

Monitored Party <b>DEER GIFTS CO.,LTD.</b>	amfori ID <b>156-049215-000</b>	Address <b>No 6-1 , Jusheng Road , Tongle Industrial zone , Dongfeng, 528425 Zhongshan, Guangdong Sheng, China</b>
Monitoring Activity <b>amfori Social Audit - Manufacturing</b>	Monitoring Type <b>Full Monitoring</b>	Monitoring Partner <b>Bureau Veritas Hong Kong Limited</b>
Monitoring Start Date <b>24/08/2023</b>	Closing Meeting Finished Date <b>24/08/2023</b>	Submission Date <b>31/08/2023</b>
Expiration Date <b>31/08/2024</b>	Announcement Type <b>Fully Announced</b>	
Site <b>DEER GIFTS CO.,LTD.</b>	Site amfori ID <b>156-049215-001</b>	

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## OVERALL RATING



## SECTION RATING

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

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

## GENERAL DESCRIPTION

Name of lead auditor: Matthew Feng; APSCA membership number: CSCA 21701194

Name of team auditor (if applicable): Nil; APSCA membership number: Nil

Name of observers, translators, trainees, advisors/consultants (if applicable): NA

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

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

Announcement Type: Announced Full Audit

Monitoring Date: August 24, 2023

Business partner information: DEER GIFTS CO., LTD. (中山市盈耀五金制品有限公司, 9144200031486184XA) was established on August 29, 2014. And the address was No 6-1, Jusheng Road, Tongle Industrial zone, Dongfeng, Zhongshan, China (中山市东凤镇伯公社区同乐工业园聚胜路6号之一厂房). The factory specialized in manufacturing of metal gifts. And the main production processes included diecasting, polishing, drilling, paints dripping, coloring, assembly, inspection and packing.

Audited location information: The facility consisted of one 4-storey building. The building was rented from the building owner. All production processes were on the 1st floor. The 2nd floor was used as warehouse and the 3rd floor was used as office. There was a canteen on the 4th floor. This canteen would be used occasionally, depending on the number of workers who applied for lunch service, and it's been not in use for a period. This canteen was not in use on audit day. No dormitory was provided for the employees.

Operating shifts and hours: The regular work days were from Monday to Friday, while rest days were Saturday and Sunday. Overtime work was arranged on Saturday sometimes if in need. All employees were arranged for one shift, from 8:00 to 12:00, 13:30 to 17:30. During the audit, time and wage records were sampled as follows for working hour and wage testing: 5 samples selected from June 2023 as current paid month, 5 samples selected from January 2023 and 5 samples selected from December 2022. According to the sampled time records, it was noted that the maximum overtime hours were 2 hours per day, and 84 hours per month. The maximum weekly working hours were 58 hours per week.

Employees could have at least one day leave in consecutive 6 working days.

Time recording system: The factory adopted fingerprint scanning system to record working hours.

Salary payment details: All employees were paid at hourly rate in cash before the 30th of the following month. According to the sampled payroll records, it was noted that all employees were paid at least CNY 10.92 per hour, which met the local minimum wage requirement (CNY 10.92 per hour since December 2021). All employees overtime worked on weekday and weekend were paid with 150% and 200% of employees' normal wage, which was compliance with legal requirement. No overtime work was arranged on statutory holidays.

Worker number information:

- Total of 48 employees with 12 non-production staffs and 36 production workers
- Total 36 production workers with 15 males and 21 females
- Total 39 domestic employees with 17 male and 22 female, no any foreign migrant, young, women pregnant, seasonal, temporary, disabled, home-based workers
- No any other special group workers (interns, apprentices, contractor workers etc.)

Good practices: Canteen service was provided for the employees.

Worker organization details: No trade union was established. The worker representative was elected in 2022.

Circumstances: There was no special circumstance during the audit.

# There was no agency or contracted worker used, no collective bargaining agreement was signed and no government waiver was obtained, either. Thus, no photo attached for the relevant documents.

# There was no factory name plate posted at the main gate. Factory management stated they were renewing the name plate. Per on site observation, factory name sign was available in the show room.

Summary of findings: This is an announced full audit, covering all 13 PAs. Findings were noted in below PAs: PA1: Social Management System, PA 2: Workers Involvement and Protection, PA 5: Fair Remuneration, PA 6: Decent Working Hours, PA 7: Occupational Health and Safety and PA 13: Ethical Business Behaviour.

Living wage calculation: Living Wage please refer to BNW in attachment. BV had used the methodology which was 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 involved 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 did not use Anker benchmark is no data in GLWC for the area where the factory was located. The data source: onsite audit information collection (BV BNW).

Minimum Content MEMO (MEMO (AC's 2018/06 1) There was a personal data protection law/requirement in China. Therefore, all attachments were involved in employees' personal data would be hidden during this audit.

## SITE DETAILS

Site  
**DEER GIFTS CO.,LTD.**

Site amfori ID  
**156-049215-001**

### GICS Classification

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Sector  
**Consumer Discretionary**

Industry Group  
**Consumer Durables & Apparel**

Industry  
**Household Durables**

Sub Industry  
**Housewares & Specialties**

### amfori Process Classifications

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N.A.

### GS1 Classifications

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N.A.

### NACE Classification

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N.A.

### Water Stress Situation

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N.A.

# METRICS

## Key Metrics

Total workforce	45	Workers
Legal minimum wage in local currency	1,900	Monthly
Lowest wage paid for regular work at the site	1,900	Monthly
Calculated living wage in local currency	2,399.43	Monthly
Total sample	5	Workers

## Other Metrics

Male workers	19	Workers
Female workers	26	Workers
Permanent workers - Male	20	Workers
Permanent workers - Female	28	Workers
Temporary workers - Male	0	Workers
Temporary workers - Female	0	Workers
Seasonal workers - Male	0	Workers
Seasonal workers - Female	0	Workers
Management - Male	2	Workers
Management - Female	3	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	17	Workers
Domestic migrant workers - Female	22	Workers
Foreign migrant workers - Male	0	Workers
Foreign migrant workers - Female	0	Workers
Workers hired directly - Male	20	Workers
Workers hired directly - Female	28	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	2	Workers
Sample - Female	3	Workers

# FINDINGS



## PA1: Social Management System

Site: DEER GIFTS CO.,LTD. | Site amfori ID: 156-049215-001

**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
<b>Finding</b>	
<p>Based on document review, management interview, worker representatives' interview and employees' private interview, it was noted that the auditee had set up management system to compliance with the BSCI Code of Conduct. But some policies were improperly implemented and did not monitor the management system accurately. This question was rated as partially compliance because there were only some gaps between the factory in some performance areas and the requirement of Amfori BSCI.</p> <p>Please refer to BSCI PA1.1</p>	<p>基于文件查阅，管理层访谈，员工代表访谈和员工访谈，审核发现被审核方建立了社会责任管理体系以符合BSCI行为准则，但是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。因为工厂仅仅只是在某些执行领域和Amfori BSCI的要求之间存在某些差距，所以这个问题点判为部分符合。</p> <p>请参看BSCI PA1.1</p>

**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
<b>Finding</b>	
<p>Based on document review, management interview, worker representatives' interview and employees' private interview, it was noted that the factory did not organize its workforce capacity to meet the expectations of the delivery order and contracts, so that employees' overtime hours exceeded legal limit. This question was rated as partially compliance because the factory had established management procedure but the procedures were not completed implemented.</p> <p>Please refer to BSCI PA 1.4</p>	<p>基于文件查阅，管理层访谈，员工代表访谈和员工访谈，审核发现工厂没有进行良好的生产组织来达成交付订单和合同预期，以至于员工月加班超出法律规定。因为工厂有建立管理程序但未完全执行，所以这个问题点判为部分符合。</p> <p>请参看BSCI PA1.4</p>



## PA 2: Workers Involvement and Protection

Site: DEER GIFTS CO.,LTD. | Site amfori ID: 156-049215-001

**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
<b>Finding</b>	
<p>Based on document review, management interview, worker representatives' interview and employees' private 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 goal, the factory did not track the goal's implementation status accordingly. This question was rated as partially compliance because the factory had defined the goal but missed the tracking.</p> <p>This Violated Performance Area 2: Workers Involvement and Protection 2.2.</p>	<p>基于文件查阅、管理层访谈、员工代表访谈和员工访谈，工厂虽然有承诺执行社会责任且有建立长期目标，但是工厂没有追踪该目标的执行情况。因为工厂有建立目标但缺失追踪，所以这个问题点判定为部分符合。</p> <p>根据执行领域2：工人参与和保护2.2</p>

**Question:** 2.4 Is there satisfactory evidence that the auditee builds sufficient competence among managers, workers and workers representatives to successfully embed responsible practices in the business operation?

ENGLISH	LOCAL LANGUAGE
<b>Finding</b>	
<p>Based on document review, management interview, worker representatives' interview and employees' private interview, it was noted that the factory provided the records of communication about requirements of social responsibility between the management and workers, however, some of the interviewed workers did not have adequate understanding on the requirements of social responsibility or the BSCI Code. This question was rated as partially compliance because the factory had provided training to the employees but the employees did not understand well the requirement.</p> <p>Please refer to BSCI PA 2.4</p>	<p>基于文件查阅、管理层访谈、员工代表访谈和员工访谈，审核发现工厂有提供进行管理层与员工之间关于社会责任的沟通的记录，但是部分受访的员工并不足够了解社会责任的要求和BSCI准则。因为工厂有提供培训给员工但员工理解不足，所以这个问题点判定为部分符合。</p> <p>请参看BSCI PA2.4</p>

## PA 5: Fair Remuneration

Site: DEER GIFTS CO.,LTD. | Site amfori ID: 156-049215-001

**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
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Finding	
Based on document review, management interview, worker representatives' interview and employees' private interview, it was noted that the factory did not collect the information and calculate the basic needs wages to identify possible gaps existing between the actual remuneration and the basic needs wages. Therefore, this question was rates as non-compliance. Please refer to BSCI PA 5.4	基于文件查阅，管理层访谈，员工代表访谈和员工访谈，审核发现工厂没有进行基本需求工资信息收集和计算以识别其实际支付的工资和基本需求工资之间的差距，因此这个问题点判定为不符合。请参看 BSCI PA 5.4

**Question:** 5.5 Is there satisfactory evidence that the auditee provides workers with the social benefits that are legally granted?

ENGLISH	LOCAL LANGUAGE
Finding	
According to social insurance payment receipt of August 2023 provided by factory management, it was noted that only 17/48(35.42%) employees were provided with accident insurance, pension, medical, maternity and unemployment insurance. Factory management represented that some employees were not willing to participate in social insurance. Factory had provided commercial to all employees, with a valid period from March 30, 2023 to March 29, 2024. This question was rated as non-compliance because the factory did not have plan to increase the percentage of workers attending social insurance program and most of the workers were not provided with social insurance. Please refer to Article 73 of the Labor Law of the People's Republic of China.	2023年8月社会保险申报显示，工厂仅为17/48(35.42%)名员工提供工伤/养老/医疗/生育和失业保险。工厂表示部分员工不愿意参保。厂方为所有员工提供了商业保险，有效期为2023年3月30日到2024年3月29日。因为工厂没有提高参保员工比例计划且大部分员工没有参加工伤保险，所以这个问题点判定为不符合。请参看《中华人民共和国劳动法》第73条。

**PA 6: Decent Working Hours**

Site: DEER GIFTS CO.,LTD. | Site amfori ID: 156-049215-001

**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	
Based on document review, management interview, worker representatives' interview and employees' private interview, it was noted that 15 out of 15 sample population employees worked in excess of	基于文件查阅，管理层访谈，员工代表访谈和员工访谈，审核员抽取15个样本(分别从2023年6月、2023年1月和2022年12月各抽取5名)，发现共有15名员工加班时间超出了法定标准，具体为：

## Finding

the statutory overtime hour limits. A review of 15 sample population employees' time records (each 5 samples from June 2023, January 2023 and December 2022 respectively) yielded the following:

- 1) 5 out of 5 sample population employees worked in excess of 36 overtime hours per month (72 to 74 hours) in June 2023, which was not in compliance with the legal requirement;
- 2) 5 out of 5 sample population employees worked in excess of 36 overtime hours per month (38 hours) in January 2023, which was not in compliance with the legal requirement;
- 3) 5 out of 5 sample population employees worked in excess of 36 overtime hours per month (84 hours) in December 2022, which was not in compliance with the legal requirement.

This question was rated as non-compliance because overtime hours violation systematically existed in the past year.

Please refer to Article 41 of the Labor Law of the PRC

5/5名抽样员工在2023年6月的加班时间为72-74小时，超过每月加班时间不能超过36小时的法律规定；

5/5名抽样员工在2023年1月的加班时间为38小时，超过每月加班时间不能超过36小时的法律规定；

5/5名抽样员工在2022年12月的加班时间为84小时，超过每月加班时间不能超过36小时的法律规定。因为过去一年内加班超时的情况系统性存在，所以这个问题点判定为不符合。

请参看《中华人民共和国劳动法》第41条

## PA 7: Occupational Health and Safety

Site: DEER GIFTS CO.,LTD. | Site amfori ID: 156-049215-001

**Question:** 7.1 Is there satisfactory evidence that the auditee observes occupational health and safety regulations applicable for its activities?

### ENGLISH

### LOCAL LANGUAGE

#### Finding

1) Based on site observation, document review, management interview, worker representatives' interview and employees' private interview, it was noted that the factory did not provide regular occupational health checks to workers who worked at noisy and dusty environment, and who were in contact with hazardous materials. This question was rated as non-compliance because the factory didn't provided the occupational health checks to any employees who were in contact with dust, noise or hazardous materials.

Please refer to Article 35 Law of the People's Republic of China on the Prevention and Treatment of Occupational Diseases and BSCI 7.1

2) Based on document review, management interview, it was noted that the safety training for

1) 基于现场观察、文件查阅、管理层访谈、员工代表访谈和员工访谈，审核员发现工厂没有为在噪声、粉尘环境、接触有毒有害物质的员工提供定期的职业病体检。因为审核发现工厂没有为任何接触粉尘、噪音和有毒有害物质的员工提供职业病体检，所以这个问题点判定为不符合。

请参看《中华人民共和国职业病防治法》第35条

2) 基于文件查阅、管理层访谈，审核员发现厂方的生产经营单位主要负责人和安全生产管理人员并未参加相关的安全培训并获得培训合格证书。由于厂方未能提供此证书审阅，所以这个问题点判定为不符合。

根据《中华人民共和国安全生产法》第二十一条 &BSCI PA 7.1

Finding	
<p>the Principal Responsible Person of production and business units and safety production management personnel in the factory was not carried out in accordance with the safety training outline formulated by the work safety supervision and supervision department. This question was rated as non-compliance because no such certificate was provided for review.</p> <p>In accordance with Article 21 of Law of the People's Republic of China on Production Safety &amp; BSCI PA 7.1</p>	

**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>Based on site observation, management interview, worker representatives' interview and employees' private interview, it was noted that:</p> <p>1. It was noted that hazardous chemicals (such as alcohol) being stored and used in the factory were not posted with safety labels. Please refer to Article 14 of the Regulation For Chemical Usage Safety in Work Place</p> <p>2. It was noted that 60 percent of the chemicals stored and used in the factory were not placed in secondary containers. Please refer to Article 20 of Regulation for Safety of Hazardous Chemical</p> <p>3. It was noted that electrical devices including switches, and exhaust fans, etc. in the hazardous chemical warehouse were not explosive-protected, there were inflammable and explosive chemical with volatility stored in the warehouse (e.g. thinner). Please refer to Article 20 of Regulation for Safety of Hazardous Chemical</p> <p>This question was rated as non-compliance because this chemical management violation existed systemically.</p>	<p>基于现场观察、管理层访谈、员工代表访谈和员工访谈，审核员发现：</p> <p>1. 审核发现工厂生产区域存放和使用的危险化学品（如酒精）没有张贴安全标签。请参看《工作场所安全使用化学品规定》第14条</p> <p>2. 审核发现工厂生产区域存放和使用的60%化学品没有放置在二次容器中。请参看《危险化学品安全管理条例》第20条</p> <p>3. 审核员发现危险化学品仓库里的开关和排气扇等用电设备不是防爆的设备，仓库内存有挥发性的易燃易爆物料(如天那水)。请参看《危险化学品安全管理条例》第20条</p> <p>因为此化学品管理的问题系统性存在，所以这个问题点判定为不符合。</p>

**Question: 7.11** Is there satisfactory evidence that the auditee confirms that the equipment and buildings used for production are stable and safe?

ENGLISH	LOCAL LANGUAGE

Finding	
<p>Based on site observation and management interview, it was noted that the mezzanine in the raw materials warehouse on the 1st floor was around 2 meters above the ground, but one side of this mezzanine were not installed with guard-rails to prevent employees from falling down. No one worked in this mezzanine, and only one employee would go in to take the molds occasionally. This question was rated as partial compliance because this was an isolated failure.</p> <p>Please refer to Safety Requirements for Fixed Steel Ladders and Platform – Part 3: Industrial guardrails and steel platform</p>	<p>基于现场观察、管理层访谈，审核员生产楼一楼原料仓库的夹层离地面约2米，但一边没有安装防坠落的护栏。没有员工在此夹层内工作，只有一名员工偶尔进出取模具。因为这是一个个别缺失，所以这个问题点判定为部分符合。</p> <p>请参看《固定式钢梯及平台安全要求_第3部分</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>Based on site observation, management interview, worker representatives' interview and employees' private interview, it was noted that the transmission wheels of both belt-sanding machines on the 1st floor of production building were not installed with protective guards. This question was rated as non-compliance because both machines were not installed with protective guards.</p> <p>Please refer to Article 6.1.6 of Code of Design of Manufacturing Equipment Safety and Hygiene</p>	<p>基于现场观察、管理层访谈、员工代表访谈和员工访谈，审核发现生产楼一楼2/2砂带机的传动轮均没有安装保护罩。因为两台机器均没有安装保护罩，所以这个问题点判定为不符合。</p> <p>请参看《生产设备安全卫生设计总则(GB5083-1999)》第6.1.6条</p>

**Question: 7.21** Is there satisfactory evidence that the auditee provides workers with access to an appropriate, clean area for storing food, eating and/or cooking?

ENGLISH	LOCAL LANGUAGE
Finding	
<p>Based on document review, management interview, document review, worker representatives' interview and employees' private interview, it was noted that the factory could not provide with the health certificate of canteen staff for review during this audit. Per factory management, this canteen would be used occasionally, depending on the number of workers who applied for lunch service, and it's been not in use for a period. This canteen was not in use on audit day. This question was rated as non-</p>	<p>基于文件查阅、管理层访谈、文件审核、员工代表访谈和员工访谈，审核员发现厂方未能提供厨工的健康证供审阅。管理层表示，此食堂仅会偶尔使用，取决于申请用餐的人数多少，已经有一段时间没有使用了。审核当天这个食堂没有在使用。由于工厂没有计划取得此证件，所以这个问题点判定为不符合。</p> <p>请参看《中华人民共和国食品安全法》第四十五条</p>

### Finding

compliance because the factory did not had plan to obtain the certificate.  
Please refer to Article 45 of the Law of the PRC on the Food Safety.

## PA 13: Ethical Business Behaviour

Site: DEER GIFTS CO.,LTD. | Site amfori ID: 156-049215-001

**Question:** 13.1 Is there satisfactory evidence that the auditee actively opposes any act of corruption, extortion or embezzlement, or any form of bribery in its activities as a business enterprise?

### ENGLISH

### LOCAL LANGUAGE

### Finding

Based on document review, management interview, document review, worker representatives' interview and employees' private interview, it was noted that the factory conducted risk assessment on corruption, but the factory did not establish prevention measures of all risks for different positions.

This question was rated as partially compliance because the factory had conducted risk assessment though the prevention measures were not established for different positions.  
Please refer to BSCI PA 13.1

基于文件查阅、管理层访谈、文件审核、员工代表访谈和员工访谈，审核发现工厂做了廉政风险评估，但没有针对各个岗位风险制定对应的预防措施。虽然工厂没有针对各个岗位制定对应的预防措施，但工厂有进行廉政风险评估，所以这个问题点判定为部分符合。  
请参看BSCI PA 13.1