

# AN INVESTIGATION OF SUPPLIERS OF DOLLAR GENERAL

## Investigation of Illegal Conditions at Four Dollar General Supplier Sweatshop in China

– Where KKR Profits

By China Labor Watch

August 10, 2010

### I. Background

With more than 8,800 stores across 35 states, Dollar General Corporation (DGC) is one of the biggest retailers in the U.S. The products on DGC's shelves include paper products, cleaning liquids, health and beauty aids, food, snacks, household utensils, toys, clothing and seasonal items. The stores are mainly located in communities with less than 25,000 residents, although there are also some branches in urban areas. Customers of DGC are primarily low-income people, welfare recipients, and retirees. The company's stated missions include: serving customers, improving consumers' quality of life, increasing benefits for investors, respecting employees and providing them with personal development opportunities. Its slogan is, "Save time. Save money. Every day!"

Kohlberg Kravis & Roberts (KKR) is one of the biggest private equity firms in the world that sponsor and manage investment funds. KKR is the major investor and the biggest shareholder of DGC.

A series of investigations by China Labor Watch (CLW) revealed that while DGC helps low-income Americans save on the daily use products, DGC is cooperating with suppliers that have some of the worst working conditions (*See Pic1*). Although DGC has a code of corporate social responsibility, none of the company's suppliers recently investigated by CLW follow the code.



**Pic 1 Working condition in Yiu Yi, one of DGC's suppliers.**

Before DGC's case went public in 2009, CLW and KKR had held multiple meetings. In those meetings, CLW found that KKR was more concerned about preventing the release of negative reports about DGC's suppliers rather than solving the serious problems highlighted in CLW reports.

Apparently, KKR simply does not care about the labor conditions in DGC's supplier factories. Consumers, in turn, have no idea that they are encouraging abuses of human rights while using DGC's cheap products. It is time for KKR to make a decision: to continue supporting the immoral procurement policies or to chart a bolder path aimed at building real value from the bottom up.

DGC claims on its official website that their roughly 12,000 commodities are produced by only America's most trustworthy manufacturers. However, the truth is

that there are about 1,000 factories that supply DGC in China alone. DGC hired Bureau Veritas Group to conduct social responsibility audits of 700 of its suppliers. However, a China Labor Watch report pointed out that Bureau Veritas audits suffer from severe corruption, as well as technical drawbacks (the report is available on CLW's website).

Using U.S. Customs records<sup>1</sup> and other documents, China Labor Watch has randomly selected four of DGC's suppliers and conducted investigations between February and June 2010, focusing on their recruitment policies, labor contracts, wages, hours, benefits, work safety, general living standards and grievance mechanisms. CLW investigators infiltrated the factories as hired workers themselves and also interviewed workers from outside of the factory.

The manufacturing plants under investigation include Keen League Manufacturing Limited (KLML)<sup>2</sup>, Mastercraft International Limited (MIL)<sup>3</sup>, Yiu Yi Plastic & Mould (Shenzhen) Col, Ltd.(Yiu Yi)<sup>4</sup>, and Hong Da Electronics Factory (Hong Da)<sup>5</sup>.

## II. Basic Information of the Four Factories

KLML was founded in 2004. It is located in the Sha Xin Qiao Third Industrial District in Bao'an District of Shenzhen. The factory occupies 14,000 sq. yard and employs more than 700 people. KLML is invested by Hong Kong businessmen. Its products include ultrasonic washing machines and home appliance, such as milk froth makers, egg-beaters, electric can openers, juicers, blenders, grills, and electric pencil sharpeners. Its products are sold to European and the U.S. markets.



Pic 2 Exterior View of MIL

Founded in 1988, MIL was registered as Yu Tai Copper Factory (*Yu Tai Tong Qi Wu Jin Chang*)(See Pic 2). It is situated in the Ping Hu Bai Ni Keng Community in Longgang District of Shenzhen. With more than 100 employees, it occupies more than 11,900 sq. yard. This Hong Kong-invested enterprise designs and produces indoor lightings, table lamps, floor lamps, wall lamps and ceiling lamps. Its products are also

---

<sup>1</sup> Parts of records are attached with this report in Table 2.

<sup>2</sup> According to records of US Customs, at least freights in the total of 94,527 lbs. have been imported by DGC from KLML.

<sup>3</sup> According to records of US Customs, at least freights in the total of 83,457 lbs. have been imported by DGC from MIL.

<sup>4</sup> Yiu Yi is located as a supplier of DGC through employee interviews. The factory states in the official websit at [www.shunngai.com.cn](http://www.shunngai.com.cn) that "We achieved ISO 9001:2000 quality system authorization and passed the factory audit from Disney, Wal-mart, Kmart, Woolworths, Jo-Anns, Coca Cola, Lowe's, America Greetings Lnc. and Dollar General."

<sup>5</sup> According to records of US Customs, at least freights in total of 22,114 lbs. have been imported by DGC from Hong Da.

sold to European and the U.S. markets..

Yiu Yi is located at No. 22, Xi Tou Road in the Second Industrial District of Song Gang Jie Dao Xi Tou Village, Bao'an district of Shenzhen. Its main products include: plastic moulds, Christmas crafts, plastic toys, poly products, timepieces, and electronics toys. Again, European and the U.S. companies are its major buyers.

Founded in 1994, Hong Kong-invested Hong Da is located in Xia Zhen Hong Ye Industrial District and produces telephones and radio cassette players for overseas buyers. The factory occupies 23,900 sq. yard and has about 500 employees.

### III. Findings of the Investigations

Based on PRC 1995 *Labor Law* and 2008 *Labor Contract Law*, the investigations conducted by CLW are focused on hiring and recruitment policies, labor contracts, work hours, wages, benefits, work safety and grievance mechanism.

CLW investigations found that the basic legal rights of the employees are not met in these factories. The workers have to work long grueling hours and get shockingly low pay, while with little safety protection. In at least one factory under investigation, workers are paid for lying to inspectors.

Overtime working is especially egregious at DGC suppliers. Employees at the plants work averagely 300 hours per month during peak seasons and 250 hours per month during low seasons. The yearly accumulative overtime hours far exceed the maximum of 432 hours of overtime *per year* allowed by law<sup>6</sup>. Moreover, workers are oftentimes paid below the legal minimum overtime wage — and sometimes are not paid at all.

CLW investigators found the following labor violations in the four factories.

In KLML, the violations include:

- The factory keeps workers' resident ID card for seven days when workers start working.<sup>7</sup>
- Workers are underpaid for overtime work.<sup>8</sup>
- No annual leave, maternity leave or marriage leave. Workers are not paid for sick leave.
- Raw materials are piled up disorganizedly, which may cause potential safety issues. (See Pic



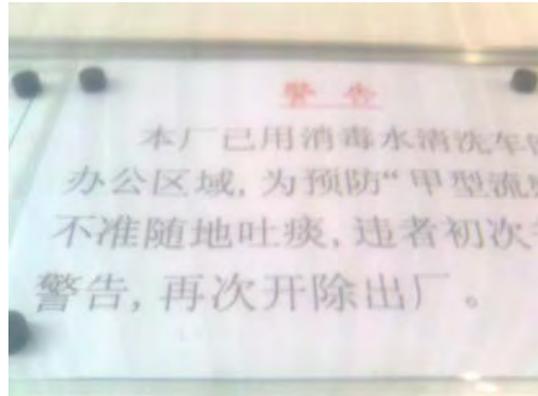
**Pic 3 Poor hygienic condition**

<sup>6</sup> Article 41 of PRC Labor Law states, “due to special reasons, the extended hours shall not exceed three hours a day under the condition that the health of laborers is guaranteed. However, the total extension in a month shall not exceed thirty six hours.”

<sup>7</sup> Article 9 of PRC Law on Employment Contracts states, “When hiring a employee, an employer may not retain the employee’s resident ID card or other papers, nor may it require him to provide security or collect property from him under some other guise.”

<sup>8</sup> Article 44 of PRC Labor Law states that the employing unit shall pay laborers remunerations higher than those for normal working.

- 3).
- No evaluations of occupational hazards. Protective equipment is not adequately provided. Workers are not provided with health examinations when starting or terminating their employment.<sup>9</sup>
  - Overtime work totals 300 hours during peak seasons. Sometimes, workers only get one day off in a month.<sup>10</sup>
  - Draconian punishments (See Pic 4)
  - No trade union or other institutions that represent workers' rights.<sup>11</sup>



**Pic 4**

It reads: **Warning.** To prevent spreading of H1N1, spitting is forbidden everywhere. Violators will be warned for the first time, and be discharged for the second time.

*Workers' own evaluations of the site:* low wages and poor benefits. The slightest carelessness can result in a wage deduction.

In MIL, the violations include:

- The factory keeps workers' resident ID card for one day when workers start working.
- Workers who get piece rate wages are not paid for their overtime work. Workers are not paid during legal holidays.
- No annual leave, maternity leave or marriage leave.
- Equipment is not serviced regularly. There are potential risks for work injuries.
- No evaluations of occupational hazards. Workers are not provided with health examinations when starting or terminating their employment.



**Pic 5 Dangerous chemical materials without care**

- Overtime work total 300 hours during peak seasons. Sometimes workers only get one day off in a month.
- No trade union or other institutions that represent workers' rights.

*Workers' own evaluations of the site:* food is unsatisfied and dormitories are in poor conditions. The factory is poorly managed.

<sup>9</sup> Article 54 of PRC Labor Law states, "The employing unit must provide laborers with occupational safety and health conditions conforming to the provisions of the State and necessary articles of labor protection, and provide regular health examination for laborers engaged in work with occupational hazards."

<sup>10</sup> Article 38 of PRC Labor Law states, "the employing unit shall guarantee that its staff and workers have at least one day off in a week."

<sup>11</sup> Article 7 of PRC Labor Law states, "Laborers shall have the right to participate in and organize trade unions in accordance with the law. Trade unions shall represent and safeguard the legitimate rights and interests of laborers, and independently conduct their activities in accordance with the law."

At Yiu Yi, violations include:

- The factory does not sign labor contracts with most employees.
- Workers getting piece rate wages are not paid for overtime work. Workers are not paid during legal holidays.
- No regular pay date.
- Workers have to pay out-of-pocket for their factory uniforms.
- No annual leave, maternity leave or marriage leave.
- Workers are subject to 130 hours of wage deduction if leaving without advanced notice.
- There are potential safety risks caused by poor management of chemicals (*See Pic 5*).
- No evaluations of occupational hazards. Workers are not provided by health examinations when starting or terminating their employment.
- Overtime work total 300 hours during peak seasons. Sometimes workers only get one day off in a month.
- There are few bonuses. However, the factory would prepare workers for inspections, and workers answering questions “correctly” would be rewarded with a once time bonus of \$14.29.

*Workers’ own evaluations of the site:* You’d better not to take a job in this factory.

In Hong Da, violations include:

- Job applicants must apply for positions in group. Individual male workers would not be admitted.
- Workers sign labor contracts but are not given copies.
- No annual leave, maternity leave or marriage leave.
- The base pay would be deducted by half if workers leave job without advance notice.<sup>12</sup>
- Overtime work is underpaid. Working on Saturdays is not considered overtime work.
- Equipment is old, in poor conditions, and not serviced regularly. There are potential risks for work injuries.
- No evaluations of occupational hazards. Workers are not provided with health examinations when starting or terminating their employment.
- Overtime work total 300 hours during peak seasons. Sometimes workers only get one day off in a month.
- Workers are subject to a monthly deduction of \$34.29 for dining fee, even if workers did not have meals in the factory cafeteria.

*Workers’ own evaluations of the site:* low wages, poor benefits. It is hard to know how the salary is settled. The machines are too old and out of order from time to time.

Please refer to the *Table 1* attached for detail results of our investigations.

---

<sup>12</sup> According to PRC Labor Law and PRC Law on Employment Contract, if an employee leaves without informing 30 days in advance, the employee should compensate the employer for reasonable damages cause by his leaving. A provision of fixed liquidated damages is illegal.

#### IV. Conclusion

Based on CLW's investigation, workers' rights are not fully respected in all the four factories in the aspects of recruitments, labor contracts, work hours, wages, benefits (social security insurance, holidays, dining, and dormitories, etc.), rewards and punishments mechanisms, workplace protections, and appeal mechanisms. The following *table 1* is a summary of these findings. In general, the working conditions in these four factories are unsatisfied. We are shocked by the fact that although working for the largest small-box discount retailer in the U.S. and the largest asset management corporation in the world, the workers are paid at such a low rate and working at least 10 hours per day in places with such low levels of health and safety protections

Most people may not link this kind of labor rights abuses immediately to KKR. However, most profits DGC has earned from this dismal life of Chinese workers would finally go to KKR. KKR's decreased demand for profits would play an important role in improving situations of workers of DGC's suppliers.

The simple fact is that DGC and KKR can afford to pay higher wages. In fiscal 2009, the total sales of DGC were about \$11.8 billion and the gross profit was about 3.7 billion<sup>13</sup>. The majority of the profit went to KKR finally. KKR takes advantage of the unsustainable relationships between resource-strapped Americans and exploited Chinese workers to bank millions of dollars on its investment.

We hope that DGC, KKR and DGC's suppliers will cooperate to protect workers' rights and to fulfill their social responsibility. While supplying the Americans with products in good quality and with low prices, Chinese workers should be able to work and live under protections and with dignity.

---

<sup>13</sup> Dates collected from Financial Statement of DGC, published at <http://moneycentral.msn.com/>

**Table 1 Summary of the Investigation Findings about the Four Factories**

Factory	健利来 KLML	雅士达 MIL	耀毅 Yiu Yi	鸿达 Hong Da
Recruitment	<ul style="list-style-type: none"> <li>● Restriction on age: 18-40. No discriminations based on sex, education, geography or religion etc.</li> <li>● The factory will keep workers' Resident IDs for seven days in order to "create personnel files and buy insurances".</li> <li>● No health examination is provided when workers start working. The factory applies health certificate for all the workers. Workers have to pay \$6.43 for the certificate. If workers apply by themselves in nearby hospitals, the fee is only \$5.43.</li> <li>● No training upon recruitment. In substitute, the factory will make the workers read the regulations.</li> </ul>	<ul style="list-style-type: none"> <li>● No discriminations based on age, sex, education, geography and religion etc.</li> <li>● The factory will keep workers' Resident IDs for one day, in order to "produce work ID cards".</li> <li>● No health examination is provided when workers start working.</li> <li>● Some preliminary training is offered upon recruitment.</li> </ul>	<ul style="list-style-type: none"> <li>● Restriction on age: Above 16. No discriminations based on sex, education, geography and religion etc.</li> <li>● No health examination is provided when workers start working.</li> <li>● Some preliminary training is offered upon recruitment.</li> <li>● Employees must buy factory uniforms by themselves. A summer uniform costs \$1.71 and winter uniform costs \$3.43.</li> </ul>	<ul style="list-style-type: none"> <li>● Restriction on age: 16-40. Only admitting male workers apply for jobs in group. No discriminations based on education, geography, religion etc.</li> <li>● No health examination is provided when workers start working.</li> <li>● No training upon recruitment. But workers have to sign on the application form stating that they know all the contents of the workers' handbook.</li> </ul>
Labor contracts <sup>14</sup>	<ul style="list-style-type: none"> <li>● Labor contracts are signed one week after the entry. Workers keep a copy.</li> </ul>	<ul style="list-style-type: none"> <li>● Labor contracts are signed. Workers keep a copy.</li> </ul>	<ul style="list-style-type: none"> <li>● Only some workers sign contracts and they do not keep a copy of the contract.</li> </ul>	<ul style="list-style-type: none"> <li>● Labor contracts are signed at the entry. Workers do not get a copy.</li> </ul>

<sup>14</sup> Article 10 of PRC Law on Employment Contract states, "To establish an employment relationship, a written employment contract shall be concluded." Article 16 states, "An employment contract shall

<b>Wages<sup>15</sup></b>	<ul style="list-style-type: none"> <li>● Base hourly salary is \$0.74 (\$129/month), in line with the minimum wage requirement.</li> <li>● With overtime wages added, workers get paid \$150 to \$314 per month on average. Salary varies among different positions.</li> <li>● Pay date is the 22<sup>nd</sup> of every month.</li> </ul>	<ul style="list-style-type: none"> <li>● Base hourly salary is \$0.74(\$129/month), in line with the minimum wage requirement.</li> <li>● With overtime wages added, workers get paid \$150 to \$286 per month on average. Salary varies among different positions.</li> <li>● Pay date is the 22<sup>nd</sup> of every month.</li> </ul>	<ul style="list-style-type: none"> <li>● Base hourly salary is \$0.74(\$129/month), in line with the minimum wage requirement.</li> <li>● With overtime wages added, workers get paid \$154 to \$314 per month on average. Salary varies among different levels of proficiency and different pieces finished by the worker.</li> <li>● No fix pay date.</li> </ul>	<ul style="list-style-type: none"> <li>● Basic hourly salary is \$0.80(\$140/month) , more than the minimum wage required by law.</li> <li>● With overtime wages added, workers get paid \$243 per month on average.</li> </ul>
<b>Overtime wages<sup>16</sup></b>	<ul style="list-style-type: none"> <li>● In some departments, for overtime hours, workers are paid at 1.5 times. In some departments with a longer overtime work hours, overtime work on weekdays and Saturdays are paid by normal wages and are paid by 1.25 times of normal wages on Sundays.</li> </ul>	<ul style="list-style-type: none"> <li>● Workers paid by hour get paid \$1.1/hour for their overtime work, in line with the minimum requirement.</li> <li>● Workers paid by piece do not get paid for their overtime work.</li> </ul>	<ul style="list-style-type: none"> <li>● Overtime work is paid by 1.5 times of normal wages in weekdays, and 2 times in weekend.</li> <li>● Workers are initially paid by hour at the entry. After one-month working, they are paid by piece. However, workers paid by piece are not paid for their overtime work.</li> </ul>	<ul style="list-style-type: none"> <li>● Workers are paid \$0.93/hour during overtime work, which is below the \$0.95 minimum wage requirement for overtime work.</li> <li>● Work on Saturdays is not considered as overtime work.</li> </ul>

become effective when the employer and the employee have reached a negotiated consensus thereon and each of them has signed or sealed the text of such contract. The employer and the employee shall each hold one copy of the employment contract.”

<sup>15</sup> China is implementing a minimum wage system regulated by law. The specific standard of minimum wage is determined by local government. The minimum wage of Shenzhen City, where KLML, MIL and Yiu Yi locate, was RMB 900 to 1,000 (USD 131.77 to 146.41) between the period of 2008 – July 1<sup>st</sup>, 2010, varies by different areas. The minimum wage after July 1<sup>st</sup> 2010 is RMB 1,100 (USD 161.05.) The minimum wage of Dongguan City, where Hong Da locates, was RMB 770(USD 112.74) between the period of 2008 – May 1<sup>st</sup>, 2010 and RMB 920(USD 134.70) after May 1<sup>st</sup>, 2010.

<sup>16</sup> Article 44 of PRC Labor Law states, “The employing unit shall, according to the following standards, pay laborers remunerations higher than those for normal working hours under any of the following circumstances: (1) to pay no less than 150 percent of the normal wages if the extension of working hours is arranged; (2) to pay no less than 200 percent of the normal wages if the extended hours are arranged on days of rest and no deferred rest can be taken; and (3) to pay no less than 300 percent of the normal wages if the extended hours are arranged on statutory holidays.”

Work hours <sup>17</sup>	<ul style="list-style-type: none"> <li>Workers work overtime for additional 50 hours per month in off-seasons and 150 hours in peak seasons. Sometimes workers have only one day off in a month.</li> <li>Workers working in two shifts have only 15 minutes for each meal. They have to work while having meals.</li> </ul>	<ul style="list-style-type: none"> <li>In peak seasons, they have to work for more than 11 hours per day. And sometimes they only have one day off in a month.</li> </ul>	<ul style="list-style-type: none"> <li>Overtime work hours vary among departments. On average, workers work for additional 80 hours per month in off seasons and 150 hours in peak seasons.</li> </ul>	<ul style="list-style-type: none"> <li>In peak seasons, workers work for 12-13 hours per day. They work overtime for additional 140 hours a month. Sometimes they cannot have any time off in the whole month.</li> </ul>
Vacations <sup>18</sup>	<ul style="list-style-type: none"> <li>Workers do not get paid during sick leave.</li> <li>No annual leave, maternity leave or marriage leave.</li> </ul>	<ul style="list-style-type: none"> <li>Workers would be compensated \$2.86 per day during sick leave, which is lower than minimum requirement.</li> <li>No annual leave, maternity leave or marriage leave.</li> <li>Workers are not paid during legal holidays.</li> </ul>	<ul style="list-style-type: none"> <li>Workers during sick leave are paid with minimum wage.</li> <li>No annual leave, maternity leave or marriage leave.</li> <li>Workers are not paid during legal holidays.</li> </ul>	<ul style="list-style-type: none"> <li>Workers are not paid during sick leave</li> <li>No annual leave, maternity leave or marriage leave.</li> </ul>

<sup>17</sup> Article 36 of PRC Labor Law states, “The State shall practice a working hour system under which laborers shall work for no more than eight hours a day and no more than 44 hours a week on the average.” Article 38 states, “The employing unit shall guarantee that its staff and workers have at least one day off in a week.” Article 41 states, “The employing unit may extend working hours due to the requirements of its production or business after consultation with the trade union and laborers, but the extended working hour for a day shall generally not exceed one hour; if such extension is called for due to special reasons, the extended hours shall not exceed three hours a day under the condition that the health of laborers is guaranteed. However, the total extension in a month shall not exceed thirty six hours.” Article 43 states, “The employing unit shall not extend working hours of laborers in violation of the provisions of this law.”

<sup>18</sup> Article 40 of PRC Labor Law states that the employing unit shall arrange holidays for laborers in holidays stipulated by laws, rules and regulations. Article 45 states, “Laborers who have kept working for one year and more shall be entitled to annual vacation with pay.” Article 51 states, “The employing unit shall pay wages according to law to laborers who observe statutory holidays, take leaves during the periods of marriage or funeral, or participate in social activities in accordance with the law.”

<b>Rewards and punishments</b>	<ul style="list-style-type: none"> <li>● No rewards policy. A lot of punishment policies, including a dozen of policies of dismissal. For example, smoking on site will be imposed a fine of \$14.76. Absence per day will be imposed a fine equal to wages of three days.</li> </ul>	<ul style="list-style-type: none"> <li>● If a worker come late or leave early for more than two times in a week, his wages will be deducted. To be specific, if his missing is less than 15 minutes, he will be considered as absence from work for half a day and his wage will be deducted by \$7.14; if more than 15 minutes, he will be considered as absence from work for a whole work day and his wage will be deducted by \$3.57.</li> </ul>	<ul style="list-style-type: none"> <li>● No rewards.</li> <li>● The wage will be deducted by \$0.71 per missing minute if a worker is late. If he is late for more than 15 minutes, he cannot receive any wage for the whole day.</li> <li>● One's disobey of superiors' order may be fined by \$1.43 to \$4.29.</li> </ul>	<ul style="list-style-type: none"> <li>● No rewards, nor punishment.</li> </ul>
<b>Social Security Insurance</b>	<ul style="list-style-type: none"> <li>● Employees can choose to buy social security insurance voluntarily after working for one year. However, most workers did not buy it because they worry that it is troublesome to transfer their insurance when changing their job.</li> </ul>	<ul style="list-style-type: none"> <li>● Workers can choose to buy social insurance voluntarily. However, most workers did not buy it because they worry that it is troublesome to transfer their insurance when changing their job..</li> </ul>	<ul style="list-style-type: none"> <li>● Workers can choose to buy social security insurance voluntarily. However, most workers did not buy it because they worry that it is troublesome to transfer their insurance when changing their job.</li> </ul>	<ul style="list-style-type: none"> <li>● Workers can choose to buy social security insurance voluntarily. However, most workers do not want to.</li> </ul>
<b>Training</b>	<ul style="list-style-type: none"> <li>● Pre-employment on-job training is offered.</li> </ul>	<ul style="list-style-type: none"> <li>● Pre-employment on-job training is offered.</li> </ul>	<ul style="list-style-type: none"> <li>● Pre-employment on-job training is offered.</li> </ul>	<ul style="list-style-type: none"> <li>● Pre-employment on-job training is offered to machine operators at entry.</li> </ul>

<p style="text-align: center;"><b>Security of workplace</b></p>	<ul style="list-style-type: none"> <li>● No training or handbooks are provided to illustrate the potential risks of the job position.</li> <li>● Equipments are not serviced regularly.</li> <li>● Workshops are crowded. There is only 4 ft. between two rows. Aisles are rough and occupied by materials.</li> <li>● Fire passage is blocked. Fire extinguisher is not regular serviced. No fire drill is conducted.</li> <li>● In order to increase production, workers are required to stand while working even though they can also sit to finish the work.</li> </ul>	<ul style="list-style-type: none"> <li>● No training or handbooks are provided to illustrate the potential risks of the job position.</li> <li>● Equipments are not serviced regularly.</li> <li>● The workshop is dilapidated, leaking when rain.</li> </ul>	<ul style="list-style-type: none"> <li>● No training or handbook provided to illustrate the potential risks of the job position.</li> <li>● The working environment is unsatisfied. Chemicals are not securely managed.</li> <li>● Ventilation equipment is not regularly serviced.</li> <li>● Equipment is not serviced regularly.</li> </ul>	<ul style="list-style-type: none"> <li>● No training or handbook provided to illustrate the potential risks of the job position.</li> </ul>
<p style="text-align: center;"><b>Labor Protections</b></p>	<ul style="list-style-type: none"> <li>● Labor protective equipment is not fully provided, or regularly upgraded. Moreover, it is not thoroughly provided. For example, there is no ear plug provided in the plant with a lot of noise.</li> </ul>	<ul style="list-style-type: none"> <li>● Labor protective equipment is provided.</li> </ul>	<ul style="list-style-type: none"> <li>● Labor protective equipment is provided.</li> </ul>	<ul style="list-style-type: none"> <li>● Machines are old and are not well functioned. Equipments are not serviced regularly.</li> </ul>
<p style="text-align: center;"><b>Health Examinations</b></p>	<ul style="list-style-type: none"> <li>● Physical examination is provided when workers start working. But workers have to pay by themselves.</li> <li>● Paid physical examination is provided during employment.</li> <li>● No physical examination is provided when one terminates employment.</li> </ul>	<ul style="list-style-type: none"> <li>● No physical examination is provided when workers start working.</li> <li>● No physical examination is provided during employment.</li> <li>● No physical examination is provided when one terminates employment.</li> </ul>	<ul style="list-style-type: none"> <li>● No physical examination is provided when workers start working.</li> <li>● No physical examination is provided during employment.</li> <li>● No physical examination is provided when one terminates employment.</li> </ul>	<ul style="list-style-type: none"> <li>● No physical examination is provided when workers start working.</li> <li>● No physical examination is provided during employment.</li> <li>● No physical examination is provided when one terminates employment.</li> </ul>

<b>Dining</b>	<ul style="list-style-type: none"> <li>● No dining room. No meal allowance.</li> </ul>	<ul style="list-style-type: none"> <li>● Two meals are served every day for \$0.71. However, most workers eat at home or outside due to the poor-quality of the food and the small size of dining room with no enough seats.</li> </ul>	<ul style="list-style-type: none"> <li>● No dining room. No meal allowance.</li> </ul>	<ul style="list-style-type: none"> <li>● \$3.43 per day dining fee will be deducted from employee's wage, no matter whether workers eat on site or not. Workers are satisfied with the food.</li> </ul>
<b>Accommodations</b>	<ul style="list-style-type: none"> <li>● No dormitories. No compensation for accommodation.</li> </ul>	<ul style="list-style-type: none"> <li>● Dormitories are provided. Female and male dormitories are separated. 7 to 8 people live in one dormitory.</li> <li>● \$4.29 per month fee is deducted for water and electric.</li> <li>● Dormitories are old and shabby without a doorman. Stealing often happens.</li> </ul>	<ul style="list-style-type: none"> <li>● Seventeen to eighteen people live in one dormitory. No doorman. Therefore, 90% of workers choose to live outside the factory.</li> </ul>	<ul style="list-style-type: none"> <li>● Dormitory is free. Six to eight people live in one dormitory. There is a washroom and a fan in each dormitory.</li> </ul>
<b>Resignation procedures</b>	<ul style="list-style-type: none"> <li>● Workers are not paid if they leave in the first week of employment.</li> <li>● If a worker leaves without following required procedures, s/he will not be paid for the last month.</li> </ul>	<ul style="list-style-type: none"> <li>● Workers should notify the factory 30 days in advance for leaving.</li> <li>● The factory does not pay all the wages on the day when workers resign. Rather, no matter when a worker leaves, he can only receive his wage on 20<sup>th</sup> in the month.</li> </ul>	<ul style="list-style-type: none"> <li>● During probation, workers should notify the factory 3 days in advance for leaving. Payment will be based on \$0.74/ hour, 8 hours/day.</li> <li>● After the probation, workers should notify the factory 30 days in advance, or their wages will be deducted by 130 hours. Workers get their entire wage on the day of leaving.</li> </ul>	<ul style="list-style-type: none"> <li>● Whether in the probation or not, workers should notify the factory 30 days in advance, or they will receive only 50% of their salary.</li> </ul>
<b>Communications &amp; Appeals<sup>19</sup></b>	<ul style="list-style-type: none"> <li>● No trade union or other forms of workers organizations. In 2008, workers organized a strike because the factory did not increase the base salary according to the law. The organizer of the strike was fired.</li> </ul>	<ul style="list-style-type: none"> <li>● No trade union or other forms of workers organizations.</li> </ul>	<ul style="list-style-type: none"> <li>● No trade union or other forms of workers organizations.</li> <li>● Low wage and poor conditions in the workshop result in high labor turnover.</li> </ul>	<ul style="list-style-type: none"> <li>● There is a nominally trade union. Most staff does not know the mission of a trade union.</li> </ul>

Table 2 Part of DGC import records from US Customs published documents

SHIPPER	SHIPPER/	CONSIG	CONSIG	WEIGH	FOREG	USPOF	QUAI	Q.	ME	M	Q	PRODUCT DETAILS	MARKS AND NUMBERS
KEEN LEAGUE MANUFACTURIN	BLOCK 6 COL	DOLLAR G	100 MISSI	28,041	Yantian	Savannah	3354	CTN	57	CM	1	CAN OPENER XTAL POIN41 DOOR SERVICE FINALDES	SKU ERP ESOR NA
KEEN LEAGUE MANUFACTUR	RM, 2001 201	DOLLAR G	100 MISSI	66,486	Chiwan	Savannah	8494	CT	0		2	SHIPPER-SLOAD COUNT 8494CTNS CY DROPPYNON-	SKU DEPARTMENT P.O. I
MASTERCRAFT INTERVATION	UNIT 503 5 F	DOLLAR G	100 MISSI	83,457	Yantian	Savannah	14369	CTN	376	CM	5	TABLE LAMP/PSAST 2MCP OIN47JP DOOR SERVICE FINAL	SKU ERP ESOR NA SKU E
DONGGUAN HUNGTAI ELECT	NO. 9-16 HO	DOLLAR G	100 MISSI	22,114	Yantian	Savannah	1733	CTN	68	CM	1	TRIMLINE CALLER ID POIN44NV STORE DOOR DELIVERY	SKU ERP ESOR NA