



## **Supplier Factory Investigation**

*Excessive work hours, low pay, toxic exposures and  
strict work environments*

November 16, 2011

By China Labor Watch



## **Introduction:**

Founded in 2000, China Labor Watch (CLW) is an independent not-for-profit organization. In the past ten years, CLW has collaborated with unions, labor organizations and the media to conduct a series of in-depth assessments of factories in China that produce toys, bikes, shoes, furniture, clothing, and electronics for some of the largest U.S. companies. CLW's New York office creates reports from these investigations, educates the international community on supply chain labor issues, and pressures corporations to improve conditions for workers.

China Labor Watch has a history of maintaining a critical eye on the supplier factories for the toy industry giant Mattel, Inc. Dating back to 1998, Li Qiang, the founder of CLW, entered the Merton Company Ltd. factory located in Dongguan, a known supplier of toy products to Mattel. Li Qiang's detailed investigation of the factory uncovered numerous violations of the Labor Law of the People's Republic of China. Workers were paid 13 cents per hour, worked excessive hours without rest and frequently sustained occupational injuries and illnesses. Over the next eight years, CLW visited the Merton factory three more times, consistently discovering serious labor violations with little to no improvements.

In 2007, Mattel experienced a widespread recall of one million Chinese-made toys because of dangerous levels of lead in the paint used in their production; the paint used was 180 times the US Federal limit. Although not reported, the workers producing these products in China most certainly were affected by this excessively toxic paint. The suicide of Hu Nianzhen in May, 2011 is indicative of Mattel's lack of Corporate Social Responsibility and compliance with national and global labor standards. Hu jumped to her death from the sixth floor of Mattel's Tai Qiang factory in Shenzhen due to harsh and abusive treatment by her superiors.

## **Executive Summary:**

The following investigation report documents the ongoing labor violations and exploitative labor practices at two factories located in Shenzhen and Dongguan, Guangdong Province. Both of these factories are known suppliers of toys and other products to Mattel, Inc. In each case, these factories were found to be in violation of numerous Chinese labor laws, including laws regarding labor contracts, workplace safety conditions and work hours. These findings are the results of investigations carried out by



China Labor Watch (CLW) researchers at the Jida Toy Co., Ltd. and Dongguan Grand Plastic Cement Products Co., Ltd. factories in September 2011.

Listed below is a brief summary of the labor violations uncovered at the Jida Toy Co., Ltd. and Dongguan Grand Plastic Cement Products Co., Ltd. factories. Following the summary, this report will go into further detail concerning the labor practices and working conditions found at these factories.

**Violations discovered at the Jida Toy Co., Ltd. factory include:**

- During the application process, workers must pay 45 Yuan (\$7 USD) to get a required physical examination. There are no further health assessments during a worker's tenure at the factory.
- Workers are not provided an opportunity to look over the labor contract before signing it. Further, they are not allowed to keep a copy of it for themselves.
- During the busy season, employees worked 11 hours per day for six or seven days each week.
- During August, employees only received one rest day.
- Workers on a night shift do not receive a meal break.
- Employee dorm rooms have no glass in the windows and are open to the weather outside.
- The temperature in the carving workshop rises to extremely high levels.
- Workers are administered safety gloves and face masks, but because of the high temperature in the workshops, they do not get used.
- Workers frequently come into contact with hazardous chemicals and materials.
- Factory management is extremely strict and frequently reprimands employees.
- During the off-season, workers are only able to earn up to 1,800 Yuan/month (\$282 USD).
- Workers are not given an introduction to the various functions of the trade union and employee representatives and are not aware of the resources they can provide.

**Violations discovered at the Dongguan Grand Plastic Cement Products Co., Ltd. factory include:**

- Labor contracts are filled out for new hires by the factory. Employees simply need to sign their name on the document.
- The labor contract states that workers will only work 36 hours of overtime per month. In reality, some employees work up to 72 hours of overtime per month.
- The labor contract does not mention anything about compensation in the event of occupational illness or injury.



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- Production quotas are unachievable. Most workers have trouble fulfilling even 80% of the required quotas.
  - Workers that do not fulfill at least 80% of their production quota are not allowed to work overtime.
  - Workers only earn on average 1,600 RMB/month (\$252 USD) after various salary deductions.
  - Workers are not able to purchase social insurance until completing one year of work at the factory.
  - Factory management and office workers receive free meals while ordinary workers must pay meal fees.
  - The cafeterias often run out of food and are typically not able to feed everyone.
  - Workers are not given any health and work environment training.
  - Workers are exposed to all sorts of chemicals, including paint fumes and lead.
  - Sewing workers often have their fingers crushed and stabbed by the sewing machines. A report discovered that on average, 17 workers are injured in the sewing workshop each month.
  - Work stools are very short and workers often suffer from chronic back pain from constant bending over.
  - The factory makes it extremely difficult to resign from a position.
  - Workshop employees receive different wages for performing the same tasks.
  - In October, 500 plastic molding workers went on strike and quit the factory in protest of unequal salaries.
  - Female workers are often verbally abused and molested by factory workers and management.

## Jida Toy Co., LTD Investigative Report

**Interview Date:** September 8, 2011

**Methodology:** Out-of-factory Interviews

**Participants:** 30 workers, 10 male, 20 female

**Departments:** Assembly, Electronics, Oiling, Carving

**Factory Population:** 3,000

**Principal Client:** Mattel

### Factory Introduction

Jida Toy Company is located on Tianfu Road in the Bao'an District of Shenzhen City. This area is adjacent to the Shenzhen Bao'an International Airport. Jida Toy Company was founded in 1987 and is a subsidiary company to the Hong Kong company Fuji. The Jida factory is extremely large, with over 50,000 square meters of manufacturing space. The factory currently maintains 25 assembly lines and 130 injection-molding machines. The factory also has a vinyl division and an electronics division.

Jida Toy Company primarily manufactures plastic cement, metal hardware, electronics and plush toys. The factory's primary customer is Mattel, the world's largest toy company. Its products are also exported to Europe, the United States, and other countries around the world.

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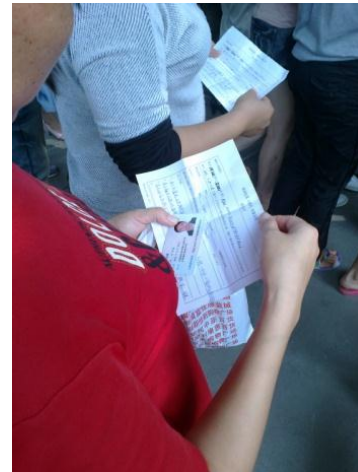
### 1. Application Process



*Factory Gate*

Jida has recently entered the off-season and are not receiving a large amount of orders. Therefore, the factory is only looking for a few technical workers and is not currently hiring ordinary employees. According to factory workers, the factory will hire new workers according to the number of orders it has to complete. July is typically the height of the busy-season. During this time, the factory looks to hire new employees daily. The factory requires that applicants are at least 18 years old. Applicants must bring their personal identification card as well as two pictures to the front gate where they will fill out a few application forms. The factory keeps a copy of each ID on file. After filling out the necessary forms, workers must go to the local Shajing Hospital and have physical examination conducted. Each applicant must hand in the results of his exam upon returning to the factory. Workers must pay 45 Yuan (\$7 USD) for the physical exam.

Typically, an applicant will spend his first day filling out forms and getting the physical examination. If hired, he then will begin training at the factory the very next day. The factory only administers two hours of training to its new employees. Workers are given general introductions to various factory formalities including salary, room and board, factory regulations, paychecks, resignation, etc.



*Applying for a Job*

After working for one week at the factory, each employee is given two work uniforms. If the employee continues to work at the factory for more than three months, he is not required to pay for the uniform. If an employee quits before three months have expired, he will be required to pay 25 Yuan (\$4 USD) for the use of each uniform.

## **2. Labor Contract**

The factory requires that each employee fill out the labor contract after he has completed his first week of work. Workers are informed that the probationary period lasts six months and the labor contract agreement lasts three years. Human Resources representatives fill out the entire labor contract for the employees; workers simply need to sign their name on the document. As for the content that the labor contract contains, all thirty workers that were interviewed were unable to answer clearly. Workers are not given the opportunity to read through the labor contract before signing it. Each worker is required to sign two copies of the contract but neither copy is given to the worker to keep for his own record. It is unclear whether or not the factory actually implements the policies that are contained in the labor contract.

### 3. Work Hours

During the off-season, employees work eight-hour shifts, five days per week. When order forms begin to come in more steadily, workers are required to toil up to 11 hours per day, six or seven days per week. August is a very busy time for the factory; workers were only provided one rest day over the course of the entire month (workers only received five rest days during July). While the carving department splits up its work day into two shifts, all other departments run only one shift per day. Workers on the two-shift system will rotate the morning shift and night shift monthly. During the monthly rotation, workers will each receive a 24-hour rest period. Workers receive a one-hour break for lunch every day. If an employee working on the two-shift system is working an evening overtime shift, he does not receive a dinner break.

#### Work Hours

Department	Morning Hours	Afternoon Hours
Electronics, Assembly, Oil ( <i>single shift</i> )	7:30 a.m.—2:30 (Oil)  8:00 a.m. —13:00 Electronics, Assembly)	1:30 p.m.—4:30 (no overtime) 1:30 p.m.—7:30 (overtime)  2:00 p.m.—5:00 (no overtime) 2:00 p.m.—8:00 (overtime)
Carving ( <i>double shift</i> )	7:00 a.m. —7:00 p.m. (including a one-hour lunch break) 7:00 p.m. —7:00 a.m. (next day)	

Workers must swipe their employee card when beginning and finishing a shift. Workshop supervisors will also record clock-in and clock-out times by hand. Before submitting work hours to payroll every month, workers must confirm their recorded hours with their supervisor and sign to confirm their accuracy. The factory does not require that workers fulfill production quotas but workshop supervisors are constantly urging them to work faster.

### 4. Salary and Welfare

The factory assists workers in registering for a China Postal Bank account. This account is used for directly depositing monthly paychecks. Workers do not need to pay a fee for the bank card or deposit book. There is a China Postal Bank ATM located outside the

factory gates for the workers' convenience. Pay checks are deposited every 20<sup>th</sup> day of the month. If the 20<sup>th</sup> happens to fall on a weekend or holiday, the factory will deposit the checks a day or two early. One week before paychecks are deposited, the factory will give out paycheck receipts that detail the breakdown of each employee's salary. Workers must sign two copies of the receipt, keeping one copy for their own record. Paychecks are composed of the base salary (1,320 Yuan, \$207 USD), total work hours, total overtime hours, overtime subsidy, monthly deductions, utilities fee, etc. Workers expounded that their monthly salary typically totals around 2,200 Yuan (\$345 USD).

The Jida factory provides workers with the option of purchasing social security insurance. Workers may opt to not purchase social security; all they must do is sign a form that ratifies this decision. Out of the 30 employees interviewed, about 25 of them had not purchased the social security. When asked why they did not want the social security insurance, they responded that, since they most likely will not work at the Jida Toy Company very long, there is no need to go through the troubling process. Workers that did purchase social security specified that they receive endowment insurance, medical insurance and occupational injury insurance. The monthly fee for social security is 100 Yuan (\$16 USD).

Factory employees receive 60 Yuan/day (\$9 USD) during federal holidays. The interviewed employees were not sure whether or not they received pay on the New Year, for maternity leave, or for marital leave.

There is a basketball court on the factory grounds but it is corroded and never used.

## **5. Food and Housing**

The factory has a cafeteria that provides communal meals. Cafeteria food is subcontracted out to another company. The factory only provides lunch. For 5 Yuan (\$.80 USD), employees receive three dishes and one soup. Workers simply need to swipe their employee card in the cafeteria and the 5 Yuan will be automatically deducted from their account. Workers expressed that the cafeteria food is poor; it is not cooked with oil and most of the meat is fat. Outside of the factory, one can purchase a boxed lunch that contains two meat and two vegetable dishes for the same price.



*Outside the Dorms*



The factory provides employees with free housing; workers just need to pay 20 Yuan (3 USD) per month for water and electricity. One dorm room houses between 6 and 8 people. Each room contains an electric fan, dresser, and independent washroom and bathroom. There is no glass on the windows to protect dorm rooms from the elements; when it starts to rain, the rooms get wet inside.

Although workers must clean their own dorm rooms, the factory provides a service that cleans the hallways. When a shift ends, workers can freely go back to their dorm rooms.

## 6. Occupational Safety and Worker Protection

Workers are briefly introduced to occupational safety and protection measures during their initial training session. The environment in the carving workshop tends to be hot and stuffy. Although the workshop has electric fans, the temperature remains high. The electronics and assembly departments both have a large number of employees standing along production lines. These workshops have ventilation systems in order to control the temperature. Female workers in the electronics department expressed that they often



*Factory Messiness*

come into contact with lead wire, electric soldering irons, and transistors. In the oiling department, workers frequently are in contact with paint thinner and white oil. Each day, these workers are administered one pair of gloves and one face mask. Electronics workshop employees are given two pairs of gloves and one face mask each week. Workers expressed that, because the workshop is so hot, they won't wear the face mask and gloves. Workers in the electronics and assembly departments both sit while they work on the assembly line.

There is a first-aid kit located in each workshop and at the front gate. Workers were unsure as to what resources were actually inside the kits. They had never even seen anyone open one up before. The first-aid kit at the main gate contains basic oral medications, bandages, gauze, and clean water.

Workers are only required to get a physical examination upon beginning work at the factory. During their tenure at the factory or when resigning from their position, workers do not take a physical exam.

## 7. Fire Safety

The factory passageways and emergency exits are all clearly marked with emergency instructions. The factory conducts one fire drill exercise each year in May. The fire drill takes place in the factory yard and every employee must participate. Firemen demonstrate different safety techniques including how to operate a fire extinguisher.

## **8. Rewards and Punishment**

Each worker that our investigator interviewed expressed that the factory managers are very strict. The workshops and dorm areas are all monitored by camera. Everything that workers say in the workshop is recorded and monitored. If any sort of situation arises, workers in the camera room will inform the factory management immediately. A manager will then locate the troubled worker and typically reprimand him.

If a worker needs to use the restroom or washroom, he must first fill out a pass. Bathroom breaks may not exceed ten minutes. If a worker does not fill out a pass before going to the bathroom, he will get reprimanded and removed from his post for the day without pay.

The Jida factory hires a security company to guard the factory gates. If a worker arrives late to his shift, he will get locked out of the main gate. Since workers that arrive late are not able to man their post in the factory, they are thus written down for an unexcused absence. Workers are deducted one day's pay for each unexcused absence and three absences result in dismissal from the factory.

## **8. Factory Appraisals**

On the day of the interviews, more than one-hundred workers that had recently left the factory returned to receive unpaid wages. After the interviewer dishonestly explained to the workers that he did not have a job and was interested in applying for a position with the Jida Toy Factory, they all obdurately persuaded him not to. He was told that, because the factory is currently not receiving very many orders, hours have been cut and he would only be able to earn 1,800 Yuan/month. They further criticized that the probationary period was too long, the dormitory and food conditions were poor, and that there are no breaks during the night shift. The majority of the workers interviewed did not even finish out their probationary period. Only two of the employees that the investigator interviewed had worked at Jida for over one year. Two young female workers quit after just one week.

## **9. Resignation**



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The factory currently is among its off-season, making it relatively easy to quit. According to factory regulations, if a worker wants to resign during the probationary period, he must fill out resignation forms every Monday and Tuesday with a workshop manager. Upon receiving approval, the worker can sign a written confirmation of resignation and receive his remaining wages. If an employee resigns within the first month, the factory will pay his wages in cash. If the employee exceeded one month of work, his pay check will be directly deposited into his China Postal Bank account. According to the labor contract, workers must inform the factory of their intention to resign one month in advance.

On the resignation agreement form, besides filling in personal information, workers must write an employee statement of resignation. Workers simply copy a version of the statement word-for-word that has already been written. The statement contends that:

- 1: I am ceasing all employee relations with the Jida Toy Factory. Jida has clearly informed me of all of its resignation procedures.
2. I am leaving the Jida factory in good health and with no injuries.
3. I will not return to Jida in the future looking for any sort of damage compensation.

## **10. Other**

Jida Toy Company has both trade union and employee representatives but none of the factory employees knew the function of these services. Further, workers were not aware if the factory had any sort of worker hotline service. When workers enter and exit the factory grounds, all of their luggage and belongings are inspected by security.

The factory regularly has inspectors come and audit the factory. Factory employees are notified in advance of this visit and they are ordered to tidy up the entire factory. When the inspectors arrive, workers are expected to work diligently and not talk with the inspectors.



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## **Dongguan Grand Plastic Cement Products Co., LTD**

### **Investigative Report**

**Investigation Dates:** November 12-17, 2010

**Methodology:** On-site Investigation

**Factory Population:** 2,000

**Male to Female Ratio:** 2:3

**Departments:** Hardware, plastic-molding, cold-press, sewing, spray paint, woodworking, electroplating/cutting, electronics, adjustment

**Principal Clients:** Mattel, Tomy

#### **Factory Introduction:**

The Dongguan Grand Plastic Cement Products Corporation was established in May 1995 in the Dalang Town “Mayor’s Pond” district. Its total investments at that time were around 1.4 billion HK (about \$190 million USD). The factory grounds comprise of 65,000 square meters of floor space with 4,000 workers. The factory mainly manufactures plastic items for household use and plastic toys, including toy cars, children’s beds and exercise equipment. The factory has 20 high-tech assembly lines that manufacture the plastic goods and toys for export to the American and European markets. In 2010, the value of its manufactured products totaled 280 million RMB (approx. \$42 million USD), an increase of 18%. Its total exports were valued at \$38.17 million USD, an increase of 16.69%. The company has been honored with a number of awards, including the “Advanced Foreign Investment Company” and “Advanced Safety Company” awards from Dongguan city, the customs department’s “Trustworthy Company” and “Warmhearted Contributions to Students” awards, along with many others that have brought the company much praise. The Hong Kong Company that originally invested in Dongguan Grand Plastic Cement Products was founded in 1964 and is the largest company in the plastic cement industry in Hong Kong.

#### **Contact info:**

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**Hong Kong:** kamml@qualidux.com.hk

## 1. Application Process

The factory is currently amidst its busy season so the company is looking to hire 500 more workers before the end of the year. Its recruitment activities can be divided into online recruiting (mainly for people with technology or management skills), direct marketing efforts in different areas (for common factory workers) and recommendations from current employees (if a new worker recommended by a current worker enters the factory before November 11<sup>th</sup> and stays until the end of the year, the current worker will receive 150 RMB). The factory is also looking for short-term workers just for the busy season.

There does not appear to be any discriminatory recruitment practices based on geographic area, ethnic background or religion. The factory only requires that applicants are over 16 years of age. People looking for a job can arrive at the factory's back gate at either 9 a.m. or 2 p.m. The factory requires applicants bring a valid identification card, which gets taken and copied for factory records. Applicants then have a photo taken and fill out the job application form. The factory then administers a new employee handbook. This handbook details the factory's location, what a new worker needs to bring with him to the job, a map of the factory layout, the work schedule, etc. Workers are required to undergo a physical examination at the factory's medical clinic without charge. The examination is very simplistic: patients are asked for their height and weight and undergo a few simple visual examinations.



*Employment advertisement*

Once finishing all of the application formalities and granted a position at the factory, workers participate in factory training. Introductory training is run by the head of recruitment and mainly serves as an introduction to numerous topics explained in the employee handbook. Workers will also receive a brief overview of the factory's pay system, disciplinary system and safety measures. Workers then must take a short examination about the training information, but they are able to answer this test by simply copying answers word for word out of the manual.

Finally, workshop supervisors will provide more specific training on each employee's particular position. Workers are introduced to the disciplinary system, workshop tasks and manufacturing quotas.

## 2. Labor Contract

After one week of work in the factory, workers must sign the labor contract. Each employee must sign two versions of the contract, one of which may be kept by the worker. The contract period lasts 2 years with a probationary period of 2 months. The factory fills out the entire contract for the worker. All the employee must do is fill out his name, ID number, and home address from his residency permit and then sign.

The labor contract details the contract period, work hours, job description, job location, remuneration system, safety policy, social insurance and welfare payments, contract termination, arbitration procedures and restrictions business activities while under contract.

The labor contract states that on average, a worker's overtime hours will not exceed 36 per month. In reality, every worker works 2 hours of overtime each day and 8 hours of overtime on Saturday. Although this is clearly in contradiction with the factory's labor contract, none of the interviewed workers knew if this work hour system had ever been investigated by the labor department. There wasn't any sticker or file attesting to such an investigation anywhere in the factory. Workers may also receive exemption from working overtime hours with the approval of their workshop supervisor.



*Mattel Sign in the Workshop*

In addition, two particular sections of the contract that should contain more information about medical compensation, 5(2) and 6(2), say nothing about actual procedures in the event of illness, on-the-job injuries or medical examinations. During the investigation it was discovered that workers in the electronics, molded plastic and adjustment departments suffered relatively frequent work injuries and felt their jobs were unsafe. In this aspect, the contract is negligent in its content and in its execution, and the factory is deliberately ignoring its health and safety responsibilities to its workers. Further, in light of the unsafe work practices at the factory, the physical inspection given to employees upon entry to the factory is wholly inadequate.

### 3. Work Hours

Typically, workers work 8 hours per day, with 2 hours of overtime for five or six days per week. At least one day is set aside for rest each week. Workers receive an hour lunch break every day.

#### Work Hours

Work Segment	Morning Hours	Afternoon Hours	Overtime
<b>Single Shift:</b>	8:00 a.m. --12:00 p.m.	1:00 p.m.--5:00 p.m.	6:00 p.m.--8:00 p.m.
<b>Double shift: Molded plastic workers</b>	8:00 a.m. -- 8:00 p.m. (Day shift ) 8:00 p.m.--8:00 a.m. ( Night shift ) . The two shifts rotate once a month, with twenty four hours of rest in between the change. The workers currently assigned to the night shift do not receive a late-night subsidy for their hours.		

Workers must swipe their employee card at the front gate to enter and exit the factory. When entering the factory, workers must also hand their employee card to an inspector who will verify the registration number and make sure that each worker is using his own card. Workers must arrive at their respective workshops fifteen minutes before the beginning of the shift. Further, workers are not able to swipe out at the end of the shift until a minute or two after the shift time has passed.



*Swiping in to begin a shift*

Each worker is required to fulfill a daily production quota. This target varies depending on work position and department. The punishment measures taken against workers who do not fulfill their production quotas also vary. For example, in the sewing department, some workers have to sew 80 pairs of wings onto birds every hour. If they do not complete this target, their manager will verbally abuse them so severely that many have had to leave their jobs as a direct result. The workers responsible

for sewing the tops and bottoms of pillows shut must perform this task 60 times every hour. If they do not fulfill this target, their manager may refuse to let them work overtime that day or even to come to work the following day.

The factory gives each new worker one day to learn his new job. If the worker proves unable to effectively perform the job or cannot keep up with output quotas, he will be scolded by his manager. If workers can fulfill at least 80% of their daily production quotas, they will receive a 5 RMB bonus. However, during our interviews, investigators found that even completing 80% of the quota is extremely difficult.

## 4. Salary and Welfare

### a. Salary

Factory salaries are administered on the 30<sup>th</sup> of every month. If the 30<sup>th</sup> lands on a Saturday or Sunday, salaries are paid a day or two in advance. Workers receive a pay slip that specifically details what they are receiving and what they are owed. Up until August 2011, all workers were paid in cash. Starting in September, all workers were required to open a bank account at the Dongguan Bank of Commerce. Wages are now directly deposited into worker's bank accounts.

Workers typically are paid 1,600 RMB/month after all monthly fees are deducted (utilities, food, fines, etc.). Each worker's base salary is 1,100 RMB/month, the minimum wage in Dongguan. Workers receive 9.48 RMB/hour for regular overtime and 12.64 RMB/hour for Saturday overtime.



姓名		工号		部门		日期	
基本工资	1100.00	加班工资	100.00	绩效奖金	0.00	社保扣款	50.00
伙食补贴	100.00	水电扣款	20.00	其他扣款	0.00	实发工资	1130.00
合计	1300.00	合计	120.00	合计	0.00	合计	1300.00

*Worker's pay slip*

### b. Welfare

Workers have access to purchasing social insurance after completing one year of work at the factory. Workers have the option of buying illness and accident insurance at the price of 67 RMB/month. The factory does provide annual salaried vacations, maternity leave and marital leave, but it is very difficult to receive vacation time. It is the employee's responsibility to find his workshop supervisor and department head and ask them for vacation or sick leave. Each upper-management employee must sign off on a form that grants vacation time. The factory does however give paid leave on federal holidays.



The factory has a medical clinic that workers can visit free of charge. If the clinic is not able to provide the necessary treatment required, patients are sent to the local hospital. Workers may ask for sick leave with pay, but it is necessary to get medical documentation from the hospital or clinic as proof of illness.

The factory grounds have numerous recreational facilities including a basketball court, library, computer room, TV room, ping pong table and pool table. However, workers have very little use for these facilities. The surface of the pool table is heavily worn, the computers old and slow and the library's books are outdated.

## 5. Food and Housing

### a. Food

Separate dining halls for factory workers, office workers and managers are provided by the factory. Managers and office workers eat for free in the dining hall while ordinary factory workers pay 216 RMB/month in living and residence fees (living fees amount to 6 RMB/day and residence fees cost 1.2 RMB/day).

Upon starting work at the factory, workers are given the option whether or not they want to live and eat on the factory grounds. In the future, if a worker decides he no longer wishes to live and eat at the factory, he must still continue to pay the living and residence fees.



*Factory soup*

Ordinary workers' breakfast typically consists of rice or wheat noodles and rice porridge. Lunch and dinner normally consist of two vegetable dishes and soup. Office workers and managers get a slightly nicer breakfast and receive two vegetables and a soup for both lunch and dinner. The rice porridge looks like it is made with the previous day's uneaten rice and the noodle dishes look very meager.

Workers are given monthly meal cards and must present one at each meal. Workers are allowed to eat an unlimited amount of rice but may only have one serving of dishes. Public safety personnel are present in the dining hall at every meal. At the end of the meal, workers must place their garbage and utensils in the proper receptacles. If they do not clean up, workers are reprimanded by safety personnel marked a demerit on their factory card. There are often not enough chairs in the dining hall so workers have to eat

standing up. There is never enough food for everyone, so if workers slightly late getting out of work, they will not be able to eat.

Workers must line up for food starting at the top of a narrow staircase. As a result, the staircases are often blocked and extremely difficult to pass through.

Employees in the dining hall do not pay attention to good sanitation practices. When preparing food, they do not wear gloves, face masks, or clean aprons.

None of the factory workers bring in food from outside restaurants or from home.

### **b. Housing**

There are 5 factory dormitories: A, B, C, D and E. Buildings A, C and E are the male dormitories, while B and D are the female dormitories. Each dorm building has 6 stories. Skilled technical workers live in four person rooms with their own separate bathroom facilities. Ordinary workers squeeze eight people into a room. Newly recruited workers live on a separate floor until they can be assigned to live with workers in their department. Ordinary workers are only given a big box to put their clothes in. Each dormitory floor has two laundry rooms, toilets, and washrooms. Each floor has a smoking room and each room has working electricity.

## **6. Occupational Safety**

The factory does not have an occupational safety committee. All employees complete workshop safety training but are not given training on health, the environment, or other topics. The plastic molding department is dark and damp. The sewing department is in a state of constant chaos, crowded throughout the entire workday. The air in the spray painting department has a dense paint smell that is difficult to inhale. To help alleviate this issue, spray paint workers are given one set of protective masks and gloves per week. Workers in the machine sewing department are required to wear hats and masks at all times, but if they lose either, they are required to purchase their own replacements. One newly-arrived worker told her boss that the mask she was given had been used previously and smelled bad. The manager told her to wash it off and deal with it.





Emergency exits are clearly marked throughout the factory and each workshop has its own first-aid kit. However, workers were unsure as to what types of resources are in the first-aid kits. The safety corridors between the workshops and the dormitories are clearly marked and unobstructed. All emergency exits are always open.

Workers in the adjustment department regularly come into contact with lead as they solder tin. Workers in the sewing and plastic molding workshops frequently get injured performing their daily tasks. In the sewing workshop, investigators discovered a report detailing industrial accidents that indicated that there was an average of 17 accidents every month in the sewing workshop. Almost all of the workers in that department have had their hands crushed by the machine presses and cut by the machine needles. The work stools in the plastic molding and sewing departments are very low. As a result, workers must hunch over their work stations. These employees experience great low back pain, to the point that many of them said this pain was now chronic.

## **7. Fire Safety**

The factory's fire hydrants and fire extinguishers are regularly inspected. Every March and June, fire drills are held on the factory basketball court. The drill is carried out by the factory guards and observed by all others. There are always a great many workers taking pictures and asking basic questions like how to operate the fire extinguishers. The workshops and dorms don't have any noticeably flammable materials. Nobody inside the factory can smoke or use a lighter. Both the factory grounds and dormitory areas have specially designated smoking areas.

## **8. Rewards and Punishment**

The factory encourages its older workers to continue working at the factory while still encouraging newly admitted workers to work hard. Recently, the factory changed its 100 RMB/month perfect attendance reward to a yearly award. The factory will also run a prize lottery in January of the next month for all workers to participate in. As previously mentioned, if a factory worker recruits a new employee who works at least until the end of the year, that worker will receive a 100 RMB recruitment bonus. During the mid-autumn festival, the factory gives each worker a pear and bottle of mineral water.

The factory has instituted many punitive measures, including a performance point system. Behaviors that warrant a point deduction include coming in late or leaving early (2 point deduction), smoking in the workshop (10 point deduction) and fighting in the dormitory (5 point deduction). In the dining hall, cutting the line, dropping or spilling food,

forgetting to put away eating utensils and any other minor mishaps all result in a one point deduction.

If a worker wants to take a bathroom break or get a drink of water, he first needs to obtain a permission slip from his workshop supervisor. Each assembly line is only allowed one permission slip, so workers must take turns. During a shift, workers are not allowed to exit the factory. Once shifts are over, workers are not allowed to re-enter the factory for any reason.

## **9. Resignation**

Workers are not immediately paid for their first week of work at the factory because of the factory's high employee turnover rate within the first week of work. Workers that leave after just one week do not get paid. Workers that stay at the factory get compensated for the first week on their first paycheck. Workers have said that it is extremely hard to resign from the factory. Workers often request permission to quit from their workshop managers, but these requests are usually not passed along to the Human Resources department. Workers eventually become apathetic about their ability to leave the factory.

Factory employees must notify a factory manager one month in advance if they want to resign. If the manager grants this request, it is then possible for them to set a date for leaving. Once the employee receives his final wages, he must turn over any belongings he was given while at the factory. He must also hand in his labor copy of the labor contract and his employee card. In return, the factory provides the worker with a document verifying that the worker has resigned.

## **10. Other**

### **a. Union and Labor Representation**

The factory does not have a union or other labor representation, nor does it have a worker hotline. If workers have a problem, they must either talk to their assembly line or workshop supervisor or handle the problem themselves. Although the factory has set up a complaint box, it always remains empty.

### **b. Plastic Molding Workers Mass Resignation**

Workers in the plastic molding workshop felt that they did not receive enough work orders and that they were receiving lower salaries than workers doing essentially the same work. In October, these workers had prepared to go on strike. After the factory

director learned about these plans, he issued a severe statement asking the entire department of workers to leave the factory, from the most recent recruits onward. The majority of these workers, believing that a strike was useless now, decided to apply for resignation. As these workers left through the front gates, a banner was unfurled out back that read that the factory now had 500 vacancies to fill.

### **c. Factory Appraisals**

Investigators discovered complaints about the factory everywhere they went. Many workers in the sewing, adjustment, spray painting and electronics departments had already requested to resign, or have the intention to resign. As the investigators finished up their last day at the factory, six out of eight workers that were hired that day quit that same day. The workers not only complain about the low wages, poor food and strict management (the supervisors often abuse the workers verbally), but also the outrageous production quotas (workers are not allowed to work overtime if they don't fulfill the quotas), poor benefits and the unequal wages (workers of the same position working the same work hours receive different wages). A few workers who had been working in the factory for a relatively long time told the interviewers that there used to be four or five thousand workers at the factory: now there are only one or two thousand.

### **d. Female Workers' Rights**

There are many female workers that work in the sewing department. The female workers said that they are often reprimanded and verbally abused by supervisors and management. Many of the workers feel that it is causing them psychological trauma. Factory females feel that male co-workers occasionally harass them through text messages, phone calls and unwanted touching. Interviews also revealed that some male workers grabbed female workers' hair, used obscene language in conversation with them and even wrote obscene things about them in the bathroom. Fights and arguments frequently break out in the workshops, sometimes among the workers, and sometimes between workers and the management.

### **e. Leisure Time**

Because there is only one television room in the entire factory, workers usually go to the small stores outside the factory to watch TV. More generally, workers usually go right to sleep after work. The surrounding areas outside the factory are not safe, and workers are often robbed. As a result, most workers don't dare to step outside the factory. Even on Sunday, most workers choose to sleep in the dorm instead of going out. Although there is a basketball court and a table tennis room on the factory grounds, there are no basketballs or table tennis equipment for workers to use.

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## 11. Factory Visits

The factory often hosts investigators to come and audit the factory. Workers are notified in advance of these visits. They are asked to tidy up the workshops and follow the proper production procedures while the visitors are present. The factory also demands that the workers not to talk while working and not produce defective products in their presence. Managers in the factory told interviewers that when Mattel representatives visit the factory, the factory usually treats them with banquets, gifts and money. Mattel representatives simply wander around the workshops and browse through the attendance and personnel records when they visit the factory. Moreover, there are factory receptionists accompanying them throughout their visit in the factory.

### **Conclusion:**

CLW has found severe violations of workers' rights in both Jida Toy Co., Ltd and Dongguan Grand Plastic Cement Products Co., Ltd factories. Workers from both factories are deprived of the right to review their labor contract in order to understand their rights and benefits as workers. Moreover, the workers work excessive overtime hours with insufficient compensation. The working conditions in both of these factories are far from satisfactory. Workers are exposed to hazardous conditions and they are not provided with enough safety protection to safeguard their health and wellbeing.

Factory workers all across China working under sub-par factory conditions find it very difficult to live a comfortable and stable lifestyle. The factories' minimum working pay, hazardous working conditions and maltreatment by management directly affects the physical health and psyche of its employees. Workers are forced to work excessive overtime hours in order to earn subsistence wages for themselves and their families. In some instances, in order to reduce living expenses, factory workers must leave their families and live at the factory. These working conditions go beyond simply affecting the worker himself; they penetrate the familial and societal fabric of China.

Mattel needs to enforce more effective independent labor monitoring mechanisms and live up to its own corporate social responsibility policies to improve the working conditions in its supplier factories.