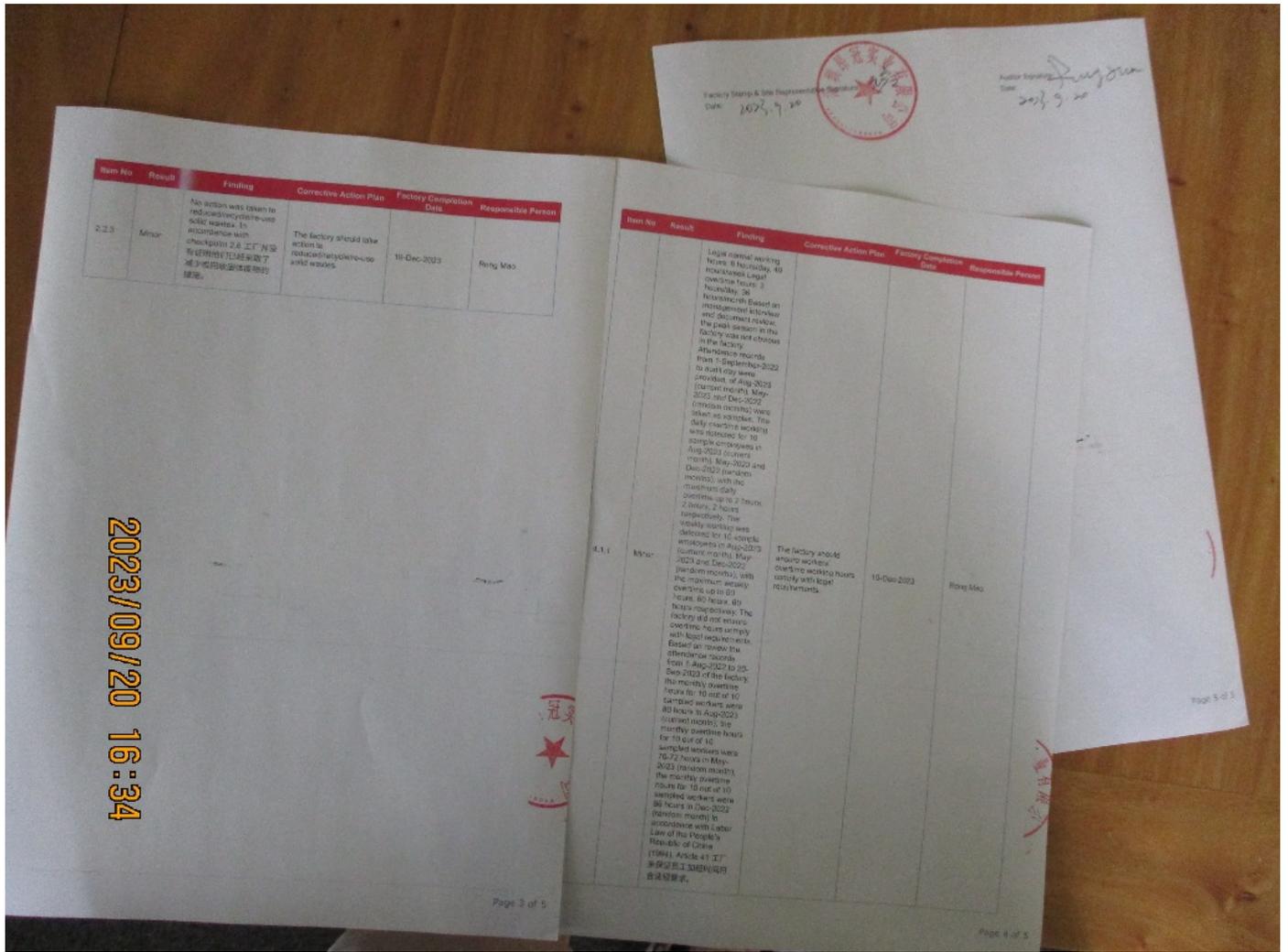
Item No	Result	Finding/Violation	Responsible Person	Factory Completion Date	Corrective Action
2.2.2	Major	The factory did not separate recyclable from non-recyclable wastes at workplaces and warehouses. In accordance with checkpoint 2.2.2 工厂没有在车间/仓库中将可回收垃圾与不可回收的废物分开。	Rong Mao	20-Oct-2023	The factory should separate recyclable from non-recyclable wastes.
2.2.3	Minor	No action was taken to reduced/recycle/re-use solid wastes. In accordance with checkpoint 2.6 工厂并没有证明他们已经采取了减少或回收固体废物的措施。	Rong Mao	19-Dec-2023	The factory should take action to reduced/recycle/re-use solid wastes.

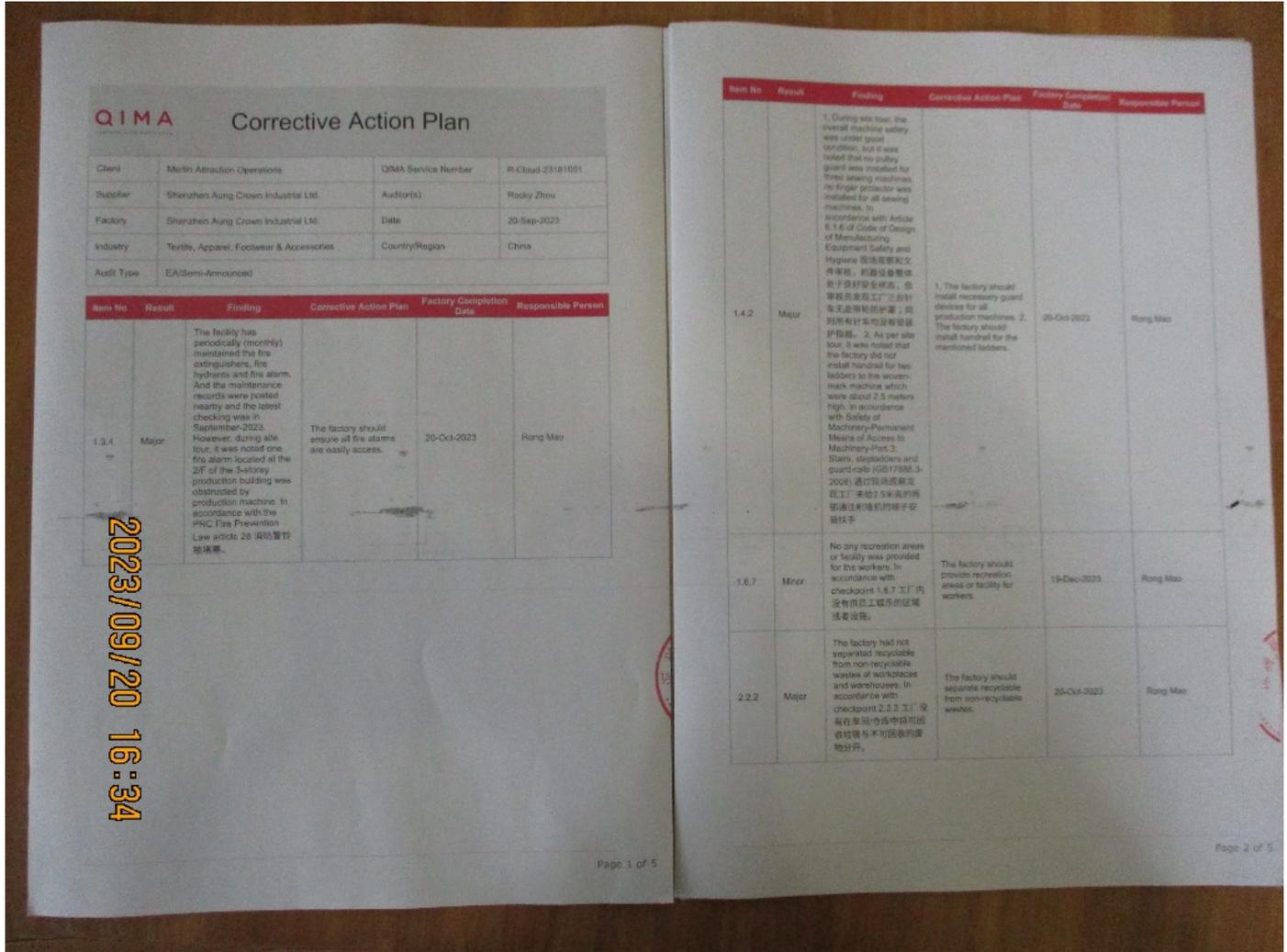
Item No	Result	Finding/Violation	Responsible Person	Factory Completion Date	Corrective Action
4.1.1	Minor	<p>Legal normal working hours: 8 hours/day, 40 hours/week Legal overtime hours: 3 hours/day, 36 hours/month</p> <p>Based on management interview and document review, the peak season in the factory was not obvious in the factory.</p> <p>Attendance records from 1-Sep-2022 to audit day were provided, of Aug-2023 (current month), May-2023 and Dec-2022 (random months) were taken as samples. The daily overtime working was detected for 10 sample employees in Aug-2023 (current month), May-2023 and Dec-2022 (random months), with the maximum daily overtime up to 2 hours, 2 hours, 2 hours respectively. The weekly working was detected for 10 sample employees in Aug-2023 (current month), May-2023 and Dec-2022 (random months), with the maximum weekly overtime up to 60 hours, 60 hours, 60 hours respectively. The factory did not ensure overtime hours comply with legal requirements. Based on review the attendance records from 1-Sep-2022 to 20-Sep-2023 of the factory, the monthly overtime hours for 10 out of 10 sampled workers were 80 hours in Aug-2023 (current month), the monthly overtime hours for 10 out of 10 sampled workers were 70-72 hours in May-2023 (random month), the monthly overtime hours for 10 out of 10 sampled workers were 86 hours in Dec-2022 (random month) In accordance with Labor Law of the People's Republic of China (1994), Article 41 工厂未保证员工加班时间符合法规要求。</p>	Rong Mao	19-Dec-2023	The factory should ensure workers' overtime working hours comply with legal requirements.

Code of Conduct



Corrective Action Plan





Corrective Action Plan

Factory Disclaimer

