

Monitoring result for Zhejiang Goldtop Hat & Fashion Co., Ltd on site Zhejiang Goldtop Hat & Fashion Co., Ltd



Monitoring

Monitored Party : **Zhejiang Goldtop Hat & Fashion Co., Ltd**
amfori ID : **156-045811-000**
Site : **Zhejiang Goldtop Hat & Fashion Co., Ltd**
Site amfori ID : **156-045811-001**
Address : **NO. 5, The 2nd Danchen RD.,Beiyuan Industrial Zone
: Yiwu
: Zhejiang Sheng
: China**
Monitoring Activity : **amfori Social Audit - Manufacturing**
Monitoring Type : **Full Monitoring**
Monitoring Partner : **SGS**
Monitoring Start Date : **13/04/2023**
Closing Meeting : **20/04/2023**
Finished Date :
Submission Date : **20/04/2023**
Expiration Date : **20/04/2024**

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Overall rating



Section rating

PA1: Social Management System	C
PA 2: Workers Involvement and Protection	B
PA 3: The Rights of Freedom of Association and Collective Bargaining	A
PA 4: No Discrimination	A
PA 5: Fair Remuneration	B
PA 6: Decent Working Hours	D

PA 7: Occupational Health and Safety	A
PA 8: No Child Labour	A
PA 9: Special Protection for Young Workers	A
PA 10: No Precarious Employment	A
PA 11: No Bonded Labour	A
PA 12: Protection of the Environment	A
PA 13: Ethical Business Behaviour	A

General description

[Legal entity and business license]

Zhejiang Goldtop Hat & Fashion Co., Ltd is located at NO. 5, The 2nd Danchen RD.,Beiyuan Industrial Zone, Yiwu City, Zhejiang, China. The factory registered in Market Supervision Administration of Yiwu City, having unified social credit code 913307827652251487, date on Aug.4,2004 to Aug.3,2024.

[Production overview/Physical audit scope]

The factory used 1F of one production building (4-storey building about 4481 S.Q meters) as warehouse, cutting and compositing workshop, used 2F as warehouse and accessories production workshop and warehouse, used 3F as sewing workshop, used 4F as pressing, sewing and packing workshop, used 1F of one comprehensive building (4-storey building about 3066.9 S.Q meters) as finished goods warehouse, used 2F as office, used 3F as meeting room and sample room, used 4F as art exhibition area, used the underground floor of one dormitory building (9-storey building about 4617.06 S.Q meters)as kitchen and canteen, used 1F as security guard and activity room, used 2F to 8F as dormitory rooms.

[Main products]

The main products manufactured was hats.

The main production process included cutting, compositing, sewing, pressing and packing process.

Production capacity is about 13000000 pieces per year.

[Audit process]

This was 2.5 Man Day site audit and two auditors conducted opening meeting -Plan Tour, Worker and Management Interview, Document Review and Closing Meeting. The audit was conducted in good professional working environment and auditee was very supportive and cooperative throughout the audit activities.

The opening meeting including the brief introduction of audit team was given to the participants. The audit methodology, confidentiality policy of SGS, Zero Tolerance Protocol and methodology of reporting the audit results were thoroughly briefed by the Lead Auditor. The auditor had provided the itinerary/ plan, which had been forwarded to the organization. The auditor described the whole audit process, criteria, scope, different audit methods, and explained the amfori BSCI code of conduct, amfori BSCI holistic approach and local laws in detail to the extent these are related to the audit. The auditor explained and presented SGS's Integrity Declaration Forms and Audit Cooperation& Confidentiality Declaration to the facility management and Mr.Yang Hui/Admin. manager agreed and signed the name.

Health and Safety Tour: All areas of the facility processes were visited during the audit. The auditor conducted the physical tour at the entire premises of the facility detailed as per following information.

On the day of audit, there were 245 employees present which include around management staff and 15 sampled workers were selected for interview and the working hours and payroll records of them were selected for review.

A detailed site visit was conducted for the complete facility in order to verify Health & Safety and Environment part of the audit protocol. Workers were interviewed on one to one and focus group basis conducted by the auditor to ensure that BSCI requirements related to Forced Labor, Child Labor, Health and Safety, Freedom of Association, Disciplinary practices, Remuneration, Discrimination, Management Systems, Working Hours and Environment are being fulfilled. Attendance Record, Salary Sheets, Payment Slips, Contract Letters, Age Verification Procedure, Overtime Procedure, HSE Training records, Inspections, Employee Committee Meeting Minutes, Management Review Meetings Minutes and internal monitoring records of workers were verified.

The closing meeting was carried out by the Lead Auditor explaining all the elements of Finding report and further processing. The Finding report was agreed and copy of it along with Finding report was also given to the factory.

[Working hours information]

The main auditee had established working hours procedure and used finger or face scanning machine to record workers' working time. During the audit, the main auditee had provided the attendance records from Mar.1,2022 to Apr.13,2023 for review. Based on worker interviews and document review, workers' regular working time was 5 days per week (from Monday to Friday) and 8 hours per day. One shift had been arranged for all production workers from 08:00 to 17:30 with 1.5 hours (11:30~13:00) rest, one or two hours (18:30~19:30/20:30) were regarded as overtime and worked 8 hours on Saturdays normally, the max. daily overtime were two hours, the max. monthly overtime was 60 hours, and the max. weekly working time was 54 hours. All workers rest on every Sunday and statutory holidays. Workers could choose work overtime or not, and the main auditee paid enough overtime wage according to legal law.

[Wage information]

The main auditee had established wage and benefits procedure, workers minimum wage, statutory holidays, annual leave etc. were defined in the procedure. During the audit, the main auditee had provided the attendance records from Mar.1,2022 to Apr.13,2023 and the payrolls from Mar.2022 to Feb.2023 for review. Based on worker interviews and document review, workers were paid by hourly rate, their min. wage was RMB 3300 per month, which was above the minimum wage standard local city (RMB 2070 per month or RMB 11.9 per hour since Aug.1,2021). No any fee was deducted from workers' wage, the factory would not punish workers with fines. The main auditee paid workers' current wage to workers at around 28th of the following month by bank transfer.

[Living Wage]: The living wage data is provided by the Auditing company because there is no data on GLWC website in the city where the factory is located.

The living costs estimated by auditing company involves developing a model diet for workers using the method developed in Anker Methodology. This involved: (i) calculating required number of calories per person for the reference size family; (ii) Identifying least expensive acceptable food items in accordance with workers' dietary habits and relative food prices using surveys of markets where workers shop; and (iii) using data on nutritional content of foods to develop a preliminary model diet, and then adjusting the preliminary model diet to meet the recommended dietary structure for Chinese people in Development Outline of Food and Nutrition in China as well as WHO recommendations. Second, the housing cost is estimated by evaluating the cost of various rental units, utility costs, other housing costs, and routine repairs/maintenance costs which are basic for a family. And auditing company also considered the living conditions of housing near the factory according to Anker Methodology. Third, auditing company estimates non-food-non-housing (NFNH) cost for a living wage (i.e. all other costs besides food and housing) based on the ratio of NFNH to food costs expenditures according to secondary statistical data and the cost of our model diet. Fourth, auditing company estimates the number of full-time equivalent workers per family providing support in order to estimate a net living wage for workers based on information from government websites and published papers. Finally, payroll taxes and deductions are taken into consideration to estimate the gross living wage for workers.

[Attachments]

During document review it was evidence that some of required documents were not applicable in organization like Agency Labor Contract, Government Wavier on working hours and Collective Bargaining Agreement. All of above documents were not involved in document report.

[Audit team's information]

Announcement Type: Fully-Announced

Monitoring Date: Apr.13~14,2023

Monitoring Firm: SGS (Monitoring firm APSCA #: 11600006)

Auditor Name: Grace Xu/ CSCA 21701996 and Fannie Chen/ CSCA 21701745

Remark: There was another business license in the factory, which was Yiwu Jinding Hat Factory, the registered address and legal person was same as the main auditee. All buildings were built as the name of Yiwu Jinding Hat Factory.

Site Details

Site : Zhejiang Goldtop Hat & Fashion Co., Ltd
Site amfori ID : 156-045811-001

GICS Classification

Sector	: Consumer Discretionary	Industry	: Textiles, Apparel & Luxury Goods
Industry Group	: Consumer Durables & Apparel	Sub Industry	: Apparel, Accessories & Luxury Goods

amfori Process Classifications

N.A.

NACE Classification

N.A.

GS1 Classifications

N.A.

Water Stress Situation

N.A.

Metrics

Key Metrics

Total workforce	245 Workers
Legal minimum wage in local currency	2070 Monthly
Lowest wage paid for regular work at the site	3300 Monthly
Calculated living wage in local currency	3343 Monthly
Total sample	15 Workers

Other Metrics

Male workers	116 Workers
Female workers	129 Workers
Permanent workers - Male	116 Workers
Permanent workers - Female	129 Workers
Temporary workers - Male	0 Workers
Temporary workers - Female	0 Workers
Seasonal workers - Male	0 Workers
Seasonal workers - Female	0 Workers
Management - Male	8 Workers
Management - Female	5 Workers
Apprentices - Male	0 Workers
Apprentices - Female	0 Workers
Workers on probation - Male	0 Workers
Workers on probation - Female	0 Workers
Workers with night shift - Male	0 Workers
Workers with night shift - Female	0 Workers
Workers with disabilities - Male	0 Workers
Workers with disabilities - Female	0 Workers
Domestic migrant workers - Male	105 Workers
Domestic migrant workers - Female	106 Workers
Foreign migrant workers - Male	0 Workers
Foreign migrant workers - Female	0 Workers
Workers hired directly - Male	116 Workers
Workers hired directly - Female	29 Workers
Workers hired indirectly - Male	0 Workers
Workers hired indirectly - Female	0 Workers
Unionised workers - Male	0 Workers
Unionised workers - Female	0 Workers
Workers under CBA - Male	0 Workers
Workers under CBA - Female	0 Workers
Pregnant workers	0 Workers
Workers on parental leave - Male	0 Workers
Workers on parental leave - Female	0 Workers
Sample - Male	9 Workers
Sample - Female	6 Workers

Findings

PA1: Social Management System

1.1 The main auditee partially respected this principle because the auditee had established social compliance policy and procedures based on Amfori BSCI standards on Nov.17,2015, and conducted internal assessment on Apr.9,2022, the factory had identified one non-compliance, but the non-compliance of social insurance and monthly overtime hours was not identified. Some non-compliance had been identified during the audit in PA2, PA5, PA6, PA7, so the facility did not set up a fully effective management system to implement the Amfori BSCI Code of Conduct. It violated the requirement of question 1.1 in amfori BSCI system manual.

主要被审核方部分遵循该准则。原因是被审核方于2015年11月17日基于Amfori BSCI标准建立起了一套社会责任政策和程序，并于2022年4月9日进行了内审且识别了一个不符合项，但是关于社保和月加班时间的不符合项未识别出。当前审核在PA2, PA5, PA6, PA7发现一些有待完善的地方，所以被审核方未能建立一个完全有效的Amfori BSCI管理体系以执行Amfori BSCI行为守则的要求。违反了amfori BSCI管理手册中问题1.1的要求。

1.4 The main auditee partially respected this principle because the policy and procedures of working time controlling had been established. But based on the attendance records provided by the factory from Mar.1,2022 to Apr.13,2023, but the main auditee did not ensure the monthly overtimes of workers in accordance with the Amfori BSCI requirement. So the main auditee did not implement management system on working hour perfectly. It violated the requirement of question 1.4 in amfori BSCI system manual.

主要被审核方部分遵守该准则。原因是工厂已制定了生产时间安排的政策和程序文件。但根据工厂提供的2022年3月1日-2023年4月13日的考勤记录显示，被审核方未确保工人的月加班时间符合法规以及Amfori BSCI要求，因此工厂在工时管理系统执行层面并不完善。违反了amfori BSCI管理手册中问题1.4的要求。

PA 2: Workers Involvement and Protection

2.2 The main auditee partially respected this principle because the management had defined the long-term goals for protecting workers according to the Amfori BSCI Code of Conduct, but the long-term goals were not quantitated, and the management did not conduct stage analysis and no detailed implementation measure to achieve the long-term goals. It violated the requirement of question 2.2 in amfori BSCI system manual.

主要被审核方部分遵守该准则。原因是管理层已根据Amfori BSCI的准则制定了保护工人的长期目标，但是长期目标未进行量化，且管理层未进行阶段性分析，也无具体的实施措施去完成长期目标。违反了amfori BSCI管理手册中问题2.2的要求。

2.5 The main auditee partially respected this principle because four worker representatives had been elected on Mar.3,2023, and all interviewed workers knew who the worker representatives were but 70% interviewed workers did not know what the responsibility of worker representative was. It violated the requirement of question 2.5 in amfori BSCI system manual.

主要被审核方部分遵守该准则。原因是2023年3月3日工厂选举了4名员工代表，但是所有被访谈的工人均认识员工代表是谁，但是70%被访谈的工人均不知道员工代表的职责是什么。违反了amfori BSCI管理手册中问题2.5的要求。

PA 5: Fair Remuneration

5.5 The main auditee did not respect this principle because social insurance was not provided for some employees. There were 245 employees (20 employees were retired, 3 employees were recruited in the recent month) in the factory. Based on the social insurance invoice of Feb.2023, 115 employees were provided with retired, unemployment, medical, maternity insurance, and provided injury insurance for all unretired employees and 6 retired employees. The factory had provided commercial injury insurance (valid from May.11,2022 to May.10,2023) for 19 employees. Also, no evidence was identified that the workers had taken part in the agricultural insurance. The workers expressed that they didn't want to be insured. It violated Labor Law of the People's Republic of China (2018 Amendment) Article 72, Article 73

主要被审核方未遵守该准则。原因是社保未提供给部分员工。工厂有245名员工（20名退休员工，3名员工在最近一个月内入职）。根据2023年2月的社保发票，工厂给115名员工提供了养老、失业、医疗和生育保险，给所有未退休的员工和6名退休员工提供了工伤保险。工厂为19名员工提供了商业意外保险（有效期自2022年5月11日至2023年5月10日）。没有证据显示工厂员工有参加农保，且访谈员工表示自己不愿意参保。违反了中华人民共和国劳动法（2018修正）第七十二条、第七十三条

PA 6: Decent Working Hours

6.2 The main auditee did not respect this principle because the factory did not ensure the overtimes of workers in accordance with the legal requirement. Based on the attendance record provided from Mar.1,2022 to Apr.13,2023, production workers had 1~2 hours overtime on weekdays for 0~3 times per week and worked 8 hours on every Saturday, so workers' monthly overtime had exceeded 36 hours local law, and the maximum monthly overtime was 60 hours in Aug.2022 and Mar.2023, which included 28 hours on weekdays and 32 hours on weekends. It violated Labor Law of the People's Republic of China (2018 Amendment), Article 41

主要被审核方未遵守该准则。原因是工厂未确保工人的加班时间符合法规要求。根据工厂提供的2022年3月1日-2023年4月13日考勤供查看，生产工人在工作日晚上加班1~2小时，每周0~3次，每周六均工作8小时。所以工人的月加班时间超过了法规要

PA 6: Decent Working Hours

求的36小时，最大月加班时间为60小时（2022年8月和2023年3月），包括28小时的工作日加班和32小时的周末加班时间。
违反了中华人民共和国劳动法（2018修正）第四十一条

PA 7: Occupational Health and Safety

7.1 The main auditee partially respected this principle because the factory had established complete management system on health and safety, included the relevant law and regulation identification, health and safety check, training, but there were still findings issued due to management negligence. In addition, 10% materials were lean against the wall directly. It violated the requirement of question 7.1 in amfori BSCI system manual.

主要被审核方部分遵守该准则。原因是工厂已建立完整的健康安全管理体系，包括相关法律法规的识别，健康安全检查，培训等，但是由于管理疏忽，导致仍然有问题发生。另外，10%的材料直接靠墙堆放。违反了amfori BSCI管理手册中问题7.1的要求。

7.3 The main auditee partially respected this principle because the factory had provided occupational health examination for the compositing workers, but the occupational health examination was not provided for workers who worked on 2F where the noise level was 84.2dB(A). It violated Law of the People's Republic of China on Prevention and Control of Occupational Diseases (2018 Amendment), Article 35

主要被审核方部分遵守该准则。原因是工厂给接触噪声的织造工人提供职业病体检，但是职业病体检未提供给在噪声为84.2分贝的2楼工作的工人。违反了中华人民共和国职业病防治法（2018修正）第三十五条