The Failure of Target’s Audit System in its Chinese Supplier Factories

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A recent investigation conducted by China Labor Watch (CLW) has uncovered numerous labor violations at the Rushan Alice Garments Company, LTD., a supplier factory of the American retailing company Target. The factory, located in Weihai, Shandong province, was audited by CLW investigators in August, 2011. In the investigation, CLW discovered numerous violations of the Chinese labor laws and regulations and Target’s Standards of Vendor Engagement. After promising to re-audit the factory and report back with its results. Violations discovered include excessive work and overtime hours, limited days off, very low piece-rate wage, stressful working conditions for teenagers, and lack of a social security plan.

After ardently denying CLW’s investigation results of the Rushan Alice factory (they claimed we audited a different factory with no connection to Target), Target steadfastly declared that the labor conditions in the factory generally complied with the Chinese labor laws and regulations and Target’s Standards of Vendor Engagement.

China Labor Watch hereby publishes the report on Rushan Alice’s working conditions, including evidentiary photos and Target’s own investigation results. CLW urges that Target actively work together with the Rushan Alice factory to advance its labor conditions in order to effectively protect the rights of its workers.

Below is a summary of the facts we found in the investigation. For more information, please read our report.

- The factory is reluctant to hire workers from outside the area because it worries that they will not stay for very long.
- The company does not administer a physical examination before beginning work.
- The factory does not provide any form of employee training or orientation.
- Teenage workers labor under the same conditions as regular adult workers.
- Workers are not provided with a duplicate copy of the labor contract for their own records.
- Workers are required only to sign their name to make the contract binding. They are not provided with any explanation in regard to its content or given the opportunity to more closely examine the contract.
- The factory currently runs on a 10 hours per day, 28 days per month work schedule. When the factory receives multiple production orders, workers are often required to work 30 days per month without any days off.
- The factory does not provide workers with a wage slip explaining salary calculations.
- Workers’ salaries are calculated according to a piece-rate wage system. Workers receive no overtime wages.
- No matter if a worker takes sick, maternity, or vacation leave, there is no pay.
- The factory does not provide workers with the option of purchasing any sort of insurance or social security plan.
- The factory workshops were found to be very messy and in disarray. There are no direct routes to emergency exits or windows and there is no ventilation system.
- Sewing machines are not routinely inspected for maintenance problems.
- The emergency first aid kits are usually locked.
- Workers have never been through any fire drill.
- When leaving the factory, investigators discovered one of the guards had a factory labor contract that did not belong to Rushan Alice Garment Co. The contract clearly stated that this factory helps other factories meet its production needs. But the contract did not clearly state what factory this form was from.