



The Other Side of Fairy Tales

An investigation of labor conditions
at five Chinese toy factories

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China Labor Watch (CLW) is a non-profit organization that increases transparency of supply chains and factory labor conditions, advocates for workers' rights, and supports the Chinese labor movement.

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Executive Summary

The joyful fairy tales associated with many toys are belied by the tragic stories woven into toy production. In workshops that are hazardous to their health, millions of workers toil under cruel management, 11 hours a day, six days per week. Over the course of a year, a toy worker may only be able to see her parents and children one time. Making the minimum wage, workers must bear such conditions just to get by.

Many workers at one toy factory did four-hour shifts without taking a break for water or the restroom. When asked why, the workers explained that it wasn't possible to take water breaks with so much work to do. A worker named Ms. Li at another toy plant is only five years from retirement. She found out that management had a policy to push out workers close to

retirement in order to avoid pension payments. For Ms. Li, this policy means that she may be left without the full amount of her earned retirement funds. She said knowing this keeps her awake at night.

Toy manufacturing has been in China for more than 20 years. A 2015 report from HKTDC Research states that 75% of toys globally are produced in China.¹ According to a report from the U.S. Department of Commerce, 85% of U.S. toy consumption, worth \$22.2 billion, came from Chinese imports in 2010.² Yet CLW's most recent set of investigations have found that poor working conditions in Chinese toy factories continue. The toy companies implicated in the investigations include



Hasbro, Mattel and Mattel-owned Fisher Price, McDonald's, Jakks Pacific, Disney, NSI Toys, Battat, and MGA Entertainment. Some of the toy brands observed during the investigation include Frozen, Monster High, Nerf, Marvel, Star Wars, Wubble Ball, Fur Real Friends, Hot Wheels, and Lalaloopsy. Most of these toy products are sold at U.S. retailers like Walmart.

There are more than one thousand toy manufacturers in China. From May to July 2015, CLW conducted in-depth investigation into five major factories: Foshan Nanhai Mattel Diecast Company, Jetta (Guangzhou) Industries, Combine Will (Dongguan) Industrial Company, Winson (Taiqiang) Precision Manufacturing (Shenzhen) Company, and Dongguan Zhenyang Toy Company. Altogether, the factories employ over 20,000 workers.

CLW's investigators were sent into each of the factories to carry out undercover research as frontline production workers. Some of these plants have been investigated by CLW in past years, which enabled a comparison of working conditions over time (see pages 8, 10).

The Other Side of the Fairy Tales

The story of toy factories reflects a yawning gap between the fairy tale and the reality of toys. Toy brands play toy manufacturers off one another to reduce production prices and maximize profit margins. The competition leads to declining conditions for workers in toy factories. This dynamic ultimately reveals the emptiness behind toy brands' much-promoted commitments to ethical procurement and labor conditions. Worldwide auditing to implement the code

of business practices of the International Council of Toy Industries (ICTI) began in 2002. Mattel's code was established in 1997. Yet in 2015, we continue to observe toy workers regularly confronted with illegal and unfair employment practices.

Chinese toy workers regularly protest against their poor treatment. During the period of investigation, Jet Fair Industrial Limited (Jingyu Toys), a supplier factory to Hasbro, Mattel, and Walmart, experienced a [strike](#) of about 100 workers who demanded severance compensation and insurance back pay from the factory before its impending relocation. The action was ultimately unsuccessful, and some workers were detained by police. (A response from the toy industry group ICTI to CLW's report on Jet Fair is in Appendix A.)

In August, at Ever Force, a Mattel supplier plant, the owner ran away after the company's business stalled. Hundreds of workers were unable to obtain three months' wages and four months' insurance contributions, an amount totaling about \$700,000. This drove workers to risk a march on the local government to [demand](#) assistance. The government dispatched a large contingent of riot police and K-9 units to suppress the workers' action and compel them to accept partial compensation. In a weak position, most of the toy workers had no choice but to "discount" their labor. The Wall Street Journal later reported that Mattel had already known months before the strike that the Ever Force factory was in a critical state.



In September, a Disney toy supplier based in Shenzhen closed down, causing hundreds of workers, already owed about \$1.5 million in severance and insurance compensation from the factory, to lose their jobs. Instead of protesting in China, where such actions are prohibited, some of the toy workers [traveled](#) to Hong Kong, where they demonstrated at Disneyland to protest Disney's disregard for workers' rights.

In a brief review of open news sources, CLW calculated 56 cases related to fires and occupational injury (30), deaths (14), demonstrations (16), and child labor (5) in Chinese toy factories. For instance, in 2007 more than 300 middle school students, some child labor under 16, were discovered

toiling 11 hours a day at a plastic toy factory. Several students' health suffered as a result of long hours and chemical poisoning; one female student even died. In 2011-12, more than one hundred workers were poisoned by benzene at a toy factory with clients that included Disney, Mattel, Hasbro. (See Appendix B for a full list of Chinese toy industry incidents.)

When instances like those described above of rights violations and worker strikes occur in toy factories, brand companies typically deny any relationship to the injustice and push responsibility onto their supplier factories.

These photos were taken at a workers' strike that occurred in early August 2015 at the Dongguan-based Ever Force Toys and Electronics Company factory, a major supplier for Mattel. Riot police and K9 units were deployed to put down the demonstration.

Sources: social media

Thus is the state of toy product supply chains. Brands demand the best quality, the fastest production time, and the lowest costs, with no regard

for how their demands affect the lives of workers. The ethical purchasing standards flaunted by brand companies are simply a marketing tool. In

two decades of toy production in China, poor working conditions have not fundamentally improved. The results of CLW's 2015

investigation, summarized below in a table, demonstrate the severity of the problem.



The damage after a major fire in a painting workshop at Winson, which occurred in May 2015. The workshop was producing Mattel's Rock 'Em Sock 'Em toy.

Labor Conditions in Five Chinese Toy Factories in 2015

Finding \ Factory	FNMD	Jetta	CW	Winson	Zhenyang
Hiring discrimination *		x	x	x	x
Lack physical exams before, during, after hire*	x	x	x	x	
Hiring fees *		x			x
Workers' personal IDs detained *			x	x	x
Lack of 24 hours of pre-job safety training *	x	x	x	x	x
Company failed to fulfill commitments of labor contract *		x		x	
Incomplete labor contracts during signing *					x
Temp workers more than 10% of workforce *					x
Lack of paid personal and sick leave *			x		
Excessive overtime work *	x	x	x	x	x
Lunch break less than an hour, other rest time reduced	x	x	x	x	
Mandatory overtime; overtime reduction used to punish workers *	x	x	x	x	x
Workers' wages within 5% of local minimum wage	x	x	x	x	x
Reduce overtime pay by unfairly moving some work paid at normal hourly rate to the weekend		x		x	
Lack of paystubs *					x
Do not provide insurance according to law *	x	x		x	x
Poor living conditions (e.g., unsanitary, crowded)	x	x	x	x	x
Insufficient bathrooms or showers	x			x	x
Insufficient protective equipment *	x	x	x	x	x
Operation of machines not in accordance with safety procedures	x	x	x		
Insufficient fire safety measures *	x	x	x	x	x
Inspection fraud or evasion (e.g., workers copy safety quiz, physical exam fabrication) *	x	x	x	x	x
Fines on workers *					x
Lack of functioning or effective labor union *	x	x	x	x	x
Lack of independent and effective grievance channel	x	x	x	x	x
Required "application" for resignation *	x	x		x	x
Quitting results in loss of owed wages *		x		x	x
Unpaid work (e.g., unpaid mandatory meetings, training, and hiring procedures) *		x		x	
Improper handling of industrial waste; environmental pollution					x

NOTE: “*” represents a violation of Chinese legal regulations

The myriad labor abuses listed above are the consequence of brand companies demanding the lowest production price and toy factories minimizing labor costs. The corporations maximize shareholder and executive profits by squeezing costs. Ultimately, the price is paid by workers.

A clear example of this dynamic is a manipulative practice utilized by some toy factories that equates to wage theft. CLW's investigations revealed a practice in both the Winson and Jetta factories whereby regularly paid working time was "diverted" onto Saturdays, thus reducing weekend overtime pay—double the normal rate—paid to its workers.³ Employing up to 11,000 workers, the two companies may be cheating workers out of \$1-2 million a year.

In years past, Mattel's directly

owned Chinese factories used the same type of working hour manipulation to reduce workers' overtime wages—for example, Mattel Electronics Dongguan (Radica) in 2008. CLW's recent investigations of Mattel's directly owned plants have not found the same sort of wage theft, which is a welcomed improvement. Unfortunately, Mattel's suppliers, such as Winson, continue to cheat workers out of hard-earned overtime pay.

Earning paltry wages, toy workers depend on overtime, expending their bodies and time in 60 to 80-hour workweeks. Even with such massive amounts of overtime, a toy worker can only earn 1/2000 of the value of each toy she works on. Based on information collected in CLW's investigation, if we combine all wage remuneration a toy worker receives, that worker

will earn less than 2 cents USD for each toy that she produces.⁴

At Mattel's Shenzhen-based supplier plant Winson, if a worker does 110 hours of overtime a month, working on 40,320 toys, she will earn \$0.016 per toy. The classic Mattel toy brand Rock 'Em Sock 'Em, which was being produced at Winson during this investigation, retailed on Amazon at \$30 in October 2015. This means that each Winson worker earns only 0.05% the market value of the Rock 'Em Sock 'Em toy. Workers produce nonstop. Young workers sacrifice their youth and health, and working parents often only have a chance to see their families and children once a year. Despite such sacrifice, a worker earns only 1/2000 the value of a toy she produces.

While workers struggle year after year to survive, the



Mattel's Rock 'Em Sock 'Em toy at Winson factory in Shenzhen

corporations above them exploit workers' labor to enlarge the fortunes of shareholders and executives. In 2014, Disney's revenue and profit reached \$48.81 billion and \$7.5 billion, respectively. That same year Disney CEO Robert Iger's total

compensation of \$43.7 million made him the 12th highest paid CEO in America, according to The New York Times.⁵ This means that a Chinese worker making Disney's toys would need to work 11 hours a day, six days a week for 7,011 years to earn the annual compensation of Disney's CEO. For Mattel and Hasbro, the comparable figures are 1,534 and 2,466 years, respectively.

The chart to the right compares the financial information and executive pay of several major toy companies implicated in this investigation with the wages of the workers that make these companies' toys. The chart highlights the tremendous disparity in the distribution of value and power in the global supply chains of major toy companies and retailers.

Company Name	Disney	Mattel	Hasbro	Walmart	McDonald's	Combine Will [2]
Revenue	\$48.8 bil	\$6.02 bil	\$4.28 bil	\$476 bil	\$27.4 bil	\$266.9 mil
Net Income (Profit)	\$7.5 bil	\$495 mil	\$415 mil	\$15 bil	\$4.76 bil	\$2.4 mil
CEO Name	Robert Iger	Bryan G. Stockton	Brian Goldner	Doug McMillon	Donald Thompson	Tam Jo Tak
Total Annual Compensation	\$43.7 mil	\$9.85 mil	\$14.44 mil	\$25.6 mil	\$7.29 mil	\$179,732
Estimated Annualized Worker Salary [1]	\$6,233	\$6,422	\$5,855	\$5,855	\$8,122	\$7,555
Years for Worker to Earn CEO Annual Compensation	7,011	1,534	2,466	4,372	898	24

NOTES: All figures are in U.S. Dollars. Unless otherwise noted, all figures are for 2014. [1] Assumes 12 months of high season production wages, meaning that this figure is probably an overestimate.

[2] Combine Will is one of the five factories investigated as part of this report. CLW observed toys at Combine Will linked to McDonald's and Mattel.

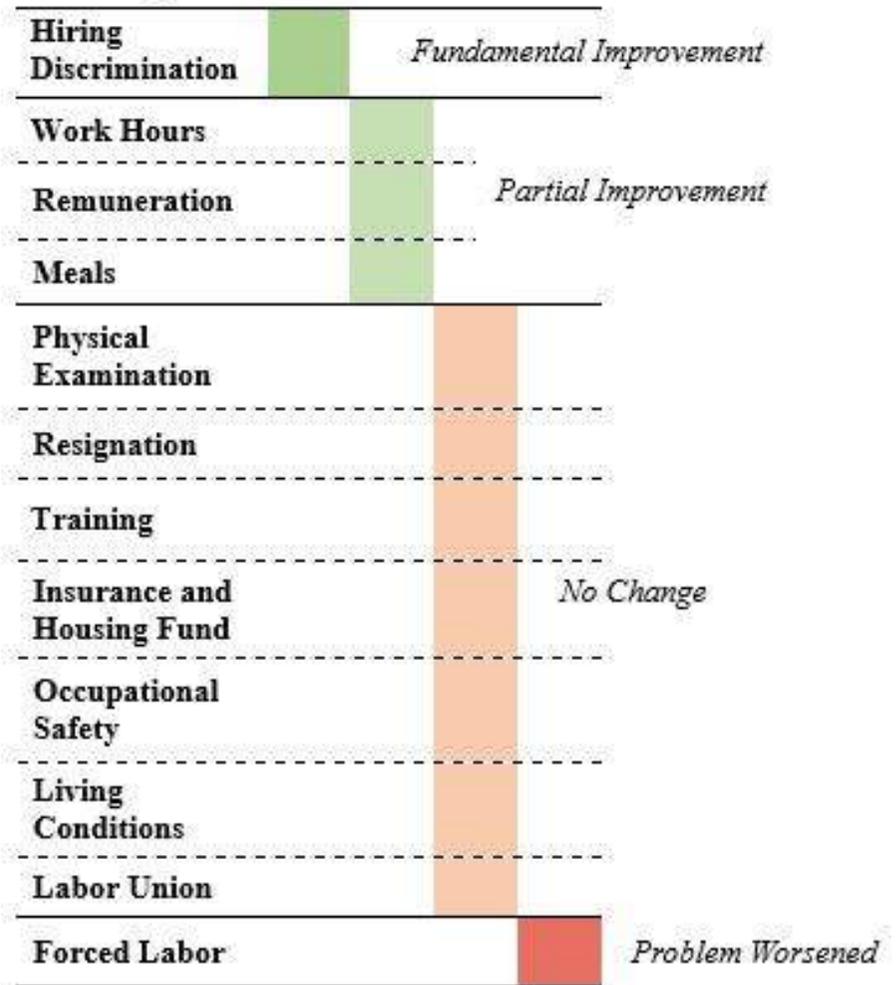
Limited Improvements in Working Conditions

As explained above, there has been no fundamental change, generally speaking, in working conditions in the toy industry over time. However, if we compare CLW’s previous investigations with the results of the 2015 investigations, limited improvements can be observed. For example, if we compare CLW’s [2012 investigation](#) of Foshan Nanhai Mattel Diecast Company (“FNMD”) with its 2015 investigation across 12 categories of working conditions, one category saw a fundamental improvement—i.e., FNMD has not only reduced its illegal practice of hiring discrimination of applicants, it even actively recruits individuals with disabilities. Three types of working conditions saw a partial improvement—for instance, while working hours

continue to exceed legal maximums, daily working hours have apparently been reduced by an hour, from 11 hours in 2012 to 10 hours in 2015.

While there has been some progress, FNMD was found to have seven types of working conditions which failed to improve in the three years since the last investigation. For instance, there continues to be major problems in the distribution and proper usage of protective equipment, and FNMD still has no effective labor union. Even more concerning is that FNMD has one rights violation that has further deteriorated since 2012: Not only are Mattel workers obligated to work overtime, but as of 2015 they are forced as a condition of hiring to sign a form which signifies that they voluntarily accept all overtime arrangements.

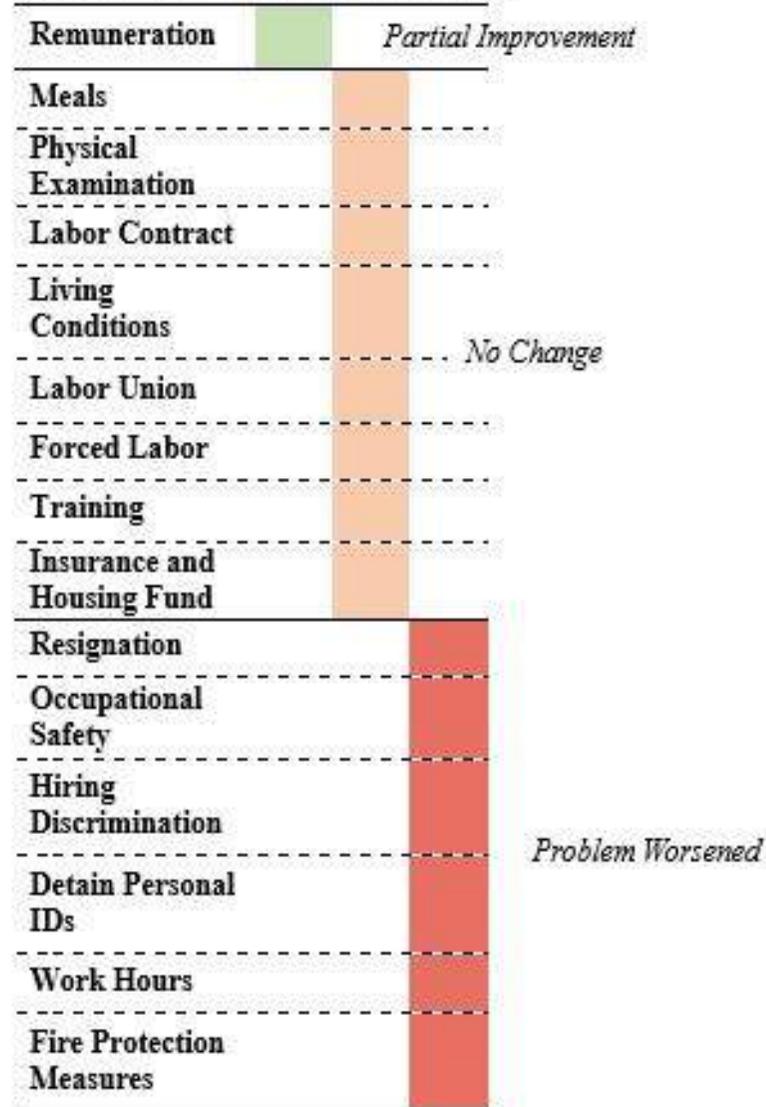
Changes in Nanhai Mattel Factory Working Conditions from 2012 to 2015



NOTES: Improvement in remuneration reflects increase in local minimum wage. See Appendix C for detailed comparison chart.



Changes in Shenzhen Winson Factory Working Conditions from 2013 to 2015



NOTES: Improvement in remuneration reflects increase in local minimum wage. See Appendix D for detailed comparison chart.

Moreover, management will use the reduction of overtime hours—and thus overtime pay—to punish workers.

But at Winson Precision Manufacturing (hereafter “Winson”), a Mattel supplier plant in Shenzhen, a comparison between CLW [investigative findings in 2013](#) and 2015 shows that nearly all working conditions have failed to improve or have deteriorated. Among 15 categories of working conditions, not one category witnessed a fundamental improvement, and only one category saw partial improvement: Wages at Winson increased since 2013, but this is simply a reflection of increases in the legal minimum wage, as Winson workers’ base wage is still largely the minimum wage. Eight categories of working conditions at Winson have witnessed no change. For instance, applicants do not

receive a physical exam, new workers must wait a week or more after beginning work to sign a labor contract with Winson, and insurance at Winson is optional. All three of these findings represent violations of legally enshrined labor rights in China.

Furthermore, according to this year’s investigative findings, six categories of working conditions at Winson have actually deteriorated. For example, whereas in 2013 Winson would not hire anyone older than 40, this age discrimination has become even more severe with the upper age limit set to 30; Winson also hires discriminatorily based on gender. Fire safety at Winson is a major problem. CLW’s investigation discovered that a major fire occurred at Winson in May 2015, burning out an entire production workshop.

Fundamental Reform in Toy Factories

As discussed in the summary above, for nearly two decades human rights abuses have continued in Chinese toy factories supplying to the world's largest toy brands. Comparisons of this year's investigative findings with past years' findings demonstrate that few improvements are occurring, and some conditions even are worsening. The largest benefactors of such ongoing abuse are the profitable toy, brand, and retail companies at the top of global value chains. These companies have the power to influence and control labor conditions in toy factories, and they must bring fundamental reforms to the conditions of workers making their beloved toys. Such reforms include but are not limited to:

- Reduce the use of temporary workers to less than 10% of total workforce;
- Workers' base wages should be increased significantly above the local minimum wage so that workers are not dependent on long overtime hours;
- Production schedules should be adjusted so as to ensure that overtime work is strictly voluntary;
- Resignation should not require "application" and resigning workers should receive due wages upon exit from the factory;
- All activities that are a mandatory requirement or duty of a job should be compensated (including group meetings, training, and required on-boarding procedures);
- Provide workers with more spacious and hygienic housing;
- Ensure that workers receive pre-job that is 1) in accordance with legal requirements and 2) sufficient to educate them on all chemicals or procedures which could pose a risk to their short- and long-term health;
- Other legal violations mentioned in this report should be remedied;
- Let workers elect enterprise-level union representatives that can actually represent worker interests.

ENDNOTES FOR EXECUTIVE SUMMARY

¹ HKTDC Research, “中国玩具市场概况”, 24 July 2015, <http://china-trade-research.hktdc.com/business-news/article/%E4%B8%AD%E5%9B%BD%E6%B6%88%E8%B4%B9%E5%B8%82%E5%9C%BA/%E4%B8%AD%E5%9B%BD%E7%8E%A9%E5%85%B7%E5%B8%82%E5%9C%BA%E6%A6%82%E5%86%B5/ccm/sc/1/1X000000/1X002MRF.htm>

² U.S. Department of Commerce Industry Report: Dolls, Toys, Games, and Children’s Vehicles NAICS Code 33993, http://www.toyassociation.org/app_themes/tia/pdfs/facts/2012toyoutlook.pdf

³ Chinese law stipulates that workers must be paid overtime wages for time worked in excess of 40 hours a week and that weekend overtime be paid at a double-time rate. Factories typically run a 5-day workweek comprised of 8-hour workdays with overtime on Saturdays paid at a double-time rate. But at Winson and Jetta, despite its workers doing the same long overtime hours as other factories, management intentionally uses a different time recording method to “divert” normally paid working time to Saturdays, thus reducing work paid at a double-time rate.

⁴ For example, at Mattel’s Shenzhen-based supplier plant Winson, one production line maintained a daily quota of 1,600 toys, and each worker on the line will work on each of the 1,600 toys. Working six days a week, 4.2 weeks a month (assuming a 30-day month), a Winson worker will be expected to produce 40,320 toys per month. The worker’s base monthly wage (i.e., before overtime) is the local minimum wage of 2,030 RMB (\$319). After adding in all other high-season remuneration, including overtime, and before taking deductions, a worker’s income may reach 4,060 RMB (\$638) per month—this assumes 110 hours of overtime. If we divide monthly income (4,060 RMB) by the number of toys produced (40,320), we reach the conclusion that each Winson worker earns 0.100069 RMB (\$0.016) per toy.

⁵ Highest-Paid Chiefs in 2014, The New York Times, <http://www.nytimes.com/interactive/2015/05/14/business/executive-compensation.html>

Individual Investigative Reports

INVESTIGATIVE REPORT OF

FOSHAN CITY NANHAI MATTEL DIECAST COMPANY

Main Findings

- Physical exams are only provided for workers in select positions, but under law any workers who are at risk for occupational disease should undergo pre-job, in-service, and pre-resignation physical exams.
- The law requires 24 hours of pre-job safety training, but Mattel only provides workers with 12 hours of training, much of which is unrelated to safety. Moreover, this investigation documented a number of examples of chemicals used daily by workers that had not been mentioned in training, leading to workers' lack of awareness about potential consequences for their health.
- Training is perfunctory. Workers were told to simply copy answers for a quiz meant to ensure they had learned training content.
- Many workers in positions that involve toxic chemical exposure—including thinners, gloss, and soldering fumes—do not receive sufficient protective equipment. Additionally, related to the above issue of safety training, many workers are unaware that they are at risk without protective equipment.
- Workers typically work 11-hour shifts, six days a week, accumulating 80 hours of overtime a month, which is over twice the legal maximum.
- During their long 11-hour shifts, workers only receive 40 minutes to eat and 20 minutes of other rest.
- If a worker refuses overtime against his supervisor's will, that supervisor will likely not give the worker much overtime in the future, in effect punishing the worker.
- Labor intensity is high. Some supervisors prohibit workers from sitting against the backs of their chairs. In order to meet production quotas, some workers resort to taking shortcuts that violate the proper operating procedures of the machines. Management not only fails to prevent this risk, but they themselves encourage it by operating the machines in the same way.
- Supervisors' poor attitudes is a common complaint of workers.
- Cases of injured workers have been reported. One person was injured due to improper machine operation, which is common (see above). Others were burnt by glue or had their hands pressed in machines. The workshop lacks a first aid kit that workers can access without supervisor assistance, but supervisors are frequently not present.
- Emergency exits may be too few or narrow for the large number of workers in the workshop. Due in part to high turnover, many workers have never participated in a fire drill.
- Mattel pays workers \$8 above the monthly minimum wage of \$253. Mandated social insurance is paid according to the bare minimum.
- Mattel does not purchase a legally mandated benefit—the housing fund—for workers, and company staff directly admitted this to workers in training.
- Although workers receive five days of paid personal leave after a year of work, management typically does not allow workers to choose their time off, instead directing all employees to take their leave during the annual Chinese New Year holiday period.
- Dorm rooms house up to eight people, with 20 combined shower-toilet units for each floor of up to 280 people.
- Workers at this Mattel factory have no union and are encouraged by staff to bring all problems directly to management via the employee service center.

Some Toys Produced at Nanhai Mattel





Company Profile

Descriptions of Foshan Nanhai Mattel Diecast Company (FNMD) on Chinese job and company directory websites note that Mattel Toys sells its products in over 150 countries and has five companies in China, including in Shenzhen, Dongguan, and Foshan. FNMD was established in 1998 and is located on East Yong'an Avenue, Guanyao Neighborhood, Nanhai District, Foshan City. FNMD's property covers 93,338 square meters. Employing approximately 3,000 people, online company information says that the factory produces plastic toys that include Barbie, Hot Wheels, Matchbox, American Girl, Radica, Tyco R/C, and Fisher-Price.¹ This investigation observed toys under Fisher-Price's Little People and Power Wheels brands, for example.

¹ See: <http://61.4.82.15:33345/Resource/TextDetail/210301>;
<http://big5.jobcn.com/cozone/21/48/214815/page/page1.htm>



Assembly Department

Hiring

The hiring of production workers at FNMD is done at the main gate of the factory. The investigator arrived at the factory gate around noon, but hiring for the day had already ceased. The guard gave the investigator a hiring application form (on which an applicant fills out personal information, educational background, work experience, and his or her family situation) and told him that he needed to prepare a copy of his ID for the hiring process. The next day the investigator went to the factory at 8:30 in the morning for hiring.



Interview process

On that day, there were about 30 applicants, most of whom were males in their 20s or early 30s from Guangdong, Guangxi, Hunan, and Sichuan Provinces. After all materials were collected by FNMD's HR personnel, applicants were led into the factory for interviews. Applicants first watched a short film about the factory before being interviewed by multiple people. The process included the verification of each applicant's personal ID and a series of questions about previous work experience, the range of motion in applicants' arms, and literacy. (Applicants would be rejected if they could not read.) There were no other apparent hiring limits. All applicants on that day passed the interview process. Next, HR personnel took applicants through the workshop. Short-sleeved shirts, shorts, skirts, and sandals were not permitted in the workshop, so a number of people wearing these items stayed back while the others entered the workshop. The observational tour concluded the interview procedure. HR personnel told applicants to return two days later (a Saturday) for the training and hiring processes. HR also mentioned that those who would be living in the factory dorm should bring their belongings with them on Saturday.



Training room with machines for simulation

There are four primary production processes at FNMD: injection molding, coating, printing, and assembly. Coating and printing add color to the toy products and require workers to come into contact with paints. Five applicants were taken on that day to observe the coating and printing workshops; they were arranged later by the factory to receive a physical exam, which was paid for by the company. The other applicants (including the investigator) who observed the injection molding and assembly workshops did not undergo a physical exam.

Training took place on the first floor of a dormitory building and included some 58 new workers altogether. At the start of training, the trainer told everyone that there would be 24 hours of training in total, but in reality, there were only 12 hours, including four hours on Saturday and eight hours on Monday. New hires began work on Tuesday.



Training

Training content on Saturday included an introduction of Mattel Toys, the corporate culture, fire prevention, the use of protective equipment, workers' rights and duties, insurance, and occupational injury prevention. One person asked during training whether employees could opt out of purchasing insurance. The trainer said that social insurance is mandated under

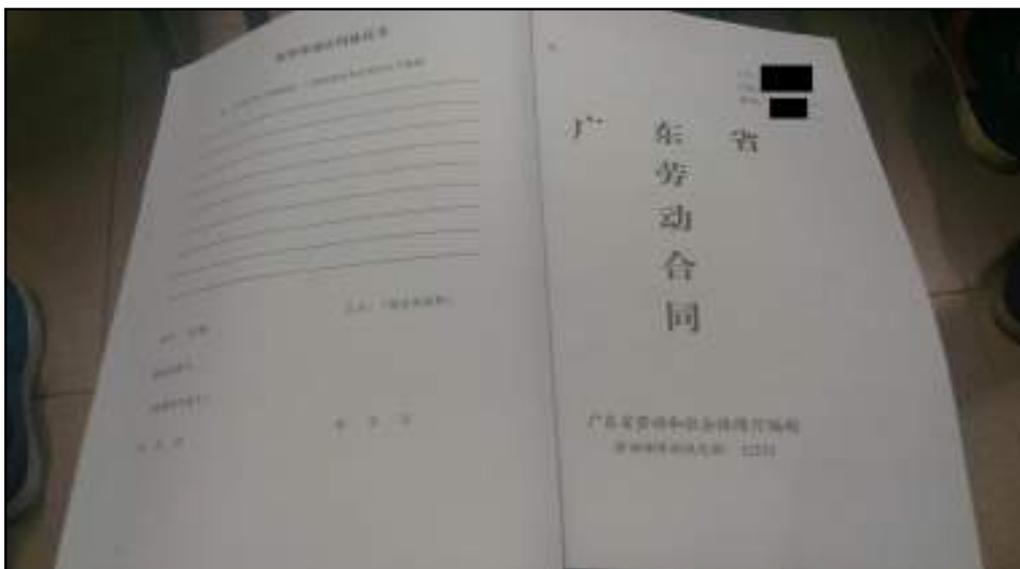
national regulations, and if a person does not want insurance, then they should not work there. When asked if employees receive the housing fund, the trainer replied that no one at the plant did. (The irony, of course, is that the housing fund is also a mandated benefit under national regulations.) After the training was completed, trainees received a training quiz, but the trainer directly announced the answers for everyone to copy down. Aside from training, on Saturday labor contracts were signed and dorm applications completed; workers in the coating and printing departments also had to sign a Notice of Occupational Hazard. New employees also received employee manuals (for which they had to sign a manual receipt), probationary period uniforms, and work IDs. Everyone also received a beverage. There are no fees for worker uniforms. If a uniform is seriously damaged or is used for the period of one year, a worker can turn it in for a new one. When employees resign, they must return their uniforms; otherwise, there will be a uniform deduction.

Training on Monday involved 5S (a Japanese concept whose English transliterations are sort, straighten, shine, standardize, and sustain), an explanation of production standards, an introduction to machine usage, a run-through of actual work post procedures, and an explanation of other issues related to the workshop. While workshop safety was mentioned, the focus of the training was geared toward preventing physical injuries and spoke very little to the chemicals used in the production processes, how those chemicals could harm people, or how to protect oneself from such harm. The machines used in the workshops are in the training room, so trainees can study their use on-site.

Labor Contracts

The labor contracts signed during the first day of training include, among others, the following items: contract length, work content, work location, working hours, leave, compensation, social insurance and benefits, labor protection and occupational hazard prevention, contract revision, contract termination, mediation and arbitration, and service period and non-compete clause. The contract is for a period of one year beginning on the date of signing, meaning that training is paid. The probationary period lasts two months. After filling it out and signing it, workers pass two copies of the contract to the trainer who adds the company's stamp and gives one copy back to workers.

Working Hours



Labor contract of Foshan Nanhai Mattel

FNMD runs a two-shift system. The day shift lasts from 7:30 to 18:30, and the night shift from 19:30 to 6:30 in the morning on the next day. Workers are rotated between day and night shifts every two weeks. During their 11-hour shifts, workers get only 40 minutes for one meal and 20 minutes for an additional break, which means the actual calculated paid working time is 10 hours per day, two of which are calculated as overtime work. There is typically overtime on Saturdays, which is also a 10-hour shift. Workers rest on Sundays. According to worker interviews, this working schedule is set, so they typically accumulate 80 or more hours of overtime work per month.

The cafeteria is open between 11:00 and 13:00 for the day shift. Each department rotates for a meal break during this period. Each person gets only 40 minutes to eat. In the afternoon, workers rest from 15:10-15:30. Night-shift workers also only have 40 minutes to eat and a 20-minute break.

Workers said that from April or May to September is typically the busy season at FNMD, during which the factory hires more workers and runs a two-shift system. During the low season, most positions run on day shift only. This means that regardless of the season, most workers have roughly the same amount of overtime each month. Workers said that during 2014 and 2015 there has not been any overtime on Sundays, with the exception of overtime shifting during holidays. Occasionally, during low seasons, workers are given a day off on Saturday. Workers also said that last year, during the high season, the shift was extended from 11 to 12 hours—meaning day-shift workers finished their shifts at 19:30—but during the period of investigation, this had not occurred since the Chinese New Year, according to more veteran workers.

Each weekend, workers must sign a form expressing that they are willing to work overtime on the following weekend. If a worker does not wish to work overtime, whether it is weekday or weekend overtime, that person must ask for permission from his line leader ahead of time. Typically, the supervisor will give permission. If the line leader does not consent and the worker does not do overtime anyway, there is no formal penalty; however, the line leader will give that worker less overtime or no overtime at all in the future, which in effect serves to punish the worker who depends on lots of overtime to earn a living wage.

Attendance is recorded with a card swipe system. Workers must swipe their cards twice each day, once to clock-in, and once to clock-out. Workers have a 14-minute window before the shift begins and a 14-minute window after the shift ends during which they can swipe their cards. If a person arrives more than five minutes late, leaves more than five minutes early, or accumulates more than three attendance marks within a month, that person will lose the month's attendance bonus, which is worth between 40-60 RMB (\$6.44-9.66). If a person forgets to swipe his card, he can request that his supervisor correct the record.



Worker



Cafeteria

There are different production quotas for each production line. The line on which the investigator worked was primarily composed of new workers. They produced Little People toys with a quota of 1,200 products per day per line, which means each person must work on 1,200 products. With 10 hours of work per day, that is equal to one toy produced every 30 seconds. Most of the time, workers can finish the quota before hitting the 10-hour mark. The fastest time the investigator observed while working at FNMD was 9 hours and 15 minutes. For any remaining time after the quota was met, workers would sit at their work space and rest. While most lines could finish their quotas 10 or more minutes before the end of the shift, in order to meet the quota on time, workers must rush to get work done for the entire day. During the shift, a worker must remain in one position most of the time, so new workers typically will be sore in the first week. Even though the seats workers have in the workshop have backs, some line leaders do not allow workers to lean against the back of the seat during working hours.

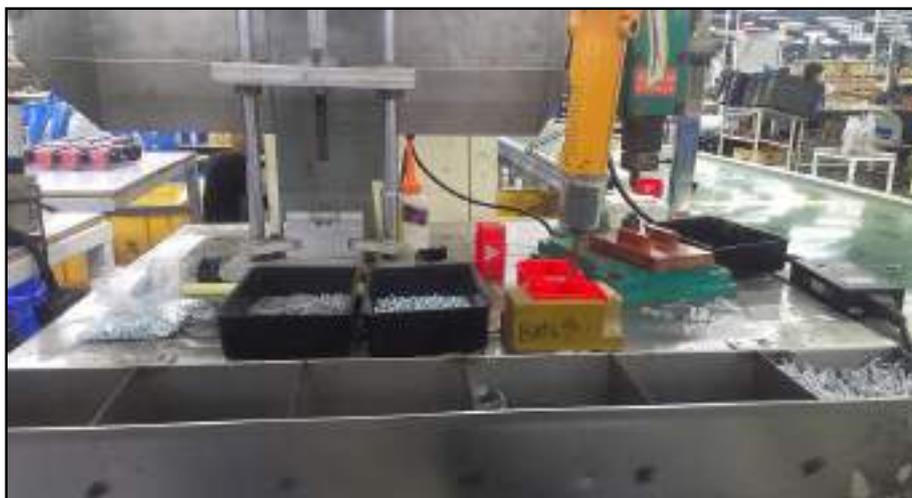
Another issue is that positions differ on the same production line so that some workers need to work faster than others.



Little People (Fisher-Price brand)

This is an industrial engineering issue that results in some workers taking shortcuts on operating procedures in order to finish production quotas on time. For instance, many machines in the production facility have two switches that must be simultaneously pressed in order to operate the machine, in order to prevent a worker from accidentally operating the machine while his hand is inside. But if a worker strictly abides by this procedure, it can be difficult to meet the production quota on time. Some workers will use tools to permanently press down one of the switches, allowing them to operate the machine with only one hand and consequently increasing risk of

injury. Line leaders not only fail to prevent such shortcuts, but they themselves would violate standardized procedures. The trainer explained that a worker had actually been injured as a result of a similar violation of operating procedures in which one of the switches had been locked into place. Despite this, workers and supervisors continue to use this method to increase efficiency and meet production quotas.



Production workshop

Wages and Benefits

FNMD distributes wages of month 1 on the fifth to the tenth day of month 2. Wages consist of the base wage, seniority wage, overtime pay, position subsidy, night-shift subsidy, meal subsidy, and attendance bonus. The base is 1,560 RMB (\$251), slightly above the local minimum wage of 1,510 RMB (\$243). The seniority wage is worth 100 RMB per month for workers with between one and three years of seniority (\$16), 120 RMB (\$19) for workers with between three and five years of seniority, and 140 RMB (\$23) for workers with more than five years of seniority. Overtime is paid at 1.5 times or double the base wage for weekdays and weekends respectively. Position subsidies vary with 200 RMB (\$32) per month for coating and printing workers, and 30 RMB (\$4.83) for molding workers. Assembly workers do not receive an additional subsidy. The night-shift subsidy is 5 RMB (\$0.81) per night. The monthly meal subsidy is 210 RMB (\$34). The monthly attendance bonus is divided by rank, levels A, B, and C, at a value of 60 RMB (\$9.66), 50 RMB (\$8.05), and 40 RMB (\$6.44) respectively. Every consecutive month that a person goes with full attendance, he will move up one rank until reaching level A on the third month. If a worker fails to record full attendance one month, his rank will return to C. Every month, before accounting for insurance and other deductions, workers will make a gross income of 3,000-3,400 RMB (\$483-\$548).

The main deductions are social insurance and the dorm fee. The insurance deduction is about 250 RMB (\$40) per month, which, according to Foshan regulations, is the minimum coverage for insurance. The factory does not contribute to workers' housing funds as regulations require. When the investigator resigned from the factory, a FNMD staff member told him that the company would begin purchasing the housing fund for workers this year, but it is unconfirmed whether or not this is true. The staff member herself was also unclear about the housing fund, believing that it can only be used to purchase a home. In fact, the housing fund can be used also for renovations to owned or rented housing, renting, purchasing a house for children, or medical fees for major illnesses. People can also withdraw the housing fund for retirement, unemployment, or when moving the registered location for insurance. (It's important to note that workers have a right not only to the contributions they themselves make to the fund, but also a



Hiring ad says workers can gross between 2,800-4,000 RMB per month

right to use the contributions that the company is supposed to make to the fund under law.) Many workers at FNMD were even more unclear than the office staff about the housing fund; when asked,, many workers did not even know what it is.

To take personal leave, workers must get permission one or two days in advance; otherwise, the line leader may reject the request. For sick leave, a worker must get a slip from a doctor in the factory clinic or record from the hospital. If a sickness is urgent, a worker may go to the doctor first and return with medical records later. The labor contract says that sick wages are paid at 80% of the monthly base wage, but CLW was not able to confirm whether or not this was actually paid in practice.

Legally stipulated holidays will generally be given to workers as paid leave. During training, the trainer explained that after a year of work at FNMD, a worker will be allowed five days of annual vacation, but the factory typically arranges workers to take leave at the same time, and workers cannot choose themselves.

There are some facilities available to workers, including a yard and calisthenics equipment, a gym with treadmills and ping pong tables, a basketball court, and a small soccer field. The dormitory has an ATM, clinic, library, multi-purpose room (where karaoke is set up every Saturday evening), badminton court, two TV rooms, and free WiFi (though the signal is not strong). But in reality, outside of the TV room, the other facilities did not receive much use. Most workers stay in their dorms after work and use their cell phones.

Workers said that every month there is also a birthday party for anyone whose birthday occurs in the given month. These workers will receive a small gift, which is typically a daily use item.



Clinic



Treadmills



Ping-pong tables

Meals and Housing

Workers may choose whether or not to use the company's dormitory or cafeterias. The dorm's H-shaped buildings have six floors, each floor with 36 rooms. Floors 1 to 3 house males, while floors 5 and 6 house females. Floor 4 is split between men and women. The dormitories have a few dedicated sanitation workers to clean public spaces and dorm rooms. Each room has four bunk beds and can accommodate eight people. There is one locker for each person. Each room's ceiling has four electric fans and a balcony where clothing can be hung to dry. There are public bathrooms on each floor, altogether providing about 20 shower/toilets (the shower and toilet are in the same space), which equals a max ratio of about 14 people per shower/toilet. Male workers may be given a warning if they enter the female part of the dorm without permission.

The monthly rental fee for the dorm depends on the seniority of a worker. In the first year of work, a person must pay 45 RMB (\$7.25) per month, the second year 35 RMB (\$5.64) per month, the third year 25 RMB (\$4.03), and the fourth year 15 RMB (\$2.42).

The cafeteria provides three meals per day in addition to a night time meal (for the night shift). The cafeteria can accommodate 400 workers. There is a TV in the cafeteria that allows people to watch real-time video streams of the kitchen, presumably to monitor sanitation. The cafeteria also has air conditioning. Workers use their factory IDs as meal cards. When a person resigns, the remaining amount of money on his meal card is returned to him.

Breakfast food includes porridge and breads, and one meal costs 3-4 RMB (\$0.48-0.64). Lunches and dinners include stir-fried foods, rice, and noodles for 2-6 RMB (\$0.32-\$0.97) depending on the food chosen. Altogether a worker will spend between 10-15 RMB (\$1.61-2.42) per day on meals. Workers, however, say that the food is not very good.

Regardless of whether a person eats in the factory cafeteria, he will receive the 210 RMB (\$34) monthly meal stipend.



Typical meals at FNMD

Below: Dorms at FNMD



Occupational Safety and Labor Protection

The assembly and injection molding departments are in the same production workshop, while the coating and printing departments, which use paints, are separated. There is an air conditioning system and fans installed in the workshops.

The company sometimes distributes protective equipment for different positions. The various types of equipment include masks, ear plugs, gloves, and protective footwear. Workers can trade in worn or broken equipment for new equipment by requesting it from a line leader.

The investigator was in one position called the “dipping” position. It requires the worker to dip the connector point of a plastic unit into a thinner solution for seven seconds, partially dissolving the spot, after which the worker removes the unit and attaches it to another.

Thinners, sometimes called banana oil, contain a toxic chemical typically used to dissolve paints and plastics. This chemical can cause serious skin irritation and cracking, eye and respiratory tract irritation, and nervous system damage. It is also flammable.

During training, however, the trainer did not introduce thinners or their dangers. In fact, when asked about it, the trainer said that thinners are not really hazardous to humans, saying that if a person got some on their hand, they should simply clean it off. In the workshop, a worker’s position will change with product orders, so it is possible that many workers at FNMD have worked in the “dipping” position and come into contact with thinners. While the thinner container has a “poisonous” label on it, no supervisor or manager said anything to employees about the contents or dangers of using thinners. They also did not distribute protective equipment to workers in these positions—including the investigator—so “dipping” workers come into direct contact with the thinner. According to a record posted in the workshop, workers complained to Mattel management that the odor of the banana oil was really strong. The company responded: “If employees feel uncomfortable, they can get a mask from their line leaders.”

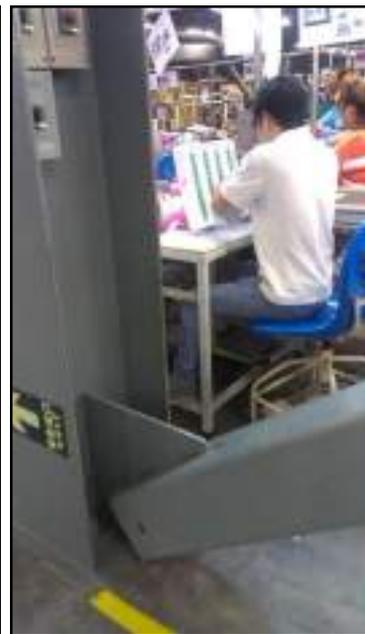
Workers also apply a type of white-colored wax solution which is used to add luster to the surface of toys. The proper name and health risks of this chemical are unclear to workers.



“Banana oil”



Wax solution



Soldering worker without protective equipment



Printing workshop

There is also a soldering position in which workers use an electric soldering iron. Smoke is created from this process, but there is no special equipment to handle the smoke created from it. The company also does not give masks to soldering workers to protect them from inhaling the chemicals.

The paint odor is very strong in the coating and printing workshops. While the company will give workers masks to wear, monitoring is too lax. Many workers were observed working without using protective equipment. Workers in these positions will undergo pre-job, on-the-job, and pre-resignation physical exams, paid for by the company. This does not apply to workers in other departments.

In addition to the worker mentioned above who had been injured by a machine, the trainer mentioned other injuries that had occurred, including people being burned by glue and hands being injured in pressing machines.

The investigator did not observe any first aid kits in the production workshops. If a worker is injured, he must approach the line leader, who will retrieve it. This presents a problem because the line leader is not always present on the line. On the investigator's line, the line leader was absent about a third of the time.



Complex workshop layout

Fire Safety

Passageways in the workshops appeared to be clear. But given the size of the facilities and the large number of workers, exits are few and small. Especially for new workers, the workshop can seem like a maze. It takes a few days for a worker to acclimate to the arrangement of the workshop and escape routes. When workers finish their shift and head toward the exit to clock out, the exit will become really crowded and stop movement. In the case of an emergency, such a bottleneck could prove dangerous.

Workers said that a fire drill was carried out last year at FNMD. However, because worker turnover at the company is relatively high—for example, about a fourth of the 30 workers hired with the investigator had left within two weeks of being hired—there are quite a few workers who never participated in a fire drill.

Rewards and Punishments

Management implements a point system with workers. If a worker accumulates a certain amount of points, he can receive a daily use item. Points are gained

through achieving surplus production, having a low ratio of defective products, providing constructive suggestions for production processes, and participating in company-organized events, such as a blood drive.

There are no direct fines on workers at FNMD. No workers interviewed expressed that they had previously been fined. The one restriction that is constantly repeated by management is the prohibition on smoking anywhere in the factory, including the bathrooms or dorms. The management even sends texts to workers' phones reminding them of this rule, stressing that anyone breaking the rule will be fired. Despite this, there are some workers who still break the rule.

When a worker wants to leave their post to use the restroom, he must inform the line leader or materials worker so that someone can take his place until he returns. There are no explicit rules regarding limits on the frequency of bathroom use.

Resignation

During the probation period, a worker needs to apply for resignation three days in advance. After the probation period, that time becomes one month. When the investigator raised the subject of his resignation with the line leader, he was given the resignation form on the same day without issue. After filling it out, the investigator gave it back to the line leader. Three days later, the investigator was able to go to the employee service center to complete resignation procedures, which includes handing in the factory ID, uniform, and employee manual. Next, a paystub with owed wages was printed out and handed to the resigning employee for verification. However, a copy of the paystub was not given to the resigning employee to keep. The wages were distributed on the next day, and the wage amount was in line with the total on the final paystub.

Other Issues

Staff at the employee service center at FNMD said that the company did not have a labor union and any issues should be brought to the employee service center. Every Friday is the "consult day" at the employee service center, where staff will set up a table in a place that workers pass through when they finish their shifts. This is meant as a time for workers to ask any questions they might have about wages, company policy, etc.

There is also an opinion box, a company number on the worker ID, a company WeChat account, and a new worker "tea party." The opinion boxes are placed at the location where workers clock in and out, as well as in the dormitory. On the box is a notice explaining that notes are collected every Monday. But when asked about it, none of the workers CLW interviewed said that they had ever used the opinion box. The new worker "tea party" is held at the end of each month—this is also when the monthly employee birthday party is held. During the "tea party," workers can raise any issues, and the issues will receive a response via a posted notice in the workshop. Some of the issues which have been previously expressed include the line leaders' perceived poor attitude, unreasonable work position arrangements, and poor food quality. The poor attitude of line leaders was the most frequent complaint. The company response was that "We will conduct communication and stress management training with management."

The employee turnover rate at FNMD is quite high. Many workers who were hired along with the investigator expressed that they only planned to stay for two or three months. Of the 30 or so workers who entered FNMD with the investigator, about one fourth left within a couple of weeks. One primary reason behind such high turnover is low wages. Wages in toy factories like this one are lower than in other industries, and some view toy factories as a last option.

One worker said that he planned to leave for a smaller factory where the management is more lax. Even though the investigator mentioned that smaller plants with lax management might be more

prone to accidents, the worker did not seem to mind. He wanted to smoke at will. He also did not want to purchase insurance because he was not confident that after paying into it for years he would get anything back.

There were some employees at FNMD with physical disabilities, such as being deaf and mute or suffering from movement impairments. The company will give a reward to workers who recommend people with physical disabilities into the company. The government encourages companies to hire workers with disabilities and will provide tax subsidies for doing so.²



Opinion box

² See 2014 regulation: Public Announcement of the Foshan City Bureau of Taxation on the Trial Implementation of Management Measures for Preferential Tax Waivers for Employment Promotion (《佛山市地方税务局关于促进就业税收优惠减免事项管理实施办法(试行)的公告》)

INVESTIGATIVE REPORT OF JETTA (GUANGZHOU) INDUSTRIAL

Major Findings

- Hiring discrimination based on gender. Jetta turned away male workers.
- Workers must pay for mandatory pre-job physical exams themselves.
- Doctors that came to the factory will check off some physical exam items as complete without actually performing the corresponding tests.
- Except for painters (one of whom died in 2014), no workers receive on-the-job physical exams or pre-resignation physical exams.
- Workers must fill out an “overtime application” during hiring procedures.
- Pre-job safety training only lasts for an hour or so, far short of the legal minimum of 24 hours.
- Workers are not paid for the day of training and hiring procedures.
- Normal working hours are only 7.25 hours per day, which is a method meant to reduce weekend overtime pay by shifting some regularly paid overtime hours onto the weekend.
- Workers often only have 40 to 50 minutes for lunch, even though they are supposed to be given an hour. Many workers complained that there is not enough time to rest. Aside from the short lunch, workers are given two three-minute breaks. People working in understaffed positions are not allowed to take the three-minute break.
- Every day, workers are required to work before the shift begins, for which they are unpaid.
- Giving or taking away overtime work is used by management as a tool of control to encourage faster production.
- The base wage is the local minimum wage.
- Jetta does not purchase most legally mandated insurance and benefits for workers.
- Dorms house eight people per room. Bathrooms are public and showers lack hot water. There are no outlets in rooms; workers can only charge electric devices in a single room in the dorm building.
- Workers are treated like second-class employees. Staff (engineers, technicians) enjoy better dorm rooms and cafeterias. While production workshops are hot and lack good cooling systems, offices are air-conditioned and comfortable.
- There is no occupational health and safety committee. Workers are given practically no training on specific health risks in their working environment and how to protect themselves.
- Very few workers are supplied with protective equipment, which has led to a number of health risks and injuries. Workers are sometimes made to wear protective gear when an inspection occurs.

- Some production machines are not regularly inspected or maintained.
- Some fire prevention equipment is not regularly inspected.
- Jetta has no union to speak of and lacks independent or effective grievance channels.
- Workers must “apply” and receive “approval” for their resignation.

Some toys manufactured at Jetta



Nerf Zombie Strike Dominator



Hasbro Furreal Friends Starlily



Hasbro Furreal Friends GoGo

Factory Profile

According to the employee handbook, Jetta is a large toy manufacturing business group established in 1983 with investment from Hong Kong.

Jetta (Guangzhou) Industries Co., Ltd. (hereafter “Jetta”) was founded in 2004, with investment from Jetta Group. The address of the company is No. 163 East Street, Cheng’ao Avenue, Chengjiao Neighborhood, Conghua City, Guangzhou, Guangdong Province. The company’s telephone number is 020-37996666. With nearly 10,000 employees, Jetta covers an area of 399,254.44 square meters (99 acres).



Jetta factory grounds

There is a production area and a living area on Jetta's property. Within the production area, there is a five-floor office building, three four-floor factories, a warehouse, and some other buildings in the production area. In the living area, there are several dormitory buildings, two cafeterias, a clinic, a bank, a library, an athletic center, and so on.



Jetta soccer field with factory in background

There are many departments within the company, for example the Administrative Department, Production Department, Purchasing Department, and Human Resources Department. There are also a number of workshops, including the injection molding workshop, electronics workshop, bonding workshop, SMT (surface mounting) workshop, vinyl workshop, cutting workshop, sewing workshop, and assembly workshop. Jetta's clients are mostly companies located in Europe and the U.S. Jetta's products include plastic toys, electronic toys, stuffed toys, etc., and are sold in markets around the world. Clients include major toy brands like Hasbro.

Hiring

Most Jetta workers are locals of Conghua City. At the gate of the factory, there was a red banner with a hiring ad for painting workers that promoted total monthly wages of 3,200 RMB (\$515), including overtime. Human Resources started hiring every day at 8:30 am.. Applicants need to bring their ID along with two copies of it.

At 8:00 am, a CLW investigator arrived at the gate of the factory along with many other applicants. After the workers who lived outside the factory entered, Human Resources came to the gate and started taking in applicants. All applicants were asked to stand in a row so that the Human Resources staff could check whether they match the photos on their IDs. Next, all selected applicants entered the factory and arrived at the Human Resources office. They were then divided into three groups. The first group was people who had been introduced by current Jetta workers and would be assigned to the workshop in which their friend was located, the second group was all men, and the third was all women. The second group was later informed by HR that the company was not hiring any male workers. They were asked to leave their names and phone numbers so that the HR could contact them if there was a need for male workers in the future. The investigator noticed that most male applicants did what they were asked to do, but some left directly. It was unclear if HR staff would actually contact the male applicants later on. After the male group was gone, HR staff started to assign different positions to each applicant.

The applicants were asked whether they wanted to be a cleaner, a sewer, technical worker, or to work in the injection molding workshop. Short descriptions and requirements for these positions were given to the applicants. For example, working in the injection molding workshop requires taking night shifts; technical workers are required to be able to understand technical drawings or have been educated in molding. The rest of the applicants, including the investigator, were assigned to the assembly workshop.

Another HR staff member stamped applicants' ID copies with the following words "Authorization to the company to open bank account for me" and "Verified with the original ID," asking applicants to confirm and sign. But the HR staff did not check if the photos on the copies matched the applicants' photos. After both copies were stamped, photos of the applicants were taken for their electronic work ID cards. The applicants were also asked to fill out several forms under the instruction of HR staff, including a basic information form and a survey form for applicants.

Doctors were sent from a hospital to administer physical exams to new workers. The fee for the exam was 35 RMB (\$5.64) per person, which workers must pay themselves. The physical exam included a hearing test, blood test, body weight measurement, and chest x-ray. Each of these tests took less than a minute. Some items for examination listed on the form (e.g., physical exam and ECG) were not actually performed; instead, the doctors would simply put down a number and place a stamp next to the item, suggesting the worker passed the exam. The whole process took no more than ten minutes. A copy of the physical exam form would be given to the workers about ten days later. When the exam finished, it was 10:40 am. Everyone was notified to go back to Jetta's Training Center for training at 13:30.



Doctor administers physical exam

At 13:30, more than one hundred people were gathered in the Training Center. Two forms were distributed by HR to each person for their signatures. One of them is an "overtime application" and the other a new hire basic training form.

Later on, two more documents were also distributed to the workers. One of them is called Jetta (Guangzhou) Industrial Co., Ltd Occupational Health and Safety Training Document and the other ISO14001 Environment Management System Training Document. The workers were also



Workers undergoing training

told that there would soon be a test on these documents and each of them were required to obtain a minimum of 80 to pass. With the documents in their hands, some of the workers read carefully, but some did not take it seriously and chose to play with their phones. About thirty minutes later, a female security guard showed up and started to explain in detail to the workers about the content of



Workers take the post-training quiz

the documents. Workers were asked what ISO is, what 14001 is, and what 5S is. The workers failed to answer all the questions correctly, and the security guard proceeded to give them the answers and further explain it for another hour or so.

A quiz paper for hiring training was distributed to everybody after the guard finished. The quiz

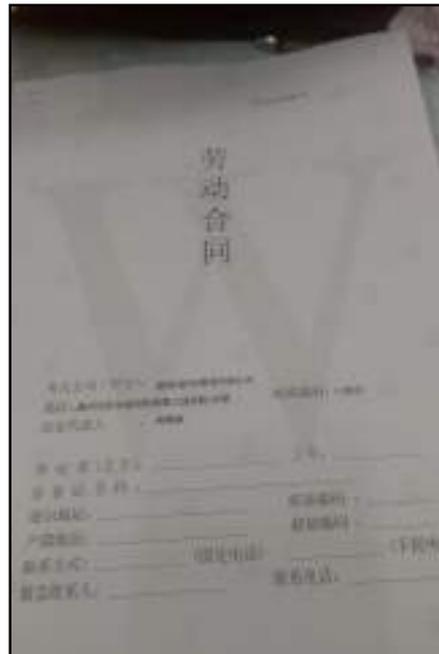
was made up of simple multiple choice questions that most people could answer with common knowledge, including what ISO is, what the environment management system is, etc. The quizzes were then handed in.

After that, everybody was given an employee handbook and a book about company regulations. No explanation on these two books was provided; workers were told to read them on their own. The entire process in the afternoon, including the training, took about two and half hours. Those who planned to live in factory housing were notified to bring their luggage the next day.

Labor Contracts

About 100 people, including the investigator, signed labor contracts at the Training Center. The contract showed that it was effective as of the next day, which indicated that the day of training and other hiring processes was not included. The duration of the short-term contract was five and a half months.

The content of the contract included the duration, working location and duties, working hours and vacation, payments, insurance and welfare, occupational protection and working conditions, occupational disease prevention, disciplines, modification, rescission and termination of the contract, contract breach, document delivery address, dispute resolution, and others. Besides the contract, there was another document titled “Jetta (Guangzhou) Industrial Co., Ltd Labor Contract Supplement.” Two copies of the contracts were made and workers received a copy on the same day of signing.



Labor contract

Working Hours

Certain positions require workers to take night shifts, which run from 20:00 to 8:00 in the morning, including two hours of rest in total. The investigator worked in the Assembly Department, where night shifts are not required. Although the working time can be adjusted, it is normally Monday to Saturday (on Saturday there is a half-shift).

The regular (non-overtime) working hours are 7.25 hours per day. However, due to the heavy

workload, workers need to take on overtime beyond the 7.25 hours each day. The regular day shift working hours were 8:15 to 12:15, and 13:15 to 16:45. A bell would go off at these times. According to this schedule, there should be a one-hour midday break for both lunch and a rest. But in reality many workers would have to return to the workshop to begin work before 13:15. Every time the investigator went back to the workshop, everyone had already started working again. There were several times when the investigator got back to her position at 13:00 and was criticized by the team leader for being “too slow and relaxed” because everybody else had already started working, despite the fact that the lunch break did not end until 13:15. By the time the bell went off at 13:15, workers had already been working for a while. Lots of workers complained to the investigator that there was no time to rest. Based on this, daily normal working hours are more than 7.25 hours, but the workers are not compensated for it. In this way, workers are made to take on unpaid overtime work. The factory is also using this method to force workers to increase productivity; only when Jetta workers have improved their productivity do they get a chance to work overtime.

CLW’s investigator observed that there did not seem to be daily meetings in most workshops. Usually when the team leader had something to notify the workers about, she would write it on a piece of paper and leave it on the assembly line. Workers would then read the paper as the assembly line brought it to them.

10:30 and 15:30 are typically the times designated for workers to use the bathroom or have some water. The assembly line will stop for around three minutes at these two times. When it stops, the workers will flood into the bathroom and the water dispenser room. Those who are the only workers in their positions must stay at their posts during the three-minute breaks; otherwise, the toys would pile up on the assembly line. Others can only take one break due to the heavy workload. On the investigator’s first day of work, she saw some workers using their hands to cup and drink water because they did not have containers or cups.

Workers are required to swipe their electronic work IDs at the card machine located at the entrance of their workshops when they start and finish work. When a worker swipes her ID, the machine will show whether they are clocking in or out. The machines allow workers to swipe their cards up to 15 minutes after the beginning of the shift.

Every morning, the workers are asked to sign a confirmation of the working hours for the previous day. A worker’s daily production report is printed, which shows the working hours. If someone forgets to swipe her ID when she began a shift, the working hours would be recorded as zero, but as long as the worker reports it, the team leader will fix it.



Workshop layout

A few days after the investigator began work at Jetta, the manager held a post-shift meeting with the workers of the investigator's team. She told everybody at the meeting that they would get paid 16.35 RMB (\$2.36)/hour for overtime work. Then she asked if they wanted to do overtime. Everybody answered yes in unison. Then she continued to say that they could work overtime under the condition that the whole team produces a minimum of 200 toy guns per hour. The investigator did some math and found out that so far of that day, the 50 workers in her team had only made 801 guns in the past 7.25 hours. To work overtime, they had to produce 1,500 guns in total. The investigator's team ultimately began progressively doing overtime over the next few days. Within a week, the team was doing two or two and half hours of overtime per day.



Workers prepare to begin work

Wages and Benefits

The workers are paid on the 10th day of each month for work of the previous month. The wage goes directly to each worker's bank account. Workers are given pay stubs for monthly wages, the contents of which include a base wage of 1895 RMB (\$304), the local minimum wage, which was 1600 RMB (\$257) before May 1, 2015; overtime hours and overtime wage pay; and an average bonus of 10 RMB (\$1.61). The items of a team leader's pay stub also include a technical allowance, a special allowance, a night shift allowance (only paid to those who take night shifts) a subsidy, and deductions for pension, unemployment insurance, and medical insurance. Workers living in factory housing pay 40 RMB (\$6.42) for the monthly rent. During low seasons, without much or any overtime, a Jetta worker only earns a base wage of 1,895 RMB (\$304)/month. It is very rare for a worker's wage to exceed 3,000 RMB (\$481)/month, even during high seasons with lots of overtime.



Paystub from a longtime Jetta worker

A pay stub of a team leader who has been working at Jetta for more than 20 years includes the following: a base wage of 1,600 RMB (\$257), an overtime wage of 855.6RMB (\$137) for 62 hours of overtime, a "monthly fund" of 322.56 RMB (\$52), a technical allowance of 159.74 RMB (\$26), a special allowance of 164 RMB (\$26), and a subsidy of 60 RMB (\$9.64), with a 192.64 RMB (\$31) deduction for retirement insurance, a 8 RMB (\$1.28) deduction for

unemployment insurance, a 40 RMB (\$6.42) deduction for dormitory fee, and a 6 RMB (\$0.96) deduction for annual leave, for a gross wage of 3101.9 RMB (\$498) and a net wage of 2891 RMB (\$464).

CLW obtained information from the pay stub of another Jetta worker who had been working there for five years. In October 2014, her base wage was 1,600 RMB (\$257), the monthly bonus was 690.66 (\$111), and the special allowance was 100 RMB (\$16), with a 40 RMB (\$6.42) deduction for dorm fees, for a gross wage of 2,390.66 RMB (\$384) and a net wage of 2,351 RMB (\$378).

Jetta does not purchase any insurance for many workers, including retirement insurance, medical insurance, work-related injury insurance, unemployment insurance, or maternity insurance, which is a severe violation of not only the law but also the commitments of the labor contract. Only Jetta workers hired before 2008 are provided with retirement and unemployment insurance. At that time, the company moved from Panyu District (in Guangzhou) to the current location in Conghua City. Even before the relocation, the management only purchased insurance for the workers who were “willing” to purchase it, according to workers.



Factory athletic facility



Inside the unused, constantly locked reading room

There are indoor and outdoor athletic facilities. Inside there are ping-pong tables and badminton courts, but no ping-pong balls or rackets are provided. When the investigator made inquiries about where she can rent a ball or a racket, she was told there was no renting service anymore because there were too many people trying to rent. So whoever wants to play has to buy their own equipment. The investigator noticed that very few people were actually using the facilities. During the two weeks that the investigator worked at Jetta, she waited every night to see if the company library would open, which never happened. According to the employee handbook, it says that the library is open every Tuesday to Friday, from 19:00 to 22:00, every Saturday from 18:00 to 20:00, and every Sunday from 15:00 to 17:00 and 18:10 to 22:00.



Unused athletic facility

Living Conditions



Staff leaving the staff dormitory

There is a staff dormitory building and four workers' dormitory buildings. In Jetta, staff, including engineers, technicians, etc., is considered to be a higher rank than typical workers. Staff dorm rooms include a bathroom and an air conditioner. Worker dorm rooms only contain fans, and the bathrooms are public.

The monthly cost for a worker to live in the dorm is 40 RMB (\$6.42), utilities included. If a worker does not stay for a full month, she has to pay for 1.3 RMB (\$0.21) for each day. It is a worker's own choice whether to live in the dorm, and workers who do not live in the dorm are not required to pay the monthly fee of 40 RMB (\$6.42). However, they will also not receive a subsidy for their living expenses. When a new worker first checks into the dorm, she must inform the team leader, who will confirm her to check in at the Dormitory Management Office.



Dorm rooms accommodate 8 people

Each worker dorm room accommodates eight people. Many dorms were not full during the investigation. There were four other people living in the same room as the investigator. All workers live on the second and third floor of the buildings. Veteran workers told the investigator that the fourth floor and the fifth floor were empty, but the management did not want to open them up to workers. The charging room on the second floor is the only place where workers can charge their phones, since there are no outlets in dorm rooms. As a result, workers need to go to the charging room whenever they want to charge their phones or use a hair dryer.

Jetta does not provide free meals to workers. Money can be added to the electronic work IDs the workers have in order to pay for food in the factory's cafeteria. However, workers can only add money to their IDs between 10:30 and 13:30, Monday to Friday. Bowls are provided in the factory cafeteria, but workers have to bring their own utensils.



Worker dries her hair in the charging room

The worker cafeteria in Jetta provides breakfast, lunch, dinner, as well as a midnight meal (for night shift workers). There are many food choices in the cafeteria as the food service is contracted out to a catering company. The cheapest meal costs less than three RMB (\$0.48). A better meal with two dishes costs about seven RMB (\$1.12).

According to the employee's handbook, the cafeteria can hold as many as 10,000 people. There are fans in the cafeteria. Although there is free soup for all workers, no bowls are provided for the soup, so few workers bother to finish their food first to use the emptied bowls to get soup.



Workers stand in line to get food at the cafeteria



1.5 RMB cafeteria meal



6 RMB cafeteria meal



Workers fill the cafeteria during lunch

While the staff cafeteria is very close to the worker cafeteria, the former is much nicer and is furnished with fancy decorations and air conditioners. The investigator walked through the staff cafeteria and found it to have a much better environment, cooler and more comfortable. The investigator once went to the staff cafeteria for breakfast. She found the food there to be much better. She also learned that there were different food windows serving staff of different ranks. For example, a manager of rank three gets much better food from the rank-three window than a cleaner can get from a rank-eight window. However, when the investigator was paying for the food by swiping her work ID, she was told workers of her rank were not allowed to eat there and was asked to go eat in the worker cafeteria.



Regular workers may not eat at the nicer staff cafeteria

Occupational Safety and Labor Protection

There is no occupational safety and health committee in the factory. During the pre-job training, workers are only informed that they might come into contact with some harmful chemicals and should wear protective equipment during work.

There is no inspection record on the machine the investigator used. A screw fell from one side of the machine while the investigator was using it. Although she reported the situation to the team leader and maintenance staff immediately, the problem remained unresolved by the time the investigator resigned.



Workers assembling toy dogs without protective gear

The investigator was involved in the production of toy dogs (Hasbro) and toy guns (Hasbro's Nerf brand) during the two-week period of investigation. There were about 50 workers who were hired at the same time as the investigator, and none of them was supplied with any protective equipment. There were only a couple of people wearing hairnets. The investigator observed that

when workers were making the toy dogs, some of the fabric debris from the toy dogs would constantly be breathed in by workers. In the process of assembling of the toy dogs, workers had to brush the products with industrial alcohol, but no one was wearing masks. The hands of packaging workers were scratched up, due to the continuous friction from handling the boxes, which breaks their skin. But no one was wearing gloves.

The investigator observed that the hands of one female packaging worker were covered with scars, cuts of varying severity, and a lot of peeling skin. She said that the company did not provide her with gloves.

Certain materials contain some unknown liquid chemicals with harsh smells. Although they are handled by workers with gloves and masks in the Materials Department, when the materials are picked up by workers in the next department, these workers are not protected by any equipment at all.

A veteran worker told the investigator that only workers in certain positions, such as welders, were supplied with protective equipment. But when an inspector came to the factory last year, everybody was made to wear a mask by Jetta management.

Cooling systems in the large workshop were insufficient to keep it cool for workers. Workers' shirts were usually soaked with sweat throughout the entire day, except for those days when the weather cooled off a bit from rain. Lots of workers were constantly complaining about the environment being too hot and muggy.



Workers handled this harsh-smelling chemical without protection

There are only a couple of fans at the end of the workshop, which do not really do anything to ease the heat. But when the investigator went to the office building in the factory to see the company's accountant, she found that there was an air conditioner in every office and it was very cool and comfortable inside.

Some workers undergo working physical exams (conducted while the worker is still employed at Jetta, and paid by workers themselves), especially painters, who have been required to undergo a physical exam every three months ever since a painter died in 2014 (the details of which are unclear). No physical exam is provided when workers resign.

Fire Safety

There were no inspection records found for the firefighting equipment on the second and third floor of the dorm building in which the investigator stayed.

Rewards and Punishments

Fines on workers rarely occurred at Jetta. The investigator never observed any notice for fines on workers. At the same time, there are also no rewards available to the workers. Male workers who were caught smoking in the bathroom were verbally warned but not fined.

Grievance Channels

There is a "hotline" event for the face-to-face communication between workers and Jetta management. According to the employee handbook, this event is scheduled every Thursday from 17:30 to 19:00 on the first floor of the Ping'an Building. The investigator attended it one day, arriving at 17:59. There was only one person representing management answering questions from the employees. The investigator asked whether the factory would purchase insurance for its employees, and the representative said it does not purchase insurance.

The investigator wrote a complaint letter and put it in the factory's "Complaint Box." On the complaint box in red is written "Opened Every Friday by the Department Manager," but when the investigator left two weeks later, by which time two Fridays had already passed, her letter was still there.

Resignation

The management has a supervisory mechanism to check whether a worker is efficient or not. If they find out that a worker regularly accumulates a pile of products at her work station, the worker will be deemed inefficient. Inefficient workers are asked by management to sign a resignation letter, after which point the fired worker would leave immediately and receive due wages. On the other hand, when a productive worker decides to resign, her resignation date will be delayed by management.

The investigator told her supervisor that she wanted to resign. The supervisor asked her to wait until they found someone else to replace her. The investigator said three days should be enough, but the supervisor refused her. The investigator later raised her resignation to the team leader but received the same response.

A few days later, the investigator proposed to resign again, and mentioned to the supervisor that it had been four days since she brought it up. She also mentioned that she was in her contractual probation period and according to regulations she only needed to notify them three days in advance. Unhappy with the investigator, the supervisor told her they had not found her substitute and she could quit if she had to leave, which suggested that she would not be paid. After some

argument between the investigator and the supervisor, the supervisor finally agreed to find a substitute for the investigator and to go through the resignation procedures on the condition that the investigator teach her substitute about the duties of her position.

The regulations of the factory specified that the resignation procedure can begin every Wednesday. The date can only be postponed and not pushed up. Because another worker on the investigator's team asked for leave on the same day the investigator planned to resign, the investigator was required to stay for that day and the supervisor promised to start the resignation procedures immediately so that the investigator could leave on the next day. The resignation took place as scheduled on the following day.

The Resignation Form included the following information: department, workshop, level, name, worker ID number, hiring date, application date, resignation date, and applicant's signature. After it is all filled out, the team leader gives it to the necessary office. Later, the team leader also notifies the resigning employee when to retrieve her form. Finally, the resigning worker takes care of procedures for moving out of the factory dorm.

On the day of resignation, the investigator retrieved her completed Resignation Form from the management. She then took care of housing procedures and verified her working hours. She received a notice to claim her wage at 13:30 the next day. During the resignation process, nobody mentioned anything about her undergoing another physical exam.

The investigator started packing her luggage at 10:00 in the morning and asked one of her roommates to come back during lunch break to be her guarantor. (A guarantor is supposed to verify that the luggage being removed by the resigning worker actually belongs to her.) With the presence of the guarantor, HR took back the investigator's dorm key and gave her a slip that says "Jetta Employee Entrance/Exit Slip." On the slip, it says, "Employee XYZ from Room A, Building B is approved to leave her dorm with her luggage." Only with this slip can a resigning worker leave with her belongings.

Even after a resigning worker has completed this process with a guarantor, guards at the security gate still proceed to open her luggage to examine. The investigator came to the front gate and handed the security guard her "Jetta Employee Entrance/Exit Slip." The security guard took the slip and signaled the investigator to open her luggage. The investigator asked why he wanted to search her luggage since there was already a guarantor and a slip. The security guard told her it was a company regulation. The investigator relented and opened her suitcase. The security guard took a brief look at her luggage and told her she could leave.

Other Issues

The task of the team the investigator was on was to assemble toy dogs. There were about twenty to thirty workers on the same team as the investigator, all women. Only a couple of veteran workers were wearing uniforms since the factory stopped providing uniforms and masks to its employees long ago. Later, the investigator, along with the rest of her team, was reassigned to another team which had the task of assembling toy guns. Later on, some 50 or more workers joined the team, all women. About three days before the investigator left, two male workers joined the team and one of them took over the investigator's position. The other male worker was assigned to the packaging section of the workshop.



Female workers greatly outnumber male workers

The gender ratio in workshops is quite unbalanced: there are about 47 to 48 female workers and only two to three male workers on each team. All the male workers are placed at the packaging posts in the front of the workshop because the task is relatively more physical. During the packaging process, workers may easily be injured from the material of the packaging boxes. Workers in this position also must remain standing for the entirety of the shift.

INVESTIGATIVE REPORT ON SHENZHEN WINSON (TAIQIANG) PRECISION MANUFACTURING

Main Findings

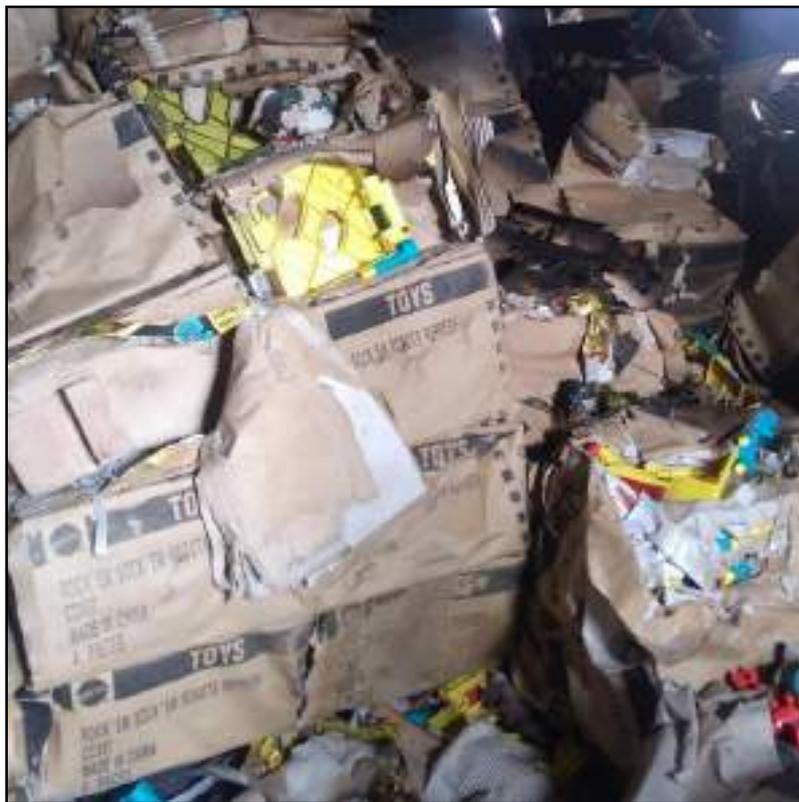
- Hiring discrimination based on gender and age. New workers must be no older than 30. Female and male applicants are restricted from working in certain job roles that do not have an obvious need for gender differentiation.
- Applicants' personal IDs are held by the company for about two hours.
- Pre-job training is only 25 minutes, only a portion of which involved occupational safety. This is woefully short of the 24 hours of safety training required under Chinese law. There is paltry safety training despite the labor contract clearly stating that the employees may be exposed to occupational risks.
- Protective equipment is insufficient. Workers regularly are exposed to chemicals and other risks like thinners, acetone, adhesive, silicone oil, and loud noise, yet few workers receive protective equipment. This is despite the labor contract promising that the company would provide protective measures for workers.
- No physical exams are arranged for workers by the company despite the hazards of their jobs. This contravenes both Chinese law and the labor contract.
- Winson has workers copy down answers to the training quiz.
- Workers are forced by the company to sign a form declaring that all overtime is done voluntarily.
- Workers must do 11 hours of work per day, six days per week, resulting in overtime hours in excess of Chinese labor law.
- Workers do not sign labor contracts until a week into their employment with Winson.
- The entire contract signing process only takes a couple of minutes; workers are not provided with enough time to comprehensively read the contract.
- Workers complain that before beginning work at Winson, they were not informed that they would be transferred at will between different locations of Winson in Shenzhen. Workers have to pay for their own transportation between two factories, which are 15 km (9 mi) apart.
- The time required to undergo training and fill out required forms is unpaid.
- The company reduces weekend overtime pay (double pay) by "shifting" some of workers' eight workday hours during weekdays onto the weekend.
- Workers do mandatory 12-hour shifts. Some workers do not receive a meal break until after seven consecutive hours of work.
- Despite a national regulation requiring the purchase of social insurance for employees, Winson pressures many workers to sign an "Agreement to Voluntarily Forego the Purchase of Retirement Insurance," thereby significantly reducing labor costs for Winson. One worker of 18 years had only been provided insurance for eight of those years.
- Even if a worker wants insurance, Winson will not purchase it for her until the second month

of employment, also a violation of law.

- Dorms are crowded, with a maximum of 12 people to one room. There is no hot water, so workers must go outside to fetch it.
- Waste at the plant is not classified and waste water is discharged directly into the local river.
- Restroom facilities in the workshop are insufficient. In one department, there are three toilets for 200 female workers.
- Fire safety is a serious problem at Winson. Emergency exits are blocked, stairways are narrow, and fire extinguishers and hydrants appeared to lack regular inspection. Bare wires were observed hanging in at least one workshop. A major fire that occurred in May burned out an entire workshop.
- Workers know of no labor union at Winson. Workers are not told about other independent grievance channels. There is, however, a worker hotline run by ICTI. None of the approximately 100 workers interviewed said they had ever used the hotline.
- Workers must “apply” to resign, even though law only requires that workers notify the company of their resignation, and does not require them to gain permission. Management often does not immediately give workers the form required to formally resign. Instead, supervisors will encourage workers to quit, which means sacrificing unpaid wages.

Some Toys Produced at Winson







Factory Profile

According to an introduction from a hiring website³, Winson (Taiqiang) Precision Manufacturing (Shenzhen) Co., Ltd was founded in 1989. The company is located on Xixiang Street in Bao'an District of Shenzhen near Bao'an International Airport. Winson, a major manufacturer of children's toys, was established with Hong Kong investment. Winson is a major supplier to Mattel; as such, its main products include plastic toys and remote controlled toys. Winson has two factory sites: the Caowei Factory and Sanwei Factory. There are approximately 1,000 employees at Winson. This factory also supplies to Disney and Walmart.

Factory Address: The Second Industrial Zone, Caowei Neighborhood, Xixiang Street, Bao'an District, Shenzhen, China

Phone Number: 0755-29771288

³ <http://www.jobcn.com/position/company.shtml?redirect=0&comId=402718>



Winson Caowei Factory

Hiring

The factory was in a busy season during the period of investigation and large numbers of workers were needed to keep up with production orders. Winson hires production workers at the Caowei Factory from 9:00 to 13:35, Monday to Saturday. It hires technical workers at the Xixiang Talent Market. Winson usually limits the number of hires each day according to the number of resigning workers. The company prefers female production workers and only hires male production workers when they cannot hire enough women to fill the need for empty positions. Certain positions are deemed appropriate for certain genders. For example, painting workers, material porters, and warehouse positions are male-only; assembly line positions are female-only. All workers are required to be younger than 30 years old. Each applicant to Winson's positions is required to bring his/her personal ID and health certificate.



Hiring at Winson



New hires



Winson detains personal IDs

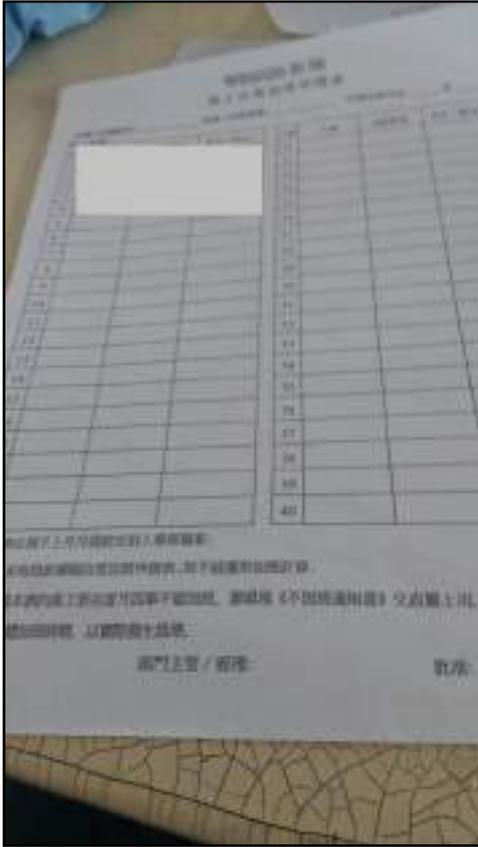
After the applicants are hired, Winson's HR will hold their IDs and health certificates for approximately two hours to verify the information.

Applicants are also required to bring two photocopies of their IDs and three photos of themselves. If the applicants plan to live in the worker dormitory, they need to submit an extra copy of their IDs and photos to the dorm manager.

Applicants need to fill out a Background Investigation Form, a Health Satisfaction Form, a Human Resources Registration Form, a Record of Training Card, a Pre-job Test, a Voluntary Overtime Work Application, and a Workers' Position Adjustment Form. There are 16 entries for "Must-Read Information" on the back of the Human Resources Registration Form, and applicants are required to sign and press their fingerprints on it.

The sixth entry of the "Must-Read Information" requires workers to obey the working schedule, the wage rates, the working conditions, and the work duties in the factory, and to obey the requirements of position adjustments and other arrangements from the factory. The seventh entry requires workers to attend pre-job training, which includes information about all the regulations in the factory, industrial operation safety, fire safety, etc. However, at the time that workers are made to sign these forms, they have not yet been trained or informed of the exact working hours, wage rates, working conditions, or duties. During the 25-minute pre-job training, only a short audio clip about the factory was played for workers. The entire process of completing the job application, filling out forms, and pre-job training takes about 1.5 hours. All applicants will officially start working at 8:00 in the morning on the next day.

On the Workers' Training Record Card, workers are asked to fill out the "name," "work ID number," and "department" columns, leaving the rest of the columns blank. After workers begin working in their respective positions, they will not receive any more training from the department (workshop) or the team they are assigned to.



Voluntary Overtime Work



New workers wait for return of IDs

During the test, Winson's HR would provide the answers to workers. Workers are not informed of the results of their tests. Workers only need to fill out the test papers with the provided answers and return the completed answer sheet.

Winson forces all workers to sign the Voluntary Overtime Work Application. HR also asks workers to write in "to increase income" in the space to explain the reason for working overtime. The company also forces workers to sign the Workers' Position Adjustment Form so that they can be transferred to different positions and a different factory based on the company's own needs.

When all procedures are finished, workers are given work IDs, hats, and uniforms and have their fingerprints scanned. New hires are only given a net-patterned coat to signify that they are new. A month later they will be given two yellow uniforms.



Pre-job training

Labor Contracts

After the workers have been hired for a week, a department clerk will approach them and ask them to sign the labor contract. There are four pages in the contract. Its content includes the duration of the contract, work duties and location, working hours, vacation, payment, labor protection, working conditions, occupational hazard prevention, social insurance, benefits, factory regulations, modification, rescission and termination of the contract and relevant procedures, economic compensation, medical subsidy, dispute resolutions, and other issues.

Two copies of the contracts are made and workers receive one. They are only required to press their fingerprints on the last page of the contract because the rest of the content has already been completed. When workers sign the contract, they are not given any time to read the content. They are also not informed of the length of the probation period. The process of contract signing takes only two minutes.

The time spent on pre-job training and filling out forms is not calculated into working hours. The contract is effective from the first day when workers swipe their work IDs and start working.

According to the contract, the probation period is six months, and the duration of the contract is three years. The work location is not specified in the contract. It only says it will be in Taiqiang (Winson) Precision Manufacturing (Shenzhen) Co., Ltd (including Location One and Location Two). Article 12 (Mutual Agreement on Certain Issues) in the contract states that in line with job requirements, workers should agree to be transferred within the premises of the Winson Precision Manufacturing (Shenzhen) Company. However, workers complained that they are unfamiliar with such content in the contract before they are hired. Many new workers believe they are forced to agree to this. On the first day of work in Winson, the investigator was forcibly “lent” to the Sanwei Factory along with 27 more workers. The distance between Sanwei Factory and Caowei Factory is 15 kilometers (9 miles). The bus ride between the two locations costs 2 RMB (\$0.32) and takes about 15 minutes.



Labor contract at Winson

The “working hours” section in the contract shows that Winson operates a six-day system (from Monday to Saturday) with 6.67 working hours per day and 40 hours per week. The 6.67 “normal” hours on Saturdays are not paid double time, though they ought to be, according to Labor Law.

The “payment” section of the contract states that the hourly wage of 11.667 RMB (\$1.88) comes from the formula $2030 \div 21.75 \text{ days} \div 8 \text{ hours}$. (2030 RMB is the local minimum wage, 21.75 is the number of workdays in a month, and 8 is the number of daily working hours.) If the factory does not get enough orders from its clients, workers’ weekly working hours will be less than 40 and monthly working hours will be less than 160. In this way, workers are paid less than the required minimum wage of 2,030 RMB (\$327) per month in Shenzhen, a violation of the law.

Article 5 of the contract involves labor protection, working conditions, and occupational hazard prevention. It does not provide specific information about chemical hazards or physical exams, stating only that “When Party B (employee) is working in this position, he/she might be exposed to occupational hazards such as chemical hazards, noise hazards, and dust hazards. Party A (employer) will provide certain protective measures and organize physical exams for Party B.”

Working Hours

During the low season (from October to May), Winson operates a two-shift system in the injection molding department and one-shift system in other departments. During the high season (June to September), the two-shift system is operated in the assembly, injection molding, painting, and printing departments. Workers do 12-hour shifts, working 11 hours per day. Workers in the injection molding department have to work as long as seven hours before they can get a meal break. Workers in the assembly department, painting department, and pad printing department have to work for six hours straight before having a dinner break. Most workers have expressed that the working hours are too long. It is mandatory for them to work 11 hours.

Winson institutes daily production quotas. The quota will be announced in the workshop along with the yield rate.

Winson has stipulated that workers must be present to swipe their time cards 14 minutes before the shift begins and 14 minutes after the shift ends in order for the factory to record their working time. If they have missed these two periods of time, there will be no record. For example, in the assembly department, the shift begins at 7:30; therefore, workers can only swipe their work IDs between 7:16 and 7:30. The lunch break is at 12:30, so workers can only swipe their cards between 12:30 to 12:44.

An alarm will sound when it is time for workers to clock in and clock out.



Working long hours while standing



Workers clock out

Winson Low Season Working Hours

Injection Molding Department	Day Shift 8:00-12:00 12:00-13:00 (Lunch) 13:00-20:00	Night Shift 20:00-00:00 01:00-8:00
Other Departments	7:30-12:30 12:30-13:30 (Lunch Break) 13:30-19:30	

Winson Busy Season Working Hours

Injection Molding Department	Day Shift 8:00-12:00 13:00-20:00	Night Shift 20:00-0:00 01:00-8:00
Other Departments	Day Shift 7:30-12:30 13:30-19:30	Night Shift 19:30-0:30 1:30-7:30

Wages and Benefits

Winson pays its workers the previous month's wage on the 20th of every month. The wage will directly go to their bank accounts at Shenzhen Rural Commercial Bank, which workers had to apply for themselves. Workers are required to sign a payroll sheet when they get paid. The sheet includes the following information: working hours, hourly wage, overtime hours, and overtime wages. The fees for housing, utilities, and insurance are deducted from the wage. No paystub is provided to workers for their own records.

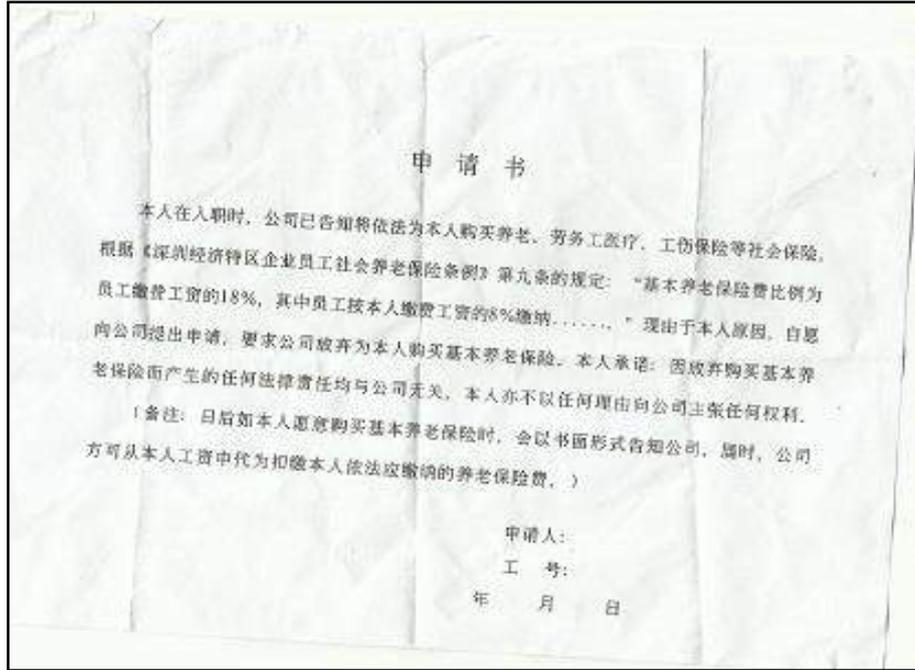
The regular hourly rate of 11.667 RMB (\$1.88) is calculated from the minimum base wage of 2030 RMB (\$327) per month. Winson workers do 6.67 regular hours and 4.33 overtime hours of work per day. For the overtime period, they get paid 1.5 times the regular rate on weekdays; on Saturdays, they are paid twice the regular rate for the 4.33 hours of overtime.

The night shift subsidy is 1 RMB (\$0.16) per night, and the busy season subsidy is 26 RMB (\$4.19) per month. Workers living in the same dorm need to share the fee for utilities. The fee for water is 5RMB (\$0.80)/ton. The housing fee is 40 RMB (\$6.44) per month per worker.

Winson purchases medical insurance, employment injury insurance, and unemployment insurance for its workers. Workers need to pay 4 RMB (\$0.64) for medical insurance and 18 RMB (\$2.90) for unemployment insurance every month. They are convinced to sign an Agreement to Voluntarily Forego the Purchase of Retirement Insurance. Winson tells workers that it can only buy pension for them from the second month of their employment and it will cause a 145 RMB (\$23) monthly deduction from workers' wages. The company goes on to explain that if the workers sign the agreement, there will not be a 145 RMB (\$23) deduction. HR staff tells workers that if they buy a pension, the deducted money will not be refunded when they resign, and that transferring their former pension record to another company is very difficult, so purchasing retirement insurance is not recommended. Workers who were hired together with CLW's investigator all signed the Agreement to Voluntarily Forego the Purchase of Retirement Insurance.

WINSON 生產狀況表					
產品編號 CDK81		線別 02		生產日期 2015	
目標產出 1000		目標人力 12		實際人力 12	
時間	目標	實際	次品數	效率	備注
7:30~8:30	175	132	1	63%	
8:30~9:30		175	1	90%	
9:30~10:30		180	1	90%	
10:30~11:30		180	1	90%	
11:30~12:30		178	1	91%	
13:30~14:30					材料圓盤
14:30~15:30					
15:30~16:30					
16:30~17:30					
17:30~18:30					
18:30~19:30					

Production quotas board



Agreement to Voluntarily Forego the Purchase of Retirement Insurance

The basketball court at Winson is used for storage instead of athletics. There are many internet cafes near the worker dormitory. Using the computers in the internet café costs 2.5 RMB (\$0.40) per hour. This is the only entertainment workers have.

The labor contract states that Winson provides paid vacation and maternity leave. But according to the veteran workers and resigned workers, due to the high turnover rate at Winson, most workers only stay for between a couple months and half a year. It is quite difficult for workers to enjoy the paid vacation or paid maternity leave.

Living Conditions

Winson provides housing to its workers and deducts a housing fee from workers' wages. (Those workers who do not live in factory housing will not have a deduction applied.) Female workers and male workers share one dormitory building and stairway. Female workers live on the fourth, fifth, and sixth floors, and male workers on the first, second, and third floors. The area of each dorm room is only about 10 square meters. In each room there are 12 beds, a closet, a fan, and a bathroom. Hot water is not supplied in the dormitory building. Workers need to get hot water outside the building to bathe.



Winson dormitory



Dishes used for meals

Winson's meal services are contracted out. After a worker has been employed for three days, she can apply for a meal card, which is necessary for purchasing meals in the cafeteria. Workers need to bring their own utensils to dine in the cafeteria. The cafeteria provides only lunch and dinner. The price of a meal ranges from 6 RMB (\$0.97) to 9 RMB (\$1.45). With the 9 RMB (\$1.45) meal, workers can get two meat dishes and a vegetable dish. 6 RMB (\$0.97) buys one meat dish and one vegetable dish. However, workers express that the food in the cafeteria is neither good nor hygienic. In interviews, most workers said they choose to eat in the restaurants near the factory instead of the cafeteria.

Occupational Safety and Environment Protection

Workers do not receive any occupational safety training when they are hired. They are unclear about whether there is an occupational safety committee in the factory. During their daily work, they often come into contact with chemicals, including industrial alcohol, thinners, acetone, adhesives, and silicone oil, but none of the workers are provided with protective equipment.

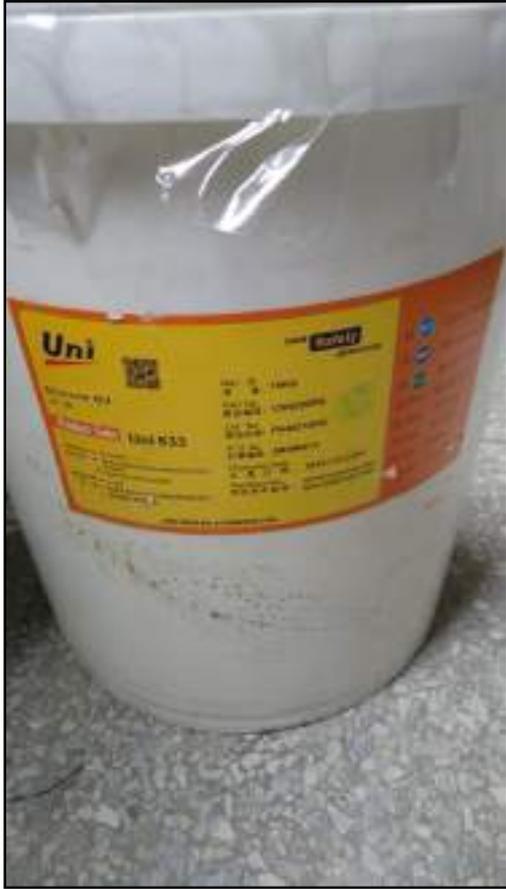
It is very noisy in the injection molding department and materials room, but no ear plugs are provided to workers by Winson.

Winson only requires that workers provide a health certification form during hiring. No physical examination is arranged for workers during their employment. There are first aid kits in the workshops, but not in the dorms.

The waste in the factory is not classified and can be seen everywhere. There are no cleaning workers in the workshops; workers have to clean up their working environment themselves after they clock out. The waste water from both Sanwei Factory and Caowei Factory is directly discharged into the rivers outside the factory walls.



**Water has accumulated on floor
in one restroom**



Silicone oil



Paints used by spray paint workers



**Workers working with molds
do not have safety helmets**

In the Sanwei Factory, a bathroom in a production facility is out of order and the water covering the floor is as deep as 20cm. But the situation in the bathroom is ignored by the factory.

There are more than 200 female workers in No. 9 Assembly Department in Caowei Factory, but only three toilets in the women's bathroom. Female workers said that there was not enough time during the break for them to use the restroom.

Workers in the molding workshop do not wear safety helmets when lifting up and installing molds.

Fire Safety



Fire safety equipment not regularly inspected

The emergency exit in Winson is blocked and constantly used for storage. The emergency exit is not allowed to be open. The stairways in the workshops and the dormitory buildings are very narrow and can only allow two people walking up and down side by side. The stairways become very slippery on rainy days but there is no anti-slip mat.

According to the veteran workers, there has not been a fire drill for five months. Fire hydrants and fire extinguishers in the factory are not inspected regularly. There are bare electric wires in the No. 9 Assembly Department.

Nobody monitors people smoking in the dorms, despite the fact that there are no windows in the dorm rooms.

On May 2 around noon, a fire broke out in the painting department of Sanwei Factory. The damage was not cleaned up until May 21. According to Winson management, the aged electric wires caused the fire. The whole sixth floor, where the painting department was located, caught fire and was completely burnt out. Toys, windows, doors, desks, and chairs were destroyed. The toys that were still intact were taken away and hidden; only the burned ones were left at the scene for Mattel's inspection. The investigator was told by a worker that the remaining toys were hidden because management feared that when the Mattel's inspectors saw the number of toys that had been burned, they might become worried about whether Winson would be able to deliver the toys on time. Winson management also met with its workers at the Sanwei Factory, telling them not to give out any information or ask questions about the fire. Workers are not allowed to enter the fire scene. Many of them were aware that the fire occurred but did not know specifics.



Burnt out Winson workshop



Damaged Mattel Rock Rock'em Sock'em Toys; undamaged toys removed



Management inspecting damaged workshop



Burn marks outside workshop where fire occurred



Damaged toys loaded onto truck to be disposed of

Grievance Channels

Workers in Winson do not know about a union or any workers' representatives in the factory. They are also not told about the grievance channels. They typically have no choice but to communicate problems with supervisors and office clerks, but they rarely find solutions this way. In one instance, a female worker had serious stomach discomfort one day at work. She reported her situation to her supervisor and a clerk and asked for leave. But they did not grant it and forced her to keep working; otherwise, she would have been recorded as absent and not given overtime in the future, which would punish her by dropping her wage level. There is a poster for the ICTI hotline in the factory. However, from the approximately 100 interviews the investigator conducted with workers, they were unaware of the function of the hotline and none of them had ever called the hotline. The CLW investigator dialed the number for the hotline (020-81548562) but was told that the hotline was operating on a different number. When he dialed the new number (4008169580), nobody answered, even though he tried several times.

Resignation

According to China's Labor Law, during the probation period, workers can resign after giving three days' notice. But resigning from Winson is very difficult. In order to resign, a worker has to obtain a resignation form from her supervisor. Usually, the supervisor will withhold the form and tell her that the company requires a worker to apply one week in advance of resignation. Workers from the assembly department and the injection molding department told the investigator that to obtain the resignation form from the supervisor was very difficult, and the supervisor would encourage workers to quit instead, which would result in unpaid wages.

When the investigator resigned, he was put in the same difficult situation. He notified his supervisor three days before he intended to leave, but the supervisor tried to persuade him to stay at the job and ask three days later for the form. But after three days, the supervisor still refused to give access to the resignation form. It took an entire week for the investigator to obtain it. Even after having obtained the form, a resigning worker also needs to have his supervisor sign the form, have the department clerk check his work attendance, and return the work uniforms, work ID, and hat. Every day between 15:00 to 17:00, resigning workers can collect their wages at the factory gate.

Other Issues

Winson often transfers the workers from Caowei Factory to Sanwei Factory or vice versa. The assembly department is constantly short of workers, so workers from other departments will be transferred to the assembly department.

Winson also outsources the manufacturing of some toy parts to other factories, including Weixunhong, Shunxing, etc. The toy parts manufactured in those factories are also sent back to Winson's assembly department for finishing products.

During interviews, workers all expressed that the living expenses were quite high near Winson. A meal in a restaurant in the vicinity of the company costs at least 6 RMB (\$0.97). The workers also told the investigator that during the low season there was no overtime; after deductions from wages, they were not even earning the local minimum wage.

The most veteran worker interviewed had been at Winson for 18 years, but the person only had social insurance for eight of those years (from 2008). Some workers were nearing retirement, but because Winson did not purchase insurance earlier, they could not yet retire and receive retirement benefits.

Investigator's Journal

The experience of Ms. Li, a co-worker of the investigator at Winson, left the deepest impression on him. Her husband and her child were also working at Winson. Instead of continuing her education, Ms. Li's daughter came to Taiqiang to be a clerk after graduating from middle school. Her husband worked in a different department. Despite the fact that Ms. Li had been working at Winson for 10 years, the company had only purchased social insurance for her for five years, and she was only five more years away from retiring. According to one of the meetings her daughter had attended, the management had an internal policy that they would not purchase social insurance for workers close to the retiring age. Instead, they would be persuaded to resign. Ms. Li said knowing this policy kept her awake at night. Back in her hometown, her family only owned an empty house but no farmland. She had demanded Winson compensate her unpaid social insurance, but she was told by HR that the factory could not do it and that it was her responsibility because she was not willing to buy the insurance back when she began working at the company. Ms. Li was really upset about this response because when she was hired in 2005, Winson did not purchase social insurance for its workers at all. Her husband was hired in 2008 and Winson had been purchasing social insurance for him since then, for seven years. Ms. Li's daughter was hired in 2012 but Winson did not purchase social insurance for her. Ms. Li herself was very anxious about retiring. On multiple occasions, she had hoped to contact other workers who were also close to retiring age, so that they could band together and demand that Winson compensate them. But every time she wanted to turn this idea into action, her husband would stop her for fear that she would end up getting fired.

According to Ms. Li, there were more than 100 workers who were in the same situation as she was: they were all close to the age of retirement, but Winson did not purchase the five insurances properly for them.

A Ms. Wang from the assembly department reported to her supervisor that she was having serious cramps and asked for leave. But the supervisor did not permit it even though she was pale and could not stop sweating. Ms. Wang was left with no choice but to leave her position without permission from her supervisor. When she recovered and came back to the workshop in the afternoon of the same day, the supervisor would not let her start working and told her somebody else had replaced her. She was then sent to HR and reported the situation. A HR staff member took her back to the workshop and talked to her supervisor. Only then was Ms. Wang was

allowed to resume her work.

Because Winson workers have to work six days a week, most of them choose to spend their day off in their dorms. When they were asked why they did not go out, some workers answered that they only wanted to sleep some more on the only off day of the week. The factory is near Shenzhen Bao'an Airport, and workers can hear the sound of airplanes and see them flying over every two minutes during their shifts, regardless whether it's a day or night shift. Some of them said that they counted airplanes when they were bored, and they could count more than 200 airplanes every day.

There are supermarkets, internet cafes, and arcades near Winson's Sanwei Factory. Some workers will go to these places when off duty to pass time.

INVESTIGATIVE REPORT OF COMBINE WILL (DONGGUAN) INDUSTRIAL CO., LTD

Major Findings

- Hiring discrimination based on gender. Sometimes a man is only hired if he provides a marriage certificate proving that his wife works there. Company rules prohibit men from having long hair.
- Applicants' personal IDs are collected and held for a time by the company. Chinese law prohibits any organization, aside from government departments, from detaining a personal ID card.
- Workers at Combine Will do 13.5-hour shifts, including 11 hours of paid work, six days a week, accumulating up to or more than 100 hours of overtime per month, nearly three times the Chinese legal maximum.
- Because workers rely on overtime to make a living wage, management regularly uses the threat of forbidding a worker from receiving overtime work, and thus overtime pay, as a punishment for slow production speed or other poor performance. Despite such punishment, workers knew of no reward measures given to workers.
- Labor intensity in many positions is high, and some workers are not permitted to go to the restroom or get water because it is deemed a risk to production speed. Even if a worker is allowed to go to the restroom, they are required to finish and return within three minutes.
- Due to poor dissemination of information regarding workers' benefits and complicated application procedures for paid leave, including sick leave, maternity leave, and injury leave, most workers simply take unpaid leave when sick or injured, or resign when they become pregnant.
- Dorms house eight people to a room, and showers lack hot water. There was no air conditioning. Men are arranged to live in all-female dormitories.
- There are sanitation concerns in the cafeteria. On multiple occasions, human hair was observed in dishes served there. Cafeteria staff members do not wear masks.
- Food is of poor quality and may be insufficient for employees. Workers often sneak snacks into the workshop.
- Pre-job training, which contains very minimal occupational safety information, lasts less than two hours, which is far short of the 24 hours of pre-job safety training required by Chinese law. Workers copy the answers for a pre-job training test from an answer sheet provided by the company.
- Workers are unaware of an occupational health committee at the factory. Workers in the investigator's department were regularly hurting their fingers; they would simply wrap up the injury and continue working.
- Workers come into contact with occupational hazards every day, including glues, paints, industrial alcohol and sound hazards. Despite this, protective equipment is often either not distributed – such as is the case for earplugs in the noisier positions, or masks for spray paint workers – or not mandatory until there is an inspection.
- The company does not provide workers with a physical exam, even though Chinese law stipulates that workers in hazardous positions must undergo pre-job, on-the-job, and pre-resignation physical exams. However, a number of workers observed a form meant to waive the workers' right to physical exams.

- A number of fire safety equipment and production machines were observed to lack inspection records.
- There were offices for the union and Communist Party at the factory, but the doors were found to be constantly locked.
- Information on resignation forms was fabricated to show that resignations occurred on Tuesdays.

Some toys produced at Combine Will



“Made for McDonald’s, © 2015 Mattel”



Unfinished toys



“Made for McD’s. Printed in China. ©2015 Mattel”



McDonald’s Happy Meal Logo;
Monster High Logo



“Monster High Happy Meal 2015”

Factory Profile

According to information given by the factory to job applicants, the Combine Will (Dongguan) Industrial Co., Ltd. (hereafter CW) is a wholly-owned subsidiary of Hong Kong-based Combine Will International Holdings Limited. Founded in 2002, CW has four factory buildings and three dormitory buildings. The company has production branches in Dongguan, Heyuan, and Wuzhou in Guangdong Province and Guangxi Province, and office buildings in Guangzhou, Shenzhen, and Shanghai. The holding group employs approximately 10,000 staff in total.

CW's toys are designed and produced according to specifications provided by their clients. All products are exported outside China.

Address: Jingfu Road, Xincheng Industrial Zone, Hengli Town, Dongguan, Guangdong Province
Company Category: Wholly Foreign-Owned Enterprise
Phone: 076983372813

Hiring

Hiring Channel

CW hires workers by posting hiring notices at the factory's main entrance that specify basic qualifications, available positions, and their corresponding benefits. The company does not hire through Talent Resources Market or dispatch companies.

The hiring period begins at 8:30 and 13:30 at the factory's front gate each day.

Basic Requirements for Hiring

Every job candidate needs to bring their identification card and a bank card from a local (Dongguan) branch of the Postal Savings Bank of China (PSBC) to qualify for the hiring process.

The spray painting department only hires experienced workers, while the assembly department only hires female workers. Male workers are not able to get hired except in cases when the worker's wife is currently at the factory; in such cases, marriage certificates must be presented as proof.

The investigator from China Labor Watch witnessed male applicants being rejected by Human Resources representatives.

Hiring Procedures

Every morning at around 8 o'clock, prospective workers wait at the front gate for interviewers from CW's Human Resources department. The interviewers begin the hiring process at 8:30 am, proceeding through each position. At the interview that the investigator attended, the HR personnel present announced that only experienced candidates would be hired by the spray painting department. Prospective workers claiming to have experience spray painting were assigned into the "hired" list upon meeting the approval of HR representatives. The hiring quota for the spray painting department is fixed each day; those not hired are told to come again the next day. Most of the workers hired to the assembly department were female. Male workers were hired only if they had spouses currently working at the spray painting department and could provide each spouse's marriage certificates. During job interviews, principal questions put to candidates for employment included whether they had worked at CW before and whether they had experience working at any other factory. CLW's investigator said she had work experience before, but never at CW, so she was asked one more question regarding whether she could endure hardships. She passed this round after replying in the affirmative. For all types of

positions, possession of a personal ID card and a local PSBC bank card was required. Candidates were asked to return during the next hiring rounds with both documents. Those hired were required to submit their ID card and bank card to HR representatives.

Upon arriving in Dongguan at 14:00, CLW's investigator went to the guard office at the factory's gate and asked for a job interview. The guard told her to come the next day, as that day's hiring round had just concluded. When the investigator said that her bank card was not registered at a local post office, the guard told her to set up a local account immediately. Because the daily quota for new bank cards at the post office had already been met, the investigator had to return early in the next morning to try again.

The newly hired workers were led to the training room. Workers were required to complete five documents: a resume, the notice for employee's rights and obligations, the notice for the protection of female workers, the test for pre-job training, and the labor contract. Together with these five documents, a document containing the answers to the test for pre-job training and a sample labor contract were circulated for workers to transcribe.



Job postings at the Combine Will factory gate

Workers were also asked to provide two recent ID photos. Those who had not brought theirs could take photos at the factory for a fee of 15 RMB (\$2.35). After completion of these procedures, workers signed their names and left their fingerprints on the documents. A representative from Human Resources skimmed the documents and returned those containing omissions to the workers for review and resubmission.

Pre-job Training

After the document procedure was concluded, another representative from HR began the pre-job training, which lasted about an hour. Topics covered during the training included explanations of wages and benefits, working hours, rules and regulations, living conditions, and resignation. Factory regulations include strict stipulations against the male workers having long hair, smoking in the workplace, and a dress code that prohibits employees from wearing shorts or short skirts. Bringing bags or purses into the workplace is also not permitted. Each section of the training was followed by a question and answer round, during which time workers could ask questions pertaining to the material covered; in the event that there were no questions, the HR representative conducting the training advanced promptly to the next topic. After the training, a person tasked with collecting personal ID cards and bank cards at the factory gate and verifying their information returned the cards to workers, who were then asked to check the cards. The process of document verification and reclamation took about half an hour.

Fingerprints

When the pre-job training was over, the HR personnel brought a machine for workers to record their fingerprints. Workers were called in turn to record their fingerprints, after which they could return home. This factory conducts two rounds of hiring per day; in this round, 30 workers were

assigned to spray painting jobs and more than ten to assembly jobs. All those receiving employment were directed to report at the HR Office at 7 am the following morning. Workers planning to live in the factory dormitory were required to bring their luggage even earlier.

Labor Contracts

When signing the labor contract, workers were instructed to follow a template provided by the management to create two copies of their labor contracts, transcribing the template's language word-for-word. Workers keep one of two copies. The contract includes the following items: contract period, probationary period, job description and location, working hours and vacation time, wage, social insurance and benefits, occupational safety and protection, terms for the dissolution and termination of the contract, mediation and arbitration, service period and competition constraints, etc. Many workers did not read the contract carefully: when asked by the investigator about details embedded in the contract, e.g. the length of the probationary period, many were unable to provide the correct answer. The contracts were signed by workers and returned to them at the meeting at 7 am the next morning.

Working Hours

During the pre-job training, workers were told by HR representatives that the spray painting department did not have a night shift. Workers in the assembly department, on the other hand, would be required to rotate onto an overnight shift every half month, when deadlines for production orders were approaching. The assembly line to which the investigator was assigned started to require workers to do overtime on the very first day. Each day workers were assigned to work for 11 hours, including four hours in the morning from 8:00 to 12:00, four hours in the afternoon from 13:30 to 17:30, and three hours in the evening from 18:30 to 21:30. Workers had a break of only one hour between the afternoon and evening shifts. There was little time for dinner and rest, since workers had to wait in line to get their cards swiped when leaving and reentering the production line.

In the assembly department to which the investigator was assigned, meetings were convened every Saturday before the shift ended at 21:30. The team leader would stop production and start the meeting at 21:20, and workers would be able to leave the workshop at 21:30. During the meetings, the team leader usually underscored the importance of rules and discipline, called for production growth, criticized any delinquent conduct such as the substitution of card swiping, and stressed that workers would be penalized for the violation of these rules.



Workers wait in line to swipe their cards at the end of shift

Factory rules stipulate that the total amount of time workers can be late may not exceed two hours per month. When the time accumulated is over this limit, workers begin to lose points. Workers are expelled when they lose 10 points. During working hours, workers do not have any break time, though they are allowed to leave to visit the restroom or drink water. In the assembly department, only three workers were assigned screw-driving duties, frequently causing products to pile up. As a result, these workers were not permitted to go to the restroom or drink water. Such instances of products piling up are not uncommon.

Workers are only permitted three minutes for restroom or water breaks. One newly hired worker complained to the investigator of bodily soreness after the first day of work.

In this factory, workers work from Monday through Saturday, resting on Sunday. During peak seasons, workers have to work overtime and do night shifts, but working overtime and night shifts are not needed in the low seasons. When averaged, there are a total of 21.75 weekday work days in a month. At the time the investigator was at the factory, the ongoing peak season requires workers to work six days a week, 26 days a month. In the assembly department, workers work 11 hours per day, six days a week, including three hours of overtime work each day. All Saturday work is counted as overtime. Workers can choose whether they want to work overtime, but no one would choose not to do overtime. Practically every worker does overtime in the evening from 18:30 to 21:30. The investigator was told by workers that overtime pay is what drives workers to do overtime.



Workers prepare to begin their shift

Attendance Record

Workers must swipe their cards when they enter and leave the production line to record attendance. Every group within a department has a card-swiping machine used to implement both on- and off-duty attendance checks. Workers that forget to swipe their card must obtain an attendance slip from their group leader, fill in the requisite information and return it to their group leader. The slip is then archived by HR personnel. On the slip, workers are required to fill in their name, department, absence date and time, reason for absence and signature. Besides the card swiped by each worker, the group leader also collects work IDs from every worker and swipes them during the shift. The group leader's own work ID is required before she swipes for her group members. When the swiping process is done, the group leader gives the employee cards back to their owners. In addition, the group leader records each worker's attendance and production in a special notebook, and hands it out to workers for their signature during the night hours between 18:30 and 21:30. For overtime hours, workers also need to sign a form as a kind of application for overtime work. This form is usually signed the evening before overtime hours are to be worked.

Production quotas

At the pre-job training, workers were told that the assembly department adopts a system of piece-rate wages in addition to time-based wages. The investigator was told that the wage is calculated based on the number of units produced when assigned to the production group. However, while on the production line, the investigator was told that the piece-rate wage system would officially start the following month, in May, because the unit price for the newly released product had not yet been valued by the factory. Therefore, the hourly wage system was still used during that month.

Inspection of the production amount forms kept by the group leader yielded the findings that production level per day is approximately 15,000 to 16,000 dolls, and the total number of workers in this particular production group is around 70 people. Within a group, workers are assigned to different jobs, including assembling various parts of the dolls, trimming the hair, combing the hair, installing screws, folding paper boxes, wrapping boxes, encasing, and moving cases. The investigator was responsible for assembling dolls. It took her about two minutes to assemble a row of five dolls. Around 1,650 dolls were assembled each day by a single worker. (A worker is able to assemble 2.5 dolls per minute. On average, workers at CW work 11 hours a day. $2.5 \times 11 \times 60 = 1,650$.) Workers on each link of the production line operated quickly, using both hands in coordination.

Wages and Benefits

Wages

Workers get their wages for month 1 on the 25th day of month 2. Wages are deposited directly into workers' bank accounts in the local PSBC with a paystub. The investigator, as well as close to 20 others who resigned from the factory on the same day, could not receive a paystub. Instead, they were provided only with a paper presenting the details of their reimbursement. The investigator observed that resigning workers were asked to sign on the paper quickly and were not allowed to make a photocopy or take it with them.

The paystub is a pink paper slip with information including the base wage, overtime wage, vacation overtime wage, dinner subsidy, social insurance deduction, tax deduction, hourly wage, total hours, overtime hours, vacation overtime hours, total wage, total deduction, actual wage and attendance bonus (150 RMB, around \$24). Compared with other departments, workers in the assembly department have relatively higher wages at around 3,900 RMB per month (\$612). In high seasons, a worker's wage may reach more than 4,000 RMB per month (\$628). An example of a worker's paystub:

Base wage:	1416.8 RMB	\$222
Overtime wage:	676.2 RMB	\$106
Weekend overtime wage:	644 RMB	\$101
Night shift subsidy:	248 RMB	\$39
Social security deduction:	194.34 RMB	\$30
Tax deduction:	20.44 RMB	\$3
Hourly wage:	8.05 RMB	\$1
Total hours:	176	
Overtime hours:	56	
Weekend overtime hours:	40	
Attendance bonus:	150 RMB	\$24
Total wage:	4375.74 RMB	\$687
Total deduction:	214.78 RMB	\$34
Actual wage:	4160.96 RMB	\$653

Benefits

The HR personnel at CW distributed uniforms and caps on the first day of work, which were previously used, cleaned, and redistributed by the factory. Before leaving the position, the workers needed to return the clothes and caps; otherwise, they would be fined 15 RMB for each piece.

CW does purchase insurance for its workers once they enter into employment. However, during the investigation, most workers claimed that other than overtime wages and statutory holidays, they receive minimum benefits.

There are 11 days for statutory holidays, including the Spring Festival, the Qingming Festival, the Dragon Boat Festival, and the Mid-Autumn Festival.

A worker has 5 days of annual leave if she has worked in the current factory for at least one year and less than 10 years. 10 days of annual leave is granted for those having worked in the current factory for at least 10 years and less than 20 years.

In addition, according to information made available by Human Resources office, the factory provides sick leave, maternity leave, funeral leave, and industrial injury leave. But due to poor dissemination of benefits information and the complicated procedures required for paid leave, workers tended to choose to ask for absence without pay if faced with minor injuries, or resign if they became pregnant, rather than provide the various documents required to prove their eligibility for said benefits.

The factory provides free access to its own Karaoke room, library, ping-pong room, billiard room, TV room, basketball court, and badminton court. The investigator checked these recreational facilities during the break and found that most of them were not used, except for the TV room and billiard room. Most of the time, the doors to these facilities were locked. Furthermore, one must go through many troublesome procedures to be able to borrow the equipment or use the facilities. Even during the weekends, no one used the basketball court.

Recreational facilities typically go unused



Factory's ping pong facility



Factory's basketball court



Factory's exercise facility

Living Conditions

Living Conditions

The factory provides dormitories to workers at a price of 30 RMB per month, excluding water and electricity. Workers may choose to live in the dormitories or outside the factory. It usually takes a month if a worker wants to switch dorms. The investigator was assigned to a dorm with many veteran employees, who would chat until midnight. The investigator told the group leader that she couldn't sleep well and hoped to switch to a



8-person dorm room

different dorm. Replying that such matters were not under her purview, the group leader directed the investigator to take her problem to the HR department. A co-worker told the investigator that she needed to go to the dormitory manager with her request, though it was unlikely she would be approved to switch dorms if her reason was simply about noise.

Each dormitory houses eight people. They are furnished with bunk beds, wall-hanging fans and two separate bathrooms. No air conditioner was provided. Though each person receives a locker, they need to purchase a lock for it themselves. Dorm security was handled entirely by security guards; no monitoring or security equipment was employed. In the bathroom, the shower heads were rusty and could only provide cold water. Hot water is not provided in the dorms and there is only one hot water room on each floor. Workers need to go to the hot water room to obtain hot water for their personal needs.

On the first day, the investigator went to the hot water room and found it was leaking from upstairs. The floor was soaked from the leaking water.



Worker uses hot water room

It was not permitted for workers to wash their hair in the hot water room, but the investigator would find workers washing inside every time she was there. There was a lot of fallen hair on the floor.

There were men living inside the women's dormitory building. The room next to Room 3320, where the investigator resided, was occupied by a man. The investigator often observed this man walking past her dorm room.

The investigator also came to learn that there were men living on the top floor of her dorm building after running into men on the staircases.

Meals

The factory provides meals for workers along with meal subsidies for eating in the cafeteria. They must register for this service when they get hired. If workers plan to eat at the factory, they need to sign their name on a special form. If they plan to eat outside the factory, then no signature is needed and the worker is eligible for a meal subsidy of 240 RMB (\$38). The factory cafeteria only provides lunch and dinner, so workers have to eat outside for breakfast and midnight snacks. When on the night shift until 2 am, hungry workers usually go outside to find food.



Worker carrying hot water to her dorm



Workers wait in line to get food



Cafeteria meals are simple, featuring two meat sides, one vegetable side and a bowl of soup



Cafeteria meat

During meal times, workers stand in queues and swipe their meal cards to get the food placed in standardized meal trays. Workers were also allowed to purchase meals in cash. On the window of the cafeteria, prices of the food are shown. Usually, one tray costs about 4 RMB (\$0.63). Meals are simple, with two meat dishes, one vegetable dish, and a bowl of soup. Meat dishes often contained very little meat, though rice was free to add. During the time when the investigator was eating at the factory, she never had a chance to eat a single piece of lean meat. In an extreme case, she was provided with two pieces of fat meat, but found hair left on the meat. She had also come across human hair in green vegetables. Workers typically regarded the green vegetable dishes as the most unpalatable of all dishes in the cafeteria. The investigator was never able to eat to fullness at the factory cafeteria. During working hours, workers are not allowed to buy food once they step into the production area, forcing them to withstand their hunger for hours. Many brought small snacks like cookies and bread to the tea room in the workshop, and tried to sneak a chance to eat them when they could not bear the hunger any longer.

Workers would swarm to the cafeteria once completing their shift. Many jumped the queue and no one was there to keep order. None of the cafeteria staff wore facial masks. Workers were supposed to scoop up free soup by themselves using long iron spoons placed in a big iron barrel. However, no one actually used the spoon. Instead, they scooped up the soup from the barrel directly with their small bowls.

Occupational Safety and Labor Protection

Occupational Safety

Most workers did not know if the factory has any form of occupational health committee. Workers had not received any training on occupational safety and were told only to wear the work uniforms distributed by the factory when entering the workshop. Machines were not inspected on a regular basis, and there was no inspection record.

Just as in the cafeteria, some people would cut in line when clocking in and out, even when the

group leader was present.

Labor Protection

Workers were required to wear work uniforms and masks in some positions on the production line, but despite the high level of noise, the factory did not distribute earplugs. Workers' masks are changed every three days. The group leader asked every worker to wear masks, especially at the gluing department, where the equipment was marked with symbols indicating hazardous materials, including "flammable, harmful, Class 3 and 6 toxic materials." Some experienced workers told the investigator that masks were not necessary except in departments such as gluing, because the glue was poisonous. The smell of alcohol was pervasive, and glue would often stick to workers' fingers. For workers responsible for other procedures, masks were often ignored. When inspectors came, however, the group leader would direct workers to put them on.

The masks are disposable and changed every three days. An experienced worker told the investigator that few workers wear their masks during overtime hours in the evening between 18:30 and 21:30, as no one inspects during that time.



Paint thinner



Worker without mask

The investigator walked around the painting department on the fourth floor during working hours and was overwhelmed by the pungent smell at the gate of the workshop. The investigator had to tighten her mask. Despite the obvious risk, no one inside the workshop was wearing masks.

When workers were hired, the factory did not provide any physical examination. Despite the notice posted at the gate that said all workers were required to provide a report of physical examination within three months of employment at the factory, this requirement was never mentioned or brought up. Physical examinations were not performed or discussed even when workers resigned. When the investigator resigned, more than ten people had seen a form on a Human Resources desk meant to waive the physical examination requirement, but no one asked about it. The HR representative did not mention it either. The form was just prominently displayed on the desk.

There is a first aid kit in the workshop, but only specially-assigned personnel had the key to it. The group leader had some simple bandaging items. Pressing injuries occurred every day during assembly procedures. Most of the time, workers just put a bandage on it and continued to work.

Fire Safety

Fire safety equipment was not properly inspected through opening and examining the equipment in a careful manner. The investigator checked the record of the fire extinguishers of her group in the evening but did not find any record of inspection for that month. When she came early in the morning the next day, she found that someone had checked on the record with a stroke and signature of the date.

The investigator also checked records of other equipment in the cafeteria, the corridor in the dorm building, etc., and found the record of the monthly inspections missing among many of them. In particular, she found that the inspection records of three fire extinguishers numbered A0057 (on the first floor of the cafeteria), A0086, and A0087 had been left blank.

Rewards and Punishments

There is only one smoking area in the factory, which is located at the bicycle parking areas at the factory gate. There is not a single smoking area in the production zone behind the second gate. Shifts usually lasted for four hours, so some male workers would smoke in the restroom surreptitiously. If discovered smoking, the worker would lose 10 points on the performance card and be fired immediately. There are many notices on CW's bulletin board describing people who had been fired for violating the smoking rules. When the investigator left the factory, a notice of this kind had been posted on the board.

The most common punishment is to forbid workers from doing overtime in the evening. From time to time, the group leader would check each worker's performance and would warn the workers not to come at night if they had been working too slowly. During one shift, the investigator left the production line several times either to receive phone calls or to use the restroom. Each time, upon her return, the group leader would stand staring at her or check her products. When the group leader found a large number of products left unfinished, the group leader yelled at the investigator and asked her not to come to work for evening overtime. Another worker on the line received the same treatment.

In addition, workers were frequently taunted if they attempted to change departments. A woman told the investigator that she proposed to change departments after she began to experience pain in her waist following several days of bending over at the assembly department. She was scolded when she told the group leader. In recounting the tale to the investigator, she imitated the group leader's yelling: "Why don't you switch jobs with me!"

Responsible for supervising 70 people, the group leader was not able to supervise everyone at every moment. In many occasions, the new workers would be scolded by the senior workers who had joined the factory earlier. The investigator was often scolded by two nearby women from Guangxi Province.

Taking products out of the workshop was strictly forbidden. Those who broke this rule would be fired.



Fire extinguishers have no record of past inspection

Workers who proposed to resign were often obliged to take a leave of absence before the factory would accept their resignation. The investigator proposed to resign on April 26. Since there is a three-day holiday from May 1 to May 3, on April 29, the investigator proposed to take one day of leave on April 30 before the holiday, take the holiday, and then return on May 4 for one day of work before leaving on May 5. The group leader was outraged upon hearing the proposal and forced the investigator to leave on April 29 and not to come back until May 5 to complete the resignation procedure. When they went to the director's office after their argument, nothing had changed: The investigator was not able to work in that factory after April 29. The group leader also punished the investigator by not giving her overtime in the evening of the 29th.

On the bulletin board, not a single notice about any rewards could be found. According to some workers, they did not receive any extra reward besides overtime pay.

Complaint Channel

There are offices for the ACFTU, COC, Communist Party, and labor disputes in the factory, but the investigator found their doors to be closed during the times that they were advertised to be open.

The bulletin board had a number of results from questionnaires listing the workers' level of satisfaction, including one questionnaire regarding the first aid kits, eye-washing kits, fire safety, anti-theft measures, drinking water, storage, dorm room capacity, number of restrooms and bathrooms, and sanitation. However, the signatures on the questionnaires were outdated, from either 2012 or 2013.

Resignation

The factory stipulated that resignation procedures could only be completed on Tuesdays. When workers proposed to resign, the group leader would directly approve their proposal. The letter of resignation had to either follow the sample provided by the factory or be filled in under the supervision of the group leader. The date of the resignation had to be validated on Tuesdays, and the date of proposal to resign should be three days prior.

The investigator proposed to resign on April 26, and filled in the form of resignation on the next day. The form included the following information: Name, work ID, hiring date, resignation proposal date, resignation validation date, signature and date. The investigator was forced to transcribe her resignation form verbatim and the dates were fabricated to minimize the work days since her proposal of resignation.

Other

Workers had no work-life balance. Most workers in the factory were middle-aged men and women with family and children. They arose each morning at 7 am, went to the production line at 8 am, and after 11 hours of work, returned to their dorms completely exhausted. They had no leisure time, for instance to shop or go see a movie. A roommate of the investigator came back to the dorm at 22:00 every day. When she finished bathing, it would already be 23:00; she would be asleep the minute her head touched the pillow.



Workers resting after their meal



Workers playing at billiards during their break

Investigator's Work Journal

Tuesday, April 21: Arrived at Dongguan, still haven't begun work

Today is Tuesday, April 21. This morning I woke up very early, so that I could arrive at Combine Will Toy Factory's gate before 8:00 am to wait for an interviewer from Human Resources. By 8 o'clock, many job applicants had gathered before the factory gate. It was 8:30 by the time the interviewer came to receive us. I was positioned at the front of the crowd and gave the interviewer my ID card when she came by. I didn't have a bank card to give her. The interviewer took my ID card, and looking from the card up at me, asked me if I'd worked at this factory before, and if I'd ever worked in a factory. I replied that I'd never worked at this factory before, but that I did have experience working in factories. Then she asked me if I'd applied for a local PSBC bank card yet. I explained that I'd tried to yesterday at two different branches, but since they'd both run out of ticket numbers to save my place in line, I wasn't able to complete my registration, and that I planned to try again later. The factory interviewer told me that wasn't okay, and that I had to submit my ID card and bank card together to apply. They told me to take a 5 yuan motorbike ride to the closest China Post office to register, so I hailed a motorbike to go. But by the time I returned from registering my bank card, it was already 10 o'clock, and they were no longer recruiting workers. The guard told me to come back at 1:30 in the afternoon, so I had no choice but to return to my hotel to wait until I could return for an interview at 1:30.

At precisely 1:30 in the afternoon, I returned to the factory gate guard office to await the interviewer's return. The interviewer came out around 2 o'clock, and I prepared to give her my PSBC bank card and ID card. The interviewer repeated to me the same questions from this morning: Had I worked at this factory before? I told her I hadn't. Did I have any experience working in a factory? I said I did. The interviewer eyed me and said that working here was very hard – would that be a problem for me? I told her it wouldn't. Thus I made it through the interview and entered the factory premises for the first time. This time around, we were being recruited for two kinds of positions: spray painting and assembly. Only experienced workers were being hired to spray painting jobs, and only female workers to assembly jobs. There were no hiring restrictions based on age. By my count, they hired about thirty workers to the spray painting department and some ten workers to assembly. Soon afterwards, we new hires were brought to the training room to begin the hiring procedure. We filled in all kinds of registration forms, altogether transcribing six pages of information. After we'd finished, we were all told to sign the front with our names, whereupon the interviewer scanned our forms, which included two copies of our labor contracts. One of the pages of material was a test quizzing us on material to be gone over during training, and the Human Resources personnel just gave us the answers to copy down.

After we'd finished filling out the series of documents, another person from Human Resources came to lead our training session, which lasted approximately two hours, and covered such topics as our wage – we assembly workers get about 1400.7 RMB per month as base pay, while workers in the spray painting department make a little more than we do with a base wage of 1780 RMB a month. The bonus for perfect attendance is 150 RMB a month, but you can't receive any administrative penalties or be late to work more than twice a month. If you're late more than twice a month, you'll be fired. You have to buy social insurance. Regarding shift hours, you work four hours in the morning and four hours in the evening, with daily overtime usually around two or three hours. Assembly workers get overtime, which lasts until 21:30, and also have to work night shifts, which last from 21:30 until 8:00 the next morning. Generally speaking, workers switch shifts every half month, and everyone, no matter how old or young, has to be prepared to work the night shift. When this subject was raised, those people among us who couldn't accept that condition got up and left. The HR staff also went over issues relating to our living conditions, explaining that living in the factory dorm would cost 30 RMB a month, that there was no subsidy provided to workers wanting to live outside the factory facility, that workers could eat inside or outside the facility and that those planning to eat outside would receive a subsidy of 8

RMB a day, coming to a monthly subsidy of 240 RMB. Workers who declared they'd be eating outside the factory cafeteria but actually came to eat at the cafeteria wouldn't receive the 240 RMB meal subsidy. During training, we were also told that male workers can't have long hair and that workers aren't allowed to smoke – if anyone is found smoking on factory premises, they'll be immediately fired. Neither male nor female workers are allowed to wear shorts or short skirts. Workers also can't bring personal bags or purses into the workplace. When resigning, workers still in the probation period have to fill out a resignation application three days in advance, while workers who've passed through the probation period have to apply a month in advance. Workers will be directly given any owed wage on the day of their resignation. Finally, we recorded our fingerprints, after which we could leave. We were told that we should arrive tomorrow morning at 7:30 with belonging.

Wednesday, April 22 – The first day of work

Today, Wednesday April 22nd, was my first day of work and also my first day working overtime and the night shift. I woke up a little after 6 this morning, and arrived at the factory's Human Resources department at exactly 7:30 with the other new hires. HR gave us each two uniforms, a hat and face mask, and a dorm key. We dropped off our luggage as quickly as possible, reassembled, and HR led us to the third-floor workshop. Upon seeing the entire assembly line, each person – I think about two thousand workers in total – set busily to work, while the person in charge of us assembly workers brought us around to different production groups. I was assigned to the line assembling a doll. Once we'd all been assigned to our spots, the group leader made sure we were all familiar the leader's name, so that even though there were very many production groups in the workshop, if we couldn't find our production group, we'd be able to find our group leader's name on the production board posted in the workshop. I saw on the board that my production group had 65 workers. Then the group leader brought us to a veteran worker and had us observe the worker assemble the dolls, and then it was our turn to assemble by ourselves. From the beginning the veteran was very friendly to me. On the first day of work, it didn't seem the group leader had any particularly bad flaws, but after some time had passed it became apparent she habitually doled out verbal abuse to workers. Because I worked next to the veteran worker the first day, I was able to ask her some questions while we worked and learned that she'd worked there almost half a year.

My shift ended at noon, and we spent quite a bit of time standing in line to swipe out. Because the sun was beating down pretty strongly, I decided to eat in the factory cafeteria rather than outside. Because I'd left the workshop pretty late, many of the stalls at the cafeteria had run out of food; I saw many other workers in the back that also hadn't gotten enough food to eat. We ate whatever food the cafeteria had left, but I had to work through the afternoon and return to my dorm at the end of the day with a growling stomach. Returning to my dorm around noon, I was only able to rest for around ten minutes, since I had to make my bed with a mat I'd bought for it earlier in the morning before I was able to sleep. I roused myself by 13:15 and prepared to get back to work. I worked straight from 13:30 to 17:30, took an hour's break to eat dinner, and continued working from 18:30 to 21:30 when the night shift ended.

I was really tired after working the night shift, as I'd never before worked a night shift, so I asked a veteran worker, "Are you all really willing to work the night shift?" He scoffed at my question, replying, "Of course we're willing, how do you think we're supposed to make any money if we don't work the night shift? A normal work day is eight hours, and we get 8 RMB an hour: that's 64 RMB a day. Working the three hours of the night shift, we get 12 RMB for each hour, so that's 36 RMB a night...working the night shift definitely pays."

Thursday, April 23 – The second day of work

After waking up around 7 in the morning, I hastened outside to find something for breakfast, buying a *changfen* (a type of noodle dish). Some of the workers had gotten up too late to have

time to eat before shift and were buying snacks – convenient things like bread, buns, dried foods – to stow away in the break room, planning to eat them discreetly during the shift. They had to be really careful to make sure the security guards didn't see them bringing the food in. Later, I asked some coworkers about it, and they said many workers at the factory don't eat breakfast and apparently work all four hours of the shift without leaving to use the restroom or get water even once, as they'd often seen them work straight through a shift without getting up. I asked the workers how it was possible that workers could go that long without even drinking a sip of water; my coworkers explained that the that it wasn't possible to take water breaks with so much work to do. Every day I left to visit the restroom, upon coming back I'd look at my group leader's blackboard to see how many people had left the assembly line to take short breaks, and it became apparent over time that the workers taking breaks tended to be new workers.

At noon I jogged on my way to get food, hoping to get a little more time to rest, but again I didn't have enough time after eating to get in a good rest before going back to work. I share the dorm with some workers from a different department who go back to work at 13:00, whereas we go back to work at 13:30, and these workers chat so loudly upon waking up that it makes it impossible for us to sleep for a whole half hour, and before we know it's time to get back to work, standing in line to swipe our cards to get back to the workshop. Every time we clock in and clock out we have to swipe our cards, and then we have to hand our work IDs over to the group leader to swipe before we can begin the shift. The group also has to swipe her work ID before swiping ours in. Then she'll pass them back out during the shift.

Over time I'm finding that as I become accustomed to my job, it's going smoother – but after doing this for two days, my waist has started aching, and since the glue we're using has paint thinner in it, the fumes are starting to bother my eyes. We assemble products without ever stopping; during a step of the production process when we were applying a lot of pressure to the products, Mr. Wang (alias), the worker next to me, wasn't careful and accidentally crushed his hand. He wrapped it up with a white bandage. During work, I looked down at my phone and a veteran worker scolded me. Though many other veteran workers saw, nobody said anything. It's this way at many factories, that veteran workers bully new workers. When I answered my phone to take a phone call, the experienced worker next to me said, "Let's see how you do when piece-rate begins! Go outside to take phone calls!" I responded that it hadn't taken me even one minute to deal with that phone call, and if I'd gone out to take such a short call it would have wasted time. Mr. Wang, upon hearing this exchange, asked how the veteran worker could treat a new worker this way.

In the evening we continued working, clocking in at 18:30. A few minutes into the shift, our group leader passed around and had us sign applications for overtime. I kept trying to find an opportunity to speak with the group leader to tell her I didn't want to work overtime. But after seeing that not one person was absent for overtime, I changed my mind and decided to do overtime, too. If other people are able to do it, then why can't I?

With four minutes left before the end of shift, I hurried to wait in line to clock out, but the group leader reprimanded those of us who had rushed to stand in line, remarking that we had left to stand in line before time was up, and that we should look to the veteran workers beside us on the assembly line and learn from their example. (The worker beside me was always the last person to clock out.) None of the workers standing in line dared to say a word. After clocking out, I ate a quick meal outside. By the time I'd returned to my dorm it was already almost 22:00, and I still had to take a shower. All day long I'd had no time to wash, having to wait to do anything until after the night shift. When I went to get water from the water room, I felt a dripping on my head. Looking up, there was water dripping from the ceiling and leaking to the floor below mine too – water leaking all the way through the building from top to bottom!

After washing myself and my clothes, by the time I got to bed it was already past 23:00. The veteran workers in my dorm were still talking on the phone and chatting, paying no heed to my request that they quiet down. Surely not all the dorms are like this. Knowing nothing I could say

would be of any use, I let my eyes close, hoping that I'd be able to fall asleep soon.

Friday, April 24 – The third day of work

I really don't know what time I ended up falling asleep last night, they kept chatting loudly until after midnight.

This morning I went out again for my *changfen* breakfast. On arriving at the workshop, I scanned the production schedule and noted that while yesterday our production group had 69 people, today our total number was 77. The first thing I have to do in the morning is record my fingerprint and hand in my worker ID to the group leader's basket. A coworker told me that after we come to work and record our fingerprints each day, the group leader also has to swipe her work ID. Only after she does this can our worker IDs be swiped to record our attendance.

We still hadn't begun work when a worker from a group next to ours came running over to tell us that "That long-haired woman is gone." I approached him and asked curiously if she had resigned or if she'd been fired by the group leader. He told me that the group leader had fired her, explaining to me in gestures that she had worked too slowly.

As I worked, I counted inside my head, ultimately calculating that at the rate I was going, assembling about 2.5 dolls a minute, I was assembling approximately 1,500 to 1,600 dolls a day.

Throughout my shift, I was continuously trying to find a good moment to ask my group leader about the possibility of changing dorms. The moment the group leader came over by me, I told her, "Group leader, I'd like to switch dorms. The other residents are so loud that I can't fall asleep at night." The group leader was noticeably unhappy, responding, "Dorm-related problems aren't my responsibility, go find someone from Human Resources." I told her I couldn't go without a pass allowing me to leave the production line. The group leader replied impatiently that if I didn't want noise, I should go find housing outside the factory. She said that I had too much to say. Observing this, one of the workers beside me told to find someone in the dorm management staff, but that I'd have to wait until next month to be able to change dorms due to needing to pay the utility fee, and in any case dorms were unlikely to let people switch due to noise reasons. I figured I'd try anyway just to see how the group leader handled my request without actually having the intention of changing dorms. I didn't even consider changing dorms again.

Each day during work, I conversed with the workers around me about the difficulties they'd experienced working here. Sometimes the tone of our conversations was quite upbeat, and we could almost forget the fatigue of being overworked. We talked about each other's' hometowns, our youth, schooling, and prospects for the future, punctuated from time to time with bursts of laughter. When the group leader wasn't around, which was frequent, we carried on in this way, chatting while we worked. In all the time I spent at the factory, it was only in these moments that I was able to find a bit of joy.

With still half an hour left in the night shift, the mold we were using for our dolls' heads was changed from the mold we had been using—Mold A became Mold B. At the same time, Mr. Wang, who works next to me, remarked while looking down at a text message on his phone that they'd issued his wages. His whole face was lit up with happiness. I asked how much he'd earned, and he told me over 4,000 RMB.

Saturday, April 25 – The fourth day of work

There's a China Postal Savings Bank ATM on the lower floor of the dorm. While visiting the

restroom last night around midnight, I overheard the sound of voices from the lower floor. Looking down from the window, I saw some ten people standing in line to withdraw money.

At 7:30 in the morning, I ate a breakfast of fried rice, bought from a vendor near the factory exit, and by 7:40 I had arrived at my workstation, ready to begin work. I noticed that a woman who'd showed up for the first time yesterday in the late morning at the work station across from me was back again. Though she'd been there yesterday morning, she hadn't turned up yesterday afternoon, nor had I spotted her during the evening overtime shift, so we all, including the group leader, had figured she'd decided to have nothing to do with this – but wouldn't you know, today she was back. I was really curious, so I asked her, "How was it that you didn't come yesterday afternoon?" With a faint smile, she said, "Yesterday afternoon I overslept, and by the time I woke up it was already past 14:00, so I didn't come," and added, "Perhaps I was too tired." I smiled and nodded. The group leader came over and asked her the same question I had, to which she gave the same answer. At this point, the group leader seemed to lose her temper: "You think you can miss work for no good reason – next time this happens, don't bother coming back!" Immediately everyone went totally silent. While chatting with this worker afterwards, I came to learn she had worked in our group previously, assigned to packaging duties in the back and suffering because she was unable to bear the constant bending at the waist that doing packaging work required, until the group leader reassigned her to do assembly work with us. She imitated the group leader's response to her request to be reassigned, yelling, "Why don't you switch jobs with me!" I couldn't help but laugh. And just like that we had another friend to chat with.

As I worked, I thought of questions I'd like to ask, and asked of my neighbor, Mr. Wang, "Does it seem like those of you who live outside the factory make your own breakfast in the morning or leave to buy food to eat on the street?" He said, "I sleep until 7:35 in the morning, then come to the company to work, where would I find the time to eat breakfast!" I was shocked, I eat breakfast every day, be it a *changfen* or fried rice, and I'm already hungry again by 10 o'clock in the morning. To think he doesn't eat breakfast! Unable to hold myself back, I asked, "How do you go to work without eating breakfast? Aren't you hungry?" Laughing, he said, "I'm used to it." I kept after him, asking "Then many of you don't eat breakfast?" He said, "I think that's probably right - there isn't enough time in the morning to eat breakfast, it's noon before there's time... One half hour and you can return home to eat, or buy some food to bring home." I followed up, asking, "Then do you still have any time left to rest at midday?" He said, "We don't need to rest." I learned from chatting with him that he started working at the factory last August, and had already worked here for half a year. "If you don't smoke or drink alcohol for a month, could you save up to 2,000 RMB?" I asked him. He replied that one could. To my question of how long he planned to continue working at the factory, he said he didn't know. I asked if he knew of any workplace injuries that had occurred here; on the whole, he said, there hadn't been any to speak of. "What about any major accidents?" Yes, in either January or March of last year, a male worker had died, he said; the worker's wife had found him the job here. "Surely that counts as a workplace injury!" I exclaimed. Shaking his head, he asked me how it could count as a workplace injury – the worker had left work, returned home, and gone to bed; he'd never woken up. I realized that Mr. Wang's knowledge of labor law was really lacking. I imagine Mr. Wang's views must still be widespread opinion.

Today is Saturday, so tomorrow we have off to rest. Everyone was already getting excited on Friday for Sunday's arrival, so today anticipation is even higher; the woman from Guangxi province who works to my right said tomorrow she and her friends are going to a hot-pot buffet, just 39 RMB and you can eat however much you like. Mr. Wang said tomorrow he planned to sleep until noon, and then go for a leisurely stroll in the afternoon. Another woman said she was going to visit nearby relatives. The women at this factory can be uncouth; they're always speaking obscenities. But they never curse at other people.

Today our night shift was moved up by 20 minutes; though shift technically ends at 21:30, our group leader called for us to pack it in for the night at 21:10. It turned out she was going to convene a team meeting; in the four days I've worked here this was my first time participating in

such a meeting. Mainly, she told us that starting next week, we were going to start piece-rate, after which, she said, things would get more difficult. From her position standing atop a bench, she declared: “For several days I’ve said nothing to you as you chatted while working, but next week once we’re counting pieces, whoever fails to complete their allotted quota will be dismissed. Now, I’m telling you all, not everyone here will be able to stay. I am an impatient person: If I tell you to do something and you fail to get it done, then don’t blame me when I yell at you. Your work ID, hats, and masks are to be worn in a timely and proper fashion. I will only be convening one meeting like this per week. From now on, I’m going to humiliate whoever tries to jump the queue when clocking out...”

As the group leader held the meeting, I kept track of time. She was very punctual – at 21:30 on the dot, she announced that work was over for the day.

Monday, April 27 – The fifth day of work

I arrived at the factory before 8:00, taking particular care to take a look at the fire hose, fire hydrant and fire extinguisher’s inspection records. I didn’t know if they had been inspected before the end of shift yesterday or this morning even earlier than I’d gotten there to check, but the record indicated that the equipment had been inspected on today’s date, April 27.

Today our group leader kept rather a close eye on our work, frequently standing by our side to watch us work, instead of roaming around the workshop like she usually does. If she noticed anyone making a mistake, she’d point it out. She said we had to put our hair in hairnets and couldn’t let it be exposed. When she saw a worker doing something wrong, she had them sit by her side and watch her do it. While inspecting our work, she said that if she saw us mess things up again, we shouldn’t blame her when she shouts at us. As long as the group leader was by our side, none of us dared to speak.

I planned to resign at the end of the month, so today, the 27th, I tried to find an opportunity to speak with her about my impending resignation. She told me, “If you want to resign then resign, but you’ll have to do it next Tuesday.” I asked, “Why do I have to wait until next Tuesday, doesn’t it just have to be three days in advance?” She said, “Tuesday, the 5th! So you think you opened this factory and can do whatever you want, huh?!” I figured I’d better return to my place and continue working. On returning to my seat, I asked the veteran workers beside me if they’d always had to wait until Tuesday to be able to resign; they said that this hadn’t been the case before and that they weren’t sure why now one had to wait until Tuesday. After that, I waited for the group leader to return to my station before trying again. Very calmly, I asked once more, “Group leader, why do I have to wait until Tuesday to be able to resign, doesn’t it just have to be three days before I plan to leave?” After a pause, the group leader said, “It is procedure to do it on Tuesday, what day is today?!” I pressed on: “Didn’t you all say three days in advance, I’m still in the probation period! Labor law also stipulates that during the probation period, you only have to give three days advance notice before you can resign. Today is the 27th, and if I wait until Tuesday, it will have been eight days.” At this, the group leader lost her temper, and, her eyes popping out of her head, roared, “What eight days! Everyone, tell me if this person’s got a mental disorder! Do you understand what I said?!” After she said this, she left, and I didn’t ask again.

At noon, the sun is too strong, so I usually eat in the cafeteria. As I’ve done in the past, when the shift is over, I record my fingerprint, then trot over to the cafeteria, because if you get there too late, there’s no food left to eat. I’d already gotten my food by the time I realized there was no meat in my dishes, not even a piece of fat. I was even more disappointed than usual today, as I unexpectedly came across a strand of hair in my vegetables. I got up without eating, returned to my dorm, where I ate two bananas, and rested a bit in preparation for the afternoon’s work.

In the afternoon, as before, the group leader hovered by our side. When we spoke, we didn’t dare speak loudly. Usually, the group leader doesn’t say anything if we do speak loudly, but the veteran

workers around us aren't the same, and they yelled, "Still talking! Products are piling up, don't you see?"

Today I felt quite tired and I wanted to see how the team leader would respond if I said I wasn't going to work the evening overtime shift. So once again, I approached the group leader and said quietly, "Group leader, can I not come to the evening overtime shift tonight?" The group leader said, "If you don't come, you also don't have to come tomorrow – if you're tired, you can ask for two days' vacation." I said, "No, no, I only want to miss tonight, if that's not okay I'll come to work this evening, but if it is okay and you agree then I won't come." The group leader said nothing and just nodded her head. Just to make sure, I asked again. "Can I?" The group leader nodded again; she must really think I'm trouble.

After leaving work today, I made a point to leave the factory to eat and ate a good meal. Then I returned to the dorm, washed, and laid on the bed to write today's diary.

Tuesday, April 28 – The sixth day of work

As usual, in the morning I ate a *changfen* outside the factory entrance, recorded my fingerprint, handed in my work ID, and took a look at the production progress chart – it still indicated 76 people. As I sat down in my place, 35 people came by to ask me, "Why didn't you come last night? Did you request leave? Did you resign?" They seemed surprised that I hadn't come, since in our production group, nobody ever failed to work overtime, as they all hoped from working overtime they could make a little more money. I smiled and responded, "Last night I was a bit tired, and after telling our group leader I didn't want to come, I didn't come." They went back to their respective positions, the production line, filled with stock, started moving, and we commenced work. Fast forward to noon: The sun was pretty strong today, so it felt pretty hot wearing our hats and masks, and none of the entire third floor had air conditioning. What was used was a kind of hanging fan; as you enter the workshop, one of the walls has a row of exhaust fans for the whole room. The room constantly buzzes with the noise of the fans, the machines, and people's voices; it's exceptionally noisy. Mr. Wang said it would be even hotter in August, as our workshop had no air conditioning; in the winter, with the wind blowing in, our workshop would be very cold.

At noon, we stood in line to clock out, and as soon as we'd reached the first floor, with the sun beating down strongly, everybody all started running quickly. At the cafeteria, they were serving a dish with fried bitter melon, peppers, and scrambled eggs, a vegetable dish, and a soup. As before, I didn't eat to fullness and returned to my dorm, where I ate an apple. Every time I stand in line for food, it's already 12:30 by the time I get my food, so I quickly walk to my dorm so that I can rest for a short while. But many people lie down on the benches and tables in the cafeteria or in the first floor of the dorm. We typically rest until 13:15 before rushing back to the work area, and by the time we get back to the workshop, record our fingerprints, and hand in our work IDs it's 13:30, time for work to begin again.

This afternoon only a few minutes had gone by after the shift had begun before a leader came around – I later learned she was named Ms. Liu – to ask me if it was true I wanted to resign. It seemed that my group leader had asked her to come, and I told her I did want to resign. At that, she told me fill out a form releasing me from my contract. Sitting by my side, she took out a sample resignation form, and said to me softly, "Originally, I'd looked for you last night to do this, but you didn't come to work last night." Then she told me, "I'll tell you what to write – write your name here, here write your work number..." It seemed to me that she was a little long-winded, and thought to myself that I wouldn't write all this. So I said, "I got it." Lowering my head, I wrote my name and work number, and when I came to the part where it asked me for my reason for applying to resign, I went to copy the sample, which said, "Busy." I thought this was a little too simple, so I wrote, "Has business at home." She immediately seized it, saying "Watch it!

I told you to write according to this sample!” She discarded my application and had me start over afresh. She watched me write each word, saying, “Right, name, number, ‘is busy,’ right.” Then it wanted me to write the date of when I started working there (I wrote April 22, 2015), and then the date of my application to resign and the date my resignation took effect; the sample indicated the dates of April 29, 2015 and May 5, 2015, respectively. Now I understand. Normally, due to the May 1st holiday, one would work on three days—April 29, April 30, and May 4. In total this is exactly three working days in between; according to the dates entered on the sample, this is exactly equal to the 3-days-in-advance standard for the probation period. Whoever wrote this up had thought I’d already applied on the 28th and wrote the 29th as the date, and the sample indicated April 30, 2015 instead of today’s date, April 28. The factory assigned Tuesday as the day for these procedures to occur and factory workers don’t control which day they leave. If the company approves, a person can fill out the contract termination form on the same day. But the effective resignation date must be a Tuesday, so even when I applied for resignation on Monday, April 27, the factory demanded that I wait until the following Tuesday, May 5, to carry out resignation procedures. I didn’t further contend this issue. So under the gaze of Ms. Liu, I copied down the dates from the sample onto my resignation form: April 30 and May 5. Note that today is April 28.

I still want to know what it’s like working in the spray painting department, so when I had some free time I made a special trip to the fourth floor (I’m on the third floor) to see what the situation was. On arriving to the fourth floor, I saw that a sign had been hung, indicating that on the fourth floor, the assembly department was on the right hand side, the spray painting department was on the left hand side, and inside was the printing department. I headed for the spray painting department. I looked in through the door, and heavens, what a strong and irritating odor! Through the window, I saw lots of machines before me and each machine was manned by a worker. There weren’t as many workers on the fourth floor as on our floor. What I couldn’t understand was, from where I stood at the doorway, it didn’t look like any of the operators were wearing masks. I guess because it was too hot. But given how strong the scent was from where I was standing at the doorway, how could they bear it on the inside? What kind of impact could that potentially have on your body? I was afraid I was too conspicuous, so I took a few pictures at the doorway and quickly went back downstairs and returned to my place to continue working.

When the shift was almost over, I asked Mr. Wang what his plan was for May 1st, and he said he didn’t have any plan...

Wednesday, April 29 – The seventh day of work

In the morning I went to work as usual.

The group leader has known as early as two days ago that I’m resigning. These days I’ve noticed the group leader continuously staring at me – every time I leave to use the bathroom, when I come back she stares at me until I sit back down. These past few days I’ve deliberately worked a little slower and gone to the bathroom more times than usual. As the afternoon’s shift was drawing to a close, the group leader told me to write a request for leave, and, totally fed up with me, said that if I requested leave I should request leave until the 4th, and on the 5th could come and finish up the resignation procedure. I refused, saying I would work on the 4th, and that I’d just requested leave for tomorrow, April 30th. The group leader demurred, saying I couldn’t request leave for just tomorrow – it had to be tomorrow through the 4th. I replied that I was busy, that I had a right to request leave, to which the group leader responded, “What right do you have to request leave!” Yelling that I have a mental disorder, she then told me to go find the person in charge, she was done dealing with me! All right, I said, where’s the person in charge? The group leader roared, “I don’t know!” Later on I inquired about it and found the office for the person in charge. I entered to ask which person was in charge of the assembly department. The person in the office told me it was the person furthest inside the office. I went along until I found them

and asked to request leave, saying I wanted to take off April 30th and come back to work on the 4th. I explained that my group leader insisted that I request leave for the 4th, wouldn't give me work on that day, and wanted me to come on the 5th to directly finish resignation procedures, otherwise she wouldn't let me request leave at all and would make me come to work straight through the 4th. The supervisor said we in the assembly department also had to work on the 2nd, and asked me if I knew that. I replied that I didn't, and the supervisor told me to go back to my group leader and tell her we had to work on the 2nd, and then they'd approve my request for leave. So once again I went back to my group leader to tell her, "The manager approved my request for leave and in addition the assembly department has to work on the 2nd." The group leader started to lose her temper and said, "Make whoever approved this request give me a phone call!" To me, she howled, "You're crazy!" and proceeded to scold me in front of everybody. At this, I ran back to the supervisors' office, told them my group leader had cursed me and wouldn't approve my request. As soon as I began telling him what had happened, the supervisor seemed really tired and picked up the phone, muttering that everybody was out of their minds as he prepared to call my group leader. After finishing his phone call, he asked me what I was doing, working on the 4th. I said, "I don't have anything else to do on the 4th, I want to come to work so that I can earn some money." He said I wouldn't be short that much money and told me to request leave through the 4th. At the supervisor's discouragement, I realized no matter how much I defended myself it wouldn't be any use; I could do nothing agree to request leave through the 4th. So, he told me to obtain a slip to request leave and I filled it out there, after which I was told to get my group leaders' signature. Once again, I ran over to my group leader, who said loudly, "Put the leave slip there! Had I knew it would be like this early on, there wouldn't be so much trouble." She kept on yelling at me. At this point it was 17:30 and time for the shift to be over, and everyone was getting in line to clock out, and once again the team leader called me crazy! I didn't say a word, and, as before, calmly told her I would not be working overtime hours tonight. She said, "Who cares?" So I clocked out and left the workshop. I returned to my dorm and tidied up to leave, preparing to finish my resignation procedure on the 5th.

May 4 – Prepare to complete resignation procedures

May 5 – Complete resignation procedures

This afternoon at approximately 15:00, I arrived at the factory gate. I took a look at the gate's recruiting situation, and as before, quite a few people were crowded around. I imagine tomorrow morning these people will be entering the factory. I returned to my dorm to prepare to get some water to wash. Hot water runs all day, but you have to go to the hot water room to obtain it. I saw another worker getting hot water at the same time, so I asked him, "You also don't have to go to work today?" He said he worked the overnight shift, and it wasn't until he said this that I realized from the month of May on, because the factory had to speed up production, it would make workers work the night shift. This shift would begin at 21:00, and you'd clock in at 20:45, until the next morning at 8:00. The night shift would have a break before it reached 8:00 the next morning.

This afternoon I made a point to circle around the factory's dorm from 19:00 to 19:30. I didn't see any kind of recreational facility like a reading room or ping-pong playing room. The door to the labor union office was still closed. The badminton court was still completely empty. There were only a few workers playing table tennis. I went to the shop and bought a water for 1.5 RMB; it seems the shop doesn't get a ton of business, as outside a mineral water costs around 2 RMB and in here it only costs 1.5 RMB.

On the morning of May 5th I arose at 8 am, same as the workers residing in the dorm, and prepared to go find the team leader to get the notice releasing me from their employment. When I arrived at the workshop, Liu Qiuxian, the head supervisor, signed his name on the slip and gave it to me. I took it downstairs and asked security what to do, and they instructed me to go find the Human Resources department. On arriving at the door of the Human Resources department, I joined a long line of people waiting to complete their resignation procedures. By my estimate,

they probably numbered 16 or 17 people. I inquired of a woman among them as to why she wasn't going to work. She told me that since interviewing for a job at the factory five days previously, they still hadn't given her work, and that someone from Human Resources had told her that the photo on her ID card didn't look like her, so they wouldn't give her work and she'd been waiting here these five days to discuss the matter with them. I asked to look at her ID card, and it really did resemble her – why didn't Human Resources want her? I and the other workers who were resigning told her to find the director of Human Resources to ask him to clarify the situation.

It was after 9:00 by the time the staff in charge of handling resignation procedures told those of us who were standing in line to enter the Human Resources Department. At the same time the woman who hadn't been able to get work also went in, and told the Director of Human Resources, who'd just arrived, about her situation. I heard the two of them exchange words: The Director of Human Resources also told her that she didn't resemble the picture on her ID card, but then another person from Human Resources to his side said that although the person on the ID card had a mole (and she did not), this wasn't the reason why she hadn't been given a job. At that moment, I arrived at the front of the line to complete my resignation procedure, so I never learned if the Human Resources staff back there ended letting that woman work. Human Resources told me to hand in my work uniform and hat, and then to sign my time sheets. As I was signing my time sheets, I noticed a form on the desk to voluntarily waive health checks, but Human Resources never said anything about health checks and nobody going through resignation procedures asked about health checks. When I was signing the sheets, the representative from HR asked me if I'd packed up my luggage from the dorm yet. I said I hadn't. So the HR representative told me first to go pack my things and return with the key to get my release slip. I had to first go back to my dorm and pack up my stuff and at 10:00 on the dot got back to the Human Resources Department, where they gave me a pass. Then I brought my luggage to security and waited. I had to wait until 12:00 to leave, and then they said I should come back to the factory's security office at 16:00 to sign for my owed wages, so I roamed around outside that afternoon. Around 16:00 I came back, where I found the ten-odd people from this morning who had also been going through resignation procedures all waiting for Human Resources to come let us sign our pay stubs. It was well after 16:00 by the time someone from Human Resources appeared bringing everyone's wage details. He directed everyone to find their name among the sheets and then sign on the front. This process was quite quick. Then he looked at the names on our ID cards and told us to sign. The pay stubs all indicated some kinds of program deductions, but we weren't able to see it clearly, and as soon as we'd signed, we left. I asked if there was a receipt of my paystub, and he said there wasn't. I asked if I could take a picture, and he said I couldn't. I asked how I'd be able to show my family so they could see, and he said there was no need for me to see the detailed amounts and that we only need to know the total.

INVESTIGATIVE REPORT ON DONGGUAN ZHENYANG TOYS

Main Findings

- Gender-based and age-based hiring discrimination. The company only employs workers from 16 to 30 years of age. Labor dispatch companies used by Zhenyang hire only women from 18 to 30 years of age.
- Company holds workers' personal IDs for an entire day, a violation of the law.
- Hiring fees. Workers must pay for photos, a bank card, and the pre-job physical exam.
- Despite paying for the exam, workers do not get access to their results. Some exam results also appear to be fabricated.
- Pre-job training is only 20 minutes. Law requires 24 hours of pre-job safety training.
- Key information in labor contracts is left blank when workers are told to sign.
- Workers are rushed through the signing of contracts and then are not given a copy.
- Excessive working hours. Workers are mandated to work 11 hours a day, six days per week, accumulating more than 100 hours of overtime per month, which is nearly three times the legal maximum of 36 hours.
- Workers will be docked half a day's wage for tardiness of one minute.
- Workers are only paid the minimum wage, making them dependent on excessive overtime to earn money.
- Workers do not receive pay stubs for monthly wages.
- Worker need to wait up to a month to receive due wages. This is especially the case for temp workers.
- Temp workers compose over 50% of Zhenyang's workforce, though the law caps temp labor at 10%.
- In the dorms, there are only 24 toilets for up to 320 people.
- Dorms house 16 to a room.
- There is no hot water or even running water in shower rooms. Workers must fetch water themselves.
- Nowadays, cell phones are ubiquitous and required, yet there are no outlets in the dorms. Workers must charge phones in the company's Care Center.
- Dorm buildings are kept unlocked.
- Workers lack safety equipment despite hazardous working conditions that include contact with toxic chemicals such as industrial alcohol and acetone, or extremely loud machines.
- Zhenyang's industrial waste water is discharged directly into a nearby river without treatment.
- Emergency fire exits are locked and some escape routes blocked.
- Stairways, which may be needed for escape, are too narrow, measuring only 1.5 meters wide in the production building and 1 meter wide in the dormitory.
- Some workshops are too crowded; workers are so close that they need to push out their chairs to leave work stations.

- Dispatch workers do not receive social insurance.
- Social insurance is only purchased in the second month for formal workers at Zhenyang.
- Workers must apply for resignation, even though they are legally required only to notify their employer of their impending resignation. Supervisors will sometimes refuse to "approve" workers' applications for resignation, forcing workers to simply quit and miss out on due wages.
- Zhenyang lacks a functioning labor union. Despite its existing in name, workers know nothing about it.

Some Toys Produced at Zhenyang





Factory Profile

According to information about the company made available on an employment website,⁴ Dongguan Zhenyang Toy Co. Ltd. (hereafter “Zhenyang”) was established in 1996. A subsidiary of Hong Kong-based Tai Nam Industrial Company, Zhenyang is a large-scale manufacturer of plastic toys. Zhenyang is located in the Sanzhongjinlong Industrial District of Qingxi Township, Dongguan City. Zhenyang manufactures a variety of toy products, including educational toys, teaching aids for infants, and board games. These products are primarily exported to European countries and the United States. Tai Nam Industrial has also invested in and built manufacturing bases in Qingxi, Pingshan, and Qingyuan.

Zhenyang Address: Sanzhongjinlong Industrial District, Qingxi Town, Dongguan
Phone Number: 0769-38996868

⁴ <http://dg.job5156.com/corp/953970>

Hiring and Training

During the period of investigation, the factory was experiencing a high season for production and was hiring many workers as a result. Zhenyang hired both male and female workers, but only those between 16 and 30 years of age. The hiring took place every day between 8:00 and 14:00 at the gate of the factory. The factory also employs hiring intermediaries to hire temp workers.

Physical exam form



Intermediary taking applicants' personal IDs

People must bring their IDs to apply for a job. The factory will hold their IDs for an entire day and give out temporary factory IDs for them to enter and exit the factory in the meantime. The temporary ID is only valid for five days. The first day the workers are hired, they are assigned to positions immediately. Unless the workers know someone in the plant and are introduced into positions in the painting, printing, assembly, or electronics departments, new workers will be assigned to the injection molding department.

Those who are hired are required to have a physical exam at the local clinic of the Xiehang Industrial District. Workers must pay the fee for the physical exam themselves. The exam includes a blood pressure test, a blood test, and a chest X-ray. The entire process takes only two minutes. The exam does not include a vision test, a hearing test, or other sensory tests. Instead, the doctors will fill in those items on the physical exam form with fabricated data. The results of the exam are sent directly to the management of the factory, and the workers do not have access to their results.



Receipt for physical exam fee

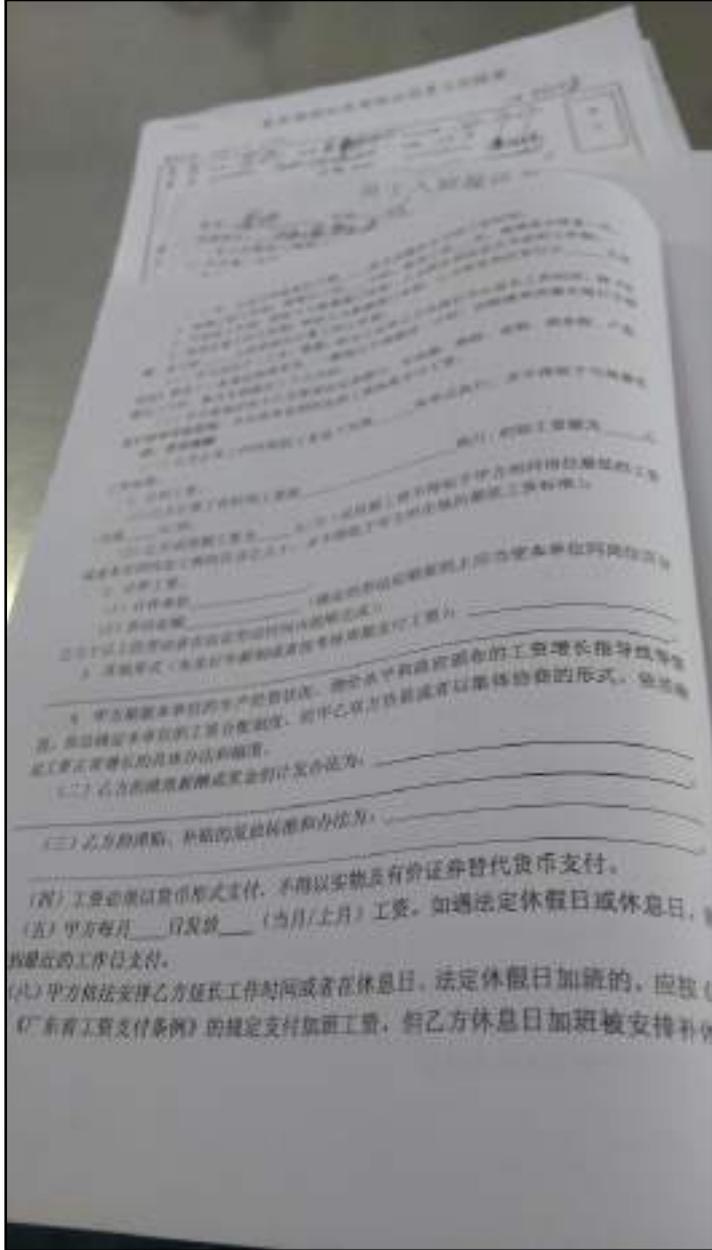
After the exam, workers are required to pay a 10 RMB (\$1.61) fee for photos, regardless of whether they have brought photos themselves. Then, all new workers are required to pay a 5 RMB (\$0.81) fee to get a bank card from Dongguan Bank. However, if a person sets up a card at the bank themselves, the bank will not typically charge a fee.

After completing the above procedures, workers are asked to fill out and sign several documents, including a labor contract, a letter of guarantee, a new hire information form, and an employee handbook, which takes about 10 minutes altogether. For those workers who cannot write, the factory staff will do it on their behalf. When workers are filling out the “work experience” column on the new hire information form, Zhenyang staff requires them to report all past working experience accurately. If they cannot remember their employment history or their reference information, the staff will ask them to report themselves merely as having been “unemployed,” so that “when authorities come to the factory for inspection, the information on the forms will not be considered fraudulent.”

The pre-job training is conducted at the Care Center of Zhenyang. The training lasts for only 20 minutes. Training content includes information about the factory, working hours, wages, safety issues, and the responsibilities of the Care Center to workers. It is repeatedly emphasized during the training that if the workers believe they have been wronged, they should come to the staff in the Care Center for a solution. Training staff said that if they think the problem is not properly dealt with, they can file a complaint with the Labor Department.

Labor Contracts

Workers are required to fill out some personal information (e.g. name, ID number, home address, and contact information) on the first page and sign on the last page of both copies of the labor contract. In the contract, there is some important information intentionally left blank, and the workers are asked to sign the contract before these blanks are filled. These blanks include information about the duration of the contract, the duration of the probation period, working hours, and work location. Zhenyang HR's explanation is that they will “help” the workers fill out this information later. Workers also need to sign and press their fingerprints on the last page of the contract. The CLW investigator estimated that the workers were only given about two minutes to sign the contract, which left them no time to read the content of it. After that, both copies of the contract were taken away by HR staff. In this case, HR justified it by saying that they would keep the contracts on behalf of the workers. They went on to say that if any dispute were to occur between the workers and the factory, workers could go to the HR office to review the contract.



Workers sign blank labor contract

Working Hours

Only the injection molding department operates a double-shift system. For the other departments, there is only a single-shift system. Shift rotation (between night and day shift) happens on the final Sunday of each month. Because the machines in the injection molding department never stop running, the workers in that department have to take turns going to lunch and dinner at different times.

Injection Molding Department	Day Shift 7:00-12:00 7:00-13:00 12:30-14:00 (Lunch Break) 12:00-19:00 13:00-19:00	Night Shift 19:00-00: 00 19:00-1:00 00:00-7:00 1:00-7:00
Painting, Assembly, Electronics, Printing Departments	8:15-12:30 12:30-14:00 (Lunch Break) 14:00-17:45 17:45-18:45 (Dinner Break) 18:45-21:45	---



Workers finish their shift



Assembly department

Workers need to swipe their electronic work IDs at a scanning machine in the cafeteria to clock in and clock out. If the workers come to work late or leave early by even one minute, they will be fined half of one day's wage.

It is mandatory for workers to work 11 hours per day, six days a week. If they do not want to work overtime, workers need to ask for leave; otherwise, they will be yelled at. Workers in the injection molding department only have Wednesdays off. Workers in other departments get Sundays off.

Zhenyang workers are required to meet a certain production quota every day. For example, the injection molding department was required to make 960 Bubble Balls every day. One assembly line in the assembly department was required to make 1,200 Disney Princess dolls every day. A monthly bonus of between 100-300 RMB (\$16-\$48) is given to each of the workers who meet the quota. According to interviews CLW conducted with workers, only several workers in the injection molding department are able to meet the quota, while none of the assembly workers can meet the quota. They said the assembling process was very complicated and difficult.

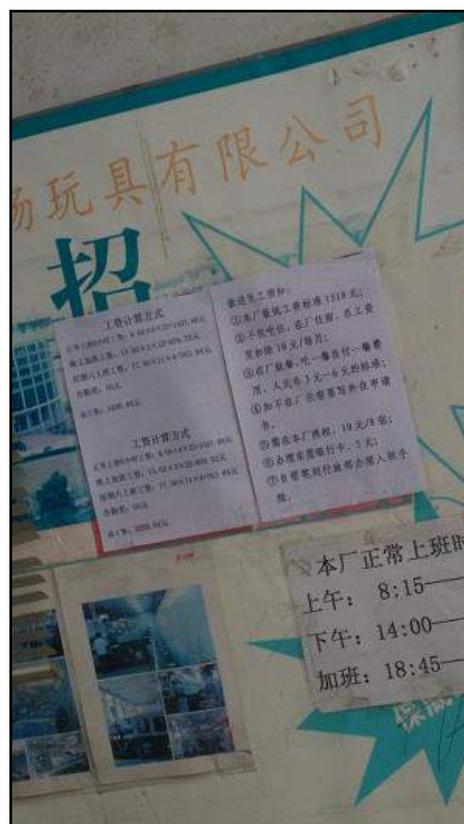
Wages and Benefits

In accordance with new minimum wage standards in Dongguan, starting on May 1, 2015, Zhenyang began to raise the base wage of workers to meet the legal minimum of 1,510 RMB (\$243) per month. Workers are paid 13.02 RMB (\$2.10) per hour for working overtime at night, and 17.36 RMB (\$2.80) per hour for overtime work on the weekends. Workers can receive an attendance bonus after working for a full month with perfect attendance. Veteran workers who have worked at Zhenyang for more than a year receive a monthly attendance bonus of 100 RMB (\$16).

After workers are officially hired, the factory purchases five kinds of insurance for them in the second month of their employment. There is a monthly deduction of 217 RMB (\$35) from workers' wages for their individual contribution to their insurance.

Workers are paid wages for each month on the 25th day of the following month. Even if a worker works for 11 hours a day, 22 days a week, after the deductions for insurance and housing expenses have been taken out, he can only earn a monthly wage of less than 3,000 RMB (\$472). The workers are not provided with pay stubs when they receive their wages. They are only asked to sign on the payroll to show that they have verified the amount.

An attendance record is posted every week so that the workers can check whether there are any mistakes or whether they have forgotten to swipe their work ID to clock in or out.



Zhenyang hiring information

There is a library, ping-pong tables, a basketball court, and a TV room in the factory compound. The TV room and the library are only open when the workers are off work. Workers need to present their work IDs to borrow equipment for ping-pong and basketball.

During the spring festival, workers receive a bonus of 5 RMB (\$0.81) in a red envelope. A veteran worker told the investigator that this bonus has been 5 RMB for a long time. In the past, *zongzi* (a type of rice dumpling) and moon cakes were given to the workers during the Dragon Boat Festival and Mid-Autumn Festival. But the company has stopped giving these in recent years, the worker said.

Living Conditions

Zhenyang provides free accommodation to workers. Each worker must pay a 10 RMB (\$1.61) monthly fee for utilities. There are 20 rooms and two bathrooms on each floor of the dormitory building, with 24 toilets and 24 wash rooms in each



Dorm building

bathroom. Each dorm room is about 16 square meters and houses 16 people. No hot water is supplied. Workers can only shower by getting water with a basin because there are no shower heads. Workers can obtain hot water for their personal use from the two electric water heaters located on each floor. Workers do not have keys to the locks on the dormitory building doors, so the doors remain unlocked all the time. When workers need to charge their phones, since there are no electric outlets in their dorms, they have to go to the Care Center.



Dorm room can house 16 people



Bathrooms in the dormitory

Zhenyang does not provide free meals to workers. The food service in its cafeteria is contracted out to a catering company. Workers can choose whether or not to eat in the cafeteria. They can buy food in the cafeteria with cash or by swiping their work IDs, which can have value added to them. Breakfast usually costs 3 RMB (\$0.48). Food for lunch or dinner costs 5 RMB (\$0.51). For breakfast, there are several food choices: steamed buns, fried rice, porridge, or two other types of steamed bread. For lunch or dinner, workers can receive two meat dishes and two vegetable dishes. Rice and soup are free, but workers have to pay for bowls and chopsticks.

CLW's investigator observed that the cafeteria staff did not wear masks, and that the cafeteria floor was covered with dirty water. He also observed that leftover food was not refrigerated.



Serving food without wearing a mask

Occupational Safety and Environmental Protection

It is unknown to the workers whether there is an occupational safety committee at Zhenyang. There is only a 20-minute pre-job training, of which only a portion covers occupational safety issues. The undercover investigator observed that workers in the injection molding department did not wear safety hats or safety shoes when moving molds. They wear gloves, as they handle work pieces that are very hot, but the fabric of the gloves can easily get stuck in the molds, which can easily lead to workers' hands being burned. Additionally, workers need to wipe the products with industrial alcohol and acetone without the use of any protective equipment. Workers in the materials room are not equipped with ear plugs even though the volume of noise emanating from the machines in their working environment is extremely loud. The assembly workers who wipe the products with alcohol do not wear masks either.

According to the workers from the painting and printing workshops, because their working environments are very hot, they do not want to wear masks despite the harsh smell in the workshops. The paint used in both workshops often cause workers to get headaches and become dizzy or nauseated. Workers who feel sick can apply to be transferred to different positions.

The factory does not divide or classify its waste. Industrial waste and domestic garbage are mixed together and piled up outside the factory. The waste water from the factory is discharged into the river nearby through the sewage



Spray painting workers without masks; can also observe production quotas



Trash piled up in the open

pipes without first being treated.

Fire Safety

There was a fire drill during the investigator's time at Zhenyang. Workers were informed of the drill beforehand. When the fire alarm went off, workers were evacuated. The drill took about 10 minutes. Soon after the evacuation, workers went back to work.

The investigator noted that the fire hydrants and fire extinguishers in the workshops and dormitory buildings had updated inspection records. The emergency exits of all workshops were locked. In the assembly department, the emergency escape routes were used for storage.

The workers in the assembly department sat very close to one other. When they had to leave their work station, workers had to push their chairs away in order to get out.

The stairway in the production facility is less than 1.5 meters wide. The stairways of the dormitory buildings are only 1 meter wide, which means only two people can walk up or down the stairways abreast.

Temporary Workers

Based on interviews with workers and on-site observation, there were about 900 employees in the factory, of which more than half were temporary (dispatch) workers. Temporary workers were in the injection molding, the painting, the printing, and assembly departments. Workers said temp workers were hired through an intermediary called 'Xiangtong Labor.' The temp workers are required to be females between 18 and 30 years old. Their IDs are held by the factory for one full day when they are hired.

No training or labor contracts are provided to dispatch workers. They work 11 hours per day, the same amount of time as formal workers. Their wage is 10 RMB (\$1.61) per hour. The labor dispatch company pays them wages for each month at the end of the month following. If they have worked for a full week, temp workers are allowed to receive an advance of 300 RMB (\$48) from their wage for living expenses. Temp workers do not have to pay a dorm fee, but they do pay for meals. Zhenyang does not purchase insurance for dispatch workers. If they work less than a month, half a month's wages will be deducted.

Resignation

If a formal worker decides to resign within the first month of her employment, she must fill out a resignation form a week in advance. Then, the resigning worker will receive a resignation letter from her department manager. After the manager signs the letter, the resigning worker can start the resignation procedure with HR and check information about her wages in the accounting office. Her wages will be deposited into the worker's bank account later.

If a worker has been employed by Zhenyang for over a month, she has to submit her resignation letter to the management a month in advance.

A veteran worker told the investigator that it was very difficult for workers to have their resignation "approved" by a supervisor. When the investigator resigned, his supervisor asked him to stay for few more days until someone else was hired. Left with no other option, the investigator simply quit without going through the resignation procedure.



Assembly workers on the line

Other Issues

Information about the union, workers' representatives, Party chapter, and Youth League chapter at Zhenyang is posted on the wall in the Care Center. But workers know almost nothing about these groups. They are told nothing about the union during training. Neither is there a worker hotline for grievances. If workers ever have any problems, they can communicate them to a member of the Care Center staff in person. The Care Center staff tells the workers during the pre-job training that the Care Center only assists with workers' mental wellbeing and that for work-related issues they should talk to the supervisors or HR staff.

Investigator's Journal

Before CLW's investigator was hired at Zhenyang, he conducted some interviews outside the factory. He was told by several women who were working in the factory at the time that the pay for workers in Zhenyang was very low; the only thing good about it was its green environment. They said they only stayed in Zhenyang because they thought their old age put them at a disadvantage in job hunting.

When the investigator applied for a job in Zhenyang, his ID was checked by the factory's staff. He was asked about his age, previous job experience, and literacy. After the investigator answered those questions, he was given a temporary factory ID card and assigned to the injection molding department. The staff kept his personal ID, gave him a physical examination form, and asked him to have a physical examination done.

The next morning at 8:10 am, the investigator attended the training in the Care Center and subsequently signed the labor contract. The entire process finished at around 10:00 am. At

14:00 on the same day, the investigator was given his formal work ID, and his personal ID was returned. After this he immediately began work.

While the investigator was in Zhenyang, he met a 48-year old woman named Ms. Li who came to Zhenyang with her husband from Lanzhou, Gansu Province. She has a daughter and a son. The daughter has already started her own family and career, and the son is a college student in Lanzhou. Ms. Li has been working in Zhenyang since 2003. In 2005, she went back to Lanzhou to take care of her child and then returned to Zhenyang in 2006.

She said that the monthly total of her and her husband's income was less than 6,000 RMB (\$966.09). The cost of their rent (150 RMB=\$24) and their living expenses (1,000 RMB=\$161) summed up to about 1,150 RMB (\$185). Only by keeping costs this low were they able to have a monthly savings of about 3,000 RMB (\$483).

The factory did not purchase insurance for them until 2010. She also told the investigator that they had given away their farmland in their hometown. All they wanted was to make enough money to buy a house in Lanzhou and to take care of their future grandchildren.

According to Ms. Li, Zhenyang has a regulation that woman older than 55 and men older than 69 must resign. Based on this, Ms. Li can work at Zhenyang for seven more years at most. She further told the investigator that in recent years, Zhenyang's business was getting worse, as it was receiving fewer and fewer orders. Every year the factory would be inspected three or four times. Before the inspection, Zhenyang staff would train workers to answer the questions raised by the inspectors in a certain way. Ms. Li said that if workers gave the wrong answers, the number of orders Zhenyang received could decrease.

Ms. Li also told the investigator that March to September is the high season for hiring every year. Sometimes college students on summer vacation were hired. Due to the low wages, Zhenyang regularly loses a lot of younger workers, and many temp workers were hired as a result. She also accused Zhenyang for being cheap because the bonus for spring festival had been only 5 RMB (\$0.81) ever since it opened.

There were 12 workers in the dorm room to which the investigator was assigned. The window in his dorm was broken so that at times, they had to use a plastic board to keep the rain out.

The investigator came to learn that 10 out of the 12 workers in his room were temp workers. A Mr. Lin from Guangxi told the investigator that it was his fifth time in Zhenyang. He usually came to Zhenyang for a couple of months of work, after which time he would get his wage and resign. When he could not make much from working in other factories, he would come back through an intermediary. This time he came to Zhenyang because all of his belongings were stolen when he was working in a different factory. When he was back at Zhenyang this time, all he could afford was a bamboo mat to sleep on in the dorm at night. Every day he came back to the dorm with his shirt soaked in sweat because the assembly department he worked in was very hot and the workload was very large. If he wanted to go to the bathroom or to get some drinking water during his shift, he had to find someone to replace him on the line.

Appendixes

APPENDIX A

ICF [ICTI Care Foundation] response to CLW Report: Investigation of worker strike at Jet Fair Industrial Limited (Jingyu Toy Products)

[[Link](#) to this document on ICTI Care website.]

Introduction

As the leading standards setting organization and ethical manufacturing certification program for the global toy industry supply chain, the ICTI CARE Foundation (ICTI CARE) sees the fair and humane treatment of factory workers as a top priority.

ICTI CARE recently became aware of a report published by China Labor Watch (CLW) accusing Jet Fair Industrial Limited (Jingyu Toy Products) - an ICTI CARE Program (ICP) certified toy manufacturer – of various issues relating to poor labor standards.

ICTI CARE is committed to working with a broad range of stakeholders as part of our work to protect labor standards in global supply chains. Where allegations are made against ICP certified manufacturers we have robust procedures in place to follow up and investigate.

This report details the findings of our own investigation into CLW’s accusations of unfair labor practices at Jet Fair Industrial Limited.

Where appropriate, recommendations for next steps are included.

Investigation

CLW issued a report [‘Follow-up Investigation of Worker Strike at Jingyu Toy Products’](#) on 21 July 2015, related to a strike which took place at Jet Fair Industrial Ltd (named: Jingyu Toy Products in the report) in Shenzhen, China.

Having reviewed the CLW report we have identified seven allegations made against Jet Fair Industrial Ltd. ICTI CARE has made repeated attempts to contact CLW to seek further clarification on various aspects of the allegations contained within their report. They have not provided any opportunity to discuss this report or the allegations it contains.

Subsequent to the publication of CLW report, we immediately began our own comprehensive investigation into each of these allegations, including an unannounced visit to the factory.

Our investigation team comprised of senior ICTI CARE staff members and also brands who are participants in the ICP program, whom we invited along to observe the investigation to ensure it was fair, rigorous and transparent.

During our investigation we conducted a detailed review of relevant policies and documentation both onsite and offsite (e.g. payroll, employment contracts, etc.), reviewed CCTV footage, undertook worker interviews, and met with factory management. We also reviewed data to check to see for any previous non-compliances of relevance to the allegations at the factory.

ICP’s Code of Conduct requires all ICP participants comply fully with local laws and regulations in relation to working hours and social insurance payments. At the same time, existing industry practice and experience on the ground tells us that complying with these regulations can pose challenges to factories. Where ICP certified factories are found to be in breach of regulations on working hours and social insurance we may therefore not necessarily terminate certification immediately, but instead will give the factory time to improve.

The table below outlines the key stages of our investigation.

Action	Involved Parties
1. Review CLW report to understand specific allegations, seeking clarification where necessary	ICTI CARE, ICP Brands
2. Examine previous ICP audit reports and any non-compliances of relevance to the previously raised accusations have been raised	ICTI CARE, Auditors, ICP Brands
3. Conduct investigatory audit/factory visit with ICTI CARE in-house specialists: - review documentation (e.g. payroll, employment contract, social insurance records) - conduct worker interviews (workers selected at random, interviews conducted anonymously) - unannounced and announced site visits around site - meet with factory management	ICTI CARE, ICP Brands, Factory Management, Factory Workers
4. Review audit findings compare with the allegations	ICTI CARE

Findings

Allegation 1 – Gender Discrimination:

“People were applying for jobs at the plant, though the factory was only hiring woman”

ICTI CARE undertook a thorough review of the factory’s human resources records and hiring procedure. We did not identify any hiring restrictions based on gender, and we noted that the current workforce consist of 68% female and 32% male. Worker interviews also confirmed that employees are not aware of any discrimination on recruitment based on gender.

Allegation 2 – Working Hours

“The normal daily shift—calculated as normal working hours—is only 6 hours and 40 minutes long rather than 8 hours. In this way, a number of working hours paid at the normal workweek rate are shifted onto Saturdays, thereby allowing the company to avoid paying workers hours of weekend overtime pay each week.”

A review of factory documentation showed that this factory works in a 6-workdays system, with workers working 6.67 hours per day from Monday to Saturday. Hours worked beyond 6.67 are paid as overtime. As indicated in CLW’s report, this is dissimilar to the normal 5-workdays practice (8 hours per day). Whilst this factory’s policy on weekly working hours differs from the 5 day working week norm, the precise legal position in relation to its approach is unclear. This makes it difficult to assess whether or not this factory is breaching local regulations on working hours / overtime.

We therefore checked to ensure that workers are receiving full and accurate payment for their work (at both normal & overtime rates) and also to ensure they are receiving the sufficient rest periods to which they are entitled to under these two practices.

ICTI CARE suggests management explain and clarify the 6-workdays practice with its employees to avoid misunderstanding and to ensure that workers understand their entitlements.

Allegation 3 – Working Hours

“Factory made workers toil until 2 in the morning and then expected to come to work later in the morning for the day shift.”

The factory acknowledged that the strike days affected rates of productivity. Therefore, they asked workers if they would be willing to work additional overtime after the strike on the 16th July. Having conducted worker interviews and reviewed documentation we found that sixty-two workers accepted and worked till 2am on the 17th July. Of these, sixty rested until 6pm (17th July) which allowed for a 14 hours’ rest period between these two shifts. However, two workers resumed work at 8:00am without 10 hours’ rest, this is seen as non-compliance in ICP’s requirement.

ICTI CARE recommends that factory management ensures at least 10 hours of rest between shifts for all workers in future. This is a requirement of the ICP.

Allegation 4 – Wages and Benefits

“Jingyu is preparing to relocate the factory and workers demanded severance pay.”

A new factory within the same city is under development but is awaiting governmental certifications. The factory does not yet have a solid date and plan for the relocation. However, the factory has not communicated with workers about its relocation plans. Informal information on the proposed relocation has spread informally amongst factory workers, but factory management did not take action to clarify plans until the strike happened. At the time of the strike the factory posted an official notification detailing its plans.

As the relocation has not yet started, severance pay is not an issue at this moment. Laws and regulations do not require a factory to make severance payments when they relocate within the same city.

ICTI CARE recommends that factory management should 1) better communicate details of the relocation plan with employees ahead of time, 2) be more transparent about the status of relocation plans, and 3) invite officials on-site, or provide details of the ICTI CARE worker helpline number, to answer worker’s questions and to respond to their enquiries concerning entitlements around relocation.

Allegation 5 – Wages and Benefits

“New workers at Jingyu receive social insurance, but according to interviewees, the monthly individual insurance payment is 160 RMB (\$26), which may indicate underpayment of insurance. Some veteran workers are still owed arrears from the company for past unpaid insurance contributions.”

ICTI CARE reviewed on-site documentation which showed that all workers (2,878 individuals) in the factory are covered by work-injury insurance. This meets ICP requirements. As for the rest of social insurance payments, evidence suggests that the factory has fulfilled local social insurance requirements.

To provide additional protection for workers ICTI CARE recommends that the factory increases its social insurance contributions yearly.

Allegation 6 – Strike

“Striking workers were violently suppressed.”

Worker interviews and meetings with management suggest that no factory personnel (e.g. staff, management or security guards) were involved in physical contact with striking workers during 13-18 July. CCTV footage showed striking workers interfering with operations in the factory workshop, and public security forces started to arrest them on 16th July. Those who refused to get in the police car were seen being dragged and/or restrained by public security.

ICTI CARE encourages workers and management to maintain constructive dialogue to resolve problems. We advise workers to go through legal channels and official departments to strive for their rights and benefits. The ICTI CARE workers' helpline provides information, guidance and support on these issues.

Allegation 7 – Strike

“Jingyu security guards said that workers who had participated in the strike were subsequently prevented from entering the factory premises.”

According to CCTV footage and worker interviews, in the first three days of strike, those that went on strike had access to the factory compound. They could swipe cards for attendance and accessed some factory workshops. On the 16th July, once the public security forces had arrested them, these workers then resigned. From this point onwards these workers were not allowed to access factory premises. Whilst we were unable to contact the striking workers to confirm whether or not they were asked to resign, we aren't aware of any subsequent disputes over forced resignations. We are also confident that striking workers received their final payments.

Conclusion

ICTI CARE has carefully reviewed all allegations stated in the CLW report through immediate on-site and off-site investigations.

Many of the issues above relate to misunderstandings amongst workers regarding their own entitlements. Since no effective communication channels existed to mediate these concerns or to answer questions internally, misunderstanding led to dissatisfaction and a strike amongst workers. Scope therefore exists for the factory to significantly improve its communication with employees. Additionally, workers need to be better supported and better informed regarding their rights and benefits. The factory should also ensure it provides adequate rest periods between shifts for all employees.

ICTI CARE sees strong, two-way worker-management dialogue as a crucial element of responsible business practice. We offer best practice guidance and provide a toll-free workers' helpline for both management and workers to seek support on this topic. The ICTI CARE Workers' Helpline also provides guidance and support for factory workers.

The protection of workers in global supply chains is a mutual objective which requires collaboration amongst multiple stakeholders. ICTI CARE is keen to engage with external stakeholders, including China Labor Watch, to improve conditions for workers in the toy industry in China and beyond.

APPENDIX B

Toy Factory Incidents in China since 1992

NOTE: This is an incomplete list based on less than a week of open source review.

Accident types/ Time	Major Incidents (Safety accidents, occupational injuries, deaths, strikes/demonstrations)
1992	1992: Four cases of dichloroethane (a component of 3435 glue and organic solvents used in toy production) poisoning occurred in two toy factories in Guangdong, causing the death of three workers. ⁵
1993	1993/11/19: A fire in Zhili Toy Factory, Shenzhen, Guangdong killed 87 workers and injured 51. This large industrial accident contributed to the writing of Chinese Labor Law in 1995. ⁶
1994	Spring 1994: 34 workers suffered dichloroethane poisoning in the production process of toy guns at Shenzhen Bao'an Zhenqin toy factory in Guangdong. Their poisoning was a result of excessive exposure and a lack of protective equipment. Two workers died. ⁷
1998	1998/12/22: Huang Ming, a 21-year-old girl working at Cihang toy factory in Sanxiang, Zhongshan, Guangdong received no permission for sick leave after falling seriously ill due to overwork. She died on her way home after being driven out of the dormitory. ⁸
1999	1999/7/3: 166 workers at Shicai toy factory in Tangxia, Dongguan, Guangdong suffered food poisoning after having expired instant noodles distributed by the factory. ⁹
2000	2000/8/27: According to <i>South China Morning Post</i> (a Hong Kong newspaper), a contracted toy company producing for McDonald's employed 400 child workers, who were required to work 16 hours per day and paid 1.5 yuan per hour. The youngest worker was only 14 years old. ¹⁰
2001	2001/12: A 19-year-old girl working at Bainan toy factory, Li Chunmei, Songgang, Shenzhen, died after working a 16-hour shift – running back and forth carrying toy parts between machines, according to <i>Washington Post</i> . ¹¹
2002	2002/11/14: 800 workers at Kaiming toy factory, a Korean company based in Shenzhen, went on strike in protest of unpaid overtime work, poor working conditions and the factory's failure to provide insurance. Two protesters were injured during the conflict. ¹²

⁵ <http://www.cn-deli.com/zh-CN/displaynews002.html?newsID=100108725>

⁶ <http://www.rfa.org/cantonese/features/hottopic/feature-labor-11252013101430.html>

⁷ <http://www.safety.com.cn/yancao/fileview.asp?title=%C9%EE%DB%DA%BA%F4%BB%BD%D6%B0%D2%B5%B2%A1%B7%C0%D6%CE&filename=aq011768.txt>

⁸ <http://www3.renminbao.com/rmb/articles/2000/9/5/2900p.html>

⁹ <http://www.cdcman.com/redirect.php?tid=1054&goto=lastpost>

¹⁰ http://www.china.com.cn/zhuanti2005/txt/2005-07/27/content_5925761.htm

¹¹ <http://www.washingtonpost.com/archive/politics/2002/05/13/worked-till-they-drop/b3d9559c-cbdf-4eb0-802e-55691eca8706/>

¹² <http://www.voachinese.com/content/a-21-a-2002-11-14-15-1-63183987/964120.html>

- 2003** **2003/8/18:** Collective poisoning occurred among more than 30 workers at a toy factory in Doumen, Zhuhai, Guangdong. The cause of poisoning, which remained unclear, was suspected to be unsanitary food or poisonous gas in the workshop.¹³
- 2004** **2004/7/15:** A fire occurred in a five-floor warehouse of a toy factory in Qingxi, Dongguan, Guangdong. No casualties were reported.¹⁴
- 2004/8/17:** A fire occurred in a toy factory warehouse stacking inflammables in a toy factory in Bao'an District, Shenzhen. The fire last 24 hours. No casualties reported.¹⁵
- 2004/12/8:** A fire occurred in a worker's dormitory building at a toy factory in Jieyang, Guangdong, taking the lives of six workers. ¹⁶
- 2005** **2005/1/1:** Fire ravaged a small factory producing plastic toys in Yiwu, Zhejiang. A male worker and his five-year-old daughter died.¹⁷
- 2005/7:** Nearly 230 children under 16 years old from Luoding, Guangdong went to Dongguan to work illegally in a toy factory. Many child workers did not receive a penny for their work and were unable to go home until being reported by the media.¹⁸
- 2006** **2006/6/9:** An explosion occurred in a toy factory in Shantou, Guangdong, killing four people and leaving four injured.¹⁹
- 2006/8/8:** A worker at a toy factory in Guangzhou, Ms. Yang, died from overwork. Her husband demanded compensation, but the factory refused to take responsibility for Yang's death.²⁰
- 2006/7/22:** Thousands of workers at Henry Plastic Toy Factory (a contract manufacturer for McDonald's and Disney), Dongguan, Guangdong demonstrated in protest of poor working condition and paltry wages received. Over 10 people were arrested.²¹
- 2006/11/8:** Over 100 workers at a toy factory in Changping, Dongguan, Guangdong collectively showed food poisoning symptoms after having undercooked duck meat for dinner at the factory cafeteria.²²
- Late 2006:** After working eight years at Dafa Toy Factory in Shenzhen, a worker, Ms. Xiao, was diagnosed with pneumoconiosis, a suspected occupational disease. But the factory decided to discontinue the labor relationship with her. After appealing to the media, Ms. Xiao received an extra month's wage and six months for observation and treatment, with a subsidy at 80% level of normal monthly wages. ²³
- 2007** **2007/6/14:** A Yongxing toy factory in Dongguan, Guangdong was shut down, owing workers two and a half months of wages. Nearly 2,000 workers gathered at the factory gate and petitioned for payment. At least three workers were arrested during the conflict by local police. ²⁴
- 2007/6-7:** 300 middle school students in Maoming, Guangdong were organized by a dispatch company to work at a toy factory in Dongguan, Guangdong. Many students fell ill due to the pollutants in the workshop. One girl died on July 27.²⁵
- 2008** **2008/1/5:** A New York Times article revealed that at the Huanya Factory in Guangzhou, Guangdong, a

¹³ <http://www.southcn.com/news/gdnews/areapaper/200308200228.htm>

¹⁴ <http://info.toys.hc360.com/html/001/001/013/011/15572.htm>

¹⁵ <http://www.southcn.com/news/gdnews/areapaper/200408190142.htm>

¹⁶ <http://news.sina.com.cn/o/2004-12-09/16404479431s.shtml>

¹⁷ <http://info.toys.hc360.com/2005/01/04113822561.shtml>

¹⁸ http://www.gd.xinhuanet.com/newscenter/photo/2005-07/15/content_4737380.htm

¹⁹ <http://news.sina.com.cn/o/2006-06-11/09539174777s.shtml>

²⁰ http://news.xinhuanet.com/society/2006-08/24/content_5000502.htm

²¹ <http://www.laborpoetry.com/forum.php?mod=viewthread&tid=615>

²² http://life.dayoo.com/health/200611/09/60551_4132185.htm

²³ <http://www.ohcs-gz.net/osh-news/o-n-old/20090303.htm>

²⁴ <http://www.rfa.org/mandarin/yataibaodao/dongguan-20070615.html>

²⁵ http://news.xinhuanet.com/society/2007-08/08/content_6492791.htm

contracted producer for Walmart, recruited about 500 16-year-old high school students to work seven days a week, often 15 hours a day, to meet the demand for holiday merchandise in peak season.²⁶

2008/9/27: Fire destroyed a workshop of a toy factory in Nanhai District, Foshan, Guangdong. The workshop was 1,000 square meters. The potential cause was an electric circuit shortage. No information regarding casualties was revealed.²⁷

2008/10/15: Two toy factories owned by Hong Kong Hejun Group in Zhangmutou, Dongguan, Guangdong shut down suddenly, leaving 7,000 workers unemployed. The workers gathered at local town government petitioning for unpaid wages. Eventually local government paid 24 million RMB in unpaid wages.²⁸

2009 **2009/10/26:** A worker at Guanyue toy factory, Humen, Dongguan, Guangdong jumped off a building. The body was carried away by the police and factory staff, and other workers were prohibited from spreading the news.²⁹

2010 **2010/1/15:** Fire occurred at a toy factory in Fuqing, Fujian Province, burning down hundreds of square meters of a workshop. No casualties were reported.³⁰

2010/8/15: A toy factory in Yinzhou, Zhejiang was destroyed by fire. One worker was injured.³¹

2010/9/3: Fire occurred in a toy factory in Yancheng, Jiangsu and was put out later. The fire fighters encountered a privately built fence in the factory which blocked the safety exit, constituting a serious safety hazard.³²

2011 **Early 2011:** Several cases of chronic benzene poisoning were spotted in a manufacturing branch under Early Light Intl. Holdings in Shenzhen. In 2012, the factory revealed that hundreds of workers had suspected benzene poisoning symptoms, but the company insisted on withholding physical exam results in order to prevent “unnecessary panic” among workers.³³

2011/5/16: A worker at Shenzhen Winson toy factory, Ms. Hu, aged 45, jumped off a factory building to her death after being publicly reproached by a manager.³⁴

2011/7/19: Over 200 workers at Suyi toy company, Dongguan, Guangdong gathered in front of the municipal government in protest of wage arrears after the company shut down and the boss fled.³⁵

2011/8/29: Hong Kong Ming Pao revealed the dire working condition in Shenzhen Winson toy factory. The workers did overtime three times in excess of the legal limit, and the wage was lower than the minimum wage. Winson also hired at least five child workers.³⁶

2011/10/23: A 39-year-old worker died on-the-job in Lantian Plastic Toy factory, Dongguan. His family demanded 400,000 RMB in compensation but was refused by the factory.³⁷

2012 **2012/1/4:** Wage arrears and a lack of overtime compensation led to a strike of 1,300 workers at Yongwei toy factory in Wuzhou, Guangxi province.³⁸

2012/1/11: Chuangying toy factory in Hengli, Dongguan, Guangdong shut down, owing nearly one

²⁶ <http://www.nytimes.com/2008/01/05/business/worldbusiness/05sweatshop.html?pagewanted=all>

²⁷ http://news.ifeng.com/mainland/200809/0927_17_808057.shtml

²⁸ http://www.xinhuanet.com/html/content_3985.htm; <http://news.sina.com.cn/c/2008-10-21/014116490481.shtml>

²⁹ <http://canyu.org/n10313c11.aspx>

³⁰ <http://news.163.com/10/0116/04/5T4DSU9T000120GR.html>

³¹ <http://news.c-ps.net/article/201008/52232.html>

³² http://www.119.cn/mhqx/txt/2010-09/03/content_3697720.htm

³³ <http://banbenzene.weebly.com/26093260852226938469.html>

³⁴ <http://dailynews.sina.com/gb/chn/chnoverseamedia/mingpao/20110828/14212722002.html>

³⁵ http://www.gd.xinhuanet.com/newscenter/2011-07/20/content_23276071.htm

³⁶ <http://www.rfa.org/mandarin/yataibaodao/s-08302011101154.html>

³⁷ <http://gb.cri.cn/27824/2011/12/19/110s3483672.htm>

³⁸ <http://www.molihua.org/2012/01/10.html>

thousand workers three months' wages. The workers went to the streets and local government to protest, and the government was pressured to pay seven million RMB in unpaid wages and help find jobs in local enterprises for unemployed workers. ³⁹

2012/2/4: 11 workers at a toy factory in Hefei, Anhui suffered food poisoning after having undercooked lentils for lunch in factory cafeteria.⁴⁰

2012/2/15-18: Two workers at a toy factory in Humen, Dongguan committed suicide by jumping off the factory and dorm buildings within four days. The female worker, Ms. Li, previously had her resignation request refused by the supervisor; the male worker, Mr. Fan, reportedly had personal issues.⁴¹

2012/3/30: 2,000 workers in Guangdong Huizhou Jinduo Toy Company went on strike to protest wage arrears.⁴²

2013 **2013/3/24:** A toy factory in Shenzhen burned for over two hours. No casualties were reported. ⁴³

2013/5/6: The Jinshuntai toy factory in Bao'an, Shenzhen was shut down, owing 248 workers compensation, occupational injury subsidies, two months' wages and three months' social insurance. Workers petitioned at the local administration on May 6th and 7th and at the municipal government on 10th. Over a hundred protestors were arrested on the 21st.⁴⁴

2013/8/8: Nearly 1,000 employees in Shenzhen Baode Toy Factory, Guangdong, launched a strike, demanding social insurance, reasonable calculation of seniority, and high temperature allowance. ⁴⁵

2013/12/30: Fire broke out in a factory in Wenzhou, Zhejiang. Cause of fire unknown. ⁴⁶

2014 **2014/1/9:** Fire occurred in a toy factory in Taizhou, Shandong, leading to destruction of equipment and other property loss. ⁴⁷

2014/1/27: In Dongguan, Guangdong, 500 workers blocked roads to protest against a toy factory's wage arrears and the government's inability to provide a solution as promised. The protest was suppressed by local police, and several workers were arrested. ⁴⁸

2014/3/6: A thousand workers in Shandagen Toy Factory, Dongguan, Guangdong protested against the forced move of workers due to relocation and the company's refusal to compensate workers who cannot move. ⁴⁹

2014/9/3: Fire broke out in a toy factory in Enping, Guangdong and was put out within half an hour without casualties.⁵⁰

2014/10/17: A new toy factory in Bao'an District, Shenzhen, Guangdong was destroyed by fire. The cause was unknown; no casualties reported.⁵¹

2014/11/1: A fire occurred in a toy factory in Chenghai, Shantou, burning an area of over 700 square meters. No casualties reported. ⁵²

³⁹[http://www.secrechina.com/news/12/01/13/436487.html?%E4%B8%9C%E8%8E%9E%E6%B8%AF%E8%B5%84%E5%8E%82%E5%80%92%E9%97%AD%E8%80%81%E6%9D%BF%E8%B5%B0%E8%B7%AF%20%E5%8D%83%E4%BA%BA%E6%B8%B8%E8%A1%8C%E8%AE%A8%E8%96%AA\(%E7%BB%84%E5%9B%BE\)](http://www.secrechina.com/news/12/01/13/436487.html?%E4%B8%9C%E8%8E%9E%E6%B8%AF%E8%B5%84%E5%8E%82%E5%80%92%E9%97%AD%E8%80%81%E6%9D%BF%E8%B5%B0%E8%B7%AF%20%E5%8D%83%E4%BA%BA%E6%B8%B8%E8%A1%8C%E8%AE%A8%E8%96%AA(%E7%BB%84%E5%9B%BE))

⁴⁰ <http://news.wehefei.com/html/201202/059216591.html>

⁴¹ <http://dailynews.sina.com/gb/chn/chnpolitics/phoenixtv/20120219/12243159138.html>

⁴²[http://www.secrechina.com/news/12/03/31/446270.html?%E5%B9%BF%E4%B8%9C%E6%83%A0%E5%B7%9E%E6%B8%AF%E8%B5%84%E7%8E%A9%E5%85%B7%E5%8E%82%E5%8D%83%E4%BA%BA%E7%BD%A2%E5%B7%A5\(%E7%BB%84%E5%9B%BE\)](http://www.secrechina.com/news/12/03/31/446270.html?%E5%B9%BF%E4%B8%9C%E6%83%A0%E5%B7%9E%E6%B8%AF%E8%B5%84%E7%8E%A9%E5%85%B7%E5%8E%82%E5%8D%83%E4%BA%BA%E7%BD%A2%E5%B7%A5(%E7%BB%84%E5%9B%BE))

⁴³ <http://www.toys-world.net/news/news-3336.html>

⁴⁴ <http://www.youth-sparks.com/bbs/viewthread.php?tid=3623&page=1#pid19090>

⁴⁵ <http://www.ilabour.net/html/xsdytd/grxd/2661.html>

⁴⁶ <http://media.china.com.cn/tpzs/2013-12-30/86965.html>

⁴⁷ http://bbs.iqilu.com/plugin.php?id=iqilu_comments:zt&chnl=zt &tid=12373386&page=1

⁴⁸ <http://www.rfa.org/mandarin/yataibaodao/renguanfazhi/x12-01272014113659.html>

⁴⁹ http://www.chinaaid.net/2014/03/blog-post_8750.html

⁵⁰ <http://www.epshw.com/thread-372211-1-1.html>

⁵¹ <http://info.toys.hc360.com/html/001/001/015/19423.htm>

⁵² <http://news.sohu.com/20141101/n405677326.shtml>

2014/11/3: A fire occurred in Suzhou Jiayi Toy Factory, Suzhou, Jiangsu. According to local official news, there was no casualties.⁵³

2014/11/15: Fire broke out in a plastic toy factory in Xinhui, Jiangmen, Guangdong. Effected area was over 1,300 square meters. No casualties reported.⁵⁴

2014/12/8: Fire occurred in a toy factory in Shantou, Guangdong. Cause and number of casualties unknown.⁵⁵

2015

2015/1/16: Workers in Shenzhen Shuigu toy factory went on a 12-day strike to protest wage arrears and lack of insurance provisions. They questioned the company's secretive asset transfers to the Philippines. Local police suppressed workers; one female worker was injured.⁵⁶ A three-party negotiation on January 30th eventually delivered a resolution. The workers went back to work on the next day.⁵⁷

2015/6/30-7/1: 2,000 workers at a toy factory in Luoning County, Henan went on strike in protest of the factory's wage arrears over several months.⁵⁸

2015/7/13: Hundreds of workers in Jet Fair (Jingyu) Plastic Toy Factory, Bao'an District, Shenzhen, Guangdong went on strike to protest against wage arrears, which was later suppressed by police and security staff. Many workers were beaten and arrested.⁵⁹

2015/7/28: Fire broke out in a toy factory in Yizheng, Jiangsu. Reasons unknown. No casualties.⁶⁰

2015/8/4: 700 workers at Zhanheng toy factory, Shipai, Dongguan demonstrated after the factory shut down, owing workers 4 million RMB in wages.⁶¹

⁵³ http://gz.ifeng.com/zaobanche/detail_2014_11/04/3105436_0.shtml

⁵⁴ <http://gd.sina.com.cn/news/s/2014-11-17/detail-icczmvum9945889.shtml>

⁵⁵ <http://news.sohu.com/20141208/n406767270.shtml>

⁵⁶ <http://www.rfa.org/mandarin/yataibaodao/renquanfazhi/yf1-01272015110055.html>

⁵⁷ <http://www.advocacyinchina.org/index.php?m=content&c=index&a=show&catid=8&id=202>

⁵⁸ <http://www.rfa.org/mandarin/yataibaodao/renquanfazhi/ql1-07012015103048.html>

⁵⁹ <http://www.rfa.org/mandarin/yataibaodao/renquanfazhi/ql2-07172015100237.html>

⁶⁰ http://news.cnr.cn/native/gd/20150728/t20150728_519338181.shtml

⁶¹ <http://beijingspring.com/bj2/2010/c8/xw/zgbd/20150804171333.htm>

APPENDIX C

Changes in Nanhai Mattel Factory Working Conditions: 2012 to 2015

	Fundamental Improvement	Partial Improvement	No Change	Problem Worsened
Hiring Discrimination	In contrast to 2012, Nanhai Mattel does not ask job applicants if they have an illness or if they had sustained any injuries. Nanhai Mattel actively recruits persons with disabilities.			
Work Hours		The duration of each workday has decreased by one hour (from 11 to 10 hours), though work hours in 2015 still do not conform to legal requirements.		
Remuneration		The base wage increased from 1100 RMB to 1560 RMB, though the base wage exceeds the local minimum wage standard by only less than five percent.		
Meals		Each person's meal subsidy increased from 130 RMB to 230 RMB, though food expenses have also increased.		

Physical Examination			As before, only a portion of job applicants receive physical examinations. There is also no on-the-job or pre-resignation physical examination.	
Resignation			Workers still have to “apply” for resignation, though law only requires workers to give advance notice of resignation.	
Training			The law requires 24 hours of pre-job safety training. Nanhai Mattel provides new workers with 12 hours of total training, of which safety training comprises only a part.	
Insurance and Housing Fund			The factory still does not provide the housing fund.	
Occupational Safety			Nanhai Mattel still does not educate workers about specific occupational hazards, and only a portion of workers receive protective equipment.	
Living Conditions			Dorm rooms still house eight people.	
Labor Union			Still no labor union.	
Forced Labor				Workers still obliged to work overtime; moreover, factory forces workers to sign form expressing consent to work overtime, and management reduces overtime as a means of punishing workers.

APPENDIX D

Changes in Shenzhen Winson Factory Working Conditions: 2013 to 2015

	Fundamental Improvement	Partial Improvement	No Change	Problem Worsened
Remuneration		The base wage increased from 1600 RMB to 2030 RMB, though the base wage is equal only to the local minimum wage standard.		
Meals			Food expenses increased some, the price of each meal rising from 5-8 RMB to 6-9 RMB. Compared with 2013, this is not a major distinction.	
Physical Examination			Job applicants do not receive physical examinations, and there is only a one-page health form for workers to fill out themselves.	
Labor Contract			Once hired, workers must wait a week to sign their labor contracts. There has been no change in this illegal conduct since 2013.	
Living Conditions			Dorms are still crowded, fitting 12 people to a room, and the dorms do not have hot water.	

Labor Union			None of the workers know if there is a labor union.	
Forced Labor			Overtime work is still obligatory, and workers must sign a “Voluntary Overtime Work Application.”	
Training			Pre-job training lasts only 25 minutes, of which safety training comprises only a part, well below the legally required 24 hour minimum.	
Insurance and Housing Fund			Insurance is optional, and the company advises workers not to purchase it. Those who opt to purchase insurance must wait two months before it begins to take effect. The company does not provide the housing fund.	
Resignation				The 2013 investigation revealed that workers were able to resign quite easily. In 2015, however, workers must not only “apply” for resignation, but management also advises workers to quit (forfeiting due wages).
Occupational Safety				According to the 2013 investigation, the majority of workers were provided with protective equipment, but in 2015, very few workers were provided with protection equipment.
Hiring Discrimination				In 2013, Winson did not hire workers over 40 years of age, but in 2015, this upper limit had fallen to 30 years of age. The factory

				also perpetrates hiring discrimination on the basis of sex.
Workers' Personal IDs Detained				The 2013 investigation did not reveal that the company detained job applicants' ID cards. In 2015, however, Winson detains ID cards for a period of two hours.
Work Hours				The work day is still 11 hours long, but rest time has been reduced, decreasing from the original 90 minutes to only 60 minutes. Originally, there was an hour-long dinner break, but in 2015 there is no longer a dinner break, so workers must work seven continuous hours in the evening. In addition, as it was in 2013, the factory still shifts regular hours to the weekend to reduce the amount they have to pay workers for overtime.
Fire Protection Measures				At Taiqiang, fire protection is a serious problem, as the emergency exits are blocked, fire protection equipment does not undergo regular inspection, and there are exposed electric wires. Recently there was a fire at the factory that burned out the entire workshop. Reportedly, the fire was caused by an aging electric wire.



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