

Monitored Party Dongguan Houda Headwear Co., Ltd.	amfori ID 156-054317-000	Address No.501 Main building 5th floor, Yihui Industrial Park, No. 149 Dongyuan Avenue, Miaobianwang Village, Shipai Town, Dongguan, Guangdong Sheng, China
Monitoring Activity amfori Social Audit - Manufacturing	Monitoring Type Full Monitoring	Monitoring Partner Bureau Veritas Hong Kong Limited
Monitoring Start Date 24/04/2024	Closing Meeting Finished Date 24/04/2024	Submission Date 02/05/2024
Expiration Date 02/05/2025	Announcement Type Fully Announced	
Site Dongguan Houda Headwear Co., Ltd.	Site amfori ID 156-054317-001	

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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, Violence or Harassment	A	
PA 5: Fair Remuneration	C	

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, Forced Labour or Human Trafficking	A	
PA 12: Protection of the Environment	A	
PA 13: Ethical Business Behaviour	A	

GENERAL DESCRIPTION

Name of lead auditor: Twinkle Tan; APSCA membership number: CSCA 21701151.

Name of member auditor: Terry Lai; APSCA membership number: CSCA 21701187.

Monitoring partner name: Bureau Veritas Consumer Products Service; APSCA number 11600002

Audit schedule details: The audit was planned for 2 auditors x 1 day.

Announcement Type: Announced full audit. Monitoring date: April 24, 2024.

Business partner information: The audited facility was established on December 7, 2015 with business license number of 91441900MA4UKEF8XT. The factory name in Chinese on Business License was 东莞市厚达帽服有限公司, the factory address in Chinese on Business License was 广东省东莞市石排镇东园大道石排段149号1号楼501室.

The factory specialized in the production of cap. Production processes included cutting, sewing, forming, inspection and packing. The peak season was not obvious.

Audited location information: The factory rent the 5th floor of one 14-storey production building as office, production and warehouse and the 13th floor of one 15-storey dormitory building as dormitory rooms. No canteen was available for employees currently. The total land area of the factory was about 2200 square meters. Except for the area used by the main auditee, other areas of the building are rented out by the landlord to other factories. As per document review and management interview, there was no relationship between the main auditee and other factories. Onsite observation showed the used area of each other could be separated clearly and no sharing worker was noted. Interviewed workers stated no sharing workers ever occurred. The audit scope only covered these areas used by the main auditee.

Detail of building and floor number were listed as below:

One 14-storey production building

1-4F: Used by other factories (i.e. Changyun, Fulin etc.)

5F: Cutting, sewing, forming, inspection, packing, warehouse and office used by audited factory.

6-11F: Used by other factories (i.e. Decheng, Xingao Plastic etc.)

12-14F: Idle

One 15-storey dormitory building

1F: Shop

2-12F: Used by other factories as dormitory rooms.

13F: Dormitory rooms used by auditee factory.

14-15F: Used by other factories as dormitory rooms.

Operating shifts and hours: The regular working hours were 8 hours per day and 40 hours per week, Saturday and Sunday were arranged as rest days. There was only 1 shift for production and office employees: 08:00 to 12:00, 13:30 to 17:30.

Time recording system: The factory adopted electronic attendance system to record working hours of employees.

Salary payment details: Wages of employee were paid before the end of next month by cash. Per payroll review and interview with management and employees, all production employees are paid by hourly rate.

Worker number information: There was 98 employees in the factory currently, including 82 production employees (34 employees were male, and 48 employees were female) and 16 non-production employees (3 employees were male, and 13 employees were female), 77 domestic migrant employees (32 male employees and 45 female employees). The youngest employee in the factory was 18 years old. No other vulnerable worker (e.g., foreign migrant, young, pregnant, seasonal, temporary, disabled, home-based workers) or any other special group workers (interns, apprentices, contractor workers etc.) employed by the factory.

Good practices: N/A.

Worker organization details: It was noted that 2 worker representatives were freely and publicly selected in 2024. Employees could report grievance through suggestion box, or email anonymously. Regarding the reported cases, the auditee would take time to handle the issues and no retaliation would be made. Relevant documents were maintained and provided for review.

Circumstances: There was no special circumstance during the audit.

Summary of findings: The findings were raised under PA1.1, PA1.4, PA2.2, PA2.5, PA5.4, PA5.5, PA6.2, PA7.2, PA7.3, PA7.7, PA7.17 and PA7.24, refer to report for finding details.

Living wage calculation: BV has used the methodology which is similar with Anker Benchmark methodology to estimate the living wage by estimating the cost of a basic but decent life style for a worker and his/her family. This involves adding up the cost of three expenditure groups: food (for a low-cost nutritious diet), housing (for basic healthy housing), and other essential expenses for a family, and then adding a small margin for sustainability and emergencies. The reason BV does not use Anker benchmark is no data in GLWC for the area where the factory is located. The data source: onsite audit information collection (BV BNW).

Remark: 1) There are no contractor/agencies/government waivers/collective bargaining used or available by the auditee, which makes the contractor license/agency labour contract/government waivers/collective bargaining agreements not applicable.

2) As of the current project category, production process, scale and pollutant status, the construction project was not included in the environmental impact assessment management scope.

In accordance with the Article 5 of Classified Administration Catalogue of Environmental Impact Assessments for Construction Projects (2021 Revision), construction projects not specified in this catalogue shall not be included in the environmental impact assessment management of construction projects.

SITE DETAILS

Site
Dongguan Houda Headwear Co., Ltd.

Site amfori ID
156-054317-001

GICS Classification

Sector Consumer Discretionary	Industry Group Consumer Durables & Apparel	Industry Textiles, Apparel & Luxury Goods
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	98	Workers
Legal minimum wage in local currency	1,900	Monthly
Lowest wage paid for regular work at the site	2,610	Monthly
Calculated living wage in local currency	2,372.67	Monthly
Total sample	10	Workers

Other Metrics

Male workers	37	Workers
Female workers	61	Workers
Non-binary workers	0	Workers
Permanent workers - Male	37	Workers
Permanent workers - Female	61	Workers
Permanent workers - Non-binary	0	Workers
Temporary workers - Male	0	Workers
Temporary workers - Female	0	Workers
Temporary workers - Non-binary	0	Workers
Seasonal workers - Male	0	Workers
Seasonal workers - Female	0	Workers
Seasonal workers - Non-binary	0	Workers
Management - Male	2	Workers
Management - Female	7	Workers
Management - Non-binary	0	Workers
Apprentices - Male	0	Workers
Apprentices - Female	0	Workers
Apprentices - Non-binary	0	Workers
Workers on probation - Male	0	Workers
Workers on probation - Female	0	Workers
Workers on probation - Non-binary	0	Workers
Workers with night shift - Male	0	Workers
Workers with night shift - Female	0	Workers
Workers with night shift - Non-binary	0	Workers
Workers with disabilities - Male	0	Workers
Workers with disabilities - Female	0	Workers
Workers with disabilities - Non-binary	0	Workers
Domestic migrant workers - Male	32	Workers
Domestic migrant workers - Female	45	Workers
Domestic migrant workers - Non-binary	0	Workers
Foreign migrant workers - Male	0	Workers

Foreign migrant workers - Female	0	Workers
Foreign migrant workers - Non-binary	0	Workers
Workers hired directly - Male	37	Workers
Workers hired directly - Female	61	Workers
Workers hired directly - Non-binary	0	Workers
Workers hired indirectly - Male	0	Workers
Workers hired indirectly - Female	0	Workers
Workers hired indirectly - Non-binary	0	Workers
Unionised workers - Male	0	Workers
Unionised workers - Female	0	Workers
Unionised workers - Non-binary	0	Workers
Workers under CBA - Male	0	Workers
Workers under CBA - Female	0	Workers
Workers under CBA - Non-binary	0	Workers
Pregnant workers	0	Workers
Workers on parental leave - Male	0	Workers
Workers on parental leave - Female	0	Workers
Workers on parental leave - Non-binary	0	Workers
Sample - Male	5	Workers
Sample - Female	5	Workers
Sample - Non-binary	0	Workers

FINDINGS



PA1: Social Management System

Site: Dongguan Houda Headwear Co., Ltd. | Site amfori ID: 156-054317-001

Question: 1.1 Is there satisfactory evidence that the auditee has set up an effective management system to implement the amfori BSCI Code of Conduct?

ENGLISH	LOCAL LANGUAGE
Finding	
Per factory tour, document review and interview, it was noted that the auditee had set up management system to compliance with the BSCI Code of Conduct. However, some policies were improperly implemented, and the auditee did not monitor the management system accurately. This finding was rated as partially noncompliance. Please refer to BSCI PA1.1	根据现场查看，文件查看和访谈，审核发现被审核方已经建立了社会责任管理体系以符合BSCI行为准则，但部分制度没有执行到位，并且对其社会责任体系执行情况监管不到位。因此该问题点被判为部分不符合项目。请参看BSCI PA1.1

Question: 1.4 Is there satisfactory evidence that the auditee's workforce capacity is properly organised to meet the expectations of the delivery order and/or contracts?

ENGLISH	LOCAL LANGUAGE
Finding	
Per factory tour, document review and interview, the factory did not recruit enough employees or organize its workforce capacity to meet the expectations of the delivery order and/or contracts, so that employees' overtime hours exceeded legal limit. This finding is rated as partially noncompliance as the facility had established capacity planning procedure though it was not implemented effectively. Please refer to BSCI PA 1.4: The auditee should organize its workforce capacity to meet the expectations of the delivery order and/or contracts.	根据现场查看，文件查看和访谈，审核发现工厂没有足够的员工或者进行良好的生产组织来达成交付订单和/或合同预期，以至于员工加班超出法律规定。该问题点被判部分不符合项目，因为工厂虽然制定了产能规划程序，但未有效实施。请参看BSCI PA1.4：被审核方（生产商）组织其劳工来达成交付订单和/或合同预期和要求。



PA 2: Workers Involvement and Protection

Site: Dongguan Houda Headwear Co., Ltd. | Site amfori ID: 156-054317-001

Question: 2.2 Is there satisfactory evidence that the auditee defines long-term goals for protecting workers in line with the aspirations of the amfori BSCI Code of Conduct?

ENGLISH	LOCAL LANGUAGE
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Finding	
Per factory tour, document review and interview, it was noted that though the factory provided the commitment that they will implement the social responsibility according to the local law and BSCI Code of Conduct and the factory had a long-term goals, the factory did not trace the actual implementation status regularly. So, this finding is rated as partially noncompliance. This Violated Performance Area 2: Workers Involvement and Protection 2.2.	根据现场查看，文件查看和访谈，审核员发现工厂虽然有承诺根据法规和BSCI行为准则执行社会责任且有建立长期目标，但是工厂没有定期跟踪实际执行情况。因此该问题点被判断为部分不符合项目。根据执行领域2：工人参与和保护2.2

Question: 2.5 Is there satisfactory evidence that the auditee has established, or participates in, an effective operational-level grievance mechanism for individuals and communities?	
ENGLISH	LOCAL LANGUAGE
Finding	
Per factory tour, document review and interview, it was noted that the factory had established or participated in an effective grievance mechanism for individuals, the grievance mechanism allowed workers to lodge suggestions or complaints related to the workers' rights, and individuals had alternative ways for lodging a complaint, such as through suggestion box, worker representative or directly to the management. However, the factory had not set up a channel for local communities' coming up with its suggestions or complaints to management for improvement. So, this finding is rated as partially noncompliance. BSCI Code of Conduct 2.5: The auditee establishes or participates in an effective grievance mechanism for individuals and communities.	根据现场查看，文件查看和访谈，审核员发现工厂建立和参与了有效的个人申诉机制，申诉机制赋予了工人提出建议，投诉的权利，并且开放了可替代的投诉方式，例如通过意见箱，工人代表或直接向管理层投诉。但是，工厂尚未创建给当地社区提供申诉的渠道。因此该问题点被判断为部分不符合项目。BSCI行为守则2.5：被审核方（生产商）建立或参与了有效的个人和团体申诉机制。

PA 5: Fair Remuneration

Site: Dongguan Houda Headwear Co., Ltd. | Site amfori ID: 156-054317-001

Question: 5.4 Is there satisfactory evidence that the auditee provides sufficient remuneration that allows workers to meet a decent standard of living?	
ENGLISH	LOCAL LANGUAGE
Finding	
Per document review and interview, it was noted that the factory was not aware of living wage and failed to investigate or calculate it systematically.	根据文件查看和访谈，工厂不了解最低生活需求工资，也没有进行系统性调查分析。因此，此问题点判为完全不符合。请参看BSCI PA5.4

Finding

This finding is rated as non-compliance. Please refer to BSCI PA5.4.

Question: 5.5 Is there satisfactory evidence that the auditee provides workers with the social benefits that are legally granted without negative impact on their pay, level of seniority, position, or promotion prospects?

ENGLISH

LOCAL LANGUAGE

Finding

Per factory tour, document review and interview, it was noted that the social insurance was not provided to all employees. According to the social insurance payment account of April 2024 provided by factory management, it was noted that 10 out of 98 employees (10.2%) were provided with accident, pension, unemployment and medical (included maternity insurance) insurance. Besides, the factory provided commercial accident insurance with valid period from August 30, 2023 to August 29, 2024 for 31 employees. So, this finding is rated as non-compliance because only 10.2% employees were provided with 5 types of social insurance. In accordance with Article 73 of the Labor Law of the People's Republic of China.

根据现场查看，文件查看和访谈，审核员发现工厂的社会保险覆盖不足。根据厂方提供的2024年4月社会保险缴费记录显示工厂为10/98名员工(10.2%)提供了工伤、养老、失业和医疗(含生育保险)保险。另外，工厂为31名员工提供了有效期从2023年8月30日至2024年8月29日的团体商业意外保险。因此该问题点被判断为完全不符合项目因为只有10.2%的员工被提供5种保险。根据《中华人民共和国劳动法》第73条。

PA 6: Decent Working Hours

Site: Dongguan Houda Headwear Co., Ltd. | Site amfori ID: 156-054317-001

Question: 6.2 CRUCIAL: Is there satisfactory evidence that the auditee request of overtime is in line with the requirements of the amfori BSCI Code of Conduct?

ENGLISH

LOCAL LANGUAGE

Finding

Per factory tour, document review and interview, it was noted that 30 out of 30 sample population employees worked in excess of the statutory overtime hour limits. A review of 30 sample population employees' time records (10 samples from current paid month of February 2024, 10 samples from month of December 2023, 10 samples from month October 2023) yielded the following: 10 out of 10 sample population employees' monthly overtime in February 2024 reached 38 hours, 10 out of 10 sample population employees' monthly overtime in December 2023

根据现场查看，文件查看和访谈，根据厂方提供的工时记录，审核员发现员工加班时间超出了法定标准。审核员从厂方提供的工时记录中抽取30个样本(从最近工资支付月份2024年2月，从2023年12月，从2023年10月各抽取10个)，发现共有30名员工加班时间超出了法定标准，具体为：10/10名抽样员工在2024年2月的加班时间为38小时，10/10名抽样员工在2023年12月的加班时间为82小时，10/10名抽样员工在2023年10月的加班时间为70小时，超出法定月加班不能超过36小时的标准。此问题点判为完全不符合，因为工厂没有进行加班管控以及加班控制计划。根据《中华人民共和国劳动法》第41条。

Finding	
reached 82 hours, 10 out of 10 sample population employees' monthly overtime in October 2023 reached 70 hours, which had exceeded the legal limited of 36 hours per month. This finding is rated as non-compliance because the factory did not make a control for overtime working hours and they did not make any overtime working hours control plan. In accordance with Article 41 of the Labor Law of the PRC.	

PA 7: Occupational Health and Safety

Site: Dongguan Houda Headwear Co., Ltd. | Site amfori ID: 156-054317-001

Question: 7.2 Is there satisfactory evidence that the auditee seeks to improve workers' protection in case of accident, including through compulsory insurance schemes?	
ENGLISH	LOCAL LANGUAGE
Finding	
Per factory tour, document review and interview, according to the social insurance payment receipt of April 2024 and commercial accident insurance with valid period from August 30, 2023 to August 29, 2024 provided by factory management, it was noted that 41 out of 98 employees (41.8%) were provided with accident insurance. So, this finding is rated as partial non-compliance. This violated Clause 7.2 of BSCI requirement.	根据现场查看，文件查看和访谈，根据厂方提供的2024年4月社会保险缴费单据以及有效期从2023年8月30日至2024年8月29日的商业意外保险，显示工厂为41/98名员工(41.8%)购买了工伤保险。因此该问题点判为部分不符合。根据BSCI条款7.2。

Question: 7.3 Is there satisfactory evidence that the auditee set up an effective management system that ensures they regularly carry out risk assessments for safe, healthy and hygienic working conditions?	
ENGLISH	LOCAL LANGUAGE
Finding	
Per factory tour, document review and interview, it was noted that although the main auditee had conducted a risk assessment of OHS, the risk assessment did not cover dormitory areas. So, this finding is rated as partial non-compliance. This violated Clause 7.3 of BSCI requirement.	根据现场查看，文件查看和访谈，审核员发现尽管受审核方进行了风险评估，但该评估没有覆盖宿舍区域。因此审核员判定该问题点为部分不符合。根据BSCI条款7.3。

Question: 7.7 Is there satisfactory evidence that the auditee implements engineering and administrative control measures to avoid or minimise the release of hazardous substances into the work environment, keeping the level of exposure below internationally established or recognised limits?	

ENGLISH	LOCAL LANGUAGE
Finding	
<p>1) Per factory tour, document review and interview, it was noted that 2 out of 2 sample selected chemicals (e.g., lube oil) containers being used in the workshops were not posted with content label. So, this finding is rated as non-compliance because factory management was not well known about it. This Violated Article 14 of the Regulation For Chemical Usage Safety in Work Place.</p> <p>2) Per factory tour, document review and interview, it was noted that no material safety data sheet for products (MSDS) was available for the chemicals (e.g. lube oil) being used in the workshop of production building. So, this finding is rated as non-compliance because factory management was not well known about it. Please refer to Article 27 of the Regulation For Chemical Usage Safety in Work Place:</p>	<p>1) 根据现场查看，文件查看和访谈，审核员发现车间2/2个抽样的盛装化学品（如：润滑油）的容器没有张贴内容标签。该问题点判为完全不符合，因为管理层没有意识到该问题。根据《工作场所安全使用化学品规定》第14条。</p> <p>2) 根据现场查看，文件查看和访谈，审核员发现车间使用的润滑油没有化学品安全技术说明书(MSDS)。该问题点判为完全不符合，因为管理层没有意识到该问题。请参看根据《工作场所安全使用化学品规定》第27条</p>

Question: 7.17 Is there satisfactory evidence that the auditee ensures adequate safeguards for any machine part, function, or process which may cause injury to workers?

ENGLISH	LOCAL LANGUAGE
Finding	
<p>During site tour, document review and interview, it was noted that 12 out of 20 sampled selected sewing machines used in workshops were not installed with needle guards and 3 out of them were not installed with pulley guard. As per interview, operators declared that they did not know why the needle guard installed. So, this finding is rated as non-compliance. Please refer to Article 6.1.6 of Code of Design of Manufacturing Equipment Safety and Hygiene.</p>	<p>现场观察,文件审核以及访谈，审核员发现工厂12/20台抽样缝纫机没有安装挡针板，且其中3台针车没有安装皮带轮保护罩。根据访谈了解，作业员表示不清楚为什么没有安装挡针板。因此该问题点被判断为完全不符合项目。请参看《生产设备安全卫生设计总则(GB5083-1999)》第6.1.6条</p>

Question: 7.24 Is there satisfactory evidence that the auditee has chosen the location of the social facilities or workers housing to ensure occupants are not exposed to natural hazards or affected by the operational impacts of the worksite (for example noise, emissions or dust)?

ENGLISH	LOCAL LANGUAGE
Finding	
<p>Per factory tour and interview, it was noted that the factory did not provide separate locker to employees living in dormitory to keep personal belongings. So, this finding is rated as partial non-</p>	<p>根据现场查阅以及访谈，审核员发现工厂没有为住宿员工提供独立的私人储物柜。因为宿舍均有安装门锁，且工厂大门有保安值守来确保员工财务安全，因此审核员判定该问题点为部分不符合。请参</p>

Finding

compliance because all dormitory rooms were installed with lock and security guard was also on-duty to ensure financial security of employees. Please refer to BSCI PA 7.24.

看BSCI PA7.24。