



Xtep Group

Supplier Corporate Social Responsibility Management Manual



2025 Edition



Foreword

Dear Xtep suppliers:

Thank you for your longstanding commitment to the development of Xtep. Led by its “Multi-Brand Globalisation” strategy and new brand positioning of “World-class Running Shoes of China Xtep,” Xtep Group is expanding on the international stage. Xtep Group still needs the support of suppliers as it pursues high-quality development in the future. In order to establish a healthier, incorruptible and more compliant supply chain system, Xtep Group has specially formulated the “Xtep Supplier Corporate Social Responsibility Management Manual” (hereinafter referred to as the “Manual”).

To optimise and upgrade supply chains, and uphold the principles of honesty, trustworthiness and integrity, the Manual mainly clarifies the “Xtep Requirements” for supplier’s social responsibility and environmental protection. The Manual provides guidelines for the interaction and promotion of such work between Xtep and its suppliers, so that we can work alongside each other to create a sustainable future. The Manual applies to the cooperative suppliers of Xtep brand products. When there is a discrepancy between the content of the manual, the supplier code of conduct, and local legal requirements, the more stringent requirements shall be followed, unless they conflict with mandatory legal provisions.

Xtep looks forward to adhering to this common mission with you and promoting the implementation of the “Xtep Supplier Corporate Social Responsibility Management Manual,” so that we can all improve ourselves in a practical way and achieve success together.

Xtep Group
August 2025

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I. Basic Management Principles of the Social Responsibility and Environmental Management System

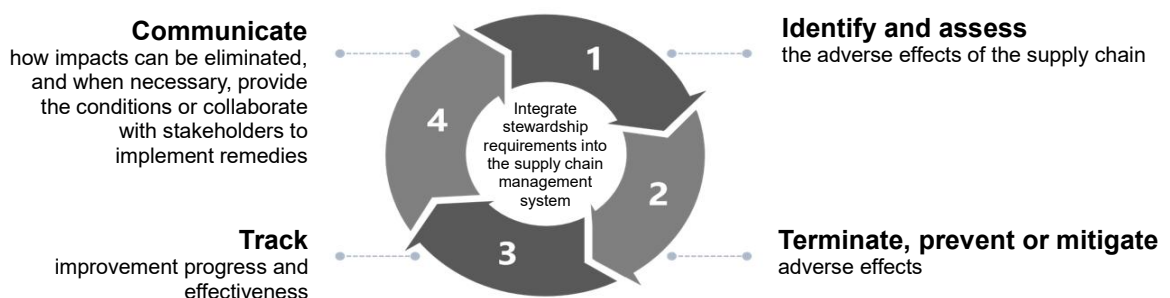
As a leading sportswear brand in China, Xtep Group complies with all laws and regulations related to social responsibility and environmental protection in China to improve self-operations, and is committed to creating a healthy, incorruptible and compliant supply chain with like-minded partners. Therefore, Xtep Group has established a thorough social and environmental stewardship system to help all partners in the supply chain understand the brand's principles and requirements in this area and continuously improve based on relevant standards.

1. Organisational Structure and Scope of the Supplier Stewardship System

At Xtep Group, supplier stewardship is led by the Supplier Management Centre (SMC) in conjunction with the Xtep Group supply chain system. The main tasks of the SMC include:

- 1) Responsible for the preparation, continuous optimisation and upgrading of review criteria for the supplier social responsibility and environmental stewardship system
- 2) Responsible for organising internal and external resources to perform annual training on the social responsibility and environmental stewardship standards for suppliers, and continuously improving suppliers' awareness and capabilities around social responsibility and environmental management
- 3) In collaboration with supply chain partners, conduct social responsibility and environmental system reviews for new and existing suppliers
- 4) Track suppliers' rectification results to ensure the relevant management requirements of suppliers align with Xtep Group's specifications and requirements in such areas
- 5) Receive information on emergencies reported by suppliers
- 6) Handle complaints from employees of suppliers regarding social responsibility and environmental responsibility

2. Stewardship Logic of Social and Environmental Management



3. Supplier Code of Conduct

Xtep is committed to promoting honest business practices and social responsibility in its supply chain. The Supplier Code of Conduct describes Xtep's requirements for social responsibility and environmental management activities and applies to all suppliers and subcontractors of Xtep Group. Xtep Group expects its suppliers to comply with the requirements set forth in the Supplier Code of Conduct, and Xtep reserves the right to supervise and rectify the practices of all suppliers and subcontractors.

3.1. Integrity and Legal Compliance

Suppliers must comply with all applicable laws and regulations in addition to the Supplier Code of Conduct.

3.2. Child Protection

Workers below the local legal working age shall not be employed. Employees must be at least 16 years old, except for trainees under the professional apprenticeship scheme. In cases where underage individuals are allowed to work, they shall not be subject to a working environment that could harm their health, safety or ethical principles.

3.3. Prohibition of Forced Labour

Forced or compulsory labour shall not be employed; employees shall not be forced or compelled to work by means of violence, threats, debt bondage, indentures, abduction, illegal restriction of personal liberty, or deduction of due wages or statutory benefits; and free choice and freedom from coercion between employees and the company shall be ensured.

3.4. Prohibition of Discrimination

Employees are prohibited from discriminating against other employees and from being treated in an exclusionary or unequal manner in respect of recruitment, remuneration, benefits, promotion, rewards and punishments, termination of employment, etc. on the basis of gender, race, nationality, age, marital status, child status, sexual orientation, religion, physical disability or other reasons.

3.5. Labour Contracts

The company shall enter into employment contracts that comply with local laws with all employees and ensure that all employees sign written labour contracts.

3.6. Remuneration and Benefits

Salaries, overtime wages and benefits that are not lower than the minimum wage standard shall be paid in accordance with regulations. Compensation for overtime work shall be paid based on the provisions of local laws, and working hours shall be within the statutory working hours.

3.7. Occupational Health and Safety

Employees shall be provided with healthy, hygienic and safe workplaces, and protective measures shall be implemented that comply with local laws and regulations. Health and safety policies shall be formulated, and operating procedures shall also be clearly listed so as to reduce the chance of employee injury or illness and safeguard employees' health. Meanwhile, employees shall be provided with full insurance plans (work-related injury insurance) to ensure that, if they are injured, they are entitled to work-related injury insurance benefits.

3.8. Personal Information Protection

Suppliers shall safeguard the security of employees' personal information and prevent the infringement of employees' privacy.

3.9. Freedom of Association and Right of Complaint

Employees' right to organise, and form and join the labour unions of industrial organisations, shall be respected; and they shall have the right to negotiate collectively in a peaceful and legal manner under applicable laws. Meanwhile, the company shall comply with all applicable laws relating to freedom of association and collective negotiation; and refrain from harassment, intimidation or reprisal when employees organise associations freely or negotiate collectively. In addition, effective employee communication and complaint channels shall be established, and confidentiality measures shall be adopted.

3.10. Transparency

All process systems and key information (including emergency information notifications) related to the production of Xtep products shall be disclosed to Xtep Group comprehensively and in a timely manner. Without the permission of the Xtep brand, such information items shall not be privately disclosed to outsourced manufacturers that are not brand-authorised.

3.11. Environmental Protection

Permits and approvals must be obtained for waste disposal, wastewater and exhaust emissions, hazardous substances, environmental impact assessments, land use, and noise pollution. Continuous improvement must be ensured in compliant pollutant discharge and environmental protection to minimize environmental pollution and progressively elevate emission standards. We are willing to actively explore the use of clean energy and technologies, take the initiative in developing and utilizing renewable materials, and promote a circular economy; advance biodiversity conservation; and implement measures to achieve energy conservation and emission reduction, enhance energy efficiency, and reduce greenhouse gas emissions.

3.12. Prohibition of Commercial Practices

The company shall develop policies, a Code of Conduct and operating procedures to eliminate all forms of bribery, corruption and fraud. The company shall ensure the strict implementation of such policies, Code of Conduct and operating procedures; firmly oppose all forms of money-laundering; and take measures to prevent financial transactions from being used by others for money-laundering activities. Under no circumstances may the company enable or participate in any general or specific competition arrangements, including collective price-fixing, illegal market allocation or other illegal activities.

As a fundamental condition of cooperation with Xtep Group, suppliers shall actively abide by the Supplier Code of Conduct, perform training on the Supplier Code of Conduct, and post the Supplier Code of Conduct in all workplaces.

4. Zero Tolerance

4.1. Provision of Falsified Documents

Suppliers must ensure the accuracy and authenticity of the relevant documents they provide to Xtep Group, and they are prohibited from fraudulently using official seals to forge official documents.

4.2. Commercial Bribery

Suppliers shall not directly or indirectly bribe Xtep Group's employees or their relatives in any way, including but not limited to the provision of cash gifts, red packets, shopping cards, securities, gifts in kind (including holiday gifts), borrowings, reimbursed expenses, or other gifts in disguise.

4.3. Child Labour

If the supplier's employment age policies or practices do not meet the requirements of local laws or Xtep Group's Supplier Code of Conduct (employees shall be at least 16 years old), then the supplier shall adjust its policies and practices so that they meet either local laws or the requirements of Xtep Group's Supplier Code of Conduct, whichever are stricter. If the employment of child labour is found to exist, child labour remedies (such as suspension of work, and provision of medical examinations, educational or vocational training opportunities, financial compensation, etc.) are required to be provided based on local laws, regulations and company policies.

4.4. Forced Labour

Forced labour includes situations in which workers are not willing to work or serve due to any form of punishment or threat. Acts of slavery include human trafficking, bonded labour, imprisonment, contract labour or other forms of forced labour. All penalties that are included in daily management rules must be written and clearly explained to employees through formal or informal training.

4.5. Life-threatening Working and Living Conditions

This refers to workplace or living conditions (accommodation) that may directly lead to serious injury or death for employees or the public, such as triplexes where accommodations are illegally mixed in the same space with other functions (for example: production, storage and business operations).

5. Integrity and Ethical Cooperation

We believe that the best way to maintain sound, long-term and in-depth strategic cooperation is to continuously improve processes, provide high-quality products, and achieve cost optimisations through enhanced management to achieve long-term cooperation with Xtep. To this end, Xtep signs an integrity agreement with each supplier, promising to jointly create an incorruptible, transparent and efficient business environment and focus on refining business activities. We hereby reiterate that Xtep's supplier integrity management requirements are as follows:

5.1. Ethical Cooperation Agreement

1) Direct or Indirect Bribery:

Suppliers shall not directly or indirectly bribe Xtep Group's executives, business personnel or their relatives in any way, including but not limited to: 1) Provision of tangibles: cash and cash equivalents, cash gifts, securities, gifts in kind or other gifts in disguise. 2) Provision of intangibles: business opportunities, career development opportunities, enrolment or study abroad opportunities, convenient living conditions (including the right to use housing, transportation, communication tools, etc. for free or at prices that do not align with market conditions), etc.

2) Meals and Travelling:

Suppliers are not permitted to provide consumer or personal services (except for simple work meals up to RMB50 per person), including but not limited to: organising entertainment, banquets, tourism, shopping, meetings in scenic areas for the purposes of tourism, or other consumer activities. In addition, the company shall not use pornography, gambling (including card playing, mahjong or other activities of a gambling nature), drugs or other inappropriate activities or goods in public relations initiatives.

3) False Information and Fraudulent Behaviour:

Products and raw materials provided by suppliers shall comply with national standards and Xtep's standards. Suppliers shall not provide untested or unqualified products, or counterfeit or shoddy products, and shall not substitute the best with the substandard. Suppliers shall not use false business vouchers or business data in order to provide services for Xtep, or to obtain concessions from Xtep to receive products, receive relevant policy support and various subsidies, or to reduce or avoid fines.

4) Related-Party Relationships:

Suppliers (Party B for the purposes of this paragraph) shall not have any related-party relationships with Xtep's (Party A) employees or their relatives, including but not limited to: 1) Party B and its related parties jointly establish a company with Party A's personnel and their relatives; 2) Party A's personnel and their relatives are allowed equity participation in Party B and its related parties (including performance shares, dividend rights, etc.); 3) Party B and its related parties employ Party A's personnel and their relatives. If any related-party transaction occurs or related-party relationship exists or arises, Party B shall immediately and truthfully report the matter to Xtep's Risk Control and Audit System.

5) Treatment of Solicitation and Acceptance of Bribes:

In the event that Xtep's employees or their relatives solicit bribes, suppliers shall reject their solicitation and report the matter to Xtep's Risk Control and Audit System immediately. If the bribe solicitation cannot be rejected, suppliers shall report the matter to Xtep's Risk Control and Audit System and provide detailed evidence. If suppliers and their related parties do not reject and report the solicitation of bribes by Xtep employees, and satisfy their requirements, such behaviour shall be regarded as supplier bribery, and the relevant suppliers shall be liable for the corresponding liabilities for breach of contract.

6) Assistance in Investigations:

Suppliers shall establish an integrity management system to exercise control over their own personnel, and suppliers bear responsibility for training and supervising their personnel to prevent them from soliciting bribes, offering bribes, requesting kickbacks or engaging in other fraudulent behaviour in relation to Xtep and other partners. In addition, suppliers and their related parties shall be responsible for their personnel's behaviour. Furthermore, if Xtep's Risk Control and Audit Centre or other relevant departments and units request assistance in a fraud investigation, suppliers shall provide all the assistance that is needed in such investigations.

5.2. Consequences of Breach of Contracts

- 1) Xtep has established internal management regulations stipulating that if Xtep employees are confirmed to have violated the above regulations, Xtep will terminate its labour relationship with such employees, and the whistle-blower will be rewarded.
- 2) If the supplier violates the above regulations, Xtep has the right to directly terminate cooperation, unilaterally terminate the business contract, deduct the corresponding amounts, and blacklist the supplier in the Enterprise Anti-Fraud Alliance and the Trust and Integrity Enterprise Alliance depending on the severity of the case. In addition, Xtep also reserves the right to hold related parties liable through legal channels.
- 3) Other matters that are not covered shall be implemented in accordance with the operational integrity agreement signed between suppliers and Xtep.

5.3. Complaints and Whistleblowing

Complaints about any dishonest behaviour can be made through the following channels:

Email address for complaints and whistleblowing: audit@xtep.com.cn

WeChat ID: Xtep-lianjie

Mailing address: Risk Control and Audit System, 7th Floor, Xtep Operations Centre, 89 Jiayi Road, Siming District, Xiamen, China

The principals of the complaint and whistleblowing channels are limited to the person in charge of the Risk Control Centre and the person in charge of the Supervision Department. The Risk Control Centre only reports to the president of Xtep Group, Ding Shui Po, and the Centre is committed to strictly maintaining the confidentiality of whistle-blowers. After receiving a complaint, Xtep conducts a preliminary investigation of the complaint and of the reliability of the relevant materials, and determines whether to accept the complaint within 5 working days. Suppliers and their related parties are obligated to assist Xtep in fraud investigations.

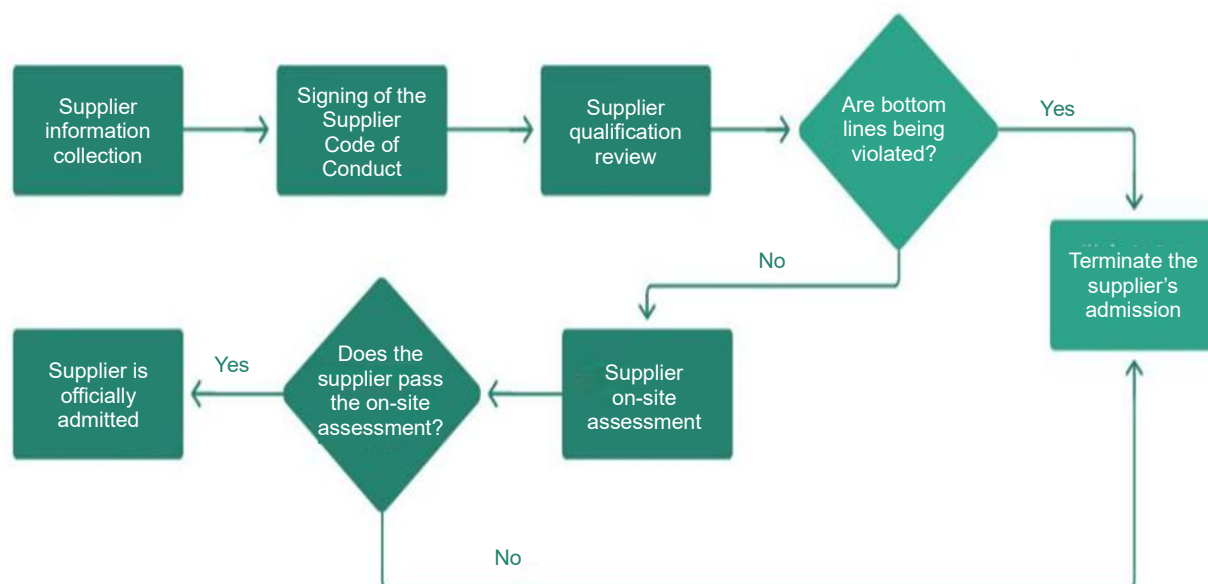
II. New Supplier Admission Process

1. Basic Criteria for New Supplier Admission

Admission criteria	Detailed requirements
Social responsibilities and environmental protection	<ul style="list-style-type: none"> ➤ Comply with requirements related to labour equity, occupational health and safety, and human rights protection in Xtep Group's Supplier Code of Conduct and in national regulations ➤ Comply with environmental protection requirements in Xtep Group's Supplier Code of Conduct and in national regulations
Bottom-line terms	<ul style="list-style-type: none"> ➤ Child labour ➤ Forced labour ➤ Life-threatening working and living conditions

2. New Supplier Admission Review Process

Xtep Group's supplier admission process is divided into qualification assessment and on-site assessment. Suppliers should first pass the qualification assessment (document review). Except for special categories and cooperation models (e.g. trading) that can be exempted from on-site assessment, the admission of all other types of suppliers (raw materials for footwear and apparel, auxiliary and packaging materials, finished goods production, semi-finished goods production) of Xtep Group are subject to on-site assessment. Only after passing the on-site assessment can Xtep Group officially cooperate with suppliers. In both the qualification assessment and on-site assessment stage, social responsibilities and environmental systems are important factors for supplier admission.



3. Supplier Qualification Assessment

Upon initiation of the new supplier admission process, the Supplier Management Centre sends a link to the potential supplier to collect basic information. After the supplier downloads the Supplier Code of Conduct on the SCM platform, the supplier should sign it, fill in other key information if needed and upload it to the SCM platform. After obtaining a basic understanding of the potential supplier's social responsibility management through the collected information, the SMC conducts a qualification assessment based on the information submitted by the supplier. Please refer to the following table for the structure of the information to be collected, and refer to the appendix for details.

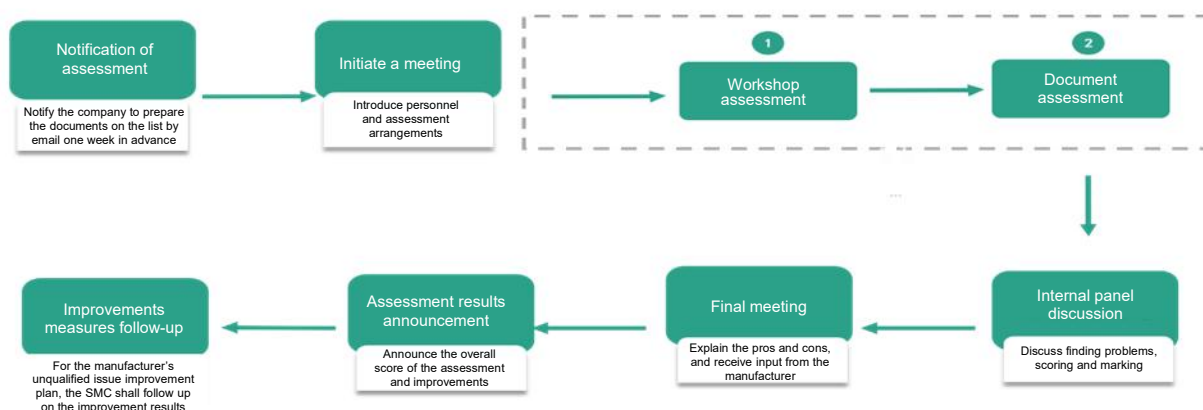
No.	Category	Details of documents
1	Basic information form	Supplier Basic Information Questionnaire (legal representatives, shareholders, identity information of actual controllers, production line configuration, equipment list, top three/five customers' information, turnover, certification information, company organisational structure, working hours information, number of male and female employees, and company payment information), and scanned copy of the signed Supplier Code of Conduct of Xtep Group
2	Third-party qualification assessment-related files	Information regarding the following accreditations and their validity: ISO9001, ISO14001, ISO1004 and OHSAS18001, and other system or qualification information
3	Compliance documents	Business License, Construction Project Completion Acceptance Report, Fire Safety Acceptance Inspection Certificate, Environmental Impact Assessment (EIA) Report and Verification Statement, Pollutant Discharge Permit

4. New Supplier Social Responsibility On-Site Assessment

- 4.1 After suppliers pass the qualification assessment, SMC staff visit the production sites of potential suppliers to verify and evaluate their social responsibility and environmental management documents (please see the appendix for the list of documents to be inspected on site) and actual implementation on site.

Social responsibility system assessment dimensions	Environmental system assessment dimensions (mainly for material suppliers)
<ul style="list-style-type: none"> ① Prohibition of Child Labor and Protection of Young Workers ② Prohibition of Forced Labor ③ Equality and Non-Discrimination ④ Disciplinary Measures and Anti-Harassment ⑤ Freedom of Association ⑥ Regular Employment ⑦ Wages and Benefits ⑧ Working Hours & Rest Days ⑨ Health and Safety – Production ⑩ Health and Safety – Accommodation ⑪ Social Responsibility Management System ⑫ Bonus Criteria 	<ul style="list-style-type: none"> ① Environmental Management System (EMS) ② Energy Use ③ Water Use ④ Wastewater Discharge ⑤ Air Emissions ⑥ Waste Management ⑦ Climate Action (Bonus Criteria)

4.2 On-site assessment workflow



The social responsibility and environmental system assessment score must be ≥ 60 , and there must be no violations of the bottom-line terms.

III. Annual Supplier Social Responsibility Assessment and Rating

- 3.1 For the main garment and material suppliers with whom the Group has already established cooperative relationships, Xtep Group conducts a comprehensive assessment of the performance and risk of the implementation of CSR and environmental systems during the period of September-December on an annual basis. This assessment is designed to ensure that suppliers comply with the requirements of the Supplier Code of Conduct, and to maintain compliance and continuously improve suppliers' day-to-day management.
- 3.2 The social responsibility assessment dimensions and assessment process are identical to those in the supplier admission on-site assessment.
- 3.3 The rules for rating and applying the results of supplier social responsibility assessments are as follows:

Ratings	Range	Application
A, excellent	$90 \geq \text{score}$	Sampling assessment once every 2 years, eligible to participate in the group supplier excellence evaluation, and selected for the strategic core supplier candidate list
B, good	$75 \leq \text{score} < 90$	Sampling assessment once per year, regular follow-up on non-compliant issues for improvement, conduct semi-annual reviews, and eligible to participate in supplier excellence evaluations
C, pass	$60 \leq \text{score} < 75$	Sampling assessment once per year, regular follow-up on non-compliant issues for improvement, conduct semi-annual reviews, and not eligible to participate in supplier excellence evaluations
D, fail	Score < 60	Suppliers are required to make immediate improvements; and if a review is failed within one quarter, they are classified as high-risk suppliers, and reductions in the volume of cooperation orders are considered until suspension/withdrawal of cooperation
E, fail	Zero tolerance issues	Suppliers are required to make immediate improvements; and if a review is failed within one quarter, they are classified as high-risk suppliers, and reductions in the volume of cooperation orders are considered until suspension/withdrawal of cooperation

IV. Complaint Mechanism and Material Incident Reporting

4.1 Complaint Mechanism

Xtep Group requires all partners to follow the Supplier Code of Conduct. Individuals or organisations in the supply chain that are affected by a breach of the Supplier Code of Conduct can lodge a complaint with Xtep Group's Supplier Management Centre; Xtep Group is committed to maintaining strict confidentiality for whistle-blowers. After receiving a complaint, Xtep Group conducts an on-site investigation. For any adverse impacts caused, Xtep Group consults with all relevant parties to formulate a solution. After reaching an agreement, Xtep Group continues to follow up on the results of the improvement effort, and develops a remedial plan with the affected individual or organisation.

Submit a complaint: CSR@xtep.com.cn
Tel: 0595-68860130

Xtep requires all T1 and T2 suppliers to post contact information for complaints in public areas within their factories and provide training to all employees.

4.2 Material Incident Reporting

In the event of a major emergency with an internal supply chain partner, Xtep Group needs to be able to obtain detailed information on a timely basis so that it can respond to enquiries from external stakeholders.

Emergencies that must be reported to Xtep Group include, but are not limited to, the following events:

- ✧ Significant infectious diseases in or around the supplier, or the area in which the supplier is located is under lockdown
- ✧ A material incident that has aroused public concern
- ✧ Major personnel casualty accidents
- ✧ Major environmental accidents
- ✧ Major natural disasters

Material incidents shall be reported to the SMC and the director of Supply Chain Operations at the same time by the head of the supplier or the head of the supplier's social responsibility and environmental system within 24 hours.

Material incident reporting channels:

Email: CSR@xtep.com.cn
Tel: 0595-68860130

V. Social Responsibility System Assessment Criteria

1. Prohibition of Child Labor and Protection of Young Workers	
1.1	Establish a policy prohibiting child labor, which includes strict recruitment procedures to eliminate child labor and ensure that no employees are under the age of 16.
1.2	Risk prevention and remedial measures for child labor have been established.
1.3	Children are not allowed in the production area.
1.4	The employment of young workers (aged 16 to 18) is subject to legal permission from the local competent authority.
1.5	Young workers shall not be arranged to work in toxic and harmful positions.
1.6	Apprentices should not be regarded as the main part of the workforce, and should be organized through official school programs.
2. Prohibition of Forced Labour	
2.1	Any form of forced labor is prohibited.
2.2	The original identity documents of employees shall not be retained, and employees shall be guaranteed freedom and safety upon leaving the company.
2.3	Employees' freedom of movement within designated work areas during working hours shall not be restricted
2.4	Employees refuse to work overtime without being threatened (such as being locked in the workplace, having their wages deducted, being physically punished, or being dismissed).
2.5	Suppliers shall not collect any deposit from employees to prevent employee turnover.
2.6	Employees are not systematically denied leave due to family emergencies, medical needs, etc.
2.7	Suppliers are not allowed to participate in or support any form of human trafficking.
3. Equality and Non-Discrimination	
3.1	Establish relevant mechanisms in recruitment, training, promotion, dismissal, or retirement processes to prevent discrimination or differential treatment based on factors such as gender, ethnicity, religion, age, disability, marital status, or sexual orientation
3.2	Ensure distribution of wages based on work performed, adhering to the principle of equal pay for equal work.
4. Disciplinary Procedures and Anti-Harassment	
4.1	The use of physical abuse, corporal punishment, threats of physical abuse, sexual harassment, other forms of harassment, verbal abuse, or intimidation through any means is strictly prohibited.
4.2	Relevant systems are established to prevent employee harassment and abuse, accompanied by corresponding disciplinary measures.
4.3	A transparent reward-and-penalty system is in place, and all staff receive training to fully comprehend its provisions.
4.4	An internal system exists to enable employees to respond to or appeal any disciplinary decisions without fear of retaliation or adverse consequences.
4.5	There is no penalty/deduction of salary as a disciplinary measure.
5. Freedom of Association	
5.1	The employer shall respect employees' rights to freedom of association and collective bargaining. Employees have the right to join or form labor unions of their own choosing (or elect employee representatives) and to engage in collective bargaining.
5.2	The employer shall adopt an open attitude towards the actions and organizational activities of trade unions.
5.3	Employee representatives shall not be discriminated against, and these representatives should have access to the means to carry out their functions as employee representatives in the workplace.
5.4	There is evidence (such as meeting minutes) indicating that management regularly discusses work-related issues with employee representatives.

6. Regular Employment	
6.1	Sign labor contracts with all employees (and sign service contracts with retired employees who are rehired), with both parties keeping a copy of the respective contract.
6.2	The contents stipulated in the labor contract are legal and reasonable.
6.3	The personnel turnover is monitored and subjected to root cause analysis
6.4	Recruiting employees (foreign workers, ethnic minority workers) through third parties (such as intermediaries), obtaining permission from local government statutory departments, and signing contracts with them.
6.5	The employee shall not bear any recruitment costs for the purpose of recruitment.
7. Wage and Benefits	
7.1.a	The actual minimum wage for employees shall not be lower than the local statutory minimum wage.
7.1.b	The actual minimum wage for employees shall meet the local real living wage.
7.2	Overtime pay shall be paid in accordance with local legal requirements.
7.3	The company shall pay employees' wages on time in strict accordance with local legal requirements, ensuring that the wages are received by the employees themselves.
7.4	Employee wages are paid through bank transfers.
7.5	Provide authentic salary records for review and keep them for at least one year.
7.6	The company shall provide employees with legible and comprehensible pay slips (detailed salary breakdowns). In case of any discrepancies or concerns, employees shall have access to dedicated communication channels for resolution.
7.7	The company provides employees with all legally mandated benefits, including paid annual leave, maternity leave, paternity leave, sick leave, and other statutory entitlements.
7.8	The company provides 100% coverage of work-related injury insurance for all employees, including statutory work injury insurance and commercial accident insurance.
7.9	The company provides employees with the legally mandated social insurance (comprising five types of insurance).
8. Working Hours and Rest Days	
8.1	There is a well - defined working hours system in place, which clearly stipulates work and rest schedules as well as the procedures for voluntary overtime.
8.2	A reliable method shall be employed to comprehensively record attendance, such as through an electronic attendance system. Attendance records must be retained for a minimum of one year.
8.3	The total daily working hours shall not exceed 12 hours; the total weekly working hours shall not surpass 72 hours.
8.4	The total daily working hours shall not exceed 11 hours; the total weekly working hours shall not surpass 60 hours.
8.5	Employees shall be guaranteed at least one day off within every seven-day period.
9. Health and Safety	
Health and Safety - Production	
9.1	The factory building currently in use does not constitute a structurally unsafe building (dilapidated and unsafe structure).
9.2	The supplier possesses all the required certificates and reports pertaining to building safety.
9.3	The supplier has appointed a representative for health and safety management. It has established a work safety management organization (Health and Safety Committee) or staffed full-time/part-time work safety management personnel.
9.4	The supplier has conducted registration for the use of special equipment and regular safety inspections.
9.5	Operators of special equipment and their associated management personnel (collectively referred to as special equipment operators) have participated in corresponding safety training and obtained qualification certificates (e.g., elevator supervisors, pressure vessel operators). Special operation personnel have undergone relevant safety operation training and acquired corresponding qualification certificates (e.g., electricians/welders).

9.6	Conduct risk assessments in the workplace to identify hazards, evaluate risks, and implement measures (including ergonomic risks, machine safety, electrical safety, fire safety, chemical safety, etc.).
9.7	Special labor protection measures shall be implemented to address the unique impacts of women's physiological characteristics and working conditions on their physical health.
9.8	Industrial enterprises with hazardous factors such as dust, chemical toxins, and noise should conduct regular testing for occupational disease hazard factors.
9.9	Health examinations shall be provided to employees engaged in work exposed to occupational disease hazards before they take up their posts, during their employment, and upon their departure from their posts, with the costs borne by the employer.
9.10	The supplier has established accident handling systems and procedures, and these procedures must ensure that the brand receives relevant information.
9.11	The supplier has established emergency management systems and contingency plans for earthquakes, floods, typhoons, and other extreme conditions, and has communicated these to employees.
9.12	There shall be a sufficient number of emergency exits (on production floors, in office areas, warehouses, etc.). (At least two emergency exits are required on each floor.)
9.13	All emergency exits shall be kept unobstructed and unlocked. The width of emergency exit doors shall be adequate (no less than 0.9 m); the total clear width of the external doors on the ground floor shall be no less than 1.2 m.
9.14	The evacuation staircases and escape corridors shall remain unobstructed. The widths of evacuation staircases (no less than 1.1 m) and escape corridors (no less than 1.4 m) shall be adequate.
9.15	The emergency exit doors in the workshop shall open in the direction of evacuation (and shall not be equipped with roller shutter doors or sliding doors).
9.16	Illuminated exit signs shall be installed above the safety exits, and illuminated evacuation signs shall be installed along the escape corridors and staircases.
9.17	Appropriate emergency evacuation/escape diagrams shall be posted on each floor. The content should at least include the locations of firefighting equipment, the observer's position, the floor plan layout, the positions of staircases, the locations of emergency exits, and evacuation routes.
9.18	Establish an obvious emergency evacuation assembly point that is situated away from hazards and potential dangers and has the capacity to accommodate all employees.
9.19	Establish a comprehensive plan for fire suppression and emergency evacuation.
9.20	The supplier shall install sufficient and effective fire hydrants in the production area.
9.21	The supplier shall equip the production area with an adequate and effective number of fire extinguishers.
9.22	All fire-fighting facilities (including fire hydrants, fire extinguishers, and fire alarms) shall be readily accessible and unobstructed.
9.23	If required by a risk analysis conducted in accordance with local laws, the factory shall be equipped with an automatic sprinkler system.
9.24	Fire alarms shall be installed on each floor of the production workshop, ensuring interconnected operation throughout the entire building, with clearly visible alarm buttons.
9.25	The fire alarm system shall remain operational during power outages (supported by a backup power supply system).
9.26	Employees/management personnel shall be knowledgeable about the operation of the fire alarms, and the deactivation of the alarms shall only be carried out by authorized personnel.
9.27	Conduct fire safety inspections (monthly) on fire extinguishers and other fire protection facilities, and maintain inspection records.
9.28	Conduct regular fire drills and ensure that employees are familiar with the correct escape routes and evacuation techniques, while maintaining records of such drills.
9.29	Provide employees (including new hires) with fire safety training at least once a year and retain the training records.
9.30	The person in charge of fire safety management at the factory possesses relevant qualifications and knowledge.
9.31	The finished goods warehouse and other material storage areas are equipped with fire-safe lighting fixtures (such as low-heat-emission LED lights or explosion-proof lamps).
9.32	The warehouse shall be equipped with clear fire prevention signs.
9.33	Goods in the warehouse should be stored by category and stacked in a reasonable manner.
9.34	In the case of shared factory buildings, written requirements shall be established to clearly define fire safety responsibilities.
9.35	Sufficient protective devices shall be installed for electrical equipment/wiring to prevent exposed wires.
9.36	Sufficient safety passageways and working spaces shall be reserved around electrical equipment (such as electrical panels), and flammable, explosive, and corrosive materials shall not be stacked nearby.

9.37	"Warning: Danger of Electric Shock" signs shall be installed on electrical equipment and alongside circuits where there is a potential risk of electric shock.
9.38	To prevent equipment damage and personnel injury, appropriate protective devices shall be installed on the machinery (such as ① emergency stop buttons, ② two-hand operation mechanisms, and ③ pulley guards).
9.39	Guardrails shall be installed on staircases, ladders leading to machines, and platforms used for entering or operating machinery to prevent personnel from falling.
9.40	Guardrails shall be installed on work platforms (such as loading and unloading platforms) that are not used for machine operation and have a height of no less than 1.2 meters to prevent falls.
9.41	Electrical facilities and machinery equipment shall undergo regular internal inspections, with inspection records maintained accordingly.
9.42	Suppliers shall establish a comprehensive inventory for the use and storage of chemicals.
9.43	Chemicals and hazardous substances shall be stored in well-ventilated and appropriate areas (such as dedicated, isolated chemical warehouse).
9.44	Install anti-leakage facilities or secondary containers for chemicals.
9.45	The latest Safety Data Sheets (SDS) corresponding to the chemicals are available, and appropriate Safety Labels are affixed to all chemicals that are stored and used.
9.46	"No Smoking" signs shall be posted in the chemical storage area.
9.47	Eye washers or flushing facilities that are immediately accessible shall be installed in areas where chemicals are handled and stored.
9.48	Explosion-proof switches, lighting fixtures, and exhaust fans should be utilized in chemical warehouses.
9.49	If there is a glue-mixing room, the agitator used should be a pneumatic agitator.
9.50	Provide appropriate personal protection equipment to employees free of charge based on actual needs and supervise their usage.
9.51	At least one first-aid kit shall be placed on each floor/in every workshop, with its contents fully equipped according to the specific characteristics of the workshop.
9.52	At least one trained first-aider shall be assigned to each shift.
9.53	Sufficient drinking water facilities shall be installed in the clean areas of the workshop, ensuring the safety of water quality with accompanying test reports.
9.54	Separate restrooms for males and females shall be provided, equipped with an adequate number of squatting toilets, clean running water, toilet paper, and hand sanitizer.
9.55	The temperature and humidity in the workshop are subject to control, and indoor ventilation is ensured.
9.56	If a canteen is provided, ensure its operation complies with regulatory requirements (① Food Business Operation License; ② Health Certificates for employees).
Health and Safety - Accommodation	
9.57	If dormitories are provided, they shall not be structurally unsafe buildings (dilapidated or unsafe structures).
9.58	The dormitories do not fall under the category of "three-in-one" buildings that pose significant safety hazards. (Remark: Dormitory that combines living, production, and storage in one space)
9.59	The dormitory shall be equipped with at least two emergency exits and evacuation staircases.
9.60	The safety exits and evacuation passages/staircases in the dormitory are clearly marked, equipped with emergency lights, and undergo regular maintenance and inspection.
9.61	Evacuation maps are posted in the dormitory.
9.62	The dormitory are equipped with fire alarms and are regularly inspected and maintained.
9.63	The fire extinguishing facilities (fire extinguishers and fire hydrants) in the dormitory are sufficient equipped and regularly inspected and maintained.
9.64	The fire evacuation drills include the dormitory area.
9.65	Electrical installations in dormitories require regular safety inspections. Unauthorized extension of electrical wires is prohibited, and the use of over-powered and non-compliant electrical appliances is not allowed.
9.66	The living space within staff dormitories should ensure comfort without being excessively crowded.

9.67	Staff dormitories should be equipped with basic living facilities, such as lighting, lockers, bathing facilities, toilets, etc.
10. Social Compliance Management System	
10.1	All licenses and related documents required for the factory's operation are kept on-site.
10.2	The factory has established a social responsibility management system and appointed dedicated personnel to oversee its operation.
10.3	Rectifications have been carried out for non-conformities identified during internal audits and Brand social responsibility audits, and preventive and improvement measures have been established accordingly.
10.4	The factory incorporates brand social responsibility clauses as a key consideration factor in selecting its suppliers (subcontractor, contractor) and conducts due diligence investigations accordingly.
10.5	To safeguard the rights and interests of personal information, the company shall comply with the Personal Information Protection Law and handle employees' personal information with utmost caution.
11. Bonus Criteria	
11.1	The supplier is equipped with an intelligent fire protection central control system.
11.2	The supplier has obtained internationally recognized certificates for social responsibility audits/certification standards, and these certificates are consistent with its actual performance.

VI. Environmental Management System Assessment Standards

1. Environment Management System	
1.1	The supplier shall establish an Environmental Management System (EMS), which shall include an Environmental Management Manual.
1.2	The supplier shall designate an Environmental Management System (EMS) staff member (from the management level) who shall be responsible for implementing the system.
1.3	The supplier shall establish a mechanism to ensure timely awareness of and compliance with applicable local legal requirements.
1.4	The supplier shall establish fundamental management control measures, including a system for recording, measuring, and tracking relevant environmental indicators (such as energy, water sources, wastewater, exhaust gases, and waste).
1.5	The supplier shall formulate annual plans and objectives aimed at achieving meaningful environmental improvements across all indicators (including energy, water, wastewater, exhaust gases, and waste).
1.6	In response to the environmental issues mentioned in the sections concerning energy usage, water resource utilization, wastewater discharge, gas emissions, and waste management, the supplier shall develop training procedures and maintain records for relevant employees.
1.7	The supplier shall possess a signed commitment document confirming its dedication to complying with the environmental requirements outlined in the sections pertaining to energy usage, water resource utilization, wastewater discharge, gas emissions, and waste management.
1.8	The supplier shall present all pertinent policy documents and training records, which shall reference the prevailing procedures implemented to ensure environmental management.
1.9	Within the past 3 years, the supplier has not incurred any penalties imposed by the local government due to environmental issues.
1.10	In the event of any official environmental-related penalties, the supplier shall take prompt and effective actions to mitigate and eliminate the adverse environmental impacts.
1.11	The supplier's environmental management system has obtained valid certification (such as ISO 14001).
2. Energy Utilization	
2.1	The supplier shall monitor and comply with all legal requirements pertaining to energy utilization.
2.2	The supplier shall possess relevant and up-to-date permits and maintain compliance (such as applications and filings for photovoltaic projects, and green electricity certificates).
2.3	Energy consumption should be tracked and recorded on a monthly basis.
2.4	The supplier shall establish and achieve meaningful improvement goals in terms of energy usage, and conduct an annual review of the progress made.
3. Water Resource Utilization	
3.1	The supplier shall monitor and ensure compliance with all legal requirements related to water resource utilization.
3.2	The supplier shall possess relevant and up-to-date permits and maintain compliance (such as water abstraction permits).
3.3	The supplier shall measure and record water consumption on a monthly basis.
3.4	The supplier shall set and achieve meaningful improvement goals concerning water resource usage, and review the progress annually.
4. Wastewater Discharge	
4.1	The supplier shall monitor and comply with all legal requirements related to wastewater/sewage discharge and maintain corresponding records.
4.2	Relevant and up-to-date permits shall be held, and compliance shall be maintained (such as the wastewater discharge requirements stipulated in the pollutant discharge permit).
4.3	The supplier shall possess a rainwater and sewage pipe network diagram and have a general understanding of the wastewater flow direction and discharge points.

4.4	Pollutants and wastewater quality parameters, along with their flow directions, shall be identified. (For wastewater testing reports)
4.5	A system should be established to ensure that wastewater receives proper treatment to meet minimum requirements before being discharged into watercourses, whether on-site or off-site. This system should also guarantee the appropriate treatment and disposal of sludge. Testing reports shall be provided and shall fulfill the following requirements: i. The report shall cover a period not exceeding six months. ii. The testing shall be conducted by trained personnel using equipment in accordance with the guidance provided in testing guidelines. iii. The report shall encompass all legal requirements.
4.6	If the company opts to treat wastewater at an off-site facility, such a facility shall meet the following requirements: i. The wastewater leaving the off-site facility shall comply with minimum requirements before entering watercourses. ii. The facility shall possess sufficient capacity to handle the volume of wastewater dispatched by the supplier.

5. Air Emissions

5.1	The supplier shall comply with all pertinent legal requirements related to air emissions (including monitoring) and maintain corresponding records.
5.2	The supplier shall possess relevant and up-to-date permits and maintain compliance (with regard to air emission requirements stipulated in the pollutant discharge permit).
5.3	An inventory of major point-source air emissions shall be maintained, and potential fugitive emissions should be appropriately addressed.
5.4	Equipment containing ozone-depleting substances or any other potential air pollutants shall undergo regular maintenance.
5.5	The supplier shall establish and achieve meaningful improvement objectives regarding air emissions and conduct an annual review of progress.

6. Waste Management

6.1	The facility shall comply with all pertinent legal requirements related to waste management.
6.2	The facility shall hold relevant and up-to-date permits and maintain compliance (such as the requirements for solid waste in the pollutant discharge permit).
6.3	The waste contractor shall possess appropriate permits.
6.4	Hazardous wastes and non-hazardous wastes should be segregated, and employees should be provided with training on waste handling and classification.
6.5	Procedures for inventory, management, storage, and transportation of all waste streams should be established, encompassing measures to minimize safety hazards to the environment and health. (Waste inventory records)
6.6	On-site waste incineration or uncontrolled waste landfilling shall not be conducted.
6.7	Suppliers should seek out and implement methods to reduce waste generation, while increasing reuse or recycling.
6.8	Suppliers shall measure the volume of waste generated and maintain corresponding records.
6.9	Suppliers shall establish and achieve meaningful goals for reducing waste generation and improving waste management, and review progress on an annual basis.

7. Climate Action (Bonus Criteria)

7.1	The supplier has developed and obtained approval for Science Based Targets (SBTs).
7.2	The supplier has implemented a solar energy system, which accounts for at least 10% of its total electricity consumption.
7.3	The supplier has implemented practical technological upgrades and demonstrated their effectiveness in achieving energy conservation and emission reduction through verification.
7.4	The supplier possesses the capability to develop and manufacture sustainable materials or finished products, and actively promotes them to brands.

VII. Appendix

7.1 Basic Information Form for Suppliers

Business registration information of the supplier	
Supplier name	
Registered place	
Date of incorporation	
Business licence (whether the supplier has passed the annual inspection)	
Unified Social Credit Code	
Tax number	
Type of company	
Registered capital	
Paid-in capital	
Account-opening bank	
Bank account number	
Bank code (CNAPS number)	
Business scope (in accordance with its business licence)	
Basic information of the supplier	
Business nature	
Plant ownership	
Listed or not	
Date of listing	
Fixed assets	
Net assets	
Net assets of previous year	
Current assets	
Name of the legal representative and their contact number and email address	
Name of the actual controller and their contact number and email address	
Authorised business representative/person-in-charge of the factory and their contact number and email address	
Organisational structure	

Overall operational processes	
Business and R&D address, contact person and contact number	
Production address, contact person and contact number	
Basic information regarding the production capacity of the supplier	
Total factory area	
Plant area	
Office area	
Design and development area	
Warehouse area/volume	
Production area	
Total number of employees, male and female	
Business headcount	
Total production headcount	
Quality control function headcount	
R&D function headcount	
Raw material warehouse headcount	
Finished product warehouse headcount	
Warehouse and transportation headcount	
Cutting staff headcount	
Sewing staff headcount	
Finishing staff headcount	
General administration staff headcount	
Electrician headcount	
Logistics staff headcount	
Equipment maintenance staff headcount	
Percentage of local staff	
Average age of production line staff	
Average number of years in current job of production line staff	
Major production equipment and number	
Major inspection equipment and number	
Configuration of production line equipment on the shop floor	

Normal annual production days	
Monthly average working hours	
Annual production in the previous year	
Estimated annual production for this year	
Annual supply, percentage of total production and lead time of the largest customer	
Annual supply, percentage of total production and lead time of the second largest customer	
Annual supply, percentage of total production and lead time of the third largest customer	
Self-owned brand, share of the self-owned brand and share of domestic trade	
Basic information regarding the quality capabilities of the supplier	
Has it received ISO9001 (quality management system) certification	
Has it received ISO14001 (environmental management system) certification	
Has it received ISO45001 (occupational health and safety management system) certification	
Other important certifications	
Quality officer, their position and contact number, and the department's structure	
Have inspection and quality control personnel passed induction training	
Years of working experience of inspection personnel	
Supplier production technology/process level	
What is the level of the functional architecture diagrams in the product development department	
Work experience of R&D staff	
Are the products self-designed	
Development and design software applied	
Employment policy information	
Employment policy of the enterprise (e.g. principles followed, including human rights, development, and protection)	
Name, gender, contact number and email of employee management representatives	
Have employee labour contracts been signed	
Periodicity of the signing of labour contracts	
What kind of social insurance is provided to employees	
Accommodation arrangements for employees	
Meal arrangements	
Is there a medical centre	
Normal working hours per day	

Overtime hours per day	
Total working hours per day (including overtime)	
Commuting time	
Number of working days per month	
Employee wages of the supplier	
Average and highest wages for main process employees	
Recent two months' pay slips and bank remittance certificates, by department and by type of work	
Bank receipts / bank statements for the top three largest expenditures in the last month	
Payroll method for production employees	
What kind of standard working hour system is applied	
Are there any productivity statistics	
Average production efficiency	

7.2 Social Responsibility System and Environmental System Document List

Category	Details of documents	Remarks
Compliance Certificates and Reports	Business License	
	Factory Layout	
	Process Flow Diagram, List of Major Equipment	
	Construction Safety Report	Acceptance Report for Construction Projects of Factory Building/Office Building/Dormitory (if applicable), Fire Protection Acceptance Report, Real Estate Certificate, or Lease Contract (if applicable)
	Canteen Certificates (if applicable)	Food Business Operation License, Health Certificate for Kitchen Staff
	Special Equipment Files	Registration permits and periodic safety inspection reports for elevators, boilers, pressure vessels, pressure pipelines, in-plant motor vehicles, cranes, etc.
	Certificates for Special Operations and Special Equipment Operators	Electricians, Welders; Pressure Vessel Operators, In-plant Motor Vehicle Operators, Crane Operators
	Certificate of Safety Training for the Primary Safety Responsible Person and Work Safety Management Personnel	
	Certificate of First Aider	
	Monitoring Report on Harmful Factors of Occupational Diseases in Workshop	
	Occupational Disease Medical Examination Report for Employees	
	Drinking Water Testing Report	
	Management System Certificate	i.e. ISO9001、ISO14001、ISO45001
	Audit Report on Internationally Recognized Social Responsibility Standards	i.e. SA8000、BSCI、SMETA、WRAP、SLCP
Employee Policies and Records	Employee Roster	The latest version, including a list of departed personnel.
	Personnel Files and Labor Contracts	

	Payroll Records	The past 12 months
	Time Records	The past 12 months
	Social Security Records and Commercial Accident Insurance (within the Validity Period)	Social security contribution records for the past 3 months
	Leave Records and Annual Leave Records	The past 12 months
	Health Examination Records of Young Workers and Filing Certificates for Young Workers (if applicable)	
	Factory Rules and Regulations, Employee Handbook, Reward and Punishment Policies and Records, Grievance Handling Procedures and Records	
Safety Regulations and Records	Structure of the Safety Committee, Factory Safety Regulations	
	Workplace Risk Assessment Documentation	It encompasses ergonomic risks, machine safety, electrical safety, fire safety, chemical safety, as well as special labor protections for female employees, etc.
	Work-related Injury Accident Handling Procedures, which ensure that the brand receives relevant accident information; and Work-related Injury Records.	
	Emergency Management System and Contingency Plan for Extreme Conditions	Such as earthquakes, floods, typhoons, infectious diseases, etc.
	Fire Safety Regulations and Fire Safety Contingency Plan	
	Fire Drill Records	For the most recent two drills, written records and photographs are required.
	Fire Facility Inspection Records / Maintenance Records	
	Machine/Equipment Inspection Records / Maintenance Records	
	Electrical Facility Inspection Records / Maintenance Records	
	Employee Safety Training Records	Training on Fire Safety, Job Safety, Machine/Equipment Operation, Personal Protective Equipment, and Chemical Usage, etc.
	Chemical Inventory and Material Safety Data Sheets (MSDS)	
	Records of Emergency Drills for Hazardous Chemicals	
	Production Records	Daily Production Reports, Warehouse Receiving and Dispatching Records, Quality Inspection Records, etc.
Social Responsibility Management System	Policies and Commitments on Respecting Human Rights	Commitment from the Management
	Social Responsibility Compliance Procedure Documents	Policies and Procedures Prohibiting Child Labor, Forced Labor, and Addressing Anti-Harassment, Anti-Discrimination, Respect for Freedom of Association, Health, Safety, and Environmental Protection
	Appointment Document for the Person in Charge of Social Responsibility	
	Internal/External Audit Records and Rectification Records on Social Responsibility	
Environmental Protection Related	Policies and Procedures on Environmental Protection, and Energy Conservation and Emission Reduction Plan	Policies and Objectives Regarding the Utilization of Energy and Water, as Well as the Treatment of Wastewater, Solid Waste, and Exhaust Gases
	Environmental Compliance Documentation	Environmental Impact Assessment Registration Form, or Report; Environmental Impact Assessment Approval; Completion Acceptance Report; Pollutant Discharge Permit
	Hazardous Waste Disposal Documentation	Hazardous Waste Disposal Contract, Qualification Certificate of Hazardous Waste Recycler, and Hazardous Waste Transfer Manifest
	Records of General Waste Disposal	Records of Disposal for Domestic Waste, Production Solid Waste, and Recyclable Waste
	Monitoring Report on Wastewater, Exhaust Gas, and Noise	
	Records/Ledger of Energy and Water Usage	Energy (including electricity, coal, diesel/gasoline, natural gas, etc.) and Water (including tap water, surface water, groundwater, rainwater, and recycled water)
	Training Records on Environmental Protection	Training Records of Persons in Charge of Specific Environmental Protection Affairs and Training Records of Employees on Environmental Protection

7.3 List of Laws, Regulations and Standards for Reference

7.3.1 Reference Document for Social and Environmental Due Diligence Audit Standards

Universal Declaration of Human Rights

International Covenant on Civil and Political Rights

International Labour Organization Declaration on Fundamental Principles and Rights at Work

ILO Code of Practice on Safety and Health at Work

Ten Principles of the United Nations Global Compact (UNGC)

SA8000 Standard

OECD Guidelines for Multinational Enterprises on Responsible Business Conduct Due Diligence

Guidelines for Social and Environmental Due Diligence Management for Chinese Textile and Apparel Enterprises

ISO 14001 Standard

ISO 45001 Standard

7.3.2 Reference Laws and Regulations Related to Social Responsibility Standards

Criminal Law of the People's Republic of China

Labor Law of the People's Republic of China

Law of the People's Republic of China on the Protection of Women's Rights and Interests

Trade Union Law of the People's Republic of China

Company Law of the People's Republic of China

Compulsory Education Law of the People's Republic of China

Law of the People's Republic of China on the Protection of Minors

Social Insurance Law of the People's Republic of China

Law of the People's Republic of China on the Prevention and Control of Occupational Diseases

Work Safety Law of the People's Republic of China

Regulations on Special Protection for Young Workers

Regulations on Work-Related Injury Insurance

Provisions on the Prohibition of Child Labor

Standardized Assessment Criteria for Work Safety in Textile Enterprises

Guidelines for the Prevention and Control of Occupational Hazards in Small and Medium-Sized Shoemaking Enterprises

7.3.3 Reference Laws and Regulations related to Environmental System Review Standards

Environmental Protection Law of the People's Republic of China (Revised in 2014)

Law of the People's Republic of China on the Prevention and Control of Water Pollution

Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution

Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste

Law of the People's Republic of China on Promoting Clean Production

Law of the People's Republic of China on Promoting Circular Economy

Energy Conservation Law of the People's Republic of China

Water Law of the People's Republic of China

Renewable Energy Law of the People's Republic of China

Regulations on the Safety Administration of Hazardous Chemicals

Environmental Protection Tax Law of the People's Republic of China

Measures for the Prevention and Control of Environmental Pollution Caused by Abandoned Hazardous Chemicals

National Catalogue of Hazardous Wastes

Measures for the Registration of Environmental Management of New Chemical Substances (2021)

Discharge Standard of Water Pollutants for the Textile Dyeing and Finishing Industry (GB4287-2012)

Administrative Measures for Pollutant Discharge Permits (for Trial Implementation) (2019)

Regulations on the Safety Administration of Hazardous Chemicals (2013 Revision)

Regulations on the Safe Use of Chemicals in the Workplace (1997)

Implementation Measures for the Safe Use License of Hazardous Chemicals (2013)

Administrative Measures for the Business License of Hazardous Wastes (2016 Revision)

7.3.4 Reference Laws and Regulations related to Integrity Cooperation Agreements

Criminal Law of the People's Republic of China

Company Law of the People's Republic of China

Law of the People's Republic of China Against Unfair Competition

7.4 Terms / Vocabulary

Stewardship	The PRI defines stewardship as “the use of influence by institutional investors to maximise overall long-term value including the value of common economic, social and environmental assets, on which returns and clients’ and beneficiaries’ interests depend.”
Child Labor	In accordance with Chinese law, it refers to minors under the age of 16 who are employed by an employer to engage in labor that generates economic income.
Forced Labor	All labor or services performed by any person under duress, threatened with any form of punishment, and against their own will.
Workplace Discrimination	The act of placing certain individuals in a subordinate or disadvantaged position in the labor market or workplace due to reasons such as race, color, religion, gender, political views, national origin, social background, or any other factors unrelated to the job to be performed.
Freedom of Association	Freedom of association encompasses the right of employers, trade unions, and other employee representatives to freely discuss work-related issues with the aim of reaching mutually acceptable agreements. These freedoms also permit employees and organizations to take industrial action as a means of safeguarding their economic and social interests.
Workplace Harassment	In the workplace, individuals or groups engage in unwelcome conduct towards others through means such as sexual harassment, verbal insults, malicious teasing, or physical aggression.
Labor Contract	In accordance with the "Labor Law" and the "Labor Contract Law," an agreement that establishes labor relations between workers and employers, clearly defining the rights and obligations of both parties.
Service Contract	In accordance with the "Civil Code," an agreement reached between a service provider (such as an individual or an independent economic entity) and an employing unit, based on the principles of equality and mutual benefit, concerning a specific service and the outcomes of that service. This type of contract, which provides social services in the form of labor, falls within the scope of civil contracts.
Minimum Wage	Under the premise that workers have provided normal labor during the statutory working hours or the working hours stipulated in the legally signed labor contract, the minimum labor remuneration that employers are legally required to pay.
Living Wage	Remuneration received for a standard work week by a worker in a particular place sufficient to afford a decent standard of living for the worker and her or his family. Elements of a decent standard of living include food, water, housing, education, health care, transport, clothing, and other essential needs, including provision for unexpected events.
Social Insurance	A social and economic system designed to provide income or compensation to populations who have lost their working capacity, temporarily lost their jobs, or incurred losses due to health reasons. The main components of social insurance include pension insurance, medical insurance, unemployment insurance, work-related injury insurance, and maternity insurance.
Structurally Unsafe Buildings	A dangerous building refers to a structure that has sustained severe damage or contains load-bearing components that have become hazardous, posing an imminent risk of losing structural stability and load-bearing capacity, thereby failing to ensure the safety of occupancy and use.
Special Equipment	It refers to boilers, pressure vessels (including gas cylinders), pressure pipelines, elevators, lifting machinery, passenger ropeways, large amusement facilities, and special motor vehicles within sites (factories), among others, which involve life safety and pose relatively high risks.
"Three-in-One" Building	A building that illegally combines accommodation with one or more functions such as production, storage, or business operations within the same spatial area.
Intelligent Fire Protection Central Control System	A fire management system based on Internet of Things (IoT) technology, which achieves real-time fire monitoring, early warning, response, and other functions by interconnecting various types of fire protection equipment, sensors, monitoring systems, and the like.
Work-related injury accident	Injury and acute poisoning accidents directly or indirectly caused by work-related factors
Ozone-depleting substances (ODS)	It refers to chemical substances capable of disrupting the stability of the ozone layer in the atmosphere. After being released into the atmosphere, these substances can ascend to the stratosphere and decompose into free radicals (such as Cl· and Br·) under ultraviolet radiation. These free radicals then engage in chain reactions with ozone molecules, resulting in the depletion of the ozone layer.
Green Electricity	It primarily refers to power generated with zero or near-zero carbon dioxide emissions during the electricity production process. Its main sources include renewable energy sources such as solar energy, wind power, biomass energy, and geothermal energy.
Hazardous Waste	It refers to solid waste that possesses one or more hazardous characteristics, including corrosivity, toxicity, flammability, and reactivity, and thus falls under the category of dangerous waste. In China, its definition is primarily based on the "Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste" and the "National Catalog of Hazardous Wastes."
ISO 90001	A quality management system certification standard developed by the International Organization for Standardization (ISO).
ISO 14001	An environmental management system certification standard developed by the International Organization for Standardization (ISO).
ISO 45001	An occupational health and safety management system certification standard developed by the International Organization for Standardization (ISO).
SA 8000	Its full name is Social Accountability 8000 (SA8000). It is the world's first international standard for ethical norms.
BSCI	Its full name is Business Social Compliance Initiative (BSCI). It is a set of business conduct codes formulated by the European Foreign Trade Association, aimed at improving working conditions within global supply chains.
SMETA	Its full name is Sedex Members Ethical Trade Audit (SMETA), which represents a comprehensive social responsibility audit standard.

SLCP	Its full name is the Social & Labor Convergence Project (SLCP), which is a non-profit initiative dedicated to improving working conditions in global supply chains.
WRAP	Its full name is Worldwide Responsible Accredited Production (WRAP). This standard is committed to promoting safe, lawful, humane, and ethical practices in production facilities.
BEPI	Its full name is Business Environmental Performance Initiative (BEPI). Initiated by the European Association for Foreign Trade (amfori), it aims to enhance the environmental performance of factories and farms worldwide.
Higg Index	An integrated software platform developed by Cascale (formerly known as the Sustainable Apparel Coalition, or SAC), designed to assist factories in collecting and organizing raw data from the value chain, enabling enterprises to assess and continuously improve their performance.
GRS	Its full name is the Global Recycled Standard (GRS), an international, voluntary, and comprehensive product standard designed to track and verify the content of recycled materials in final products.
RCS	Its full name is the Recycled Claimed Standard (RCS), an international certification standard for products that utilize recycled materials.
SBT	Science Based Targets (SBT) are greenhouse gas emission reduction targets set based on scientific research and aligned with the objectives of the Paris Agreement.
OECD	Its full name is the Organization for Economic Co-operation and Development (OECD).
UNGC	Its full name is the United Nations Global Compact. It is the world's largest international organization dedicated to promoting corporate social responsibility and sustainable development.
ILO	Its full name is the International Labour Organization (ILO), a specialized agency under the United Nations primarily engaged in international labor legislation, formulating conventions and recommendations, as well as providing assistance and technical cooperation.

7.5 Code of Conduct for Auditors

Code of Conduct for XTEP Auditors

As the core force in conducting due diligence audits within XTEP's supply chain, we auditors, with a high sense of responsibility and professionalism, pledge to adhere to the following code of conduct to ensure the fairness, objectivity, confidentiality, and professionalism of our audit work:

- **Neutrality and Fairness:** We maintain neutrality at all times, unaffected by any internal or external factors (such as vested interests, biases, or pressures), to ensure that audit results are impartial and unbiased.
- **Objective Evaluation:** Our evaluations are based on facts and evidence, avoiding any subjective assumptions or personal biases, to ensure the objectivity of audit conclusions.
- **Accurate Documentation:** We accurately document all findings during the audit process, ensuring the completeness and traceability of audit records to provide a basis for subsequent work.
- **Strict Confidentiality:** We maintain strict confidentiality of all sensitive information (such as trade secrets, technical data, etc.) obtained during the audit and will not disclose it to any third party without authorization.
- **Honesty and Integrity:** Throughout the audit process, we uphold a high degree of honesty and integrity, refraining from fabricating, altering, or concealing any relevant information.
- **Rejection of Bribery:** We do not accept any gifts, hospitality, or other forms of benefits that may compromise the fairness of the audit.
- **Conflict Avoidance:** Upon identifying any potential conflicts of interest, we will immediately report to our superiors and seek guidance. If necessary, we will voluntarily recuse ourselves from relevant audit work to ensure the fairness of the audit.

These codes of conduct serve as the fundamental principles for us auditors, and we will consistently uphold them to contribute to the due diligence audits of XTEP's supply chain.

Auditor's Signature: _____

Date: _____

7.6 Recognized Social Responsibility and Environmental Audit Standards

XTEP recognizes the following listed social responsibility and environmental auditing standards. If suppliers already possess audit reports for the listed standards, they are requested to provide the relevant reports to the counterpart personnel at XTEP's Supplier Management Center for validation of their effectiveness.

Social Audit:	Environmental Audit:
SA8000	Amfori BEPI
SLCP	Higg Index
Amfori BSCI	

SMETA	
WRAP	

7.7 Version Information

Version Updates			
Version No.	Version Name	Date	Remark
V3.0	XTEP Group Supplier Corporate Social Responsibility Management Manual - Version 2025	August 2025	
V 2.0	XTEP Group Supplier Corporate Social Responsibility Management Manual - Version 2024	August 2024	
V 1.0	XTEP Group Supplier Corporate Social Responsibility Management Manual - Version 2023	August 2023	