

**The Kohler Company's Factory in Foshan, China:**  
Dangerous Working Conditions, Long Hours and Little Pay

A Report by China Labor Watch

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## **Kohler Company (Foshan) Ltd.**

### **I. Introduction**

The Wisconsin-based Kohler Company is a world leader in the plumbing industry. In 2003, it reported revenues of over \$3 billion. However, employees in its factories in China struggle against long hours under dangerous conditions for little pay. In its drive for ever greater profits, Kohler undermines China's labor laws and international workers' rights norms.

The Kohler Co. website describes its mission as "contributing to a higher level of gracious living for those who are touched by our products." And yet, for workers in Kohler's Foshan factory, the contrast between lifting back-breaking loads in dust-filled, sweltering rooms and the "timeless sophistication" offered by the company's "bathroom suites" could not be greater.

In Kohler's factory in Foshan City, Guangdong Province, some workers put in 291.5 hours of work a month—far in excess of China's legal limit. For a product that sells for \$363 to \$484 in China, a Kohler worker in Foshan earns only 65 cents. Foshan employees have been injured by heavy loads and lung illnesses brought on by the factory's poor air, but they have rarely received compensation. In some cases, factory management has even attempted to cover up work-related injuries.

It is imperative that Kohler act quickly to ensure that its operations in China give workers real opportunities, not illness and poverty, and that its policies deepen the implementation of China's labor laws, rather than undermine workers' rights.

Kohler China, Ltd., has plants in Beijing, Shanghai, and Foshan. This report focuses on the Foshan factory, but Kohler should draw a lesson about its China operations as a whole: corporate responsibility begins with positive action at the factory level.

### **II. Hours**

Managers and engineers at the Foshan branch of Kohler work 8 hours a day, from 8:00 am to 4:45pm, with a forty five minute break for their midday meal.

Workers on the production lines work one of several different schedules, and the work schedules themselves belong to one of (at least) three systems. The net result is that there is always someone working at any given hour of the day. Work teams are broken into the following systems:

#### 1. Two-shift system

(includes workers from glaze preparation and moulding departments)

Total work time for each worker: 12 hours a day, 6 days a week

**Shift 1:** Daytime shift: 6:00 am to 6:00 pm, with meals from 7:30 am to 8:00 am  
and 11:45 am to 12:30 pm

**Shift 2:** Nighttime shift: 6:00 pm to 6 am, with a snack from 10:00 pm to 10:30 pm.

### 2. Three-group/three-shift system:

(includes workers from glazing and baking departments)

Total time: (daily schedules vary), 6 days a week

Daily Schedule:

Group A: 7:30 am to 4:00 pm, with a meal from 11:45 am to 12:15 pm.

Group B: 3:30 pm - 4:45 pm and 5:15 pm - 12 am.

Meals are from 4:45 pm - 5:15 pm.

Group C: 11:30 pm – 8: 00 am.

### 3. Four-group-three-shift system

(Includes workers from glazing, washing, baking, quality inspection and packing departments)

Total time: 8 hours a day, 5 days a week

Daily Schedule:

Note: Workers who work under this system works 24 hours,with four groups (A, B, C, D) rotating shifts: One group from the team rests every day, and each group has one hour to eat every day.

The complete schedule for Team IV is complex and is therefore presented as a table below:

Group	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday	Monday
A	7:30-16:00	7:30-16:00	7:30-16:00	Rest	23:30-8:00	23:30-8:00	23:30-8:00	Rest	15:30-24:00	15:30-24:00	15:30-24:00	Rest	7:30-16:00	7:30-16:00	7:30-16:00
B	15:30-24:00	15:30-24:00	Rest	7:30-16:00	7:30-16:00	7:30-16:00	Rest	23:30-8:00	23:30-8:00	23:30-8:00	Rest	15:30-24:00	15:30-24:00	15:30-24:00	Rest
C	23:30-8:00	Rest	15:30-24:00	15:30-24:00	15:30-24:00	Rest	7:30-16:00	7:30-16:00	7:30-16:00	Rest	23:30-8:00	23:30-8:00	23:30-8:00	Rest	15:30-24:00
D	Rest	23:30-8:00	23:30-8:00	23:30-8:00	Rest	15:30-24:00	15:30-24:00	15:30-24:00	Rest	7:30-16:00	7:30-16:00	7:30-16:00	Rest	23:30-8:00	23:30-8:00

Group	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday	Monday	Tuesday
A	Rest	23:30-8:00	23:30-8:00	23:30-8:00	Rest	15:30-24:00	15:30-24:00	15:30-24:00	Rest	7:30-16:00	7:30-16:00	7:30-16:00	Rest	23:30-8:00	23:30-8:00
B	7:30-16:00	7:30-16:00	7:30-16:00	Rest	23:30-8:00	23:30-8:00	23:30-8:00	Rest	15:30-24:00	15:30-24:00	15:30-24:00	Rest	7:30-16:00	7:30-16:00	7:30-16:00
C	15:30-24:00	15:30-24:00	Rest	7:30-16:00	7:30-16:00	7:30-16:00	Rest	23:30-8:00	23:30-8:00	23:30-8:00	Rest	15:30-24:00	15:30-24:00	15:30-24:00	Rest
D	23:30-8:00	Rest	15:30-24:00	15:30-24:00	15:30-24:00	Rest	7:30-16:00	7:30-16:00	7:30-16:00	Rest	23:30-8:00	23:30-8:00	23:30-8:00	Rest	15:30-24:00

### **III. Overtime**

Company rules specify that employees receive no remuneration for overtime unless their additional work exceeds one hour. If overtime exceeds one hour, the rules at Kohler specify that employees have the right to take rest time on a one-to-one ratio, i.e. one hour of overtime gives employees the right to take one hour of rest at a future time. Ordinarily, however, workers do not request rest time to compensate for overtime because they fear risking their jobs by asking for time off. Workers who do not apply for rest time are nonetheless not paid for their work, and thus, **workers work overtime without ANY remuneration.**

Chinese labor laws limit work hours to 176 hours a month, and overtime hours to 36 hours a month. That is, the law prohibits working more than 212 hours a month. Production line

employees at the Foshan branch of Kohler typically work either 291.5 or 225.25 hours a month, i.e. **80 and 10 hours over the legal maximum of working hours, respectively.**

#### **IV. Wages**

Workers are paid at piece rate wages, i.e. they are paid according to the number of products they make. For a flawless finished toilet, a worker in the moulding department is paid 5.4 RMB, or 0.65 USD, and for some models (e.g. #4015), the piece rate is only 4.8 RMB, or 0.58 USD. Thus, by working 12 hours a day, 6 days a week, workers typically earn 2,000 RMB to 3,500 RMB, the equivalent of US \$242 – 423 a month. However, for new employees, or at times when too many flaws are found in their finished products, employees earn only a monthly minimum wage of 600 RMB or US \$72.

Employees working eight and a half hours, 6 days a week earn monthly wages ranging from 1,200 RMB to 1,400 RMB or US \$145-169. New employees or employees fined for flaws in their finished products earn only a monthly minimum salary of 600 RMB or US \$72.

The cost of producing a one-piece seated toilet is 300 RMB or US \$36; with additional parts, the total cost is no more than 400 RMB or US \$48. Kohler markets these in China at a price of around 10,000 RMB or US\$1,208. Another model costs 170 RMB or US \$21 to produce. With additional parts, the cost of the marketed product is no more than 280 RMB or US\$34. The worker who pours the ceramics for one of the more expensive lines of toilets earns only 5.4 RMB – US \$0.65 – for a flawless finished product. Kohler markets that product in China at anywhere from 3,000-4,000 RMB or US \$362 - 483.

#### **V. Working Conditions**

The Foshan Kohler factory does not invest in necessary equipment or safety protection measures, and therefore the overall working conditions are extremely bad and can be characterized as high temperature, high humidity, noise, high dust density, and poor ventilation. The entire factory is described as a huge “steamer”. The extreme conditions pose a great risk to workers’ health. Although workers are paid a tiny fraction of the value they add to Kohler products, the management actively places workers in great danger in order to pinch pennies.

##### **1. Heat**

The manufacturing of Kohler products requires high humidity and heat. The moulding area of the factory is set at 75% humidity and 35° Celsius or 95° Fahrenheit. To maintain these conditions, all windows around the production lines are tightly closed and heat and water vapor are continuously vented into the production area. The temperature of the production area at times goes above 40° Celsius or 104° Fahrenheit. Workers are drenched with sweat from the moment they enter. The temperature of the area around the ovens varies from 40° to 50° Celsius - 104° to 122° Fahrenheit.

The temperature of the packaging area, because of its proximity to the ovens, is typically around 50° Celsius or 122° Fahrenheit, and workers often have to start packing products while they are

still at a temperature of 60°-80° Celsius or 140°- 167° Fahrenheit. The temperature in the glazing stove shop is also around 40°-50° Celsius.

The temperature of the drying room for semi-finished products varies from 40° to 120° Celsius or 104° to 248° Fahrenheit. To raise daily productivity, workers have to enter the drying room before it is sufficiently cooled. Workers often have to enter the room to remove semi-finished products when the room temperature is anywhere from 40° to 50° Celsius - 104° to 122° Fahrenheit. Because of the high temperature, workers are completely covered in sweat.

## 2. Dust

Due to the insufficient tightness of the ball mills used in the Kohler factory, the production process generates a great deal of dust. The sharp-edged particles from this dust float in the air and cause irreparable damage to the lungs of anyone who breathes it. The dust is the source of anthracosilicosis, a severe occupational disease that is prevalent in the ceramics industry.



Kohler management nonetheless makes only the most veiled attempts to address the health risks workers face in the factory. The factory has experimented with various brands of surgical masks. None, however, have proved able to filter the dust produced inside the factory. What is more, in order to lower costs, workers are issued only one mask every three days. Given the heat and

humidity in the working areas, the surgical masks quickly become drenched with water and sweat, and workers, in order to breathe adequately, choose not to wear them.

As of May, 2004, the Kohler factory management has not invested in any equipment to test dust levels in the air, and therefore no information about the dust density, its composition and harmfulness is available. Typically, if either the government or representatives from Kohler headquarters arrive to inspect the facilities, managers stop the production lines a day in advance, sprinkle water on the ground and sweep in order to erase any sign of the actual conditions on production lines.

This kind of negligence is certain to have consequences. In a recent case, a machine operator, Deng Woqiang, felt sick and applied for sick leave. His application was denied and Deng was forced to resign in order to return home to rest. Kohler never attempted to give him a medical examination, and in February, 2002, Deng died of lung disease. Kohler denies any responsibility.

## 3. Noise

The noise from the electric generator in the glazing shop is extremely loud. The earplugs supplied by Kohler do not protect employees' ears. After working in this kind of noise for long periods, employees' ears are damaged.

#### 4. Burdensome Lifting

Because Kohler managers have not invested in the proper equipment, workers are responsible for burdensome lifting tasks. In the casting area, two workers are used to manually turn and move product moulds and semi-finished products weighing 150 to 200 kilos or about 330 to 440 pounds. Even without wearing a shirt, a worker is soaked with sweat all the time. After doing heavy physical work in this hot and humid environment for some time, many workers report suffering from peri-arthritis and muscle fatigue.

In the recasting shop, due to lack of appropriate equipment, workers have to manually move products weighing between 25-50 kg (55-110 lbs) five meters and then up a crude stairway.



Falling on the ground during the process, being crushed under the weight of the enormous moulds, and being seriously cut and injured by the sharp edges of the shards is not uncommon. For instance, in the month of March 2004, a worker in the packaging area fell and had his right forearm cut off.

In the packaging area, workers inspect finished products whose temperatures range from 60° to 80° Celsius (or 140° to 176° Fahrenheit) and then move these products, weighing 25 to 50 kilos (55 to 110 pounds), one at a time a distance of 2 to 10 meters or about 6.5 to 33 feet. The strain of this activity is excessively stressful on the body, and workers report various injuries and ailments. Many male workers report testicular pain and fear their work is endangering their ability to have children.

#### 5. Injuries

One would expect that performing these tasks in the heat and humidity described above would lead to injuries, and in fact, it does. The Kohler factory management gives workers rest days only for the most serious accidents, and even in these cases refuses to give monetary compensation.

In April 2004, the feet of a worker named Guo Zhongyou was cut by an iron blade while he was cleaning the mixer pool, but the Kohler management, in order to meet the safety index, granted him no rest time or compensation aside from simple treatment at the factory clinic.

In the same month, Miao Yonghui, a worker from the moulding department, was diagnosed with psoriatic strain due to long-term exposure to high temperatures, humidity and dust density. The factory granted him only 12 days of rest at home. However, Miao's illness was not completely cured.

In March 2004, the middle finger of the right hand of Wang Minchao, a worker from the shaping shop, was injured while he was turning a mould weighing 150 kilos. The Kohler factory merely had the wound disinfected and bandaged at the factory clinic, and granted him no rest or monetary compensation.

In August, 2003, Zhang Tianfu, a worker in the packaging area, fell and cut the tendons and arteries in his right hand. Managers only granted this worker 12 days of rest and no monetary compensation.

In November 2002, a worker fell from a height of two meters (about 6.5 feet) and suffered serious head injuries. In order to hide the incident, managers actually forced this worker to leave the hospital while he was still on an IV. He was forced to return to work in order to maintain the appearance that no accident had occurred.

Maintenance worker He Liqiang suffered serious injuries to his leg in November 2002 while repairing one of the glazing machines. The Kohler management hid the accident. Rather than grant this worker time off to rest, they forced him to sit in the office in order to maintain appearances. The incident was discovered by a Kohler employee from Great Britain and only then was this worker given six months of rest. In April 2004, the same worker suffered serious electrical burns to his right hand while repairing outdated equipment. Again, management attempted to hide the incident. When the information was leaked, they still only granted the worker nine days of rest. He never received any monetary compensation.

Another worker had his right hand broken while repairing a machine. Managers granted him 13 days of rest and then demanded he return to work even though the wound had not yet healed, providing no monetary compensation or other care for the injury.

These are only a few examples of the accidents that occur in the Foshan facilities. In 2003, 8 work-related injuries occurred in the pouring department alone. Management granted only one worker nine days of rest. The situation was no better in the packaging department where only 3 out of 7 injured workers were granted time off for rest, and the others were granted neither rest nor any monetary compensation. In order to meet its official safety standards, managers never report the actual number of work injuries to either Kohler headquarters or the government.

## **X. Freedom of Association**

Managers at the Foshan branch of Kohler have registered a union representative with the Foshan government. This “union” representative, however, is a manager at Kohler and serves no other purpose other than to veil the violation of workers’ rights. This company union neither holds meetings nor seeks out the opinion of workers, workers who would denounce it as a management fraud if they knew it even existed.