Costco GMP Apparel, Hometextile & Soft Toys Factory Assessment

Version No.: 16 26-Apr-23

Audit Details			
Costco Audit Request #	202310-NFGMP-23928		
Audit Type	**Initial Audit**		
Audit Report #	10233251531	Auditor Name	Leon Li
Audit Start Date	Mar. 20, 2024	Number of Mandays	2
Follow-up Audit 1	**Not Applicable**		
Factory Name	**Hefei Xingji Garment Co., Ltd.**		
Address	East Side of No. 4 Road, North Side of Hengda Road, Feidong County, Economic Development Zone, Hefei, Anhui, China		
City	Hefei	State/Province	Anhui
Country	China		
Postcode	231600		
Telephone #	86-0551-67886226		
E-mail	lucky.li@xj-garment.com		
Supplier Name	Fila Korea		

Key Personnel		
Name	Job Title	E-mail ID
Alex Lee	General Manager	alex@yuntex.net
Zhang Junjie	Quality Manager	Nil
Shen Wenqin	Production Manager	shenwenqin@xj-garment.com
Chen Yongnian	Technology Manager	jishuke@xj-garment.com

Note: provide up to 5 key personnel only

Sub-contractor Information		
Processes	Factory Name	Factory Address
Printing	*Taicang Shuangfeng Xinxing Printing Factory*	*Jianxin Road, Shuangfeng, Taicang, Jiangsu, China*
Embroidery	*Hefei Fanwei Garment Embroidery Co., Ltd.*	*Qiaotouji Road, Dianpu Town, Feidong County, Hefei, Anhui, China*

Costco GMP Apparel, Hometextile & Soft Toys Factory Assessment	
Company Profile	
Factory established in year:	2018
Main manufacturing processes:	Fabric cutting, fusing, heat transfer printing, sewing, stuffing, buttoning, pressing, finishing and packing
Product category	Garments: Pants, Tops, Activewear, Coat, Jacket, etc.
Factory area / dimensions	8,046 square meters
Number of Buildings	2
Total number of employees	296
Monthly Production capacity	600,000 pieces
International certification	WRAP, BSCI
Peak season	Not obvious
Major market	Mexico, Korea, Canada, Australia, China
Major customer	Wal-Mart, Suburbia, FILA, ULLU, Semir
Remarks (if any): ~ Auditor's name: Leon Li; Two Mandays; Total 13 hours spent on site.	

AUDIT RESULT SUMMARY

Hefei Xingji Garment Co., Ltd.

Initial Audit			
Report #	10233251531	Audit Date	Mar. 20, 2024
Auditor Name	Leon Li	Number of Mandays	2
	Section Name	**Section Score**	**Section Rating**
Section 1	Management Commitment & Continual Improvement	83%	Yellow
Section 2	Risk Management	83%	Orange
Section 3	Quality Management System	97%	Yellow
Section 4	Site and Facility Management	87%	Orange
Section 5	Product Control	100%	Green
Section 6	Product Testing	88%	Yellow
Section 7	Process Control	95%	Orange
Section 8	Personnel Training	94%	Yellow
		Overall Score	**Overall Rating**
		92.66%	**Orange**

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Hefei Xingji Garment Co., Ltd.	Mar. 20, 2024	10233251531

Costco GMP Apparel, Hometextile & Soft Toys Factory Assessment		**Initial Audit**	
Clause #	**Sectional Scope & Clause Requirements**	**Assessment Result**	**Audit Findings**
1	**Management Commitment & Continual Improvement**		
1.1	**Does factory establish a quality policy stating the factory's intentions to meet its obligations to manufacture quality, safe and legal products, and its responsibility to the customer?**	Full Compliance	
1.2	**Is the policy communicated throughout the factory, and regularly reviewed?**	Deviation	The quality policy was established and posted on production floors, but by interview with sampled employees (e.g., cutting supervisor), it was noted that the quality policy was not known clearly.
1.3	**Did management develop and implement a management system to achieve their goals for product quality, safety and customer requirements?**	Full Compliance	
1.4	**Does factory review effectiveness of management systems (e.g. QMS) at defined intervals (minimum once per year)?**	Full Compliance	
1.5	**Are there documentary evidence that demonstrate management commitment to improve any significant area of findings identified during an audit?**	Full Compliance	
1.6	**Does factory track its key performance indicators (KPI) for on-time delivery, outgoing quality, complaint rate, etc.?**	Deviation	The KPIs (e.g., outgoing quality rate: 100%) were established and tracked, the relevant tracking records were established, but the KPI for customer complaint rate was not established.
2	**Risk Management System**		
2.1	**Legislative and Safety Requirements**		
2.1.1	**Is the factory aware of relevant legislation, mandatory standards and industry/customer codes of practice applicable to the product in the countries of intended sale, and having a process in place for ensuring it is kept informed of changes to the relevant information?**	Full Compliance	
2.1.2	**Does the factory have a means of validating information impacting product safety, quality and legality, where such information is provided by the customer or related party?**	Full Compliance	
2.2	**Risk Assessment**		
2.2.1	**Does the factory establish a Product Risk Assessment for each product or a group of similar products, e.g., FMEA?**	Not Applicable	The factory did not have product design.
2.2.2	**Where manufacturing sites have no responsibility for product design, is the factory provided with a validated copy of the product risk assessment?**	Deviation	The factory had copy of the product risk assessment, but the copy of the product risk assessment did not include overall risk level.

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2.2.3	**Does the product risk assessment address the following aspects which have an effect on product safety and legality?**		
2.2.3.1	**User types (e.g., new born, young children, vulnerable people i.e., elderly, disabilities)**	Full Compliance	
2.2.3.2	**Product use (e.g., behavior, durability, user awareness, information and advice)**	Full Compliance	
2.2.4	**Does the product risk assessment determine the following?**		
2.2.4.1	**Possible Hazard/Risk Identification (e.g. Chemical, Physical, Regulatory)**	Full Compliance	
2.2.4.2	**Risk level for each identified hazard/risk (e.g. Severe, High, Moderate, Slight)**	Full Compliance	
2.2.4.3	**Whether the risk is acceptable considering the probability or likelihood and the severity and potential consequences of the effects on consumer safety (e.g., Not Acceptable, Review & Improve, Acceptable)**	Non Conformity	The factory's product risk assessment records did not include overall risk level.
2.2.5	**Does the factory conduct a Process Risk Assessment of hazards potentially introduced during the production, packaging or storage processes?**	Deviation	The factory performed formal production process risk assessment, the relevant records were available, but the process risk assessment did not include chemicals/materials used for equipment (e.g., lubricating oil) and pest control of finishing and packing area.
2.2.6	**Does the process risk assessment take the following into account?**		
2.2.6.1	**Manufacturing parameters such as pressure, time, temperature**	Full Compliance	
2.2.6.2	**Conditions of equipment, molds, dies, machinery**	Full Compliance	
2.2.6.3	**Chemicals / materials used for equipment (e.g. lubricating oils and paints)**	Non Conformity	The factory's process risk assessment did not include chemicals/materials used for equipment (e.g., lubricating oil).
2.2.6.4	**Calibration of equipment**	Full Compliance	
2.2.6.5	**Policies on foreign body contamination (e.g. needles, metal, glass and brittle plastics)**	Full Compliance	

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2.2.6.6	**Policies on microbiological contamination (e.g. hygiene of toilet & canteen, pest control)**	Deviation	The factory's process risk assessment included pest control of material warehouse and packed finished goods warehouse, but did not include pest control of finishing and packing area.
2.2.6.7	**Personal protective equipment (including specific clothing and footwear)**	Full Compliance	
2.2.7	**Does the process risk assessment identify the following?**		
2.2.7.1	**A list of potential risk or hazards in the production process**	Full Compliance	
2.2.7.2	**Control points to manage the identified risk to acceptable level**	Full Compliance	
2.2.7.3	**Accept / reject limits defined for each control point**	Full Compliance	
2.2.7.4	**Corrective action to be taken where a CCP is out of control**	Full Compliance	
2.2.7.5	**Responsibility of Control Points**	Full Compliance	
2.2.7.6	**Records of monitoring & reviews**	Full Compliance	
2.3	**Verification of Risk Assessment**		
2.3.1	**Is the verification of risk assessment carried out prior to production?**	Full Compliance	
2.3.2	**Is the risk assessment carried out by competent personnel (internal or external)?**	Deviation	The formal training program against risk assessment was established and implemented to relevant personnel, but 1 out of 5 sampled relevant personnel (Shen Wenqin) did not have relevant training records.
2.3.3	**Is the risk assessment regularly reviewed, at least annually or when changes made to product design and materials and/or key manufacturing processes?**	Full Compliance	
2.3.4	**Does the factory implement risk management systems based on a systematic risk assessment system to assure product safety legality and quality?**	Deviation	The factory implemented risk management systems to ensure product safety legality and quality, but the risk assessment did not fully meet the requirement due to 2.2.2 and 2.2.5 rated as partial.

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3	**MANAGEMENT SYSTEM**		
3.1	**Documented Quality System**		
3.1.1	**Does factory have a documented quality system approved by top management, outlining the criteria and methods used to meet system requirements?**	Full Compliance	
3.1.2	**Does the quality system include detailed procedures, instructions, and reference documents covering all manufacturing processes?**	Full Compliance	
3.2	**Organizational Structure, Responsibility and Authority**		
3.2.1	**Does factory define and communicate the levels of responsibility and accountability for staff involved with product safety, legality, and quality?**	Full Compliance	
3.2.2	**Are there appropriate arrangements in place, to cover for the absence of key staff?**	Full Compliance	
3.3	**Customer Focus**		
3.3.1	**Is there a process in place to communicate customer's needs and expectations to all relevant employees?**	Full Compliance	
3.3.2	**Are performance indicators relating to customer satisfaction established?**	Full Compliance	
3.3.3	**Does factory establish a procedure or policy to safeguard customer property including software and intellectual property?**	Full Compliance	
3.4	**Specifications**		
3.4.1	**Do specifications or codes of practice exist for raw materials (including packaging), intermediate/semi processed products (where appropriate), and finished products?**	Full Compliance	
3.4.2	**Are specifications adequate, accurate, and ensure compliance with relevant safety, legislative and customer requirements?**	Full Compliance	
3.4.3	**Any changes in product specifications are formally agreed with customers and then communicated to relevant departments?**	Full Compliance	
3.5	**Purchasing, Supplier and Sub-Contractor Approval and Performance Monitoring**		
3.5.1	**Are there procedures for approval and an on-going monitoring program for sub-contractors and suppliers of all raw materials, packaging, and utilities? Does factory use the results of the approval process to determine acceptable/non acceptable sources?**	Deviation	Written supplier approval and on-going performance monitoring program was established, but the 1 out of 5 sampled main supplier (Yuandong for fabric) did not have relevant quarterly on-going performance monitoring records.

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3.5.2	**Do these procedures include clear criteria for assessment as well as standards of performance required? (Assessment may take the form of monitoring performance through in-house checks, certificates of analysis or extend to supplier or sub-contractor inspection, as appropriate. Assessment may include evaluation of systems, product safety information and legislative requirements.)**	Full Compliance	
3.5.3	**Does factory provide material specifications and compliance requirements to raw-material, trims and packaging materials suppliers when placing orders?**	Full Compliance	
3.6	**Identification & Traceability**		
3.6.1	**Is there a lot identification and traceability system for all raw materials (including packaging), work in progress and finished products?**	Full Compliance	
3.6.2	**Are raw materials (including packaging), work in progress and finished products identified to ensure traceability?**	Full Compliance	
3.6.3	**Can factory identify, trace, and locate 100% of finished product lots/batches from raw material (based on random sampling)?**	Full Compliance	
3.6.4	**Can factory identify, trace, and locate 100% of raw materials used in customer products (based on random sampling)?**	Full Compliance	
3.6.5	**Is the system regularly tested to ensure traceability can be determined from raw material source to finished product and vice-versa?**	Full Compliance	
3.7	**Incident Management and Product Recall**		
3.7.1	**Does factory have an incident management procedure for incidents or emergencies that impact product quality, safety or legality?**	Full Compliance	
3.7.2	**Is there a procedure to ensure that customers are notified immediately of any issue which has potentially resulted in an illegal or unsafe product being delivered or already delivered to the customer?**	Full Compliance	
3.7.3	**Is there an effective, documented Product Recall procedure in place? Is the procedure appropriate, formalized and capable of being operated at any time and takes into account stock requisition, logistics, recovery, storage and disposal?**	Full Compliance	
3.7.4	**Does factory conduct mock recall test to check effectiveness of Product Recall procedure at least once a year?**	Full Compliance	
3.8	**Complaint Handling**		
3.8.1	**Does factory have a system for the management of complaints?**	Full Compliance	

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3.8.2	**Do records indicate that complaints are thoroughly investigated and corrective actions taken to eliminate the root cause of non-conformities to prevent recurrence?**	Full Compliance	
3.9	**Corrective and Preventive Action**		
3.9.1	**Does factory have a system for investigating the cause of significant non-conformity against operation procedures, which are critical to product safety, legality and quality?**	Full Compliance	
3.9.2	**Are there records indicating that the factory takes timely actions to eliminate the root cause of non-conformities against operation procedures in order to prevent recurrences?**	Full Compliance	
3.10	**Document Control**		
3.10.1	**Does factory maintain proper documentation for control of formulas, specifications, BOM, procedures and work instructions?**	Deviation	Written document control procedure was established including making, review, approval, issuing, updating, etc., by factory tour observation, it was noted that most of documentations on production floors were kept in acceptable control, but part of sampled documentations (e.g., part attachment strength tensile test instruction) on workstations did not have approval chop or signatures of review and approval for control.
3.10.2	**Controlled documents are secured and access restricted?**	Full Compliance	
3.10.3	**Are all relevant safety, legal, quality and complaint documents (e.g. QC, production, complaint, product safety records, etc.) shall be legible and retained in good condition for the time specified by customers or the factory QMS whichever is longer?**	Full Compliance	
3.10.4	**All documents in use are the correct version?**	Full Compliance	
3.10.5	**Any amendments to records are authorized?**	Full Compliance	
3.11	**Internal Audit**		
3.11.1	**Are internal audits on management systems (e.g. QMS) conducted at defined intervals (minimum once a year)?**	Full Compliance	
3.11.2	**All corrective actions and follow-ups related to internal audits are satisfactorily completed?**	Full Compliance	

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4	**Sites and Facilities Management**		
4.1	**Factory layout**		
4.1.1	**Is the building designed, constructed and maintained to minimize any potential for product contamination?**	Deviation	By factory tour observation, it was noted that the production buildings were kept in acceptable maintenance, but part of wall coating of sewing workshop was peeled without repaired timely.
4.1.2	**Does the placement of machinery and equipment allow an efficient product flow and minimize the risk of product contamination, loss of traceability and damage?**	Full Compliance	
4.2	**Production flow**		
4.2.1	**Is a process flow diagram available?**	Deviation	The production process flow diagram did not identify CCP.
4.2.2	**Do the premises allow sufficient working space and storage capacity to enable all operations to be carried out under safe and if necessary hygienic conditions, including areas such as raw material storage, component storage, production floor, packing or finishing area, finished product storage, etc.?**	Full Compliance	
4.3	**Segregation of products**		
4.3.1	**Is there effective segregation to minimize the risk of product cross-contamination taking into account the flow of product, nature of materials, equipment, personnel, waste, airflow, air quality, and utilities?**	Full Compliance	
4.4	**Staff facilities**		
4.4.1	**Are staff facilities such as washrooms, canteens, and break areas designed and operated so as to minimize the risk of product contamination?**	Full Compliance	
4.4.2	**Are workers not allowed to have food, drink, or smoke at their work areas?**	Full Compliance	
4.4.3	**Where smoking is allowed under national law, are designated controlled smoking areas isolated from production areas to an extent that ensures smoke cannot reach the product?**	Full Compliance	
4.4.4	**Where specific work wear is required, are designated changing facilities provided for all personnel such as staff, visitors, or contractors?**	Full Compliance	
4.4.5	**Are suitable and sufficient hand-cleaning facilities provided at entrance and other appropriate points within production areas?**	Full Compliance	
4.4.6	**Any personal jewelry or other objects prohibited in the production areas for the risk of product contamination?**	Non Conformity	Written jewelry control policy was established, but by factory tour observation, it was noted that some sewing and finishing workers were wearing jewelry (e.g., earrings, bracelet) on workstations.

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4.5	**Cleaning and hygiene practices(Where applicable) Note: Auditors should make a judgment if this sub-section is applicable based on nature of the products**		
4.5.1	**Are cleaning practices completed so as to minimize risk of contamination?**	Full Compliance	
4.5.2	**Are cleaning, pest control, and process-aid chemicals suitably identified and controlled to prevent the risk of product contamination?**	Full Compliance	
4.5.3	**Where cleaning services are outsourced, do service providers have a signed contract which identifies the scope and frequency of the work and a logbook maintained as a record of work done?**	Not Applicable	The cleaning in the factory was not outsourced.
4.5.4	**Do documented cleaning procedures exist for the buildings, utilities, plant, and all equipment?**	Full Compliance	
4.5.5	**Do the documented cleaning procedures contain the following information: responsibility for cleaning, items or area to be cleaned, frequency of cleaning, method of cleaning, materials to be used, cleaning records and responsibility for verification?**	Full Compliance	
4.5.6	**Is cleaning and housekeeping carried out by trained personnel in accordance with documented procedures and records maintained?**	Non Conformity	The formal training program against cleaning requirement instruction was not established and implemented to relevant personnel, no relevant training records were available.
4.6	**Pest control**		
4.6.1	**Has the factory identified and controlled the risk of pest infestation on the site(by factory internal or external third party), through operation of pest control procedures?**	Full Compliance	
4.6.2	**Does the factory have a clearly defined contract with external contractors which reflect the activities of the site, or have trained staff who undertake this responsibility?**	Full Compliance	
4.6.3	**Are inspection record for pest control maintained and complete?**	Full Compliance	
4.6.4	**Are bait stations robustly constructed, operational, and effective in eliminating the target pests?**	Full Compliance	
4.6.5	**Are bait stations positioned to avoid potential contamination of materials and products? Are fly-killing devices and/or pheromone traps correctly sited and operational?**	Full Compliance	

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4.7	**Lighting and ventilation**		
4.7.1	**Is there sufficient lighting in the factory, including the production floor, inspection areas, test areas, storage areas, maintenance areas, finishing and packing areas, etc.?**	Deviation	Per onsite check by lux meter, it was noted the lighting condition of sewing line end inspection site was 470 lux and was not sufficient, the lighting of other production and inspection sites was acceptable. For reference, the lighting should be no less than 550 lux at production areas, no less than 300lux at carton packing areas and no less than 750 lux at inspection areas.
4.7.2	**Is the ventilation adequate to maintain product safety, legality, and quality at the production floor, inspection areas, test areas, storage areas, maintenance areas, finishing and packing areas, etc.?**	Full Compliance	
4.8	**Contamination**		
4.8.1	**Does the factory have control of the transport and storage of products, from delivery of raw materials and components, to finished product?**	Deviation	By factory tour observation, it was noted that most of materials and products were stored on pallets with acceptable storage condition at storage areas, but some fabric rolls were stored against wall in warehouse, some cutting panels were bundled by different dark color strings at cutting area.
4.8.2	**Has the factory undertaken the necessary steps to identify and prevent the risks of foreign body contamination as identified by risk assessment including any contamination potentially introduced by the packaging?**	Full Compliance	
4.8.3	**Are tools and other sharp objects used in production controlled?**	Full Compliance	
4.8.4	**Where a metal or foreign body detector is required or specified by a customer, do documented procedures exist specifying its use, location, critical limits for detection, maintenance, and recording of results?**	Full Compliance	
4.8.5	**Where applicable are all needles under control without any spare needles unsecured?**	Full Compliance	
4.8.5.1	**If a needle is broken, is there a process for the replacement?**	Full Compliance	
4.8.5.2	**Is there is process to handle and account for all parts of a broken needle?**	Full Compliance	
4.8.5.3	**Does the factory retain all needle control records for a minimum of one year?**	Full Compliance	
4.8.5.4	**Is appropriate action taken when a needle is missing or fragments cannot be found?**	Full Compliance	

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4.8.6	**Is the use of wood within raw material handling, preparation, processing, packing, and storage areas eliminated except when used in the product or where associated risks have been evaluated and controlled?**	Deviation	The risk assessment against wood issues used during production processes was conducted, but one broken wood pallet was found in fabric warehouse.
5	**Product Control**		
5.1	**Reference Samples (Preproduction and Production Sample)**		
5.1.1	**Does the factory have a documented procedure to identify, select, categorize, handle, store, approve and use the reference samples (pre-production and production samples)?**	Full Compliance	
5.1.2	**Does the factory retain the samples which have been approved by the customer? If the customer approval is not possible, the sample representative of the agreed specification must be retained. (Note: Exception for those samples are physically very large or represent a very high cost, e.g., same style being produced in more than one line and/or one facility)**	Full Compliance	
5.1.3	**Are the samples retained with defined retention period, and securely stored in suitable environmental conditions to maintain their original status?**	Full Compliance	
5.2	**Chemical Control**		
5.2.1	**A 'List of Approved Chemicals with Corresponding Brands / Manufacturers' should be maintained for the chemicals used as an ingredient or in contact with the products. The list can be in electronic format or in the computer system, e.g., ERP.**	Full Compliance	
5.2.2	**When chemicals are used as raw materials or ingredients, does the factory have documented procedure for managing, approving and controlling the engineering changes / product changes that may alter the chemical composition of the final product?**	Full Compliance	
5.2.3	**Is the use of any substances classified as dangerous or of very high concern, in the country of sale documented?**	Full Compliance	
5.2.4	**When chemicals are used as raw materials or ingredients, are test reports or certificates of compliance available to demonstrate any presence of hazardous substances / Substances of Very High Concern (SVHC) in all incoming materials and components are below the threshold value for the country of sale?**	Full Compliance	
5.2.5	**Does the factory have test reports on components or finished products that confirm regulated hazardous substances for the finished product are below the threshold value relating to the product safety regulations of the country in which the products are sold?**	Full Compliance	
5.2.6	**Are controlled storage facilities provided for all chemicals used in the factory site (including cleaning and pest control chemicals) as per the recommendations on the manufacturer label to avoid deterioration or degrade?**	Full Compliance	

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5.2.7	**Are procedures, MSDS, description or diagram for the handling of chemicals available at the point of use?**	Full Compliance	
5.2.8	**Are segregation or other measures in place to avoid cross contamination or undesirable chemical reaction of chemical substances and/or preparations (e.g., acids and bases, flammables and oxidizers should not be stored together)?**	Full Compliance	
5.2.9	**Does the factory adopt 'First-in and First-out'' logistic concept on its warehouse management for the chemicals with expiry date (i.e., materials with earlier expiry date should be used first)?**	Full Compliance	
5.2.10	**Are the production equipment and devices inspected and cleaned regularly between batches to avoid cross contamination?**	Full Compliance	
5.3	**Product Packaging Materials**		
5.3.1	**Are packaging assessed for fitness for purpose and determined suitable with regard to the following?**		
5.3.1.1	**Protecting the product from damage;**	Full Compliance	
5.3.1.2	**Maintaining the integrity of the product;**	Full Compliance	
5.3.1.3	**Protecting the consumer from injury; and**	Full Compliance	
5.3.1.4	**Preventing contamination**	Full Compliance	
5.3.2	**Does the product packaging conform to an agreed and documented specification and legal requirements of the country of sale with regard to composition, recyclability?**	Full Compliance	
5.3.3	**Are packaging materials effectively protected before being returned to storage?**	Full Compliance	
5.3.4	**Where staples or other metal closures are used for packaging, are appropriate precautions taken to prevent the risk of contamination, damage or injury to the product or consumer?**	Not Applicable	The factory's product packing did not have staples or other metal closures.
5.4	**Control of Non conforming Materials**		
5.4.1	**Does the factory establish documented procedures for the control of non-conforming materials and products, including rejection, segregation, acceptance by concession or re-grading for an alternative use?**	Full Compliance	
5.4.2	**Are the procedures understood by the authorized personnel and implemented effectively?**	Full Compliance	

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5.4.3	**Are all non-conforming products and their packaging handled or disposed of according to the nature of the problem and/or the specific customer or legislative requirements?**	Full Compliance	
5.4.4	**Are the records kept for the nonconformities and subsequent actions taken?**	Full Compliance	
5.5	**Product Transport, Storage and Distribution**		
5.5.1	**Is transportation in good repair and in a clean/hygienic condition?**	Full Compliance	
5.5.2	**Are vehicles loaded and unloaded in covered areas/bays to prevent the risk of contamination and damage?**	Full Compliance	
5.5.3	**Where the product needs specific environmental requirements to prevent degradation, are these conditions documented, maintained and monitored during the transportation, storage and distribution?**	Full Compliance	
5.6	**Stock Control and Product Release**		
5.6.1	**Does the factory establish a procedure ensuring only products conforming to specifications/defined quality are dispatched?**	Full Compliance	
5.6.2	**Are the procedures for products dispatch include the following?**		
5.6.2.1	**a) release by authorized personnel**	Full Compliance	
5.6.2.2	**b) all inspections and testing shall be successfully completed and documented to verify legislative and other defined requirements are met.**	Full Compliance	
5.6.3	**Where home-workers or subcontractors are used, are the same procedures for products dispatch (as Q5.6.1 & Q5.6.2) applied to the works/products done by home-workers or subcontractors?**	Full Compliance	
5.6.4	**Are controls for correct stock rotation in place to ensure materials and products used in the correct order and within the allocated shelf or usage life, where applicable?**	Full Compliance	
6	**Product Testing and Product Claims**		
6.1	**Product Testing**		
6.1.1	**Does factory establish procedures to undertake or subcontract analyses / testing according to product type and intended retail market?**	Full Compliance	

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Clause #	**Sectional Scope & Clause Requirements**	**Assessment Result**	**Audit Findings**
6.1.2	**Does a documented testing plan exist which includes sample size, frequency, test method and pass/fail criteria for all tests on raw materials, work-in-process and finished products, to ensure that the final product meets customer requirements?**	Deviation	The factory established the documented test plan including sample size, frequency, test method and pass/fail criteria for tests on raw materials, work-in-process and finished goods, but the documented test plan did not include in house wash shrinkage test.
6.1.3	**For those tests on finished products, which factory performs in-house (and does not utilize services of external accredited lab), does the in-house testing comply with the requirements of an approved Independent Laboratory Accreditation Standard or equivalent?** **Note: This clause is applicable only for those tests on finished products, which factory performs in-house and does not utilize services of external accredited lab.**	Not Applicable	The factory did not use internal lab test results to claim finished product compliance. Internal lab test results were used only for internal purposes.
6.2	**Product Claims**		
6.2.1	**Does factory undertake product testing or inspections to validate and verify any stated claims about a product specification, quality or performance?**	Full Compliance	
7	**Process Control**		
7.1	**Control of operations**		
7.1.1	**Are preproduction meetings undertaken prior to new or substantially changed products being produced, to evaluate and approve the processes?**	Full Compliance	
7.1.2	**In the event of deviation of the process from specification, is corrective action taken and recorded?**	Full Compliance	
7.2	**Control of incoming components and raw materials**		
7.2.1	**Are there documented approval procedures for raw materials and incoming goods, which assure conformance to agreed specifications, requirements and documented positive batch release including compliance to safety and regulatory requirements for the country in which the products will be sold?**	Full Compliance	
7.2.2	**Is there evidence of the inspection status of incoming components and raw materials?**	Full Compliance	
7.2.3	**Do the incoming goods procedures cover subcontracted work and work performed outside of the primary site?**	Full Compliance	
7.3	**Calibration and control of measuring and monitoring devices**		
7.3.1	**Has all equipment used in accept or reject activity been effectively calibrated?**	Full Compliance	
7.3.2	**Are records of the results of calibration and verification maintained for a suitable period taking account of the life of the products being produced?**	Full Compliance	

Costco GMP Apparel, Hometextile & Soft Toys Factory Assessment		Initial Audit	
Clause #	**Sectional Scope & Clause Requirements**	**Assessment Result**	**Audit Findings**
7.3.3	**Are procedures in place for actions to be taken if equipment is found not to be operating within specified tolerances and/or limits?**	Full Compliance	
7.4	**Equipment and tooling maintenance**		
7.4.1	**Is equipment properly specified before use and operating parameters for production equipment and tooling determined, validated, and implemented as part of the control plan?**	Full Compliance	
7.4.2	**Is there a documented system for planned maintenance covering all items of equipment and plant which are critical to product safety, legality, and quality?**	Full Compliance	
7.4.3	**Are preventative maintenance schedules or cycles documented and on schedule?**	Deviation	The written maintenance schedule was established and implemented, but the monthly maintenance records of 1 out of 5 sampled production machines (pattern sewing machine#018) were updated only to Dec. 2023 and were not updated timely.
7.4.4	**Are engineering and maintenance workshops controlled to prevent contamination risks to the product, and organized, clean and tidy to allow safe, efficient, and good-quality work?**	Full Compliance	
7.4.5	**Do machines, equipment, fixtures, tools and measurement equipment appear to be clean in good condition and well maintained?**	Full Compliance	
7.5	**Final product packing and control**		
7.5.1	**Do procedures exist to specify and control the packing of finished product, taking into account customers requirements?**	Full Compliance	
7.5.2	**Has the factory verified that the information shown on primary (consumer) package labels including bar codes and outer cartons are correct and meet the customer specification, regulatory and safety requirements of the region of intended sale?**	Full Compliance	
7.6	**Random Inspections**		
7.6.1	**Are in-line inspections carried out during assembly of the product**	Full Compliance	
7.6.2	**Procedures shall be in place to randomly sample and inspect work-in-process according to customer or internal IPQC requirements.**	Full Compliance	
7.6.3	**Products shall be inspected for appearance, size, color and workmanship prior to packing as per customer or internal requirements.**	Full Compliance	
7.6.4	**Product standards and guidelines shall be available and used by inspectors.**	Full Compliance	

Costco GMP Apparel, Hometextile & Soft Toys Factory Assessment		Initial Audit	
Clause #	**Sectional Scope & Clause Requirements**	**Assessment Result**	**Audit Findings**
7.7	**Industry Module**		
7.7.1	**Incoming Material Inspection**		
7.7.1.1	**Shades of fabric and yarn shall be checked against approved standard to verify they are within tolerance (conducted under approved light source).**	Deviation	The factory had one light box in dark room, approval color shade samples and approved light source list of different clients, relevant color shade inspection records were available, but the primary light source (D65) of color shade inspection for one fabric lot (PO#FK2FSG29C5X) was not defined one (CWF).
7.7.1.2	**Fabrics shall be inspected according to 4-point, 10-point, or specified system before cutting.**	Deviation	Written 4 points system of fabric inspection instruction was established and included sampling plan (at least 10%) and quality acceptance level (single roll: 30 points, average point: 20 points), the relevant fabric inspection records were established, but by review fabric inspection records, it was noted that the penalty criteria was not implemented strictly, such as broken hole on fabric inspection records (style#C3417) scored 1 point instead of 4 points.
7.7.1.3	**Procedures shall be in place to check shade matching and color to trim on each dye lot.**	Full Compliance	
7.7.1.4	**Trims and accessories from each dye lot shall be tested and visually inspected against standards and approved samples before use in production**	Deviation	Written accessories and trim inspection instructions were established and included inspection items, quality standards, sampling plan (MIL-STD-105E, Single sampling plan, GII), defect classification and AQL (0/1.5/4.0), the relevant accessories and trim inspection records were established, but the accessories and trim inspection records did not have specification measurement data for traceability.
7.7.1.5	**Materials shall have independent test certificates to assure conformity with destination market and/or customer requirements regarding phthalates. (This clause is applicable only to soft toys products only)**	Not Applicable	The factory's products were not soft toys.
7.7.2	**Sample Development and Pre-production Plan**		
7.7.2.1	**Patterns (whenever applicable), pre-production and size set (whenever applicable) samples shall be reviewed and checked against approved specifications, construction requirements and design details.**	Full Compliance	
7.7.2.2	**Are initial samples made in the factory?**	Full Compliance	
7.7.2.3	**Are production samples made in the factory?**	Full Compliance	
7.7.2.4	**Are samples checked systematically?**	Full Compliance	

Costco GMP Apparel, Hometextile & Soft Toys Factory Assessment		Initial Audit	
Clause #	**Sectional Scope & Clause Requirements**	**Assessment Result**	**Audit Findings**
7.7.2.5	**Are bulk fabrics / yarns checked for shrinkage?**	Deviation	The wash shrinkage test was conducted for bulk fabric lots, but 1 out of 5 sampled fabric lots (style#3422) did not have relevant wash shrinkage test records.
7.7.2.6	**Are equipment facilities adequate in the sample room?**	Full Compliance	
7.7.2.7	**Is a dummy fitting form available in the sample room?**	Full Compliance	
7.7.2.8	**Prototypes shall be made from representative materials in approval forms for identifying potential hazard problems (i.e. sharp points, sharp edges, finger entrapment etc.)** **(This clause is applicable only to soft toys products only)**	Not Applicable	The factory's products were not soft toys.
7.7.3	**Markers, Patterns, Cutting, and Fusing**		
7.7.3.1	**Paper pattern and markers (whenever applicable) shall be checked and approved prior to cutting.**	Deviation	The accuracy check was conducted for bulk markers prior to cutting, but one bulk marker at fabric cutting area (style#3450) did not have approval shop or the signature of checker for control.
7.7.3.2	**Procedures and controls for spreading process shall be in place based upon fabric properties. Relaxation time and spread height shall be appropriate for the material being spread.**	Deviation	Written fabric relaxation control procedure was established and defined the fabric relaxation time (at least 24 hours), the designated fabric relaxation area with shelfs was available, the fabric relaxation control records with time in & time out were established, but by onsite observation, it was noted that different fabric rolls were piled together during fabric relaxation, it would reduce the effect of fabric relaxation.
7.7.3.3	**Fabrics/yarns shall be cut according to dye/shade lot.**	Full Compliance	
7.7.3.4	**White/light colors shall be cut separately from darker shade fabrics/yarn.**	Full Compliance	
7.7.3.5	**When necessary, is each cut piece individually ticketed with data to give total traceability?**	Full Compliance	
7.7.3.6	**Cut panels shall be checked against marker using top, middle and bottom panels from the cut panel blocks.** **(This clause is applicable for Apparel only)**	Full Compliance	
7.7.3.7	**Cut panel replacement procedures shall be in place to replace defective panels with fabric from the same dye lot or shade.**	Full Compliance	
7.7.3.8	**Fusing quality shall be monitored through periodic testing of temperature and bond strength with records maintained.**	Full Compliance	

Costco GMP Apparel, Hometextile & Soft Toys Factory Assessment		Initial Audit	
Clause #	**Sectional Scope & Clause Requirements**	**Assessment Result**	**Audit Findings**
7.7.4	**Sewing, Knitting, and Linking**		
7.7.4.1	**Sewing lines shall be organized in accordance with process flow, with work instruction.**	Full Compliance	
7.7.4.2	**Random measurement inspection at end of the sewing line shall be carried out.**	Full Compliance	
7.7.4.3	**Operators of knitting machines shall have approved written procedures explaining the knitting sequence, the amount of weights required for each style, courses/inch, wales/inch, panel width and height when using hand frame machines. Automatic knitting machines shall be properly set per instructions.**	Not Applicable	The factory did not have knitting process.
7.7.4.4	**When necessary, are shade lots separated by a color continuity system?**	Full Compliance	
7.7.4.5	**Are approved samples displayed in the sewing room?**	Full Compliance	
7.7.4.8	**Does the factory have a system to manage the labels and hangtags?**	Full Compliance	
7.7.5	**Wet Processing (N/A if No Wet Processing)**		
7.7.5.1	**Each wash batch shall be inspected and approved for shade variation against approved shade band under an approved light source.**	Not Applicable	The factory did not have wet processing.
7.7.5.2	**Each batch shall be inspected for critical measurement prior to and after washing.**	Not Applicable	The factory did not have wet processing.
7.7.5.3	**Products shall be weighed to ensure the correct quantity of detergent is being calculated and used in accordance with the washing formula.**	Not Applicable	The factory did not have wet processing.
7.7.5.4	**Controls shall be in place to ensure that processing cycle times, temperature, and pH are accurately controlled.**	Not Applicable	The factory did not have wet processing.
7.7.5.5	**Control and procedures shall be in place to ensure that color, effect and hand feel standards, as well as other aesthetic properties and standards are met.**	Not Applicable	The factory did not have wet processing.
7.7.5.6	**Testing shall be conducted on a routine basis to ensure the quality of the water and steam is acceptable and will not cause stains or adversely affect the formula.**	Not Applicable	The factory did not have wet processing.
7.7.5.7	**Are hand feel and appearance samples available in this section?**	Not Applicable	The factory did not have wet processing.
7.7.5.8	**Is a light inspection carried out before washing?**	Not Applicable	The factory did not have wet processing.

Costco GMP Apparel, Hometextile & Soft Toys Factory Assessment		Initial Audit	
Clause #	**Sectional Scope & Clause Requirements**	**Assessment Result**	**Audit Findings**
7.7.5.9	**Is a light inspection carried out after washing?**	Not Applicable	The factory did not have wet processing.
7.7.6	**In-process Control/Testing**		
7.7.6.1	**Set-up instruction sheets shall be present at each embroidery machine. Thread tension shall be monitored with records kept.**	Not Applicable	The factory did not have embroidery process.
7.7.6.2	**Products or components being produced at sub-contracted facilities or the outsource of washing, embroidery, printing, snap and fastener attachment processes etc. shall be inspected after goods are returned from the sub-contractor.**	Full Compliance	
7.7.6.3	**Controls shall be in place for all critical machine, thread and needle settings base on fabric types and style.**	Full Compliance	
7.7.6.4	**Seconds and overruns products shall be handled as per customer requirements.**	Deviation	Written seconds and overruns product handling procedure was established and implemented, but the relevant seconds and overruns product handling records missed the relevant clients' name.
7.7.6.5	**Testing for attachment security shall be carried out according to customer requirements or internal standards as appropriate.**	Full Compliance	
7.7.6.6	**Filled products (cushions, comforters, filled jackets, etc.) should be tested for flammability and must comply with the safety requirements where the products are sold, as applicable.**	Full Compliance	
7.7.6.7	**Filled products being exported to US should have a Law label sewn on to the product.**	Full Compliance	
7.7.6.8	**Opening and mixing of filling components in Blended filling materials.**	Full Compliance	
7.7.6.9	**In filling / stuffing section, factory shall take steps to ensure that no paper, polythene, floor sweepings or other contaminants, e.g. dust, are mixed in with the filling / stuffing material.**	Full Compliance	
7.7.6.10	**Procedures or W/I for controlling weight of stuffing is per product specification or customer requirement.**	Full Compliance	
7.7.6.11	**Fire Resistant fabric/filling (fibers) material shall have independent test certificates, and shall be segregated from non Fire Resistant Fabric/Filling (fibers) Material. (This clause is applicable only to soft toys products only)**	Not Applicable	The factory's products were not soft toys.
7.7.8	**Finishing and Pressing**		
7.7.8.1	**Trimming shall be conducted according to customer requirements or internal standards.**	Full Compliance	

Costco GMP Apparel, Hometextile & Soft Toys Factory Assessment		Initial Audit	
Clause #	**Sectional Scope & Clause Requirements**	**Assessment Result**	**Audit Findings**
7.7.8.2	**Pressing shall be carried out according to customer requirements or internal standards as appropriate.**	Full Compliance	
7.7.8.3	**Controls shall be in place to ensure proper cleaning equipment and cleaning agents are applied to different stain types.**	Full Compliance	
7.7.8.4	**Products shall be separated into shades prior to packing per customer requirements or internal standards whichever is applicable.**	Full Compliance	
7.7.8.5	**Is a conveyor-belt-type metal detector used?**	Full Compliance	
7.7.8.6	**Before any finished goods can be passed through the metal detector, are "checking tests" carried out using the nine-point system?**	Full Compliance	
7.7.8.7	**Does the factory conduct 100% metal detection?**	Full Compliance	
7.7.8.8	**Does the factory have a "metal-free" area?**	Full Compliance	
8	**Personnel Training and Competency**		
8.1	**Does the factory establish training procedures?**	Full Compliance	
8.2	**Does the factory determine necessary competence for personnel performing work impacting product safety, legality and quality?**	Full Compliance	
8.3	**Does the factory regularly identify training needs (including refresher training) for personnel performing work that affects product safety, legality and quality?**	Full Compliance	
8.4	**Are personnel performing work that affects product safety, legality and quality (including temporary personnel and contractors) appropriately trained and instructed prior to commencing work and adequately supervised throughout the working period?**	Deviation	The formal training program against quality inspection instruction was established and implemented to inspectors, but by interview with fabric inspector, it was noted that the average point limit of 4 points system of fabric inspection was not known clearly.
8.5	**Are the personnel, who have a direct effect on the safety, quality or legality of products, trained to ensure understanding of risk assessment procedures or outcomes as necessary for their activity?**	Full Compliance	
8.6	**Are the effectiveness of trainings evaluated?**	Full Compliance	
8.7	**Are up-to-date training records stored in a secure way such that privacy of personnel is protected?**	Full Compliance	

Costco GMP Apparel, Hometextile & Soft Toys Factory Assessment		Initial Audit	
Clause #	**Sectional Scope & Clause Requirements**	**Assessment Result**	**Audit Findings**
8.8	**Are the personnel performing work that affects product safety, legality and quality demonstrably competent to carry out their activity?**	Full Compliance	

Corrective Action Plan (CAP) Report

Costco GMP Apparel, Hometextile & Soft Toys Factory Assessment

Factory Name:	Hefei Xingji Garment Co., Ltd.			Factory Representative Name and Signature:	Auditor Signature:
Address:	East Side of No. 4 Road, North Side of Hengda Road, Feidong County, Economic Development Zone, Hefei, Anhui, China				
Report number:	10233251531	Auditor Name:	Leon Li	Factory Comments (if any):	
Audit Type:	Initial Audit	CAP Desktop Review done by:			
Audit Date:	Mar. 20, 2024	Evidence Reviewed by:			

To be Completed by 3rd party - within 5 working days from Audit Date				To be Completed by Factory - within 10 working days from Audit Date			To be Completed by 3rd Party - within 2 working days from the receipt of CAPA from Factory		CAP Evidence Collection - To be Completed within 30 calendar days from last audit date		
1	2	3	4	5	6	7	8	9	10	11	12
Clause No.	Original Clause Requirement	Levels of Non-Conformance	Audit Findings	Corrective Action Plan	Responsible Persons	Due Date	Agreement with factory or Comments for Revision	Objective Evidences Required	Objective Evidences	CAPA Validation Results	Remarks
1.2	Is the policy communicated throughout the factory, and regularly reviewed?	MINOR	The quality policy was established and posted on production floors, but by interview with sampled employees (e.g., cutting supervisor), it was noted that the quality policy was not known clearly.								
1.6	Does factory track its key performance indicators (KPI) for on-time delivery, outgoing quality, complaint rate, etc.?	MINOR	The KPIs (e.g., outgoing quality rate: 100%) were established and tracked, the relevant tracking records were established, but the KPI for customer complaint rate was not established.								
2.2.2	Where manufacturing sites have no responsibility for product design, is the factory provided with a validated copy of the product risk assessment?	MINOR	The factory had copy of the product risk assessment, but the copy of the product risk assessment did not include overall risk level.								
2.2.4.3	Whether the risk is acceptable considering the probability or likelihood and the severity and potential consequences of the effects on consumer safety (e.g., Not Acceptable, Review & Improve, Acceptable)	MODERATE	The factory's product risk assessment records did not include overall risk level.								
2.2.5	Does the factory conduct a Process Risk Assessment of hazards potentially introduced during the production, packaging or storage processes?	MINOR	The factory performed formal production process risk assessment, the relevant records were available, but the process risk assessment did not include chemicals/materials used for equipment (e.g., lubricating oil) and pest control of finishing and packing area.								
2.2.6.3	Chemicals / materials used for equipment (e.g. lubricating oils and paints)	MODERATE	The factory's process risk assessment did not include chemicals/materials used for equipment (e.g., lubricating oil).								
2.2.6.6	Policies on microbiological contamination (e.g. hygiene of toilet & canteen, pest control)	MINOR	The factory's process risk assessment included pest control of material warehouse and packed finished goods warehouse, but did not include pest control of finishing and packing area.								
2.3.2	Is the risk assessment carried out by competent personnel (internal or external)?	MINOR	The formal training program against risk assessment was established and implemented to relevant personnel, but 1 out of 5 sampled relevant personnel (Shen Wenqin) did not have relevant training records.								
2.3.4	Does the factory implement risk management systems based on a systematic risk assessment system to assure product safety legality and quality?	MODERATE	The factory implemented risk management systems to ensure product safety legality and quality, but the risk assessment did not fully meet the requirement due to 2.2.2 and 2.2.5 rated as partial.								

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Clause No.	Original Clause Requirement	Levels of Non-Conformance	Audit Findings	Corrective Action Plan	Responsible Persons	Due Date	Agreement with factory or Comments for Revision	Objective Evidences Required	Objective Evidences	CAPA Validation Results	Remarks
3.5.1	Are there procedures for approval and an on-going monitoring program for sub-contractors and suppliers of all raw materials, packaging, and utilities? Does factory use the results of the approval process to determine acceptable/non acceptable sources?	MINOR	Written supplier approval and on-going performance monitoring program was established, but the 1 out of 5 sampled main supplier (Yuandong for fabric) did not have relevant quarterly on-going performance monitoring records.								
3.10.1	Does factory maintain proper documentation for control of formulas, specifications, BOM, procedures and work instructions?	MINOR	Written document control procedure was established including making, review, approval, issuing, updating, etc., by factory tour observation, it was noted that most of documentations on production floors were kept in acceptable control, but part of sampled documentations (e.g., part attachment strength tensile test instruction) on workstations did not have approval chop or signatures of review and approval for control.								
4.1.1	Is the building designed, constructed and maintained to minimize any potential for product contamination?	MINOR	By factory tour observation, it was noted that the production buildings were kept in acceptable maintenance, but part of wall coating of sewing workshop was peeled without repaired timely.								
4.2.1	Is a process flow diagram available?	MINOR	The production process flow diagram did not identify CCP.								
4.4.6	Any personal jewelry or other objects prohibited in the production areas for the risk of product contamination?	MODERATE	Written jewelry control policy was established, but by factory tour observation, it was noted that some sewing and finishing workers were wearing jewelry (e.g., earrings, bracelet) on workstations.								
4.5.6	Is cleaning and housekeeping carried out by trained personnel in accordance with documented procedures and records maintained?	MINOR	The formal training program against cleaning requirement instruction was not established and implemented to relevant personnel, no relevant training records were available.								
4.7.1	Is there sufficient lighting in the factory, including the production floor, inspection areas, test areas, storage areas, maintenance areas, finishing and packing areas, etc.?	MINOR	Per onsite check by lux meter, it was noted the lighting condition of sewing line end inspection site was 470 lux and was not sufficient, the lighting of other production and inspection sites was acceptable. For reference, the lighting should be no less than 550 lux at production areas, no less than 300lux at carton packing areas and no less than 750 lux at inspection areas.								
4.8.1	Does the factory have control of the transport and storage of products, from delivery of raw materials and components, to finished product?	MINOR	By factory tour observation, it was noted that most of materials and products were stored on pallets with acceptable storage condition at storage areas, but some fabric rolls were stored against wall in warehouse, some cutting panels were bundled by different dark color strings at cutting area.								
4.8.6	Is the use of wood within raw material handling, preparation, processing, packing, and storage areas eliminated except when used in the product or where associated risks have been evaluated and controlled?	MINOR	The risk assessment against wood issues used during production processes was conducted, but one broken wood pallet was found in fabric warehouse.								

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Clause No.	Original Clause Requirement	Levels of Non-Conformance	Audit Findings	Corrective Action Plan	Responsible Persons	Due Date	Agreement with factory or Comments for Revision	Objective Evidences Required	Objective Evidences	CAPA Validation Results	Remarks
6.1.2	Does a documented testing plan exist which includes sample size, frequency, test method and pass/fail criteria for all tests on raw materials, work-in-process and finished products, to ensure that the final product meets customer requirements?	MINOR	The factory established the documented test plan including sample size, frequency, test method and pass/fail criteria for tests on raw materials, work-in-process and finished goods, but the documented test plan did not include in house wash shrinkage test.								
7.4.3	Are preventative maintenance schedules or cycles documented and on schedule?	MINOR	The written maintenance schedule was established and implemented, but the monthly maintenance records of 1 out of 5 sampled production machines (pattern sewing machine#018) were updated only to Dec. 2023 and were not updated timely.								
7.7.1.1	Shades of fabric and yarn shall be checked against approved standard to verify they are within tolerance (conducted under approved light source).	MODERATE	The factory had one light box in dark room, approval color shade samples and approved light source list of different clients, relevant color shade inspection records were available, but the primary light source (D65) of color shade inspection for one fabric lot (PO#FK2FSG29C5X) was not defined one (CWF).								
7.7.1.2	Fabrics shall be inspected according to 4-point, 10-point, or specified system before cutting.	MODERATE	Written 4 points system of fabric inspection instruction was established and included sampling plan (at least 10%) and quality acceptance level (single roll: 30 points, average point: 20 points), the relevant fabric inspection records were established, but by review fabric inspection records, it was noted that the penalty criteria was not implemented strictly, such as broken hole on fabric inspection records (style#C3417) scored 1 point instead of 4 points.								
7.7.1.4	Trims and accessories from each dye lot shall be tested and visually inspected against standards and approved samples before use in production	MODERATE	Written accessories and trim inspection instructions were established and included inspection items, quality standards, sampling plan (MIL-STD-105E, Single sampling plan, GII), defect classification and AQL (0/1.5/4.0), the relevant accessories and trim inspection records were established, but the accessories and trim inspection records did not have specification measurement data for traceability.								
7.7.2.5	Are bulk fabrics / yarns checked for shrinkage?	MINOR	The wash shrinkage test was conducted for bulk fabric lots, but 1 out of 5 sampled fabric lots (style#3422) did not have relevant wash shrinkage test records.								
7.7.3.1	Paper pattern and markers (whenever applicable) shall be checked and approved prior to cutting.	MODERATE	The accuracy check was conducted for bulk markers prior to cutting, but one bulk marker at fabric cutting area (style#3450) did not have approval shop or the signature of checker for control.								
7.7.3.2	Procedures and controls for spreading process shall be in place based upon fabric properties. Relaxation time and spread height shall be appropriate for the material being spread.	MODERATE	Written fabric relaxation control procedure was established and defined the fabric relaxation time (at least 24 hours), the designated fabric relaxation area with shelfs was available, the fabric relaxation control records with time in & time out were established, but by onsite observation, it was noted that different fabric rolls were piled together during fabric relaxation, it would reduce the effect of fabric relaxation.								

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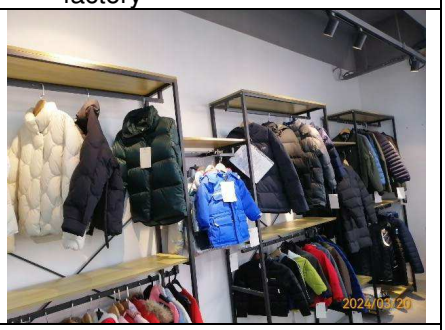
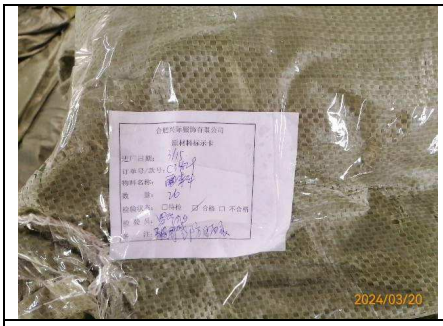
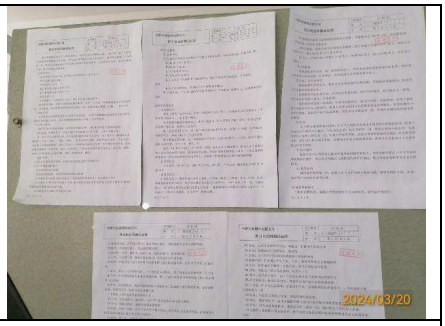
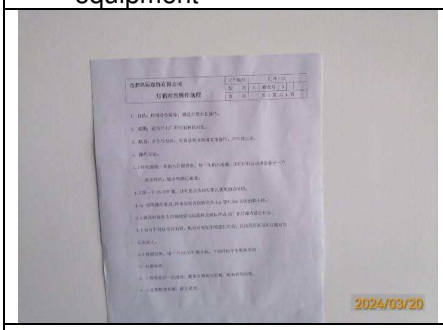
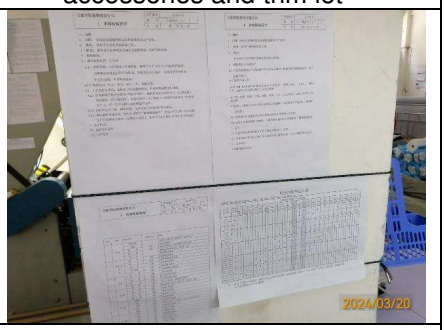
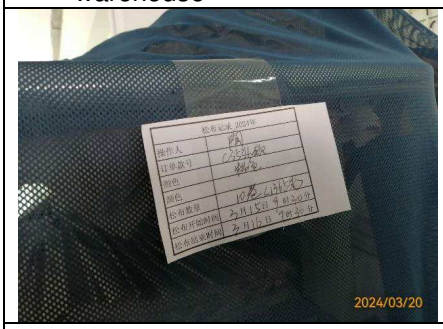
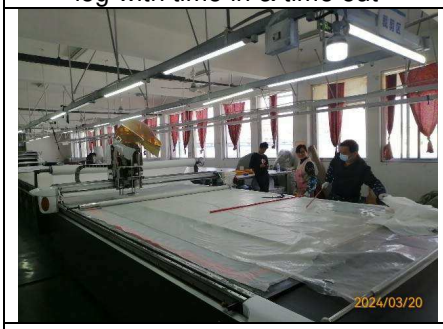
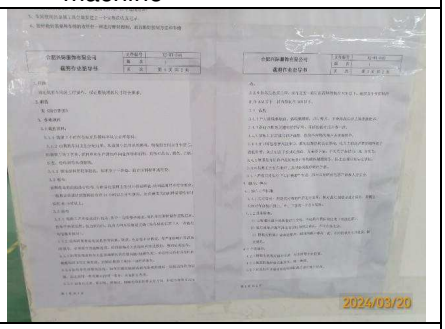
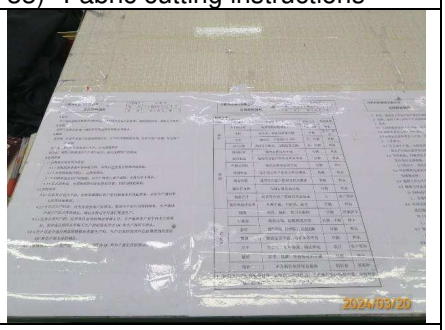
Clause No.	Original Clause Requirement	Levels of Non-Conformance	Audit Findings	Corrective Action Plan	Responsible Persons	Due Date	Agreement with factory or Comments for Revision	Objective Evidences Required	Objective Evidences	CAPA Validation Results	Remarks
7.7.6.4	Seconds and overruns products shall be handled as per customer requirements.	MODERATE	Written seconds and overruns product handling procedure was established and implemented, but the relevant seconds and overruns product handling records missed the relevant clients' name.								
8.4	Are personnel performing work that affects product safety, legality and quality (including temporary personnel and contractors) appropriately trained and instructed prior to commencing work and adequately supervised throughout the working period?	MINOR	The formal training program against quality inspection instruction was established and implemented to inspectors, but by interview with fabric inspector, it was noted that the average point limit of 4 points system of fabric inspection was not known clearly.								

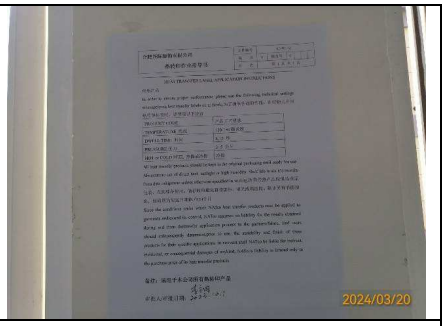
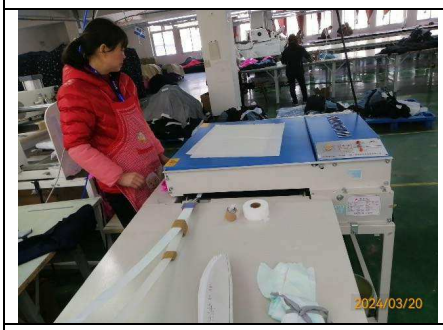
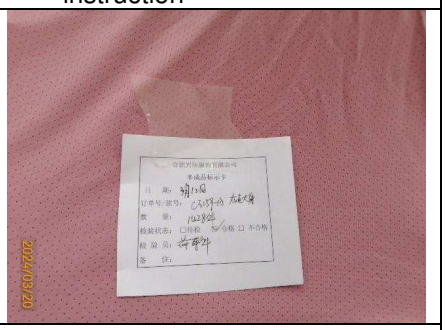
DIGITAL PHOTO FORM

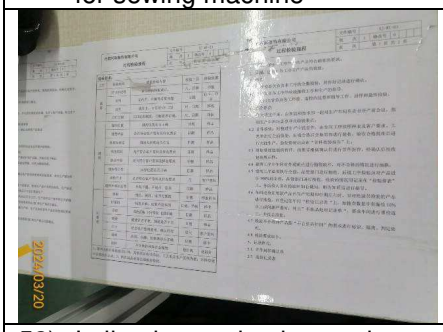
Client	COSTCO WHOLESALE CORPORATION
Vendor	Fila Korea
Factory	Hefei Xingji Garment Co., Ltd.
Audit Date	March 20~21, 2024
Report No.	10233251531

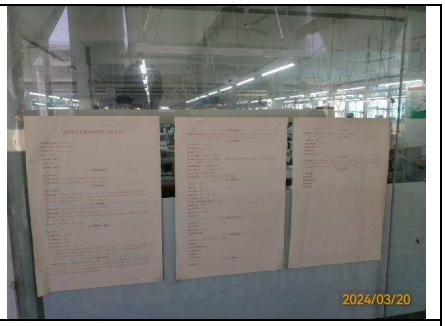
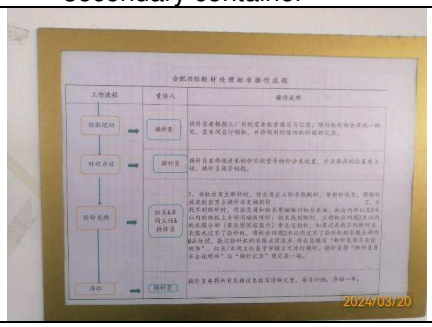
		
1) Exterior of the factory	2) Factory name	3) Production buildings of the factory
		
4) Example products of the factory	5) Example product of the factory	6) Example products of the factory
		
7) In house sample making room	8) Dummies used for fitting check	9) Pattern making sites
		
10) Plotter used for bulk marker making	11) Incoming fabric warehouse	12) Temperature and humidity monitoring meter and records in fabric warehouse

		
13) Identification label on fabric lot	14) Incoming fabric inspection site	15) Incoming fabric inspection instructions
		
16) Fabric gram weight test equipment	17) Calibration label on test equipment	18) Light box in dark room
		
19) Operation instruction of light box	20) Accessories and trim warehouse	21) Identification label on accessories and trim lot
		
22) Accessories and trim inspection site	23) Sufficient lighting (960 lux) at accessories and trim inspection site	24) Accessories and trim inspection instructions

		
25) Designated non-conforming material storage site in warehouse	26) Containers for workers' personal items	27) Designated fabric relaxation area
		
28) Fabric relaxation time control log with time in & time out	29) Fabric cutting area	30) Automatic fabric spreading machine
		
31) Automatic fabric cutting site	32) Manual cutting site	33) Fabric cutting instructions
		
34) Cutting panel numbering sites	35) Cutting panel inspection site	36) Cutting panel inspection instructions

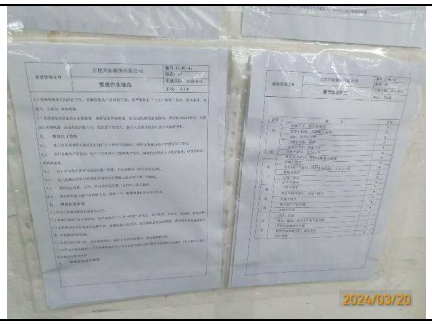
		
37) Automatic laser cutting sites	38) Heat transfer printing sites	39) Heat transfer printing instruction
		
40) Fusing site	41) Cutting panel storage site with covers	42) Identification label on cutting panels
		
43) Sewing area with automatic hanging line	44) Sewing line	45) Approval sample with technology file
		
46) Overlocking site	47) Trimmer tied to workbench for control at sewing site	48) Sewing site

		
49) Monthly maintenance records for sewing machine	50) In line pressing site	51) Sewing line end inspection site
		
52) In line inspection instruction	53) Designated container with identification label for non-conforming products at sewing inspection site	54) Defect of non-conforming product bundled for identification
		
55) Computerized pattern sewing area	56) Computerized pattern sewing site	57) Sewing area without automatic hanging system, the plastic container with bottom cover for products had low risk against contamination
		
58) Snap attaching site	59) Button holing site	60) Button stitching site

		
61) Attachment strength tension test equipment	62) Lubricating oil storage site with secondary container	63) MSDS available at lubricating oil storage site
		
64) Designated needle replacement site	65) Needle replacement and control instruction	66) Needle replacement records
		
67) Daily sharp tool issuing and returning records	68) Stuffing area	69) Another sewing area
		
70) Patrol inspection for sewing	71) Approval sample with technology file	72) Finishing and packing area

73) Bulk pressing area

74) Pressing site



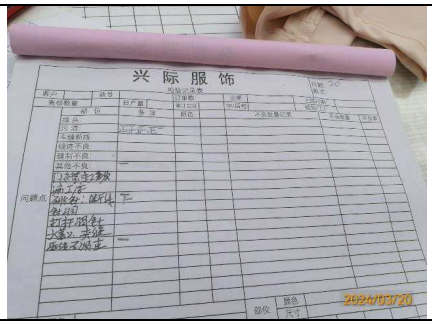
75) Bulk pressing instruction

76) Reference sample at bulk pressing area

77) Finished goods inspection area

78) Finished goods inspection site

79) Sufficient lighting (1481 lux) at finished goods inspection site

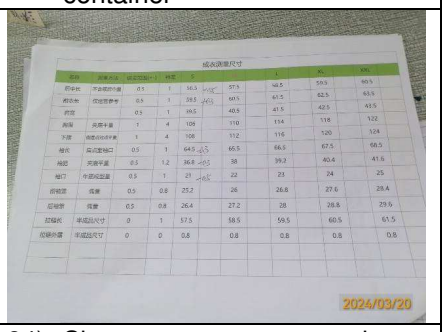


80) Finished goods inspection records

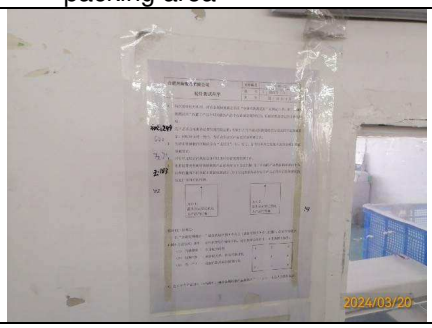
81) Designated non-conforming finished goods storage container

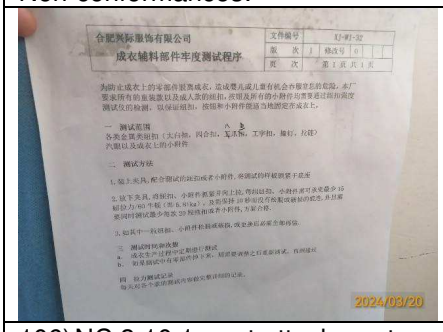
82) Trimmer tied to workbench for control at finishing site

83) Size measurement site



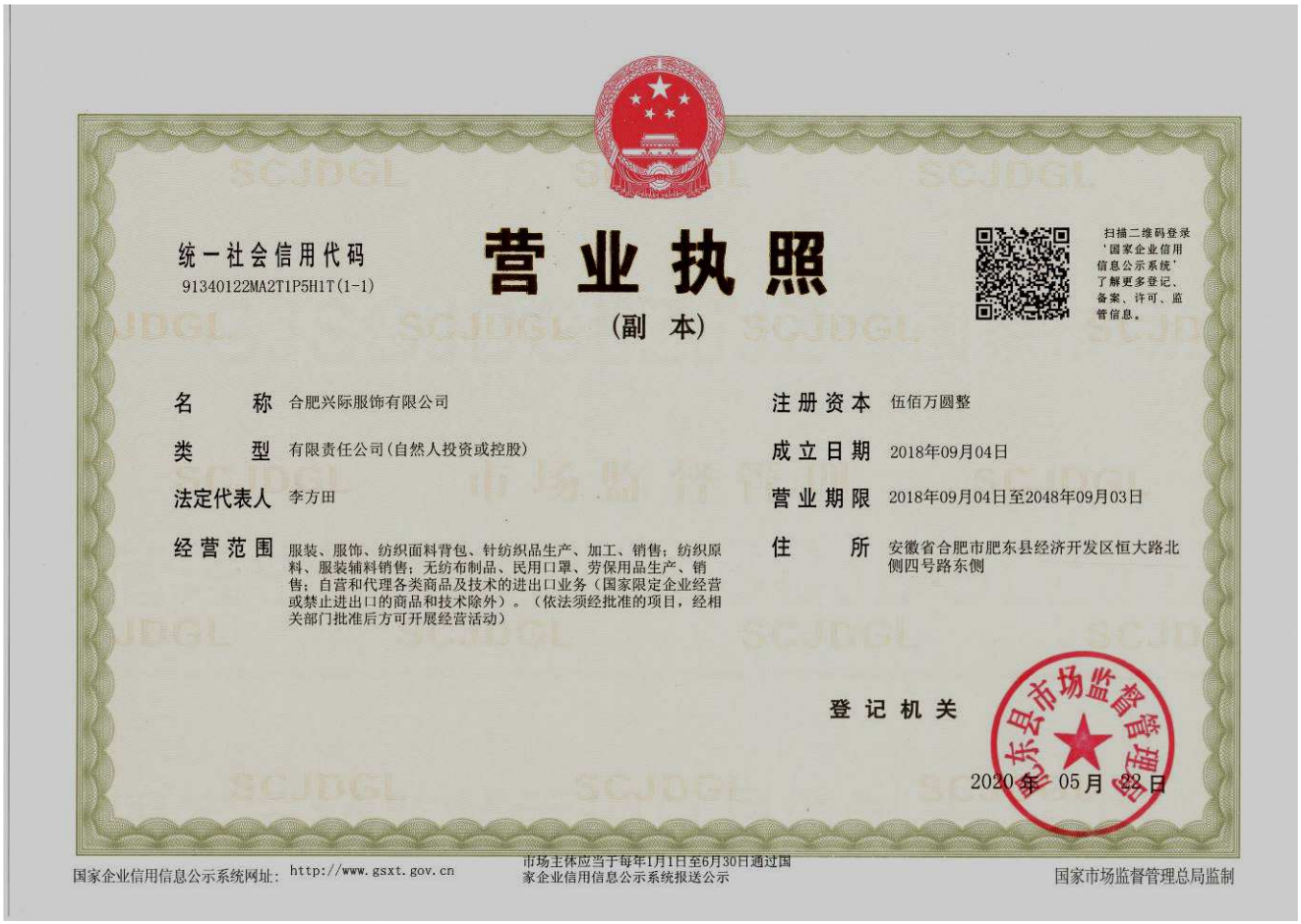
84) Size measurement records

		
85) Approval sample with technology file at finishing and packing area	86) Packaging area	87) Packaging site
		
88) Approval packaging sample	89) Fly killer at finishing and packing area	90) Metal detection area
		
91) Authorized metal detection operator list	92) Metal detection instruction	93) Sensitivity calibration to metal detector
		
94) Calibration kit of metal detector	95) Sensitivity calibration records	96) Metal detection records

		
97) Designated container with lock for rejected products from metal detection	98) Hand type metal detector	99) View of metal detector from metal free zone
		
100) Final carton packing site in metal free zone	101) Finished carton warehouse	102) Mousetrap outside production building
		Nil
103) Final inspection room	104) Loading area	105)
Non-conformances:		
		
106) NC 3.10.1: part attachment strength tensile test instruction on workstation did not have approval chop or signatures of review and approval for control	107) NC 4.1.1: part of wall coating of sewing workshop was peeled without repaired timely	108) NC 4.4.6: sewing worker was wearing earrings on workstation

		
109) NC 4.4.6: finishing worker was wearing bracelet on workstation	110) NC 4.7.1: sufficient lighting (470 lux) at sewing line end inspection site	111) NC 4.8.1: some fabric rolls were stored against wall in warehouse
		
112) NC 4.8.1: some cutting panels were bundled by different dark color strings at cutting area	113) NC 4.8.6: one broken wood pallet was found in fabric warehouse	114) NC 7.4.3: the monthly maintenance records of pattern sewing machine#018 were updated only to Dec. 2023 and were not updated timely
		No Photo
115) NC 7.7.3.1: one bulk marker at fabric cutting area (style#3450) did not have approval shop or the signature of checker for control	116) NC 7.7.3.2: different fabric rolls were piled together during fabric relaxation, it would reduce the effect of fabric relaxation	

Facility Business License



统一社会信用代码
91340122MA2T1P5H1T(1-1)

营业执照

(副本)

扫描二维码登录'国家企业信用信息公示系统'了解更多登记、备案、许可、监管信息。

名　　称　合肥兴际服饰有限公司

类　　型　有限责任公司(自然人投资或控股)

法定代表人　李方田

经营范围　服装、服饰、纺织面料背包、针纺织品生产、加工、销售；纺织原料、服装辅料销售；无纺布制品、民用口罩、劳保用品生产、销售；自营和代理各类商品及技术的进出口业务（国家限定企业经营或禁止进出口的商品和技术除外）。（依法须经批准的项目，经相关部门批准后方可开展经营活动）

注册资本　伍佰万圆整

成立日期　2018年09月04日

营业期限　2018年09月04日至2048年09月03日

住　　所　安徽省合肥市肥东县经济开发区恒大路北侧四号路东侧

登记机关　肥东县市场监督管理局

2020年 05月 22日

国家企业信用信息公示系统网址：http://www.gsxt.gov.cn

市场主体应当于每年1月1日至6月30日通过国家企业信用信息公示系统报送公示

国家市场监督管理总局监制

Version 04 - 25Mar2019

Costco Pre- Audit Questionnaire (PAQ)

Instruction:
1. Supplier/ Factory representatives must complete all the required fields(highlighted in yellow), put N/A if not applicable.
2. Supplier/Factory shall provide accurate informations to represent the factory to be audited. BV Auditor will verify during the audit.
3. Supplier/ Factory need to submit this completed PAQ to BV Coordinator at least 5 days before confirmed audit date.

1. Factory Overview

Factory Name	Hefei Xingji Garment Co., Ltd.
Factory Address	East Side of No. 4 Road, North Side of Hengda Road, Feidong County, Economic Development Zone, Hefei, Anhui, China
Factory Phone Number	86-0551-67886226/18756558979
Factory Fax Number	/
URL/Web Address	/
Name of Contact	Li Rong
E-mail address	lucky.li@xj-garment.com
Year Established	2018
Number of Buildings	2
Factory GLN (Global Locator Number)	Not provided
Total Production Area M^2	6,200
Warehouse Area M^2	1,340
Does factory provide permission for 3rd party auditor to take photographs in all storage and production areas during Costco audit?	Yes

2. Personnel

2.1 Key Staff	Name	Tel	E-mail	Year(s) in Position at Company	Year(s) at Company
General Manager	ALEX LEE	13621927822	alex@yuntex.net	6	6
Quality/Technical Manager	Zhang Junjie	18756953076	Nil	3	5
Production Manager	Shen Wenqin	13962357800	shenwenqin@xj-garment.com	2	2
R & D Manager	Chen Yongnian	13405204250	jishuke@xj-garment.com	4	4
Health & Safety Officer	Song Liangbao	13611643347	tony.song@xj-garment.com	1	3
Security Representative/Officer	Song Liangbao	13611643347	tony.song@xj-garment.com	1	3
Equipment Maintenance	Jin Jiamin	13955155591	13955155591@163.com	6	6
Others (please specify)	Nil	N/A	N/A	N/A	N/A

2.2 Personnel / Headcount by Department

Department	Full time	Part time	Sub Total
Production	238	0	238
Quality	8	0	8
Technology	12	0	12
Warehouse	5	0	5
Admin.	10	0	10
Top Management	5	0	5
Sales	5	0	5
Others	13	0	13
			0
		Grand Total:	296

3. Export Markets

Markets	% of Total Business Volume
U.S. / North America	55%
E.U.	10%
Asia	10%
Others	5%
Domestic	20%

4. Key Clients (past 12 months)

Customers	% Business	Type of Products	Market(s)
Wal-Mart	40	Outwear, Active wear	Mexico
Suburbia	15	Outwear, Active wear	Mexico
FILA	10	Active wear	Korea
Zhongda International	10	Pants	Canada/Australia
ULLU/Semir …	20	Woven Coats/T shirts/Pants	China
SUNSHINE	5	Skin suit	China

5. Product Capabilities

Note: If your factory performs only re-packaging for Costco and does not manufacture any products for Costco, please mark section 5.1 and 5.2 as "Not Applicable".

5.1 What items the factory produced in past 12 months?

Product Category	Years of Experience Producing Product	Actual Units Shipped
Woven Tops	6 years	3,000,000 pcs
Pants	4 years	1,000,000 pcs
Activewear	6 years	3,000,000 pcs

5.2 What are the current items being produced?

Product Category	Material	Client	Ship date	Quantity (units)
Pants	95% Nylon 5%Spandex	Zhongda International	2024/10/10	300,000 pcs
Coat	100% Polyester	Wal-Mart	2024/07/10	500,000 pcs
Activewear	95% Polyester, 5%Spandex	Suburbia	2024/08/20	400,000 pcs
Beach shorts	92%Polyester Microfiber, 8%Spandex	Wal-Mart	2024/08/25	600,000 pcs
skin suit	95% Nylon， 5%Spandex	SUNSHINE	2024/07/30	150,000 pcs

Version 04 - 25Mar2019

Costco Pre- Audit Questionnaire (PAQ)

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6. Production Capabilities

In case of power shortage, is back-up generator in place? No

If yes, how many and what is the capacity of each generator? N/A

6.1 List of Major Machinery / Utilities

Machinery	Type	Quantity	Condition
Lock stitching machine	DDL8700B-7 / DDL8700A-7	190	Fully operational
Overlock machine	HX6814 / 988D / 747K	106	Fully operational
Buttonhole stitching machine	LBH-1790ASS	5	Fully operational
Covering stitching machine	VG-888A / VT1500 / C007KD	54	Fully operational
Tacking machine	LK-1900BLN	9	Fully operational
Auto cutting machine	D8003	2	Fully operational
Auto spreading machine	NA-600F	2	Fully operational
Ironing machine	/	20	Fully operational
Metal detector	/	1	Fully operational
Fusing machine	/	1	Fully operational
Stuffing machine	/	1	Fully operational

6.2 List of Process being subcontracted

Process Subcontracted
Embroidery
Printing

6.3 List of All Main Materials used in past 12 months

Material Name	Imported (Y/N)	Country of Origin
100% POLY	NO	CHINA
92%POLT, 8%SPANDEX	NO	CHINA
70% POLY, 30%SPANDEX	NO	CHINA
65%COTTON, 35%POLY	NO	CHINA
Carton	NO	China
Zipper	NO	China
Poly bag	NO	China

7. Management Systems and Accreditation

(please attach copies of each)

Accreditation		Certifying Body	Date	Expiry
ISO 9001	No	N/A	N/A	N/A
ISO 14001	No	N/A	N/A	N/A
BRC Standard - Consumer Products	No	N/A	N/A	N/A
Others (please specify):	BSCI	AMFORI	2023/11/23	2025/11/22
	FCCA	SGS	2023/12/13	2024/12/12

Is product certification done in terms of selling destination (e.g., UL for US, CCC for China, CE for Europe…) at the factory? No

if Yes, please specify	Certifying Body	Date	Expiry
N/A			

8. Quality Control Management

Are QA/QC inspectors independent of production? Yes

Who does the QC/QA Manager/Supervisor report to? GENERAL MANAGER

How many QA/QC in total? 8

COMPANY CHOP

Name & Signature of Supplier Representative/ Title

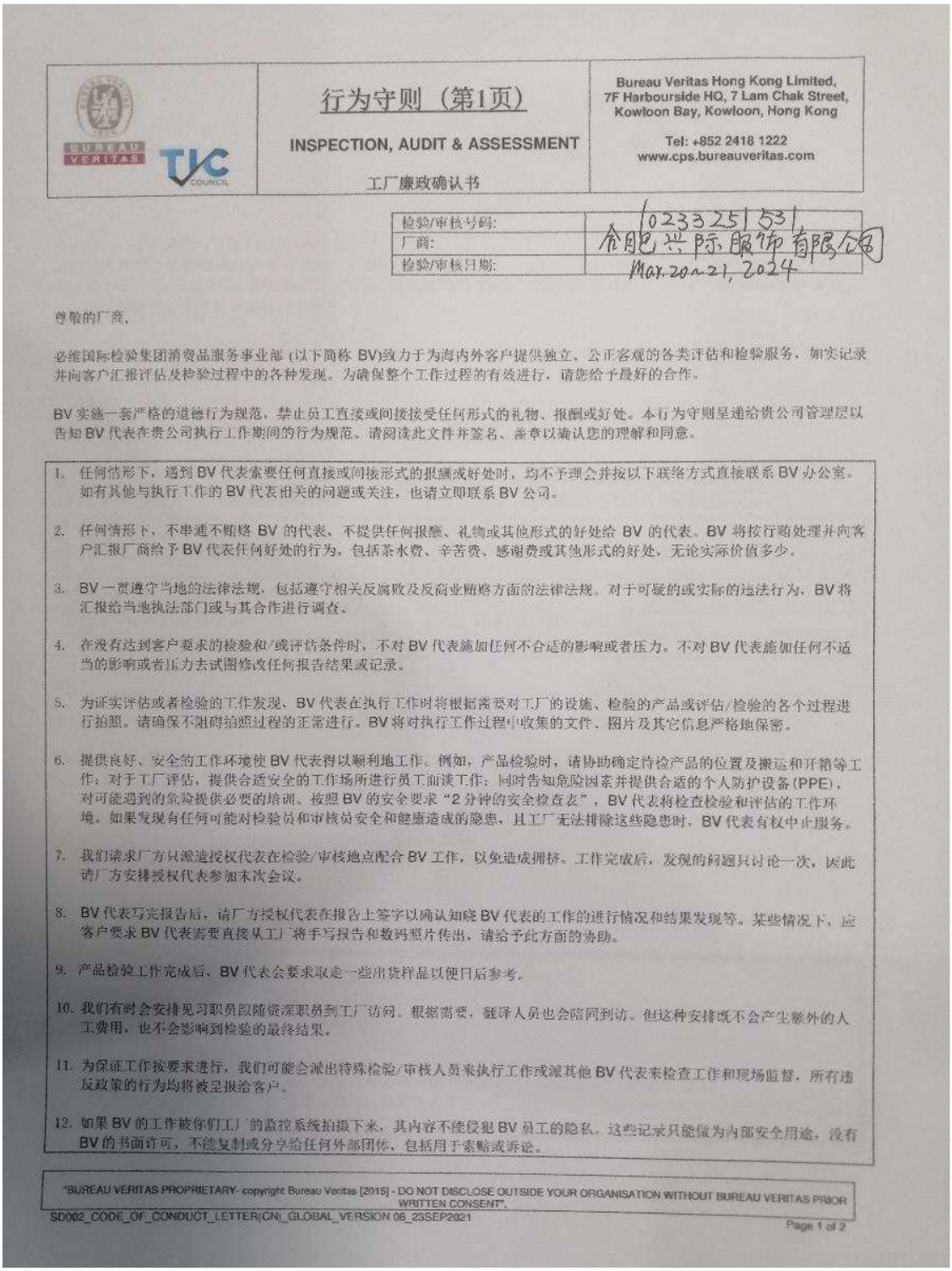
(mm/dd/yyyy)
Date

COMPANY CHOP

Name & Signature of Factory Representative/Title

(mm/dd/yyyy)
Date

COC



行为守则（第1页）

INSPECTION, AUDIT & ASSESSMENT

工厂廉政确认书

Bureau Veritas Hong Kong Limited,
7F Harbourside HQ, 7 Lam Chak Street,
Kowloon Bay, Kowloon, Hong Kong

Tel: +852 2418 1222
www.cps.bureauveritas.com

检验/审核号码:	023325153
厂商:	合肥兴际服饰有限公司
检验/审核日期:	Mar. 20~21, 2024

尊敬的厂商，

必维国际检验集团消费品服务事业部 (以下简称 BV)致力于为海内外客户提供独立、公正客观的各类评估和检验服务，如实记录并向客户汇报评估及检验过程中的各种发现。为确保整个工作过程的有效进行，请您给予最好的合作。

BV 实施一套严格的道德行为规范，禁止员工直接或间接接受任何形式的礼物、报酬或好处。本行为守则呈递给贵公司管理层以告知 BV 代表在贵公司执行工作期间的行为规范。请阅读此文件并签名、盖章以确认您的理解和同意。

1. 任何情形下，遇到 BV 代表索要任何直接或间接形式的报酬或好处时，均不予理会并按以下联络方式直接联系 BV 办公室。如有其他与执行工作的 BV 代表相关的问题或关注，也请立即联系 BV 公司。

2. 任何情形下，不串通不贿赂 BV 的代表、不提供任何报酬、礼物或其他形式的好处给 BV 的代表。BV 将按行贿处理并向客户汇报厂商给予 BV 代表任何好处的行为，包括茶水费、辛苦费、感谢费或其他形式的好处，无论实际价值多少。

3. BV 一贯遵守当地的法律法规，包括遵守相关反腐败及反商业贿赂方面的法律法规。对于可疑的或实际的违法行为，BV 将汇报给当地执法部门或与其合作进行调查。

4. 在没有达到客户要求的检验和/或评估条件时，不对 BV 代表施加任何不合适的影响或者压力。不对 BV 代表施加任何不适当的影响或者压力去试图修改任何报告结果或记录。

5. 为证实评估或者检验的工作发现，BV 代表在执行工作时将根据需要对工厂的设施、检验的产品或评估/检验的各个过程进行拍照。请确保不阻碍拍照过程的正常进行。BV 将对执行工作过程中收集的文件、图片及其它信息严格地保密。

6. 提供良好、安全的工作环境使 BV 代表得以顺利地工作。例如，产品检验时，请协助确定待检产品的位置及搬运和开箱等工作；对于工厂评估，提供合适安全的工作场所进行员工面谈工作；同时告知危险因素并提供合适的个人防护设备(PPE)，对可能遇到的危险提供必要的培训、按照 BV 的安全要求“2 分钟的安全检查表”，BV 代表将检查检验和评估的工作环境。如果发现有任何可能对检验员和审核员安全和健康造成的隐患，且工厂无法排除这些隐患时，BV 代表有权中止服务。

7. 我们请求厂方只派遣授权代表在检验/审核地点配合 BV 工作，以免造成拥挤。工作完成后，发现的问题只讨论一次，因此请厂方安排授权代表参加末次会议。

8. BV 代表写完报告后，请厂方授权代表在报告上签字以确认知晓 BV 代表的工作的进行情况和结果发现等。某些情况下，应客户要求 BV 代表需要直接从工厂将手写报告和数码照片传出，请给予此方面的协助。

9. 产品检验工作完成后，BV 代表会要求取走一些出货样品以便日后参考。

10. 我们有时会安排见习职员跟随资深职员到工厂访问。根据需要，翻译人员也会陪同到访。但这种安排既不会产生额外的人工费用，也不会影响到检验的最终结果。

11. 为保证工作按要求进行，我们可能会派出特殊检验/审核人员来执行工作或派其他 BV 代表来检查工作和现场监督，所有违反政策的行为均将被呈报给客户。

12. 如果 BV 的工作被你们工厂的监控系统拍摄下来，其内容不能侵犯 BV 员工的隐私。这些记录只能做为内部安全用途，没有 BV 的书面许可，不能复制或分享给任何外部团体，包括用于索赔或诉讼。

	行为守则（第2页） INSPECTION, AUDIT & ASSESSMENT 工厂廉政确认书	Bureau Veritas Hong Kong Limited, 7F Harbourside HQ, 7 Lam Chak Street, Kowloon Bay, Kowloon, Hong Kong Tel: +852 2418 1222 www.cps.bureauveritas.com

第一部分：工厂声明（BV 代表解释行为守则后由工厂填写）：
我们在此声明，已经收到BV的行为守则，并由BV代表 李 先生/女士于(日期) 2024/3/20 (时间) 9:15 向我们解释了其内容，我们已阅读和理解以上内容，以及清楚BV廉政措施的精神和目的。来执行工作的BV代表如下（包括工作过程中全程现场监督的人员）：
Leon Li

李营
厂方代表签名

13216630651
厂方代表联系电话

第二部分：工厂声明（工厂完成后由工厂填写，如机密信息需报告，可将详细信息直接发至邮箱 ethics@hk.bureauveritas.com）：

项目	请声明是否提供下列好处给 BV 代表 ✓	是	否	项目	请声明是否提供下列好处给 BV 代表 ✓	是	否
A	膳食	☒	☐	B	交通	☒	☐
C	住宿	☐	☒	D	金钱	☐	☒
E	礼物	☐	☒	F	其它好处	☐	☒
详细说明免费或有偿提供相关好处的情况							

G	关于咨询公司的声明 ✓	是	否	详细说明咨询公司的情况
关于本次检验/审核，是否有咨询公司联系贵公司？		☐	☒	
关于本次检验/审核，贵公司是否使用了咨询公司的服务？		☐	☒	

我们在此声明，以上信息是真实准确的，我们理解BV可向客户或当地执法部门汇报疑似违规或违法行为。

同时，BV 代表向我们解释了工作中发现的问题，并且我们认同这些问题。

李营
厂方代表签名

总经理
厂方代表姓名和职位

2024.3.21
时间和日期

昆山兴辰服饰有限公司 行政专用章

关于投诉或建议，请联系：

廉政投诉邮箱：Ethics@hk.bureauveritas.com

Jamey Appler
副总裁兼消费品事业部
法律总顾问、风险及合规官
电话：+1 716 505 3582
电邮：jamey.appler@us.bureauveritas.com

CODE OF CONDUCT (page 1)

INSPECTION, AUDIT & ASSESSMENT

Factory Integrity Acknowledgment

Bureau Veritas Hong Kong Limited,
7F Harbourside HQ, 7 Lam Chak Street,
Kowloon Bay, Kowloon, Hong Kong.

Tel: +852 2418 1222
www.cps.bureauveritas.com

Inspection / Audit No.:	
Factory / Supplier:	
Inspection / Audit Date:	

Dear Supplier,
Bureau Veritas, Consumer Products Services Division provides independent, impartial and objective assessment and inspection services for our global clientele. Our assessment and/or inspection findings will be duly recorded and reported to our clients. We request your cooperation to enable us to effectively execute this process.

We operate a strict Code of Ethics, which prohibits the direct or indirect acceptance of gifts, payment or benefit in any form. This Code of Conduct letter is presented to the management of your facility for the purpose of setting out acceptable conduct whilst our representatives perform their job at your facility. We ask that you read this document and sign it to confirm your understanding and agreement.

1. Never, under any circumstances, give in to demands or requests for benefits or payments from a BV representative. If a BV representative asks for any direct or indirect benefit, you must contact the BV office or the contact details below. You must also contact BV immediately for any other issues or concerns on the BV representative/s assigned for the service.

2. Never, under any circumstances, collude or offer a facilitation payment, bribe, gift or any other benefit to a BV representative. Any benefit given to a BV representative will be construed as a corrupt practice and will be reported to our client. This includes "tea money", "hardship appreciation", or any other benefits regardless of the actual value.

3. BV is committed to fully complying with local laws and regulations, including such on anti-corruption and bribery. Where appropriate, BV will not hesitate to alert or cooperate with law enforcement authorities on suspected or actual offenses.

4. Do not put any undue pressure on our representatives to execute their work if conditions stipulated by the client are not met. Also, do not put any undue pressure on our representatives to amend the results or recording of their findings.

5. During the work execution, our representatives may be required to take photos of the factory facilities, products being inspected or assessment/inspection processes in order to validate findings. Please ensure this process is not obstructed. Documents, pictures, or any other information gathered during the course of the BV service will be kept confidential.

6. Provide a safe environment that allows BV representatives to do their job properly. This may mean assistance with locating, moving and opening cartons for inspections and arranging a private and suitable place for audits. It also means pointing out any safety hazards, and providing appropriate personal protective equipment and necessary training regarding any risk that may be encountered. BV representatives will check the working environment in accordance with BV's safety requirements in the "2 Minutes for my safety assessment form". In case potential risks are identified, which may jeopardize auditors' and inspectors' health or safety, they have the right to discontinue the services if you cannot eliminate such risks.

7. We require factory to assign only authorized personnel to be present in the inspection / audit room to coordinate during BV services, so that there is no overcrowding. After completion of the service, the findings will be discussed only once and therefore factory should arrange their authorized personnel to be present during the closing meeting.

8. We require only authorized factory representative to sign the report prepared by our representatives to acknowledge the execution of their work and findings.

9. In some cases we are asked by client to submit hand written reports and digital images from the factory and would request that our representatives use your facilities. With regards to inspections, our representatives will request to take shipment samples for verification.

10. Trainee(s) may accompany senior inspectors /auditors on the visit to your factory. If needed, an interpreter may also accompany the BV representative. Their presence will neither result in additional charges to you, nor affect the final results.

11. To ensure that services are performed in compliance to the requirements, we may send mystery inspectors/auditors to perform services or other BV representatives to perform surprise checks, onsite observations and report to our client any deviations or breach of the policy.

BUREAU VERITAS / TIC COUNCIL	**CODE OF CONDUCT (page 2)** **INSPECTION, AUDIT & ASSESSMENT** **Factory Integrity Acknowledgment**	**Bureau Veritas Hong Kong Limited, 7F Harbourside HQ, 7 Lam Chak Street, Kowloon Bay, Kowloon, Hong Kong.** **Tel: +852 2418 1222** **www.cps.bureauveritas.com**

12. If the BV Inspection service is being filmed on any surveillance camera in your factory, the recording should not infringe the privacy rights of the BV employee/s. The recording should only be used for internal security purposes, and shall not be reproduced or shared with any external party, including to support any claim or litigation, without the written consent of Bureau Veritas.

PART 1: Factory declaration (To be filled by the factory once BV COC is explained by the BV staff).

We confirm that we received the BV Code of Conduct and that the contents were explained by the BV representative, Mr. / Ms. _____ on __DDMMYY___ at __HH:MM___ and we understand the contents, spirit and intent of the BV procedure on Integrity. The following BV representatives were present during the service (including onsite observers present full time during the service):
_____.

Signature of Factory Representative **Factory Representative's contact number**

PART 2: Factory declaration (To be filled by the factory after completion of the service. In case there is anything to declare confidentially, specific details can be sent directly to ethics@hk.bureauveritas.com).

Item	Please declare if benefits were offered to the BV staff ✓	Yes	No	Item	Please declare if benefits were offered to the BV staff ✓	Yes	No
A	Meals	☐	☐	B	Transportation	☐	☐
C	Accommodation	☐	☐	D	Money	☐	☐
E	Gifts	☐	☐	F	Other Benefits/Favors	☐	☐
Explain details of free or subsidized benefits offered							

G	Please declare about use/role of consultants ✓	Yes	No	Explain details of the consultant
Were you contacted by a consultant for this inspection/audit?		☐	☐	If yes, please specify when, who and why.
Have you used a consultant's services for this inspection/audit?		☐	☐	If yes, please specify when, who and why.

We acknowledge that the above information is true and accurate. We understand that BV could and will report to program clients and/or law enforcement authorities any suspected improprieties or illegal activities. ☐

We also acknowledge that the BV representative/s explained the findings of the service and we agree with it. ☐

Signature of Factory Representative **Name and Designation**

Date and Time

Company Chop

Please contact the following to make any complaints or suggestions:

Complaints mailbox: Ethics@bureauveritas.com

Jamey Appler
Vice President & CPS General Counsel,
Risk and Compliance Officer

Tel: +1 716 505 3582
Email: jamey.appler@bureauveritas.com