



Barbie, Mickey Mouse, Optimus Prime, Thomas the Tank Engine: Who Else Continues to Exploit Toy Workers?

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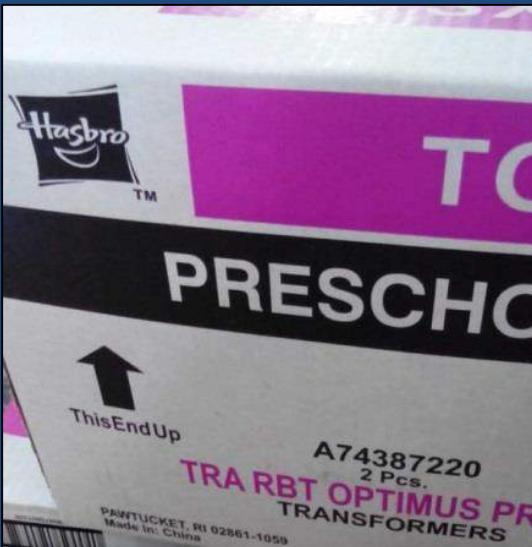


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Executive Summary

China is the largest manufacturer of toys in the world, and Guangdong Province is the top toy manufacturing region within China. In 2007, China Labor Watch (CLW) conducted [an in-depth investigation of toy factories](#) in Guangdong that supplied to major international toy brand companies. The investigation revealed labor rights violations that included mandatory overtime, wages below the legal minimum, unpaid overtime wages, unpaid insurance, harsh and high-pressure working conditions, poor living conditions, and abusive management.

Between June and November 2014, CLW carried out another in-depth investigation of labor conditions in the toy manufacturing industry, this time targeting four facilities in Guangdong, China: Mattel Electronics Dongguan (MED), Zhongshan Coronet Toys (Coronet), Dongguan Chang'an Mattel Toys 2nd Factory (MCA), and Dongguan Lung Cheong Toys (Lung Cheong). CLW's investigation confirmed that the factories produce for some of the largest toy brand companies in the world: Mattel and Fisher-Price, Disney, Hasbro, and Crayola, including famous toy brands like Barbie, Mickey Mouse, Transformers' Optimus Prime, and Thomas the Tank Engine. According to company information, the factories also produce toys for other major toy companies and retailers like Target, Kid Galaxy, Spinmaster, Kids II, Tomy IFI, and others.

CLW's 2014 investigation once again uncovered a long list of labor rights violations, most of which existed in toy supplier factories in 2007, suggesting that over the past seven years, the state of labor conditions in the toy manufacturing industry has failed to improve. And relative to other industries, conditions may even be deteriorating.

Summary of Investigative Findings

A CLW investigator entered these four toy factories as a worker, laboring alongside other workers under the same conditions. Other CLW investigators also carried out follow-up assessments in October and November 2014. Through direct experience and hundreds of worker interviews, CLW's investigation discovered a set of 20 legal and ethical labor violations, a summary of which is below. Individual lists of violations at each factory are located in the corresponding report sections.

- 1. Hiring discrimination:** Restrictions on the age and ethnic group of applicants were found as well as a refusal to hire applicants with tattoos.
- 2. Detaining personal IDs:** Two factories illegally detain workers' personal IDs during hiring procedures, one factory for 24 hours, the other for five hours.
- 3. Lack of physical exams:** Three factories do not provide any physical exams to workers before or after being hired, meaning that previous conditions are unknown before going on the job and if a worker contracts an occupational illness, she may not have the necessary evidence to prove that it was related to work at the factory. While one factory provides physical exams, workers are not given their exam results.

- 4. Lack of legally mandated safety training:** Chinese legal regulations require 24 hours of pre-job safety training for manufacturing workers. In three factories, workers receive 30 to 120 minutes of pre-job training, much of which is unrelated to occupational safety. The fourth factory conducts absolutely no pre-job training.
- 5. Workers forced to sign training forms despite lack of training:** Three factories force workers to sign forms certifying that they participated in health and safety training that they never actually receive.
- 6. Labor contract violations:** Three companies make workers sign incomplete labor contracts while providing very little time to read the contract and rushing workers to sign it. Workers must wait one to two months after signing to receive a copy of their labor contract, which is a violation of China's Labor Contract Law. A fourth factory fails to sign any labor contracts with temp workers or student workers, and only signs contracts with formal workers after a multi-month probation period.
- 7. Underpayment of legally mandated social insurance:** All four factories pay workers' social insurance at a rate below legal obligations.
- 8. Excessive overtime work:** All of the factories investigated have workers accumulate at least 100 hours of overtime a month, with one factory's workers laboring over 120 hours of overtime a month, over three times the statutory maximum of 36 hours per month.
- 9. Unpaid wages:** Two factories fail to pay workers overtime wages for daily mandatory work meetings before and after their shifts. The other two factories do not pay workers during mandatory training.
- 10. Frequent rotation between day and night shifts:** One plant rotates workers between day and night shifts once a week and another plant once every two weeks. Such frequent shift rotation may be harmful to workers' health.
- 11. Lack of protective equipment:** All factories investigated failed to provide workers with sufficient protective equipment despite their coming into regular contact with harmful chemicals.
- 12. Ill-maintained production machinery:** Three plants failed to conduct regular safety inspections of production machinery, based on a lack of inspection records.
- 13. Poor living conditions:** The toy factories investigated generally maintain poor living conditions for their workers, including crowded and hot dorms with 8 to 18 people per room, five shower rooms for 180 people, lax dorm management leading to frequent theft, and fire safety concerns.
- 14. Fire safety concerns:** One factory locks emergency exit doors, and fire escape routes are blocked. None of the factories provide sufficient fire prevention training to workers.

15. Environmental pollution: Industrial waste water is discharged into the general sewer system and a failure to separate industrial waste from general waste was found.

16. Lack of effective grievance channels: Some of the factories investigated have a complaint hotline, but the number is out of order or workers are often told by the operator to simply tell their supervisor about the problem.

17. Lack of union representation: The factories have unions, but most were in name only, failing to actually represent worker interests. One factory had a more active union, but it usually led social activities with workers. Moreover, union representatives are not elected by workers and the union chairman is a member of the company's management team.

18. Illegal resignation procedures: Three factories require workers to obtain management approval before resigning, but Chinese law only requires workers to give notice, not apply for resignation.

19. Abusive management: Management is sometimes verbally abusive to workers. For example, a supervisor in one factory told a worker with sick parents that "even if someone dies in your family you'll not be allowed to resign."

20. Auditing fraud: Two companies were found to use deceptive methods during social audits. In one factory, workers are made by management to hide the truth about working conditions. Another factory even creates a special area for inspection that has better conditions than its other production facilities.

These violations suggest that labor conditions have failed to improve in toy industry supplier factories over the past seven years. And relative to other industries, conditions may even be deteriorating. For instance, over the past few years, workers at electronics manufacturer Foxconn have seen an increase in overall compensation and reduction in working hours. Before calculating overtime wages, the average monthly wage of workers in the four toy factories investigated is 1,335 RMB (\$218). But even after illegally excessive overtime hours, working at least six days a week in 12-hour shifts, these toy workers earn between 2,500 RMB (\$409) and 3,000 RMB (\$490) a month. In comparison, a worker at Foxconn, despite excessive overtime of 80 hours per month, will earn 3,500 RMB (\$573) or more.

Worker Exploitation in the Toy Industry

Intense business competition and demand for cheap products drives toy companies to suppress manufacturing prices. Toy sellers, especially international brand companies, have largely moved their manufacturing base from their home countries to developing countries in Asia and Latin America to utilize cheap labor. In order to mitigate investment risk, instead of building their own factories in these regions, toy companies often contract their manufacturing to local factories via intermediary supply chain firms. Supplier factories have little choice but to accept the production price put forward by the toy company. Sometimes, in order to receive the business, factories will even reduce the cost further. But toy companies maintain strict demands on material and product quality, so

labor costs ultimately become the only flexible factor. Workers, situated at the bottom of this system, are forced to bear the cost.

Multinationals are keen to benefit from this system. While it reduces their investment risk, it also enables them to distance themselves from factories that act in unethical or illegal ways. The multinationals that do not directly employ workers making their products often rely on this fact when blaming factories for poor or illegal labor conditions.

Many toy companies divide their toy orders among dozens or hundreds of factories in order to ensure that their orders in any given factory only consists of a small proportion of that factory's total orders—usually no more than 20 percent. Toy companies will also use this as a basis for avoiding responsibility for poor labor conditions. For example, if CLW uncovers labor rights violations at a Disney supplier factory in China, Disney might respond that it only maintains a small number of orders in the plant and is unable to influence the factory's behavior. Disney will blame the factory or could even blame other clients of the factory. If public pressure is too intense, toy companies will claim that the factory failed to respect their code of conduct and, on this basis, end business with the plant. In this way, toy companies can make a public show of standing up for workers' rights while reducing their own risk and costs to their business. Instead of acting with a true sense of responsibility, most major toy companies will use coping and delay tactics when faced with labor violations.

In addition to maximizing profit via suppliers, some toy companies will directly manage a number of factories in order to guarantee product quality and inventory. But poor and illegal labor conditions are a universal problem in the toy manufacturing industry, and even these directly controlled factories violate workers' rights. Despite this, the companies who manage these factories will push off responsibility for labor violations to others, claiming that it's an industry problem.

ICTI CARE Process

The International Council of Toy Industries (ICTI) is the organization ostensibly tasked by many toy companies with laying out labor standards for toy manufacturers and inspecting for compliance with those standards. ICTI's code stipulates that in toy factories, working hours, wages, and overtime pay must abide by standards set by law. Yet in Chinese toy factories, most workers' overtime hours add up to more than 100 hours per month, far in excess of the 36-hour monthly overtime limit set out by Chinese law. Some factories will even use questionable wage calculation tactics to shift regular working hours to the weekend in order to reduce workers' overtime pay (see, for example, the report on Coronet Toys).

ICTI certifies factories for compliance with its code of conduct, and it maintains a number of ranks for factory certification. Even if a factory does not comply with Chinese law or ICTI's code, however, it will often receive ICTI's certification. Factories that have excessive working hours, for example, might receive a certification that indicates that the factory is in the process of improving. The toy industry can forever employ this "improvement in-progress" stance to delay real reforms to labor conditions.

The toy industry has also set up a worker hotline through ICTI, but it has failed to be effective. This was portrayed in [a 2010 suicide case](#). That year, 45-year old female worker Hu Nianzhen jumped to

her death at the factory where she worked, Taiqiang Toys in Shenzhen. Taiqiang is a major supplier of Mattel Toys. A worker in the same production room said that after being yelled at by management, Hu Nianzhen went to the fourth floor and jumped to her death. Through interviews with Hu's family members and co-workers, CLW learned at the time that Hu was yelled at by factory management for producing too slowly, and they even threatened to fire her. Management demanded that she resign on that day, leading to Hu crying in the materials room before making her ways upstairs to tragically commit suicide, leaving behind her husband and three children.

On the same day Hu committed suicide, Hu's family contacted the ICTI hotline, but for many days afterward they never received a response. The family subsequently protested for justice outside the factory gate; the factory retaliated by calling a group of thugs who violently beat many of the protesting family members.



Hu Nianzhen's family members were injured by thugs sent to silence their protest.

Seven days after her suicide, and only after media reporting of the case had increased, ICTI contacted Hu's family.

As part of this year's four-factory investigation, CLW's investigator attempted to contact the ICTI hotline, only to be told by the operator that she couldn't do anything to help resolve the complaints raised, which involved insufficient safety measures and training. Since the tragedy occurred, and as late as this year, CLW has contacted and requested Mattel to intervene in the matter, but Mattel has ultimately done nothing for Hu's family.

In summary, ICTI's code is not enforced, which suppresses the labor standards of the entire industry. When labor violations occur in a brand company's supply chain, the company will push responsibility off to the entire toy industry, saying that the entire industry has the same problems. If labor conditions in the toy industry are to really be improved by brand companies, they must implement a set of enforceable labor standards.

Actionable Steps in the Toy Industry

1. Working conditions in the toy industry must be made transparent. And when labor violations occur, toy brand companies and factories must publicly respond to the problem with a detailed corrective action plan instead of long-winded explanation of its principles or how it will follow-up with investigations.
2. Guangdong Province is in the process of implementing union election reform pilots and is promoting directly elected unions across the region. Multinational brand companies which manufacture toys there must encourage the companies making their toys to support direct election of union representatives by factory workers. These representatives must represent the interests and needs of workers in carrying out collective bargaining with factory management and strengthen the respect for labor rights.
3. Factories should have an effective worker hotline. This grievance channel should be accessible to workers and, critically, be able to ultimately assist the workers in resolving their grievances and defending their rights.

Investigative Report on Zhongshan Coronet Toys



Coronet Toys Factory Labor Violations

1. Detains new workers' ID cards for a day in violation of law.
2. No pre-job training, including safety training, despite working in a hazardous environment.
3. Despite not receiving any training, new workers must sign a form acknowledging that they've received training.
4. No physical exam before or after hiring--could overlook pre-existing health conditions or occupational sickness'.
5. Temp workers and students paid only 9 RMB/hour, including for overtime work, but law requires time-and-a-half or double pay for overtime.
6. Formal workers only sign labor contracts after a probation period, a violation of law.
7. Temp workers and students do not sign any labor contracts as required by law.
8. Temp workers and students are not provided any social insurance as required by law.
9. Formal workers do not receive social insurance during the probation period.
10. Excessive overtime: up to 13-hour days, over 120 hours of overtime a month, which is over three times the legal maximum. Many Coronet workers must do these long hours on their feet.
11. Unpaid wages: (1) In order to meet high production demands, workers are sometimes made to work through meal breaks, but this time is not paid; (2) workers must arrive five minutes early to participate in unpaid morning meeting.
12. Overtime hour shifting. By shifting some of workers' normal working hours to the weekends, Coronet is reducing pay to its workers by more than \$100,000 a month.
13. Workers switch between day and night shifts (each 12-hours long) once a week. This frequency may be unhealthy for workers.
14. Mandatory overtime. Workers forced to perform overtime and work through meal times (unpaid) to finish production quotas.
15. Worker dorm rooms can accommodate 18 people per room. There are insufficient cooling systems and anti-mosquito measures, and the dorms are extremely hot during summer months, affecting workers' sleep.
16. Only five showering compartments for 180 people on a dorm floor, and even then, there are no showerheads or running water, so workers must carry a bucket of water to the shower room to clean off.
17. Dorms allow open access to outsiders, leading commonly to theft.
18. There are fire safety concerns in the dormitory.
19. The cafeteria is unsanitary.
20. Use of toxic chemicals, like isopropyl alcohol and industrial alcohol, without any use of protective equipment or insufficient protective equipment.
21. Machines in the production facility do not have maintenance inspection records and may not be inspected regularly.

22. No first aid kits in production facilities or dormitories.
23. Waste is not separated and is instead piled up in a heap behind the dormitory.
24. Emergency escape routes are blocked and emergency exit doors are locked.
25. Lack of effective grievance channels.
26. Coronet requires workers to get "approval" for resignation, but according to law, workers do not need approval and only need to give notice.
27. Management is verbally abusive to workers. One supervisor told a worker with ailing parents that "even if someone dies in your family you'll not be allowed to resign." The supervisor would also not give her leave to see her parents.
28. Factory management will prepare for client audits, even creating a special area for the inspection that has better conditions than typical production facilities at Coronet.

Factory Profile

Zhongshan Coronet Toys Ltd. (hereafter “Coronet”) is a joint venture of the Zhangjia Enterprise Group and the Hutchison Harbour Ring Ltd., Hong Kong. Founded in November 1998, Coronet manufacturers soft and hard toys, including electronic toys, for client in Europe and America. CLW’s investigation confirmed that Coronet produces for toy brands Hasbro and Crayola. According to company information, it also manufacturers toys for Kids II, Target, Spinmaster, and other international brands. During the period of investigation (the busy season), the factory had around 3,000 workers employed in a number of departments that include painting, sewing, comb-machine, cutting, plastics, assembly, and electronic departments.

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Location: No. 17 Shabian Rd., Industrial District, Huoju Development Zone, Zhongshan City



Recruitment Process

The factory’s peak season of production starts around March. New workers are hired every week from Monday to Saturday at the recruitment office next to the factory’s main gate. Coronet recruits people between the ages of 18 and 45 years. The hiring process is similar for temporary workers, student workers, and formal employees. Applicants only need to bring two copies of their ID and two photos. During the hiring process, workers are required to give their ID card to the factory, which will be detained for one day. Only after distributing factory IDs to workers will Coronet return personal ID cards to workers.

To be hired, the worker must fill in a hiring form. Although there is no orientation training, workers must sign their names on a sheet acknowledging that they’ve received training. There are also no physical examinations for workers. Workers are hired on day one and begin production work on day two.

Workers who are employed in the factory for more than two years tend to be older, usually above 30 years old, and female. Workers told CLW: “Many young workers that come to Coronet Toys find the work really tiring, working hours long, living conditions poor, and wages low. They cannot bear it for long and soon leave again.”

CLW’s investigator asked some veteran workers, given the poor conditions of the factory, why they do not leave. They answered that they feared they are too old to be hired elsewhere after quitting this job. They also indicated that they don’t know how they would transfer the social insurance that Coronet has already paid. Finally, the workers said that in any case, the 2,000 RMB (\$327) or more that they earn every month and the insurance provided is better than what they could get farming back at home.

Temporary Workers

The factory works with several agencies to help recruit temp workers. These workers are paid 9RMB (\$1.47) per hour, including for overtime work, do not sign a labor contract, and do not receive social insurance. They can be distinguished from Coronet’s formal employees and student workers through an extra letter that is added to the number on their factory IDs. The last letter on the ID of a temp worker in the assembly department is a ‘U’, and for temp workers in the painting department the last letter is a ‘B’.

Formal workers

Workers who are employed through recruitment at the main gate are formal workers. They sign a labor contract with Coronet and receive social insurance, but only after they pass through the probation period (six months). If they have relatives or friends employed at the factory, applicants can be introduced to the factory through them.

Some line leaders in the assembly department personally intercept applicants at the recruitment office, urging them to say that they entered Coronet by way of the line leader’s introduction, which will result in a 450 RMB (\$74) reward per worker introduced (assuming the worker is employed for at least three months). When CLW’s investigator was an applicant, HR department personnel had discovered that a line leader had brought several people into the factory in just one morning and restricted him from introducing any more people. As a result, that line leader simply asked a line assistant to introduce the investigator into the factory.

Formal workers also need to fill out a recruitment form and sign a training acknowledgement despite not having received any training.





Student workers

Student Workers

During the period of investigation in June, the factory recruited recent high school graduates that had just taken the college entrance examination; they came to Coronet from other provinces like Guangxi and Hunan. Local labor agencies provide buses to such students to bring them to Coronet to work. There were hundreds of student workers like this during the investigation. They are also hired in the same manner as temp workers and are mainly employed at the assembly, painting, and electronic departments.

In a morning meeting, one line leader said that beginning in July there will not be a lack of workers at Coronet as the company would employ a great number

of student workers.

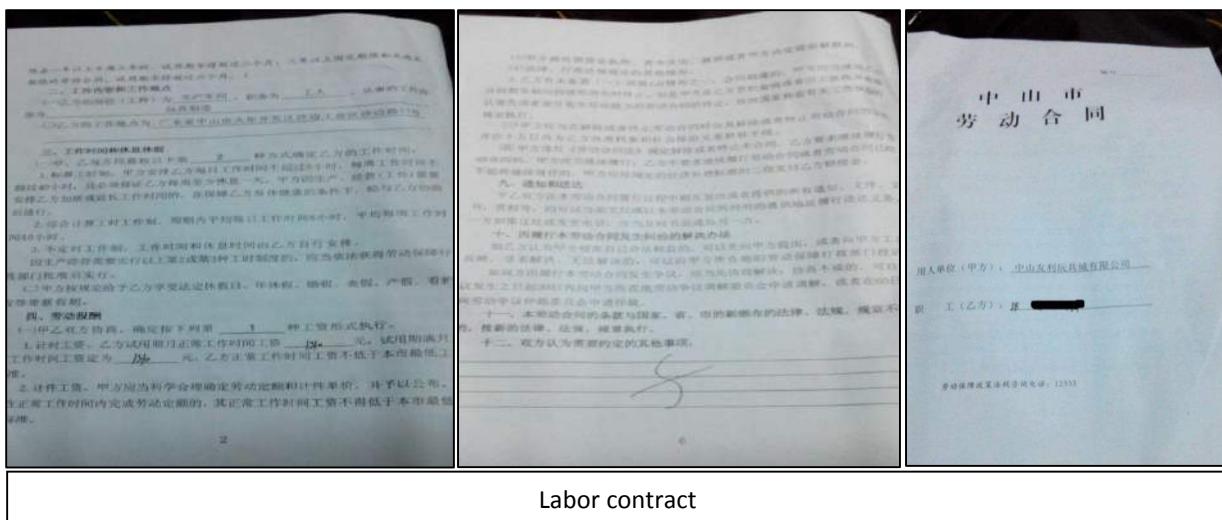
Most of the interviewed students told CLW's investigator that they had found out about work at Coronet through people back home or local recruitment agencies. They said that they came to earn some money after having taken the examination and that they planned to return home if and when they received an admission notice from a college, and thus they only planned to work at the factory for a short time. When asked about their impression of work at Coronet, many said the work was too exhausting and they didn't want to continue working, but their resignations would be rejected by management. So they had no choice but to continue.

Labor Contracts

Temp workers and student workers do not sign any labor contracts. Formal workers sign a labor contract only after they have passed through the probation period. When a contract is signed, two copies of the same contract are signed, one of which is given to the worker. The contract is limited to three years and the probation period written on the contract is six months.

The contract consists of six pages in total, with content that includes the period of work, working hours and leave, wages, social insurance and benefits, labor conditions and occupational safety measures, and termination of the contract.

The first section of the fifth article of the contract, which covers social insurance and benefits, stipulates that both parties should participate in social insurance according to the law. The reality is that the factory does not provide social insurance to workers until after the probation period has ended.



Working Hours

Regardless of a person's status as a temp worker, student worker, or formal worker, all workers at Coronet work at least 11.5 hours a day. When production demands are particularly high, workers will be made to labor through meal breaks without having a rest between the shifts, and the resulting additional 1.5 hours of work are not calculated as paid working time. For example, on June 16 the line leader in the investigator's department cancelled the lunch break in order to have workers rush an order of spray guns for Crayola.



Workers in sewing department still working at 9:00 pm.

Working six days a week and 26 days a month, the total working hours add up to at least 299 hours a month (not counting unpaid overtime), more than 120 hours of which is overtime, greater than three times the legal maximum of 36 hours.

Moreover, Coronet uses overtime-hour shifting to reduce the overtime pay that it gives its workers. It does this by, on weekdays, calculating 6.67 hours per day as normal working hours, or 33.35 hours from Monday to Friday. The remaining 6.65 hours are calculated for work on Saturday, thereby reducing weekend overtime

pay (paid at twice the rate of normal work) by 6.65 hours. In this way, the factory is saving 74 RMB (\$12) per worker per week.

Workers must swipe their factory IDs before and after shifts to record attendance. But in order to participate in a pre-shift meeting, workers have to arrive five minutes early to the factory each day; this five minute meeting is not recorded into working time and is thus unpaid. Apart from the milling department, which operates on a two-shift system (day and night shifts), all other departments work on a one-shift system. The milling department only has a 30-minute lunch break. During this short break, two people take turns assuming the other person's workload while they eat. Workers in the two-shift system switch between day and night shift once a week with only a 24-hour-long break in-between to adjust.

The factory has a set production quota each day. For example, during the period of the investigation, the assembly department had to do finish at least 6,000 Transformer toys for Hasbro every day. If they were not on track to meet the quota, workers are made to skip their meal breaks.

Working hours:

Milling department	Day shift: 8:00---11:30 12:00—16:30 16:30—20:00 Night shift: 20:00—23:00 00 : 00—4:30 4:30--8:00
Other departments	7:55—8:00 unpaid morning meeting 8:00—12:00 morning work 12:00—13:30 lunch break—cancelled during busy times, which is unpaid overtime work 13:30—17:00 afternoon work 17:00—18:00 meal break cancelled during busy times 18:00-22:00 overtime

During the low season, much of the overtime is reduced, and workers are only earn about 2,000 RMB (\$327) a month.

Wages and Benefits

On the 15th day of every month Coronet distributes wages for the previous month's work. If the 15th day happens to be a holiday, distribution of wages will be delayed. Wages are transferred directly into bank accounts of each worker set up by the company.

Workers are given paystubs for monthly wages. The paystub consists of a worker's identification number, name, department, month, days of attendance, working hours, overtime hours, days of leave, normal wages, overtime wages, paid leave, holiday wages, seniority bonus and other bonuses,



Workers making transformer models for Hasbro.

position subsidy, high temperature allowance, age subsidy, night shift subsidy, meal subsidy, gross wages, and deductions for social security, housing, meals, and other items.

The base monthly wage for production workers at Coronet is 1,310 RMB (\$214)/month, the minimum wage in Zhongshan. During busy seasons, a worker may earn around 3,000 RMB per month, while they earn about 2,000 RMB during the low season.

工號:		姓名:		部門: DB2/WPA		2014年5月工資			
日勤 小時數	夜勤 小時數	工作日 小時數	休息日 小時數	法定假 小時數	工作日 工資	工作日 加班工資	休息日 工資	法定假 工資	獎金
360	174.43	101.43	24.15	0.00	1,305.9	1,145.7	363.7	60.2	121.1
1.305.9	174.43	高溫津貼	夜班津貼	法定假 伙食 補貼	其他	有薪假 天數	有薪假 工資		
0.0	0.0	0.0	0.0	0.0	142.0	0.0	0.0	0.0	0.0
3,138.6	0.0	0.0	0.0	0.0	0.0	0.0	342.0	2,796.6	

Pay stub of a worker who clocked 129 overtime hours in May, 2014

Coronet calculates 6.67 hours of normal work per worker per day on weekdays (Mon-Fri), meaning that workers labor for 33.35 hours of normal work on weekdays. The remaining 6.65 hours (in a 40-hour workweek) is calculated on Saturdays. In this way, Coronet is reducing the amount of weekend overtime pay that it gives each of its workers by about 74 RMB (\$12) per week. According to the International Council of Toy Industries (ICTI), Coronet has about 2,300 workers. If the overtime wage shifting is calculated for 2,300 workers, Coronet is reducing pay to its workers by about 170,000 RMB (\$27,200) a week and 680,000 RMB (\$108,800) a month during the busy season.

Workers employed for at least a full year usually get 30 RMB (\$4.90) per month as a seniority bonus. Night-shift workers in the milling department receive 8 RMB (\$1.31) per night as a subsidy. Workers who eat at the factory receive a 5 RMB (\$0.82) meal subsidy every day, though this does not cover the full cost of meals in the cafeteria. Only after the end of the probation period do formal workers receive legally-mandated social insurance. The worker's own contribution to the social insurance accounts for 162 RMB (\$27). Temp workers and student workers do not receive social insurance despite laws that require the purchase of social insurance for workers. Even after the probation period, if a worker does not want social insurance, the factory will not purchase it.

On the factory campus there is a basketball court, public square, and a TV room with air conditioning. The TV room only opens from 6pm to 10pm each day, but most workers are engaged in overtime during these hours and consequently cannot use the room to watch TV. Even on holidays, CLW's investigator did not see anyone playing on the basketball court. The public square was full of products, so it could not be used for group activities.

Housing and Meals

Coronet provides a dormitory for employee housing. When being hired, workers are told that a monthly fee of 50RMB (\$8.17) will be deducted for utilities. But CLW was not able to verify whether this money was actually deducted. Workers who live off the factory campus receive a 30RMB (\$4.90) rent subsidy. There are seven dormitory buildings, divided between dorms for managerial staff and workers. Dormitories of managerial staff are equipped with air conditioning and two people live in each room. The workers' dorm rooms only have electric fans. The dorms were built in the 90's, and the floor is old and uneven. Each room is equipped with six three-level bunks, so each room can accommodate 18 people. Each bunk is placed along the walls and has a closet next to it. Each dorm room has two ceiling fans and a toilet but no shower. Despite the fans, workers on the bottom two bunks cannot really feel the breeze from the high fans.

Each floor of the dormitory has one shower room with separate showering compartments. But there are no showerheads or running water in the showers, so a worker must carry water to the shower room if they want to shower. With about 180 workers per floor, there are only five showering compartments for the entire floor.

The heat in the dormitory affects workers' sleep. CLW's investigator experienced this every night. He had to take the lowest bed in his bunk because the other two levels were already occupied by co-workers. It is very hot in southern China during the summer, so every night the investigator would lie in bed covered in sweat, unable to sleep. The investigator resorted to taking a cold shower in the middle of the night in order to cool himself off enough to sleep.

There are neither locks nor video cameras installed at the entrance to dorms. Male and female dormitories are separated by about five meters with doors to rooms facing one another. In dorm rooms, workers try to maintain some privacy by covering their beds with cloth. Dorms do not have managerial staff, and people from the outside regularly come in, sometimes resulting in theft. Cell phones or other items often disappear and fights sometimes occur.

On the first night he arrived at Coronet, CLW's investigator was warned by co-workers in the dormitory to carefully watch his valuables because cell phones and money are stolen easily. One co-worker had lost two phones in three months. When the investigator finished work on the second evening, he saw workers in the dormitory quarreling and chasing after people from outside the factory. Later on he heard that there were thieves chased out of the dorms. The same evening a female worker's bag, phone, money, and bank card had been stolen. When she reported the incident to the security guard, he told her to call the police.



Cafeteria meal



Coronet dorm

Factory rules prohibit the charging of cell phones in the dormitory. Despite this, dorms are a chaotic jumble of phone charger wires and electric kettles on the ground. One worker told the investigator that he is worried about living in the dorm because there was a fire caused previously by the wires running along the floor. Even during the period of this investigation, in the investigator's dorm room, the use of a small water boiler caused a power strip to ignite. Luckily someone quickly put it out.

The factory provides a meal subsidy for a total of 5 RMB (\$0.82) a day (covering all three meals). This subsidy is not sufficient to pay for the cost of all three meals. Breakfast costs 4 RMB (\$0.65), while lunch and dinner each cost 5 RMB (\$0.82). Workers pay by swiping their factory IDs, and the accumulated cost will be deducted at the end of the month (minus the daily meal subsidy). Workers need to bring their own bowls to eat outside of the cafeteria, otherwise they need to buy a Styrofoam food box for 0.5RMB (\$0.08), which are single-use. Workers who do not eat at the cafeteria are not given a meal subsidy. The subsidy is only given to a worker on a work day; rest days do not include meal subsidies.

The cafeteria is unsanitary. Cafeteria staff do not wear masks, food is left out in the open, the canteen floor is covered in dirty water, and used kitchen tools lay on the ground.

There is a convenient store adjacent to the cafeteria where prices for goods are similar to prices outside the factory. Within the convenient store is a separate section with five or six computers where workers can access the internet without using their factory ID card for 2.5RMB (\$0.33) per hour. In front of the convenient store are two pool tables that cost 4RMB (\$0.65) per hour to use.



Sanitation in the cafeteria leaves much to be desired.

Next to the gate of the factory's dormitory area are some small stands selling food during the midday and evening. Workers who do not eat in the cafeteria can easily buy food there or cook at home. Outside the factory are several small super markets and a dozen internet bars where workers can use the internet without an ID card. There are no public squares or parks nearby. Since salaries are low and the pressure of work is so high, on their free days most workers just stay in the dormitory to rest.

Occupational Safety, Fire Prevention, and Environment

There are no physical examinations when workers enter or leave the factory. There is also no pre-job safety training provided to workers. In the assembly department, workers use electric welders without any protective equipment. Workers who clean the toys use industrial alcohol and isopropyl alcohol without wearing protective equipment, but these chemicals are poisonous to human health, especially if used over an extended period of time. For example, workers responsible for cleaning Hasbro's Transformers toys were using these chemicals without any protective equipment. No protective equipment is given to a worker unless she requests it from a supervisor, and even then the quality of equipment used is insufficient.

Those in the painting department receive masks before they start working and get a new one when the old one is broken. Temperatures in the production rooms are high, and workers are often sweating, but the factory does not pay a high-temperature subsidy. The electric fans installed high up near the ceiling do not do much to reduce the effects of the heat.

On one day, the investigator was assigned to do packaging, sealing boxes of Crayola ink spray guns and Hasbro Transformers toys with tape, arranging them on a pallet, and sticking a label on top. One box had to be sealed and arranged on the pallet about every 10 seconds. Afterward, the investigator would pull the products to the warehouse where another worker stored the boxes inside. While on duty, workers in the investigator's position were always on their feet. Because the tape easily sticks to a person's hands, the skin on the investigator's finger began to peel. The investigator subsequently asked a supervisor for a glove. She gave him a white, thin glove which later tore on the same day. But when he tried to get a new one, she refused to give him another one. He ended up winding tape around the gloves to protect his fingers.

Workers on duty are not allowed to leave their position. When they want to drink water or use the bathroom, they must first get the line leader to agree and find a person to replace them while they are away from their post.



Garbage piled up at the corner outside the factory.

Machines in the production facility do not have maintenance inspections records, suggesting that they are not regularly inspected for safety and are only fixed when broken. Neither the dormitories nor the production facilities have first aid kits.

The factory's garbage is not separated by type of waste. Furthermore, trash is piled up into a heap in a large open space behind the dormitory, from which a pungent odor is emitted.

Workers from the Dormitory 4 complain about the horrible smell released by the rubbish. The factory campus on streets around it is also littered with trash.

Production facilities and dormitories have fire hydrants and fire extinguishers, both of which have

inspection cards noting that they've been checked monthly. However, emergency escape routes in the production rooms are blocked by products, making escape routes only wide enough for one person to get through. Multiple emergency exit doors were also observed to be locked.

The factory's stairwells are narrow, no wider than a meter, and become crowded when people travel on them between shifts, causing workers to line up to use the stairs. When it rains the stairs become slippery; no measures have been taken to reduce the risk of injury to workers.

The factory had a fire drill in December 2013. Everybody gathered on the basketball court, where management demonstrated how to use a fire extinguisher. The workers

did not participate directly, instead only observing. Many workers told CLW's investigator that they have no clue how to use the fire extinguisher and are concerned about the fire risks at the factory.



Supervisor scolding workers at the day-shift meeting.



Blocked emergency exit

Grievance Channels

The factory technically has a labor union, but workers do not know anything about its activities. They do not know if there are worker representatives or a worker hotline. After the probation period 3RMB (\$0.49) will be deducted from each worker's wages every month as a union fee. There is a union office ostensibly used for mediation. On the door is written: "Appointments can be made every Friday from 6.30pm to 8.30pm". But the investigator never saw the office open or a worker inside.

If workers have a problem they usually bring it to a supervisor. The workers do not know management other than the line leader, so if the line leader is not able to solve a problem, a worker does not know who else to consult.

Veteran workers told the investigator that a strike occurred at Coronet in 2009. Workers demonstrated with banners to demand higher wages, blocking the road to the Zhongshan Harbor Bridge.

Resignation

During the investigation, Coronet was in need of workers, especially because it was a high production season at the time. If workers want to resign from their job during such a period, the line leaders do not typically accept the resignation. This leaves workers with no choice but to simply quit, sacrificing unpaid wages.



Labor union mediation office

On one day during the morning meeting, the line leader scolded about 100 workers who wished to resign. She said: “These days the factory is very busy and no resignations will be granted unless you find someone who can be employed to take over your post. Otherwise do not come here to resign; I will not grant it. Soon, in July, the student workers will arrive, meeting the high demand for workers. When that time comes, if you aren’t working hard and don’t resign yourself, I’ll kick you out.”

Regardless of whether a worker applying for resignation is a temp worker or a full-time worker, a resignation form submitted during the probation period will not be accepted by the supervisor, even if submitted one week in advance. One worker told the investigator in tears: “I’m still in the

probation period and the line leader says that she will not let me leave for another month. And if I just quit I will lose half a month’s wages. That is so sad.”

One female worker had parents suffering from a serious illness. She requested for holiday leave so that she could see them, but the line leader rebuked her and would not even let her resign. The line leader scolded her in public during a meeting: “For such a little thing you want to resign. Even if someone dies in your family you’ll not be allowed to resign. We are in the peak period of production now and really busy. The factory has to deliver goods urgently. The only exception is if you find someone who can take over your position.”

Even if a worker is able to resign, she first has to complete a resignation form which needs to be accepted by the line leader. Afterwards the worker has to take a resignation procedural form and write on it the date of employment, date of resignation, and registered name and worker number. Only then can a worker proceed through the resignation process. When all the formalities are done, the worker has to wait another day for factory management to inspect her wages and attendance records. Finally the worker uses her factory ID to draw final wages and then turns in the ID to the company.

When CLW’s undercover investigator told his supervisor that he wanted to resign, the supervisor asked why he was leaving. She repeatedly told him to stay until the student workers arrived in July. The investigator told her that it is too hot to sleep at night and he had allergic reactions to insect bites in the dorm. Despite this, the line leader refused to accept his resignation, and the investigator was forced, like many others, to simply quit.

Client Inspections

The factory is regularly visited by clients. When a client comes, supervisors will inform workers in advance. Workers must wear their uniforms, correctly use protective equipment, work hard, and refrain from speaking when the customer is within sight. In the warehouse, the factory has set up a special area for client inspections. Customers usually will be led to this area for inspection. The inspection area is equipped with air-conditioning and is much more clean and tidy than the actual production facilities.

Investigative Report on Mattel Electronics Dongguan (Dongguan Radica Games)



Dongguan Radica Games Manufacturing Labor Violations

1. Detains new workers' ID cards for more than five hours, in violation of law.
2. Pre-job training only two hours; minimal safety training. Law requires 24 hours.
3. Workers do not undergo physical exam during or after hiring, despite working with harmful chemicals.
4. Factory has workers sign environment, health, and safety statements without actually providing the relevant training.
5. Factory does not pay workers for the first day of training.
6. Workers made to quickly sign blank labor contracts.
7. Workers must wait up to two months to get a copy of their completed contracts back from the company, which is a violation of law.
8. Day-night shift switching is arranged once every two weeks--unhealthy for workers to switch their time schedules so often.
9. Overtime of up to 118 hours per month, over three times the legal maximum of 36 hours.
10. Social insurance, required by law, is only purchased in the second month.
11. Social insurance is underpaid.
12. Cafeteria is in need of improved sanitation and repair.
13. Despite dealing with harmful chemicals, workers are not always given protective equipment, nor are they always required to wear it while engaged in harmful work.
14. Production machines not properly inspected.
15. One-week resignation notice is required during probation period although law only requires three days.
16. Factory requires workers to apply for approval of resignation, but law only requires a notice of resignation. No approval is needed.
17. Rushed meal breaks only allow workers 30 minutes for each meal during their 12-hour shifts.



招聘信息

公司简介 Company Profile

美泰东莞电子厂是美泰玩具之子公司，坐落于风景秀丽的东莞市虎门镇龙眼管理区，面积2万5千平方米，现有员工4000多人。公司主要从事电子玩具以及游戏机产品的设计、生产、销售。产品主要出口欧美等三十多个国家。公司遵守劳动法，福利待遇优厚，发展前景好，为销售员办理社会保险，享有年度服务有薪假，5天8小时，每周40小时工作制。公司设有免费员工办理社会保险，享有年度服务有薪假，5天8小时，每周40小时工作制。公司设有免费员工办理社会保险，享有年度服务有薪假，5天8小时，每周40小时工作制。

福利待遇 Compensation & Benefit

基本工资为1360元/月，并设有多项津贴和奖金（最低工资随政府的调整而调整）：

- 公司每周正常工作时间为40小时，超时工作将支付加班费，并保证每周至少休息一天。
- 员工享有法定假日11天及其它有薪假期如年假、婚假、产假等。
- 公司设有福利房，保留优秀员工，公司推行“员工吸引与保留”计划，凡签订INT劳动合同的员工，公司将保证其全年总收入不少于30700元。
- 现本公司因生产需要，需大量招聘男、女普工。

要求如下：

1. 符合国家法定年龄；
2. 有合法有效身份证；
3. 有劳动能力，有劳动能力残疾人亦可。
4. 有健康证明，个人有效身份证，免冠照片2张于工作日早上8：30到公司西大门参加面试。

联系方式 Contact

地址：虎门镇龙眼工业大道38号 咨询电话：0769-85553346-3513
 联系人：黎小姐 王小姐 黄小姐
 公司招聘邮箱：radicadgrecruitment@mattel.com

Recruitment information

Factory Profile

Dongguan Radica Games Manufacturing Co. Ltd. was founded in 1995, later becoming part of Mattel Inc. in October 2006. Mattel Electronics Dongguan (MED) is one of Mattel's manufacturing bases in mainland China, located in the Longyan Industrial Park in Humen Town, Dongguan City, next to the Guangshen expressway and national road 107. MED occupies an approximate area of 20,000 sq. m (215,000 sq. ft) and has three large-scale factory buildings. The factory complex can accommodate more than five thousand people in four dormitory buildings. MED has between 4,000 and 8,000 workers, depending on the season.

Tel: 0769-85553346

Fax: 0769-85551226

Location: No. 38, Long Yan Gongye Road, Humen Town, Longyan Industrial Park, Dongguan, Guangdong Province

Website: www.mattel.com

Hiring and Training



During the busy season, the factory recruits a great amount of new workers, even providing rewards to attract recruits. For example, a worker who entered the factory between August 20 and September 5 and works until September 30 will receive an additional 500 RMB (\$81) if he is employed in the electronics or painting departments or

300 RMB (\$48.7) if he is in other departments. The factory carries out recruitment at 8:30 am at its west gate. Applicants just need a pen, their ID card, and two photos to apply, which includes completing some application forms. No interviews or physical examinations are conducted. After having completed basic hiring procedures in the morning, including a blank labor contract, newly hireds will attend training in the afternoon. The factory detains workers' ID cards for more than five hours, telling workers that it is for identity verification and other entry procedures.

The training session only lasted 1.5 hours, including three presentations. The first is a

video, 25 minutes, that shows how a female worker, Hu Meiqiong, enters the factory, is assigned to the assembly department, and converses with her line leader, Gao Hai'ou, asking questions related to work. This video also shows an introduction to the use of a fire extinguisher by the factory's security guard team. The second is another video that takes two minutes, in which factory's management greets new workers. The third is a PPT that introduces the factory's basic conditions. After these presentations, MED personnel require new recruits to sign on an EHS (environmental, health, and safety) responsibility statement without providing them with any EHS training.

The factory give back workers' ID after the orientation training. An MED office staff member leads workers to the production workshop and has them write down some basic information. Afterwards, workers are provided with protective shoes and enter the workshop to attend a training led by the workshop supervisor. This training takes about 20 minutes, during which the supervisor explains issues that include clocking in and out for shifts, fire exits in the workshop, the location of the sink, and the proper wearing of foot protection. Workers are required to sign a training attendance record after the training is complete. The factory does not distribute uniforms to new workers, and they earn no wages for their time being trained on the first day.

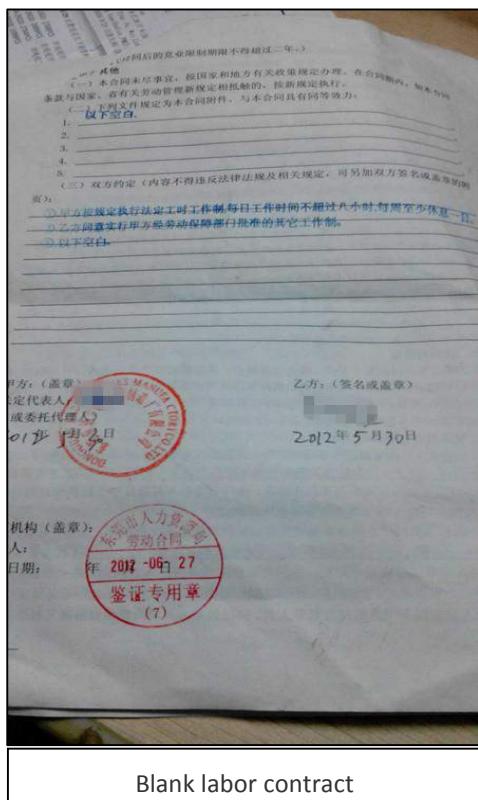
Labor Contracts

On the day they apply, workers sign a blank labor contract with MED, in which key information like the length of employment, probation period, position, occupational hazards, wages, and physical exam are unspecified. The factory only requires workers to write their names, identification numbers, and permanent addresses in the "employee" section of the contract, and sign their names and the date on page 8. MED personnel only allow workers about two minutes to sign the labor contract, preventing them from having sufficient time to examine the contract. Workers must wait up to two months to receive a copy of their labor contracts back from MED, at which point the blank spaces will have been filled in by MED.



Orientation training PPT

Looking at the contracts of more veteran workers at MED, CLW found that it is a one-year labor contract and the probation period is one month. There is also a clause that says that workers are subject to irregular working hours: "After approval by the Human Resources Department, an irregular working hour system is implemented in Employee's position." But new workers are not aware of this rule when they enter the factory.



Blank labor contract

甲方(用人单位): 名称: 法定代表人(主要负责人): 通讯地址: 经济类型: 联系电话:	乙方(劳动者): 姓名: 身份证号码: 通讯地址: 联系电话:
根据《中华人民共和国劳动合同法》、《中华人民共和国劳动合同法实施条例》和国家及省的有关规定,甲乙双方按照合法、公平、平等自愿、协商一致、诚实信用的原则订立本合同。	
一、劳动合同期限 双方同意按以下第 种方式确定本合同期限。 1. 固定期限:从 年 月 日起至 年 月 日止。 2. 无固定期限:从 年 月 日起至法定终止条件出现时止。 3. 以完成一定工作任务为期限:从 起至 工作任务完成时止。该工作任务完成的标志为	
(二)试用期 双方同意按以下第 种方式确定试用期(试用期包含在合同期内): 1. 无试用期。 2. 试用期从 年 月 日起至 年 月 日止。 (劳动合同期限三个月以上不满一年的,试用期不得超过一个月;劳动合同期限一年以上不满三年的,试用期不得超过二个月;三年以上固定期限和无固定期限的劳动合同,试用期不得超过六个月)	
二、工作内容和工作地点 (一)乙方的工作部门为 岗位(管理技术岗位或生产操作岗位)为 职务(或工种)为 (二)乙方的工作任务或职责是	
(三)乙方的工作地点为 (四)甲方在合同期内因生产经营需要或其他原因调整乙方的工作岗位,到本合同约定以外的地点、单位工作的,应协商一致并按变更本合同办理,确认的协议书作为本合同的附件。	
三、工作时间和休息休假	

Labor contract

Working Hours and Conditions

A two-shift system is implemented in the printing, injection, and soldering departments, and a one-shift system is implemented in other departments. Workers employed under the two-shift system switch between day and night shifts once every two weeks. They are given a 24-hour rest between the shift switch.

Each worker swipes a card to clock in and out. MED only allows workers a 14-minute window before and after their shifts to swipe their cards for clocking in and out. If workers swipe their cards too early or too late, the swipe won't be validated and they will not receive wages for that day's work.

Aside from the normal eight-hour workday, MED workers do three hours of overtime per day, six days per week. There are only short, 30-minute meal breaks provided during the 12-hour shift in peak seasons. During these periods, workers will easily accumulate more than 100 hours of overtime month. In August this year, some workers reached 118 hours of overtime. Overtime is mandatory, and if a worker does not want to do overtime, a supervisor will intentionally restrict that worker's overtime hours for the entire month in order to drastically reduce overall wages.



Meeting before work-shift

Work schedule:

Day shift 08:00 – 12:00	12:30 – 16:30	17:00 – 20:00
Night shift 20:00 – 00:00	00:30 – 04:30	05:00 – 08:00



Unfinished toys

Line leaders hold meetings before and after shifts each day. In the pre-shift meeting, the line leader will guide workers in reciting a slogan together: “I will not do anything unsafe. I will not let my co-workers do anything unsafe. I take responsibility for my work area and will not let anyone do anything unsafe.” After the meeting, the line leader assigns positions and urges workers to work more quickly in

order to complete daily production quotas. In the post-shift meeting, the line leader summarizes that day’s production, checking the production record form that has been filled out by workers. If the form is not filled out accurately, the responsible worker has to stay and fill out the form again.

The factory assigns daily production quotas to workers and carries out evaluations each month. There is a public board that displays workers’ production output for each hour and day. If a worker does not meet his daily production quota, that person’s performance bonus will be reduced and he will likely be scolded by his supervisor.

每日生产状况展示板												Daily Production Status		2014			
星期	月	周	小时	小时产量								停机时间 (次/时间)	停机时间 (次/时间)	停机原因 代码	不良率%	效率%	备注
				08:00	09:00	10:00	11:00	12:00	13:00	14:00	15:00						
一	10月	10月	08:00	20	20	20	20	20	20	20	20	0	0	0	0%	100%	无
二	10月	10月	09:00	20	20	20	20	20	20	20	20	0	0	0	0%	100%	无
三	10月	10月	10:00	20	20	20	20	20	20	20	20	0	0	0	0%	100%	无
四	10月	10月	11:00	20	20	20	20	20	20	20	20	0	0	0	0%	100%	无
五	10月	10月	12:00	20	20	20	20	20	20	20	20	0	0	0	0%	100%	无
六	10月	10月	13:00	20	20	20	20	20	20	20	20	0	0	0	0%	100%	无
日	10月	10月	14:00	20	20	20	20	20	20	20	20	0	0	0	0%	100%	无
			15:00	20	20	20	20	20	20	20	20	0	0	0	0%	100%	无
			16:00	20	20	20	20	20	20	20	20	0	0	0	0%	100%	无
			17:00	20	20	20	20	20	20	20	20	0	0	0	0%	100%	无
			OT-1														
			OT-2														

Daily production quota and performance board



Packaged Fisher-Price toy

Each department’s production quota varies, but workers are normally expected to meet more than 90% of the quota. The painting department needs to reach 105% of the quota to obtain the performance bonus. Every morning the line leader urges workers to perform faster and announces the daily quotas, putting pressure on workers. Outside of short 30-minute meals breaks, there are no rests during workers’ 12-hour shifts, no designated

breaks to use the bathroom and no official procedures to ask to leave their post. Such high-paced work over a long shift every day is very tiring.

Wages and Benefits

An MED worker's base monthly wage is 1,360 RMB (\$221), which is used as the base figure for calculating overtime wages. The factory distributes wages for the previous month between the 10th and 15th day of each month. Wages will be directly deposited into bank accounts that the factory opens for workers for free in the Dongguan Rural Commercial Bank. MED provides workers with a pay stub and attendance record to sign when distributing wages. Wage items include the base wage, overtime wages, full attendance bonus, position subsidy (workers receive 100 RMB (\$16) if they work in the painting or printing departments), food subsidy (the factory provides a 180 RMB (\$29) food subsidy every month), housing deduction, night shift bonus, insurance deductions, performance bonus, development bonus, slow season bonus, temporary subsidy, and position bonus.

The factory does not guarantee that workers will earn a certain amount every month, but it promises a minimum of 30,700 RMB (\$4,984) annually, which averages to about 2,560 RMB (\$415) per month.

MED purchases social insurance for workers in their second month of work in the factory, including pension, medical insurance, work-related injury insurance, unemployment insurance and maternity insurance. Workers pay 194.35 RMB (\$31.5) per month.

The factory complex has a billiard room, table tennis room, and internet café. The internet café is open on Saturday and Sunday and closed from Monday to Friday.



Packaged Thomas the tank engine toy

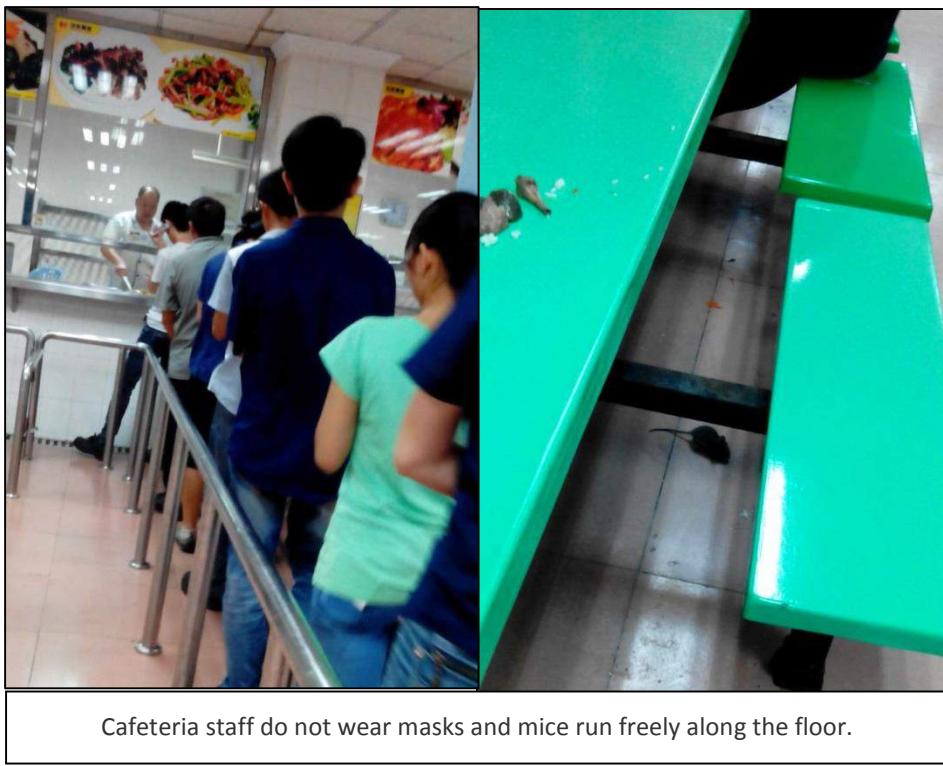
Housing and Meals



MED dorm

The MED complex has four dormitories (A, B, C, D) that are linked together. Housing in these dormitories is offered to workers at a cost of 60 RMB (\$7.90) per month per worker. If a worker does not live in the dormitory, she will not pay a monthly fee, but neither is a housing subsidy provided. Dorm rooms accommodate six to eight workers, in which there is a restroom, a bathroom, and closets. Male and female dorms are not separated, and men and women can live in the same room.

The factory does not offer free meals, but there is a cafeteria where workers can purchase meals. Food service is outsourced to a catering company. Workers can rent a meal card in the cafeteria for 10 RMB (\$1.60) and add value to it to buy meals. The rental fee will be returned when a worker returns the card upon resignation. The cafeteria provides meals every day but Sunday. It offers steamed rolls, buns, noodles, and fried rice noodles for breakfast, and rice and some dishes for lunch and dinner. Dishes offered for lunch and dinner are charged at different prices and workers can choose those they want to purchase. Workers can also choose not to eat in the cafeteria and instead go to restaurants outside of the factory instead. The factory provides a food subsidy of 180 RMB (\$29) per month to all workers and free working meals and night snack subsidies of 5 RMB (\$0.8) for night-shift workers.



The cafeteria is in need of better sanitation and repair. Cafeteria staff do not wear masks when they serve food, surfaces are often unclean, chairs are left broken, utensils do not seem to be properly disinfected, and CLW's investigator even saw mice run freely along the floor.

Environment and Safety

Workers do not know if there is an occupational safety committee at MED and the factory has not told them. The factory provides simple occupational safety training (as described in the section above) for no more than half an hour and distributes EHS handbooks to workers.



Cigarette stubs on the restroom floor.

The floor is wet and slippery in some places but there is no anti-slip mat. Though there is a rule against smoking in the workshop, workers are not restricted from smoking in the workshop restroom, and MED does not provide a separate smoking area. Machines in the workshop do not receive proper periodic maintenance. The factory has workers sign the inspection form on a machine even if they do not know whether the machine requires repair.

There are too few toilets provided for workers. With around 1,000 workers in the assembly department, there are only eight toilets for male and female workers to use. Workers have to wait in long lines to use the restroom.

Once a month, safety issues are discussed in morning meetings. In advance of the meeting, workers are given a list of questions and answers to prepare with. If a worker answers correctly during the meeting, that person will be rewarded with a towel or clothing detergent.

Painting department workers have to store bottles of chemicals like thinners, cleaners, and oil removers in a big bag which is sealed because there is concern that these chemicals, if used incorrectly, could cause an explosion.

When workers are hired at MED, they will receive protective shoes. After they enter the production workshop, workers are supposed to receive masks, gloves, earplugs, hats, and eye-protection from the factory. But in the painting department, while factory rules require workers to wear masks on duty, in reality the line leader does not distribute masks and workers do not wear any. Workers entering the paint room should also wear a mask, but since the line leaders do not distribute or require masks, none are worn in the paint room. There is no specialist in the paint room in charge of chemicals like paints and thinners. Workers prepare the chemicals themselves.

At no time before or after they are hired at MED do workers undergo a physical examination to check for health problems, whether there are pre-existing conditions or diseases contracted from work. If workers from the soldering and the painting departments tell management that they don't feel well, they will be quickly transferred to another post.

In garbage bins, toxic chemicals are not divided from normal rubbish. Garbage is thrown into the sink where it sits without cleaning. The bathrooms are dirty and in disrepair. The sink is broken and toilet bowls are full of mosquitos and other insects.



A worker cleaning devices using thinner without wearing protective mask and gloves.

The factory emphasizes fire safety to workers. Information about the massive and deadly explosion at the Kunshan auto plant in August 2014 is posted in the factory as a reminder. During orientation training, supervisors tell newly hired workers that MED is concerned about fire outbreaks and invests a lot into fire protection. They tell workers that there are no exposed lines and fire drills will not be announced in advance. “If the alarm bell rings, workers have to leave their posts as quickly as possible and get out of the factory building.” The factory’s fire exits are not blocked and exit signs are visible.

Every year MED holds a fire drill; the last fire drill took place in July this year. The drill consists of pressing the fire alarm, telling workers to leave the building as quickly as possible, and gathering outside.

Rewards and Punishment

To encourage full attendance during peak seasons, the factory set up a raffle event through which 350 prizes are given to workers, including 20 first-class prizes of 1,000RMB (\$163) each, 50 second-class prizes of 500 RMB (\$81) each, 130 third-class prizes with a value of 300RMB (\$49) each, and 150 Mattel toys.

Workers who do their job too slowly might be scolded by their supervisor, and their overtime hours may be restricted as punishment. In Mattel’s employee manual, disciplinary measures are divided into verbal warnings (15 regulations), written warnings (21 regulations), and termination (23 regulations). Termination may be invoked if a worker receives three written warnings in one year, five written warnings in three years, or six written warnings within any length of time. If a worker is absent without notice more than three days in one year, the contract will be terminated as well. Furthermore, if a worker is one minute late, 15 minutes’ worth of wages will be deducted from that person’s wages. If the worker is late by an hour or more, the whole day’s wage will be lost.



Resignation

The factory stipulates that workers who want to resign during the probation period have to provide notice one week in advance. To resign, a worker is supposed to ask the line leader for a resignation form. Only after the line leader approves the request with his signature can the worker go to the department’s management and the director for approval. If any one of these people refuse to approve the resignation, the worker has no choice but to quit without going through proper resignation channels; in this case, the worker will not receive unpaid wages. During low seasons, management is more likely to let a worker resign.

Grievance Channels



Page 21 of MED's employee handbook displays nine points regarding complaint procedures. The factory encourages workers to raise their concerns step-by-step: any problem should be discussed first with the line leader; if the problem remains unresolved, the worker should go to the director of the department, and then the HR department. The factory has set up a complaint box, but there is no internal complaint line. During the recruitment process the information card for the ICTI hotline is distributed. Workers do not know if the factory has a union or worker representatives, and the factory does not give workers any information about it. There was also no information about union representatives observed on workshop bulletin boards.



Subcontracting

The factory outsources the production of some parts and semi-manufactured goods to Keda Plastic Machinery Ltd. After producing the parts, Keda sends them to MED for painting and final assembly.

Investigative Report on the 2nd Chang'an Mattel Toy Factory (Dongguan)



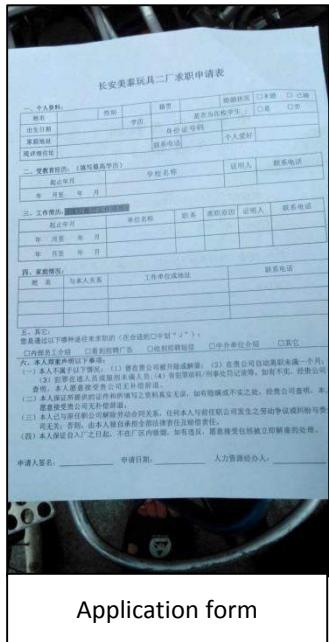
Dongguan Chang'an Mattel Toys 2nd Factory Labor Violations

1. Workers are given a pre-job physical exam but are not informed of the results.
2. Quick 30-minute pre-job training that involves no safety content.
3. Workers must sign a training confirmation form that claims they've received training on issues that were not actually discussed in training, such as health and safety content.
4. New worker orientation is not calculated into working time.
5. Labor contracts are incomplete and unspecific to each worker's position and work content; the unspecific content of the contract is not explained to workers.
6. Excessive overtime. 104 hours per month, nearly three times the legal limit of 36.
7. Despite an 11.5-hour work shift, workers only receive a 30-minute meal break.
8. Workers do not receive wage payments for 19 to 22 days after the pay period ends.
9. Social insurance is not purchased for workers during the probation period as required by law.
10. Social insurance is not paid according to law. It is underpaid, and one type, the housing fund, is not provided.
11. Poor dorm security.
12. Workers are exposed to poisonous chemicals such as dimethylbenzene (xylene) and many workers are not always provided with protective equipment to combat exposure. During night shifts, protective equipment is not always distributed without workers demanding it.
13. Production machines not regularly inspected for safe operation.
14. No medical kits in production facilities or dormitories.
15. No pre-job fire prevention training.
16. Lax enforcement of some fire prevention rules in production facilities and dormitories.
17. Though there is a union, the union office was never found to be open on work days. Most of the workers do not know the chairman of their labor union, and they do not elect their union representatives.

Company Profile

The Dongguan Chang'an Mattel Toys 2nd Factory (hereafter MCA) is a directly invested and managed company under Mattel Toys. The factory was founded in September 1986 and covers 35,000 square meters, with another 32,000 square meters as living quarters. The factory employs more than 5,000 workers. The factory is specialized in producing Barbie Dolls which are sold worldwide.

The factory complex consists of seven buildings which house a number of departments: the molding, soft plastics, painting, printing, doll assembly, cutting, hair curling, and sewing departments; as well as the first, second, and third assembly departments; control, material, engineering and maintenance, human resources and administrative, general affairs, and financial departments.



The application form is titled "Longchang Mattel Tools Factory Job Application Form". It contains several sections:

- Section 1: Personal Information** (个人资料): Fields for name, gender, age, education level, address, phone number, and marital status.
- Section 2: Employment History** (填写最高学历): Fields for highest education level, graduation year, and contact information.
- Section 3: Work Experience** (填写最近工作经历): Fields for current job title, employer, work experience, and contact information.
- Section 4: Employment Preferences** (应聘岗位): Fields for job position, employer, and contact information.
- Section 5: Other Information** (其他说明): A section where applicants can provide additional information or notes.
- Section 6: Declaration** (本人郑重声明以下事实): A section where applicants declare the following facts:
 - (1) 曾在本公司应聘并被录用过。(2) 在本公司自动离职或主动辞职一个礼拜以上。
 - (3) 在本公司应聘或被录用后未上班者。(4) 有窃取资料、财务等不良记录。
 - (5) 本公司在录用员工时会询问其过去的工作经历，如隐瞒或不实之处，经核实后本公司有权辞退。
 - (6) 本公司与应聘者签订劳动合同，由申请人与用人单位发生劳动争议或纠纷时，由申请人负责。
 - (7) 本公司对录用的应聘者进行试用期考核，如不合格，将予以辞退。
 - (8) 本公司对录用之人员，不在厂区内就餐，如有违反，将直接被立即解雇的处理。
- At the bottom, there is a signature field for the applicant and a date field.

Application form

The workers' dormitory area consists of the Changyi Middle Building, Changfu Dormitory, and one dormitory which has been integrated into a multipurpose building. On the second floor of the multipurpose building is a new center for training Mattel personnel. On the same floor there is also an activity center, reading room, computer training room, karaoke room, and employee recreation center.

Factory address:

No 51 Changdong Street, Zhenxiaobian Industrial Park No. 1, Chang'an Township, Dongguan City

Phone contact: 0769-85539209

Recruitment Process

Recruitment

July is a peak production time for MCA. Each day workers are hired at the recruitment center in front of the factory's main gate. Because the worker turnover is high, the factory employs workers for different departments according to daily resignations. The assembly department, for example, had enough workers when CLW's undercover investigator was being recruited, so no one was hired to work there. But the painting department was in need of labor, so hiring was focused there.

The number of new workers hired and the recruitment time are restricted every day. Recruitment is open every day from 8 am to 9 am and from 1 pm to 2 pm. An applicant has to take an application form from the recruitment center, go to the factory's training room, look for the application template



Queuing to interview

and fill out the form accordingly. After handing it in to management, the applicant can start the interview. In the interview room there are MCA staff conducting interviews, and they call the applicants one by one into the room. They first look at the completed application form. Usually, the applicant has to give a self-introduction and afterwards has to answer questions about his/her family situation, recent circumstances, reasons for quitting a previous job, their impression of Mattel, why the applicant wants to work with Mattel, what he/she likes about Mattel, and so on. If the interview proceeds smoothly,

the applicant's ID card is examined, after which it is returned to the worker. During the interview process the recruiters asks the applicant to extend their arms to be quickly examined for function.



The entire interview takes about five minutes. Assuming everything goes well, the applicant receives an information sheet about the physical examination which requires them to be at the factory at 8 am the following day with an empty stomach.

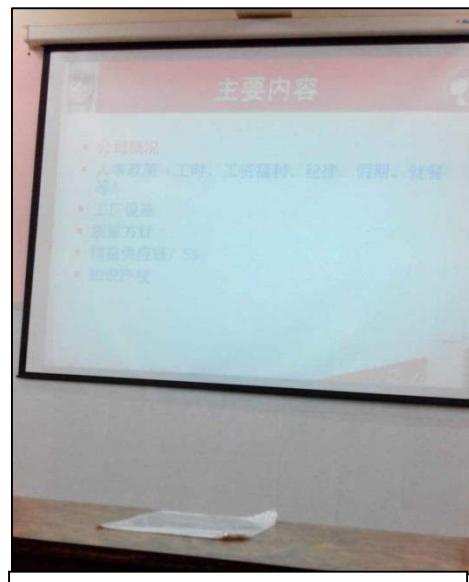
Physical Examination

All new workers at MCA receive a physical exam. Because they come into daily contact with chemicals like cleaning agents and paints, workers engaged in painting and printing are examined for occupational diseases, undergo a Benzene Series Test, and have to take a urine test. The soft plastics and molding departments' workers, as well as material room workers, have to deal with loud noises every day and thus undergo a hearing test. Comb machine workers are regularly in contact with fibers and therefore undergo an x-ray of their chest and lungs.

Workers do the physical examination at the Kangyi Hospital in Dongguan City. Before the getting on the bus to the hospital, workers fill in an information form. The exam is free of charge to workers. Apart from the special tests mentioned above, the examination is comprised of tests for blood pressure, blood, and a chest x-ray. The complete examination takes no more than five minutes. After the examination, the company's representative directs workers to sign a form that allows the company to represent them in obtaining their exam results. However, workers never receive their own results.

After the physical exam, CLW's investigator wanted to get his results and learn about his health, but was denied such by the doctor upon request. Since the factory itself received the results, he could not see the results himself.

Training



After the physical exam workers return to the factory and participate in the orientation training. The training lasts less than 30 minutes. It mainly consists of a PPT presentation on the basic situation of the factory, working hours, social insurance, grievance channels, meals, and housing. The presentation moves very fast and new workers expressed that the page is turned before they had the chance to clearly see what was written on it. Afterwards, workers have to sign a training confirmation form. On the form is a list of the training content. Environmental, health, and safety in the workplace as well as Mattel's quality guidelines are not mentioned in the actual training but are listed on the form the workers have to sign. After signing it, workers hand in their personal ID cards and sign the labor contract.

The company makes a copy of each worker's ID card and sticks the copy on the labor contract. After the labor contract is finished, the factory takes digital photos of each worker and hands out factory IDs to each person. Next workers receive a handbook titled "Chang'an Mattel Toys 2nd Factory Fundamental Knowledge and Hiring Information". The handbook consists of four pages, the last of which says:

Please put a “*✓*” in the boxes next to the following items (3), (4), (5) and (6) which you believe to be appropriate.

- (3) All overtime hours (also on rest days and holidays) are voluntary; if the worker does not work overtime, he/she has to personally hand in a “no-overtime notice” three hours in advance directly to the supervisor. Did you know that?
- (4) If the factory needs you to work overtime according to the rules, would you agree?
- (5) Would you agree to a monthly wage deduction of 2 RMB for medical treatment?
- (6) Do you understand the related content below?



Queue to take photos

1.“Employee Handbook”	4. Quality Guidelines for Chang'an Mattel Toys 2nd Factory	7.“Global Manufacturing Handbook”
2. Employees' Rights & Duties	5. Mattel's Quality Policies	8. Security awareness and labor protection
3. Employee Attendance Management	6. Safety Awareness	9. Environmental, Health, and Safety Guidelines and Knowledge

Instructor _____ Worker's name _____ Date of training _____

Even if a worker does not agree with (4), she is forced to work overtime by factory management. If a worker does not agree with (5), the 2 RMB (\$0.33) for medical treatment will still be deducted from wages. Concerning (6), workers have never seen the “Employee Handbook”. The instructor at the orientation training was asked for it and told the worker to go to the library and look for it. Workers are required to confirm that they understand employees' rights and duties, Mattel's quality guidelines, and health and safety guidelines even though the orientation training does not touch on these issues.

The actual instructor who did the orientation training is Yi Jinxia, however, the name of the instructor written on the fourth page of the handbook is Zeng Qiaoping. After the

workers have filled out and signed the handbook, MCA management collects them without looking at workers' responses.

After the orientation training, workers begin actual production work. There is a one-week probation period during which technical workers in the production facilities at the work station will give instructions and advice to newly hireds. There is supposed to be 42 hours of training during the probation period by the technical worker, but in reality it is much less. Technical workers spend one or two hours on the first day explaining how to do the work. Though little information about work safety is covered, workers were told by the technical worker to wear a mask, especially when high-level management comes to inspect. After the short workshop training session, workers have to sign a "XX Department On-the-job Training Record" expressing that they received all of the required training. Signing the sheet is also supposed to prove that the workers are qualified, but in reality, workers do not have a clear understanding of how to do the work nor are they well-trained. The investigator asked a number of workers in the production facility about this, and they said that some workers sign it without ever receiving training. They do not know what IS09001\IS014001\OHSAS18001 are. They do not understand the various production procedures associated with the product they are making. Workers can only do what the technical worker told them to do. Production quotas rise each day throughout the first week probation period, pushing workers to labor more and more quickly.

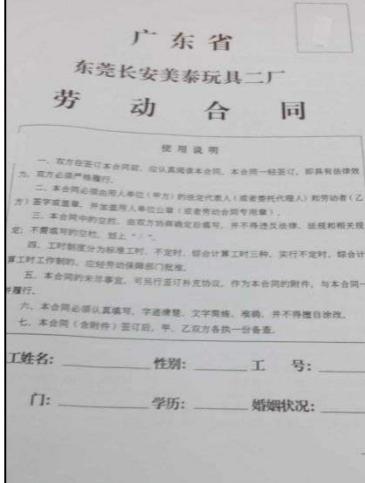
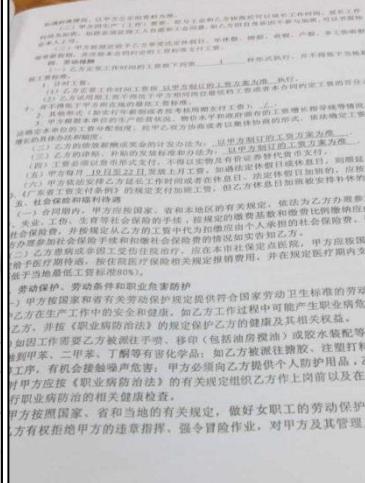
One veteran worker said: "Technical workers and group leaders are different. The technical workers only train newcomers for a week. Whereas afterwards the workers are put under the supervision of the group leader who is usually very strict about workers meeting quality standards, operating standards, and the standards of the quality inspector. But the technical worker who is responsible for training new workers sets very low standards. Workers are told to do the tasks by themselves only after a short explanation, and the technical worker does not provide any further guidance or advice on how to improve. If a worker is not up to par after the first week, that person will be scolded. And after the first week (the probation period), it is not easy to resign from the job since one has to do it one month in advance. As a result many workers just quit the factory because they can't stand the scolding." Technical workers also reminded the newcomers that if they discover during the first seven days that they cannot stand the work, they should take the chance to resign quickly and take their wages. Waiting to resign until after the probation period will result in a lot of trouble, he added.

Labor Contracts

Workers sign labor contracts after the orientation training. Each contract consists of a total of six pages, and there are two copies of each. Contract content and necessary company representative stamps are already complete when they are delivered to the workers. Each worker only has to fill in her name, gender, factory ID number, department, education background, and marital status, which is guided by the instructor of the orientation training. On the second page of the contract, the worker has to write her name, ID number, household registration address, and the person who introduced them to the factory. They also have to fill the spaces for "period of the contract" and "probation period". On the sixth page of the contract, workers write their name, phone number, a contact person and that person's phone number, and finally her signature.

The contract consists of a few main content areas: (1) contract period, (2) content and place of work, (3) hours and leave, (4) (5) social insurance and benefits, (6) labor protection, working conditions, and industrial injury protection, (7) modification and renewal of the contract, (8) termination of the contract, (9) mediation and arbitration, (10) service period and noncompetition clause, (11) other items.

The contract period is three years, starting from the day of signing. The time spent in hiring and orientation training processes is not calculated into working time. The fixed probation period is one week, during which workers can resign immediately. After the probation period, resignation must be done one-month in advance of leaving.

	
Labor contracts	

Contract content was filled in ways that left workers uninformed about their actual job content and compensation.

The contract says “Employee is assigned to the department of _____ position of production operation.” The blank space is filled in the same for every worker regardless of their actual department. Moreover, the blank space intended to describe a worker’s actual position is left blank, and the workers are not told to change it. In fact workers do not even know their job at MCA until they arrive in the workshop to begin their job.

The contract reads, “Employee’s tasks and duties at work are _____ explained in position instruction manual .” But workers never saw such a manual before reading and signing the contract; they are also not informed of this information during orientation training. And later, workers did not receive any instruction manual at their position or in their department.

The contract says, “Employee’s wages for regular working hours will be implemented according to _____ wage plan formulated by Employer.” It also reads, “Employee’s performance wages and bonuses are calculated according to _____ wage plan formulated by Employer.” Similarly: “Standards and methods of distributing subsidies and allowances to Employee are based on _____ wage plan formulated by Employer.”

None of the workers are taught about this so-called wage plan. The only things workers learned about were roughly how much they may earn every month and their base wage. Furthermore, the wage plan was neither mentioned during the orientation training nor

posted on the bulletin board.



Workers making Barbie dolls

After signing the contract, there was even an instructor from MCA's human resources department who suggested that workers should not try to read the contract all by themselves. She randomly picked a worker to verify that the contract is correct and asked the worker to sign it directly. Afterwards she just took one copy of the contract. There were still blanks left for the worker to fill in, but she did not seem to care.

Working Hours

MCA operates on a two-shift schedule—day shift and night shift. Workers are switched between shifts on the last weekend of a month every two months. When they switch shifts, workers receive a 24-hour period of rest. The work day consists of eight hours of regular work

plus three hours of overtime. This is repeated six days a week, 26 days a month. Monthly overtime is around 104 hours per worker, which is about three times the legal maximum of 36 hours.

Table of working hours

Day Shift	7:16-7:30 (window in which to clock in) 7:30---10:00 regular work 10:00-10:10 rest 10:10-12:30 regular work 12:30—13:00 (meal time) 13:00—15:00 regular work 15:00—15:10 rest 15:10—19:00 regular and overtime work 19:00—19:14 (window in which to clock out)
Night Shift	19:16—19:30 (window in which to clock in) 19:30-22:00 regular work 22:00-22:10 rest 22:10—00:30 regular work 00:30—1:00 (meal time) 1:00—3:00 regular work 3:00-3:10 rest 3:10—7:00 regular and overtime work 7:00—7:14 (window in which to clock out)

If workers want to leave their position to go to the restroom they must ask the line leader. If a worker does not ask first, he will be yelled at or even fired.

Production facilities at MCA have daily production quotas. The assembly department, for example, had to produce 6,000 Barbie dolls each day. Only when the quota is met are workers allowed to get off their shift. If management determines that workers are off track to meet the daily quota, their breaks will be canceled so that workers can continue producing.

In every production facility, management hangs a list, differentiated by group, of the

production quotas of each group compared with actual performance, for which groups are given points and ranked. In addition, the final production results of each day are later published on the board. Workers and line leaders said that this ranking is simply a psychological punishment meant to force them to work better and faster. One line leader told the investigator that work stress is very high. Another line leader said: "Actually, I don't want to force you to work faster. Everything is ordered from above. Still, if you work too slowly and quotas are not met, I'll yell at you. The name Group rankings are published, and if production is slow, performance bonuses will be lost. It directly affects everyone. So everyone needs to work together. Otherwise, I'll be yelled at and you'll be yelled at. I have to speak so much in the production room that my throat hurts."

Wages and Benefits

Wages

MCA pays a monthly base wage of 1,360 RMB (\$221), slightly higher than Dongguan's minimum wage of 1,310 RMB (\$213). This means that for regular work, MCA workers earn 7.82 RMB (\$1.26) per hour. Workers are paid their wages for month 1 between the 19th and the 22nd day of month 2. If the date of payment happens to be a holiday, wage payment will be delayed even further. Wages are transferred directly to workers' bank accounts. Pay stubs are distributed along with wages. Pay stubs include items like the base wage, overtime wages, performance wages, procedural subsidy, technical subsidy, full-attendance bonus, position subsidy, night-shift bonus (5 RMB (\$0.80)/night), food subsidy, INT performance bonus, and seniority bonus.

Full-attendance bonuses are divided into three ranks: A (50 RMB (\$8.10)/month), B (40 RMB (\$6.50)/month), C (30 RMB (\$4.90)/month). The first month of full-attendance is ranked C, the second consecutive month B, and the third consecutive month A. Any consecutive months of full-attendance after the third are ranked A.

Cutting, molding, painting, printing, curling, and soft plastics departments have monthly procedural subsidies of 150 RMB (\$24), 200 RMB (\$33), 210 RMB (\$34), and 280 RMB (\$46), respectively.

After a period of work, a worker can take a test to receive a higher technical rank, and receive a technical subsidy. The ranks are as follows:

Procedure Rank	Sewing	Curling	Soft plastics	Painting
Grade A	¥ 300 (\$49)	¥ 200 (\$33)	¥ 150 (\$24)	¥ 170 (\$28)
Grade B	¥ 200 (\$33)	¥ 150 (\$24)	¥ 75 (\$12)	¥ 95 (\$15)
Grade C	¥ 100 (\$16)	¥ 100 (\$16)	\	\
Grade D	¥ 50 (\$8)	¥ 50 (\$8)	\	\

The performance bonus is given to workers depending on their performance grades: A, B, or C. Workers ranked as Grade A receive an annual bonus of 1,210 RMB (\$197),

Grade B is 806 RMB (\$131), and those ranked as Grade C do not receive a bonus.



Workers having meals at the cafeteria.

Workers who work at MCA for more than two full months can receive 150 RMB (\$24) a month as an INT performance bonus. After working for six full months they can obtain 350 RMB (\$57). After a year it becomes 860 RMB (\$140).

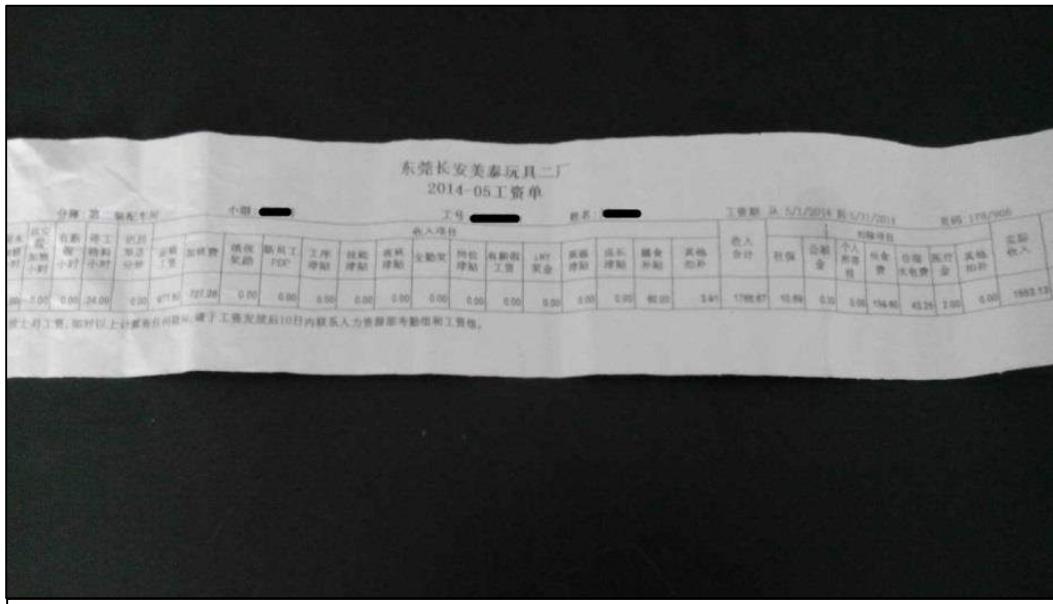
Workers who stay at the factory for longer than one year and less than three years will receive 100

RMB (\$16) as a seniority bonus every month. Workers with between three and five years of seniority receive 120 RMB (\$20) a month. After five years the monthly bonus becomes 140 RMB (\$23).

MCA provides a meal subsidy of 104 RMB (\$17) per month (for 26 work days), which can be used for three meals at the company's cafeteria. The meal cost is 288 RMB (\$47) each month, which is deducted from a worker's wages. If workers do not eat in the cafeteria, they will not be charged for food but will still receive a 104 RMB (\$17) meal subsidy.

Benefits

Social insurance is only purchased for workers after the seven-day probation period. At the same time, however, 2 RMB (\$0.30)/month will be deducted from wages for the medical treatment fund. When social insurance is provided, a worker's contribution every month is 154.69 RMB (\$25). MCA provides five insurances to workers, but it does not provide the housing fund as required by law.



The pay stub is from Dongguan Chang'an Meitai Toy Factory, dated May 2014. It shows the following details:

项目	金额
工资	1000
加班费	0.00
夜班费	24.00
午休费	0.00
饭堂费	0.00
社保	154.69
公积金	43.28
福利	100
其他	100
总计	1503.37

Note: If there are any issues with the wage statement, please contact the personnel department within 10 days of receiving the wage statement.

A pay stub of a worker from May 2014

The factory sometimes organizes social and entertainment events, but few workers attend. Instead, primarily managerial staff attends these events.

The factory campus and living area have a library, basketball court, computer room, KTV room, pool tables, fitness center, and other entertainment facilities. Due to the long working hours, however, not many workers are actually able to use these facilities.

In the library, the space occupied by the company's award certificates is greater than the space for books and magazines. Every day there are only a few workers who go there to read. The computer room is locked, so no one uses them.

To make use of the KTV room, workers have to address their line leader about it, who then can make a reservation for them. According to workers, it is a lot of trouble to do it this way. The line leader will ask questions, like why the workers want to make a reservation, and then only if he is in a good mood will he complete the reservation. The investigator went to the KTV room a number of times but never saw workers inside. Even on public holidays the room was completely empty.

The fitness center in the dorm area is usually open every morning from 7-10 am. During that time the day shift is just beginning, and night shift workers are just finishing their shift. The ping-pong table inside the fitness room is completely covered in dust; workers don't seem to have time to use it.



Sleeping worker

Meals and Accommodation

MCA has three dormitories: the Changyi Middle Building, Changfu Dormitory, and one dormitory which is integrated into a multipurpose building. The multipurpose and Changyi Middle Building primarily house mostly women and managerial staff. The Changfu Dormitory is the one furthest away from the factory, about 10 min on foot. Each room accommodates eight people. A fee of 52 RMB (\$8.40) for utilities is deducted each month from the wages of workers living in the dorms. The dorm rooms have electric fans, hot water, and closets. Each closet has a USB plug for charging cell phones. If a worker's cell cannot be charged with a USB cable, he is not able to charge it in the dorm. In such a case, she needs to use a multifunctional charger to charge her battery in the smoking room. Workers have to swipe their card to get into the dormitories.

When workers move in to the dormitory, they need to check in at the management's office, where there will receive a dorm card that has the date of employment, name, photo, and worker's number. Workers need to clip the card to a space in the closet.

The dorm management checks dormitories every day. When new workers enter the dorms they are even taught by management how to fold the quilt and where to put shoes. If dorm management finds an unfolded quilt, the worker is called and has to fold it immediately. If the worker is not at the dormitory, the management leaves a message on

their bed. If shoes are discovered in the wrong place, management will throw them out into the corridor. The investigator saw shoes locked by workers with an iron chain under beds to prevent them from being stolen or thrown out into the corridor by management.

New workers are assigned to rooms based on vacancies, and workers' own preferences are generally disregarded. If one worker wishes to be in the same room as a person from their hometown, dorm management will turn down their request: "If you like it here then stay. If not you can go to the general management office, apply to live outside, and find your own place to stay. You thought it was that free here; you mistook this place for your home."



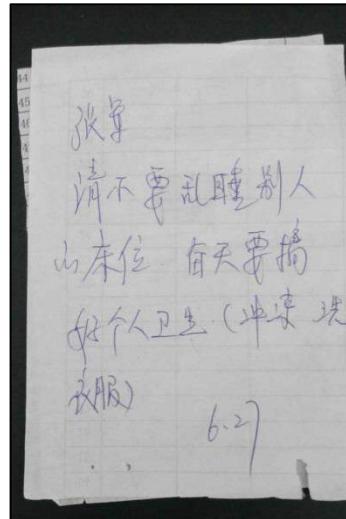
A blanket thrown out by dormitory management.

Workers from day and night shifts are put into the same dorm rooms, which results in interrupting one another's rest. Workers must accept their arrangement; management will not let them switch.

There are no keys for the doors in the dorm and no locks installed so that all workers can easily access dorm rooms; no one supervises this. Interviewed workers say that security in the dorms is very poor. Shoes, blankets, and phones get stolen frequently. But the closets have locks. Still, workers from the day and night shifts will sometimes sleep in other people's beds. If this is discovered by management, they will leave a message on the bed.

Workers told CLW many times that dorm supervisors do not knock on the door before entering, entering rooms at will. If a worker leaves or resigns and leaves belongings behind, his quilt will be thrown into the corridor, and his sleeping mat and bucket will be taken away to resell to other workers.

The MCA provides meals in a company cafeteria, which has an electric fan and TV screens, where CCTV3 is shown every day.



A message left by dormitory management for a worker who slept on another's bed

Occupational Safety and Environment

Occupational safety

Even though the factory has an occupational health committee, none of the workers know about it. The orientation training also does not involve content on health and safety.

Some departments arrange post-hire physical exams for workers, including those in the painting, printing, molding, combing, and hair curling departments, but none of the

other departments provide physical examinations to workers after being hired. Resigning workers do not get any physical examinations, which means that some workers will not know if their health was affected during their period of work at MCA.

Painting and printing workers come into direct contact with paints, thinners, and other chemicals. For example, MCA's thinners contain 99.5% dimethylbenzene (xylene), which is poisonous to humans and can harm the respiratory system, skin, eyes, and central nervous system. Noise is very loud in the soft plastics department, and the temperatures are very high. Apart from electric fans there is no other cooling equipment. This uncomfortable working environment has made it difficult for MCA to find workers for the soft plastics department. Workers from other departments are encouraged to work there for a subsidy of 300 RMB (\$49) per month. Still, few workers are willing to work there.

Chemicals are exposed in the painting and printing departments that give off a strong odor, but measures put in place to reduce the odor have been ineffective.

Masks, ear plugs, gloves, and other protective equipment are typically distributed to workers during day shifts. Because the company is not very strict on this matter, line leaders during the night shifts often do not distribute any equipment, and workers need to ask for it to get it. On the night shift, workers are not required to wear protective equipment and many don't, despite working with poisonous chemicals.

After working for a full month, workers will receive two sets of uniforms. Workers of the soft plastics, printing, or molding departments who have worked for a full year or more can receive new uniforms. Workers from other departments can also receive new uniforms, but they must work for at least two years. If workers want to buy uniforms themselves, it costs 20 RMB (\$3.25) per summer uniform and 40 RMB (\$6.50) per winter uniform.



Finished Barbie doll

There were no observed regular inspection of the factory's machines and no record cards for inspection. Mostly machines are only inspected when broken. Production facilities and dormitories do not have first aid kits. Only soft plastics department workers receive a high-temperature subsidy of 150 RMB (\$24) each month between June and October.

Production space in the assembly, combing, and doll assembly department workshops is very restricted. Machines and facilities in the work stations are very old and do not have maintenance and security labels.

The safety railing in the dormitory's corridor is very low, and there is no protective net

underneath. A worker could accidentally fall. No protective measures, like rubber pads, have been set up on the dormitory's stairwells which become very slippery when it rains.

Environment

The factory technically has systems for separating industrial and regular waste, but in reality it is not separated. Chemicals and regular trash are disposed of together. Sinks and sewers are filled with waste and poured out chemicals. Old protective gear, like masks or



Garbage was not separated, and waste water & chemical liquid was directly discharged into the sewage system. This sink is filled with abandoned masks and other protective equipment.

gloves, is not properly disposed of, and is instead thrown on the floor, in sewers, or in toilets. Trash in production facilities lie on the ground without anyone cleaning them.

The 30-minute lunch break is too short, so many workers bring food to their work station in single-use food boxes which are often left around in the production rooms.

The factory's water discharge flows directly into the sewage system.

Fire Prevention

In the workshops, fire hydrants and fire extinguishers are marked clearly and escape routes are clear. During orientation training workers do not receive any information about fire prevention. According to workers, the factory has conducted a fire drill in which all workers take part. Guards and management lead the drill.

According to rules, no one is supposed to bring lighters into production facilities. But this is not enforced and many

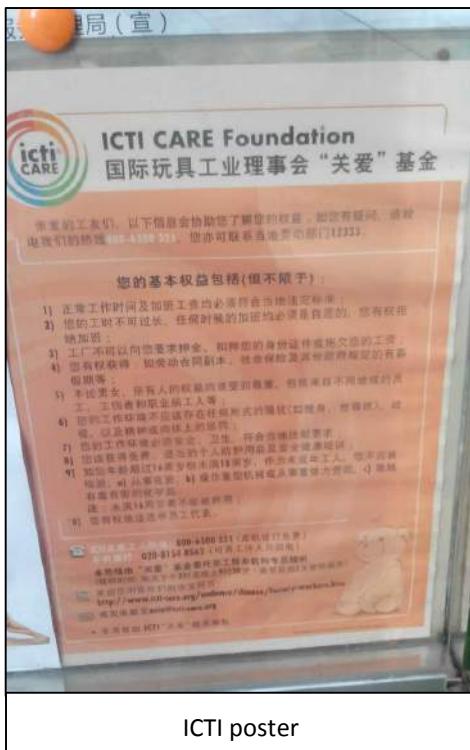


Waste containing chemical liquid and oil.

people still bring in lighters, including into places with highly flammable substances, like the facility with spray painting.

In the same way, MCA rules technically prohibit smoking inside the dormitory, but there is lax enforcement, and workers often smoke in dorm rooms or while lying in bed, throwing cigarette butts onto the floor.

Complaint Channels



The factory has a labor union and Party committee. During the hiring process, MCA requires all new workers to sign a registration form for the labor union as part of the employment application package. If a worker refuses to sign the union registration, he will not be hired by MCA. MCA's union chairman and Party secretary posts are both held by the same person, the company's legal representative Mo Yuzhi. Workers do not participate in electing their union representatives. The union's office is attached to the library. The investigator went there a number of times, including before work, during a break, and in the afternoon, but the office was never open. The union occasionally organizes some social activities off the factory campus.

There is a "Mattel Home" where a person is responsible for handling workers' inquiries and complaints. But the hours of the service are from 8 am to 5 pm, so most workers are on

their shifts when it's open. Moreover, the staff is unprofessional. The investigator once went to Mattel Home to complain that the technical worker makes workers sign a training form without providing the requisite training. Inside the center was a man sitting at a table and a woman talking loudly on the phone. The man pointed at the woman and told the investigator that she is in charge of complaints. The investigator waited for five minutes until the women had finished her phone call. He described the complaint, and the women didn't take any notes, instead reaching for her phone and telling the investigator that she would report the matter to the necessary facility director, who will follow up further. The investigator asked how long it would take to get an answer and if he should leave his number. She replied that she does not know and he doesn't need to leave a number. After saying this, she simply left the office and continued to talk on her phone.

中华人 民共 和 国 工 会
入 会 申 请 书

The factory promotes an ICTI hotline through stickers

on the factory bulletin boards. The first number on the board (800-6300-321) did not work. The second number (020-81548562) led to a third (4008169580). When the investigator called the third number, a woman answered. After hearing the investigator's complaint, she explained that he had called the ICTI hotline responsible for matters related to workers' rights. Problems involving the factories management are not handled by them. Instead she told him to talk to the staff of the labor union. The investigator told her that he does not know how to reach union staff since the phone number that the factory provides (6010) does not work. The hotline staffer said that she could not help him. She then asked the investigator to wait a few minutes because she wanted to check if the 2nd Chang'an Mattel Toy Factory is a cooperating partner of the hotline or not. She told him about the complaint process and expressed hope that the investigator would be able to record or film problems related to management or workers' rights. She said that if no video or recording exists as proof, the hotline could not handle the case.

In interviews, workers said that the hotline is there to help the factory.

MCA has various internal phone codes (e.g. 6010, 6888 and 6564), but while management publishes the codes, it does not tell workers how to use them. As a result, workers all say that these numbers just lead to a failed call. Workers also said that filing a complaint is very difficult.

Outsourcing

MCA outsources some production to other factories. For instance, the 2nd Kangcheng Factory, Keda, Santi Molding, Yafa International, and Dongguan Dehui Plastics Technology all produce Barbie doll parts.

 Outsourced product labels	 These baskets contain products delivered by the outsourced factory, Dehui Plastics.
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Resignation

During the probation period, workers can resign fairly easily. They must obtain two resignation notification forms from their production workshop's supervisor. To resign, a worker needs the signature of the workshop supervisor, after which it is given to an office worker for the workshop who will give the forms to the human resources and financial departments. Before leaving, workers can pick up unpaid wages at the financial department.

After the seven-day probation period, workers must give one-month notice for resignation. But even if they do not wait, a quitting worker should be able to get her wages. Every day at 11 am, a resigning or quitting worker can pick up their wages at the financial department after handing in their factory ID.

Wages are paid in cash, and workers need to sign a wage form. This form contains the regular working hours, overtime hours, and wages. Final wage payments are rounded down to the nearest yuan.



Inspections

Workers say that people from overseas and Hong Kong regularly come to MCA to inspect the factory. When they come, workers are informed by factory management in advance. Workers are told to wear the protective equipment, sit well, and keep their work area clean. Inspectors are always accompanied by management staff. They are led along the escape route and only do a short round. They do not question workers. Sometimes they take photos.

Workers from the molding, painting, and assembly department reported that on January 1 this year, about 60 students from Harvard University came to visit the production facility. The students took a closer look at their workers' work spaces, talked to some of the workers, and examined the assembled Barbie dolls. They even went to the dormitories, greeted the workers, and took photos with them.

Other Issues

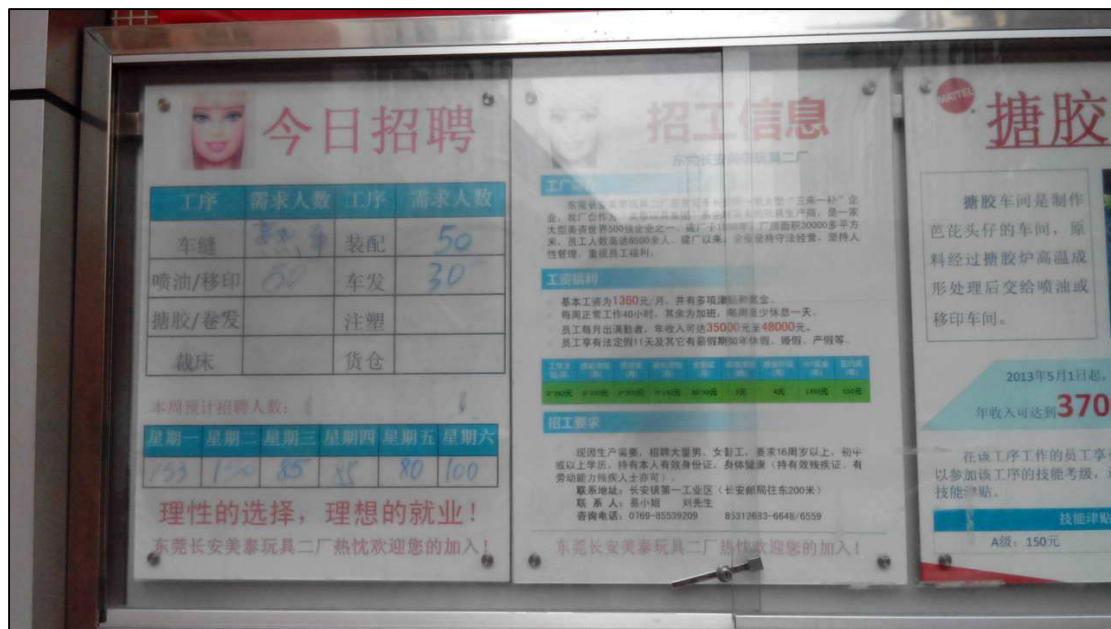
Many workers expressed that their wages are low. If they did not work overtime, the basic wage of 1,360 RMB (\$221), minus deductions, is not enough to live on. Workers say that even if they work overtime for the entire month, they will earn less than 3,000 RMB (\$487). All workers expressed that they had a lot of pressure.

Workers told CLW's investigator that work is too tiring, scolding by the line leader is too intense, and the dorms are too hot. Many can't take it and choose to resign.

Talking to workers who recently resigned, one from the painting department said that he couldn't stand the paint. Others said they were sick of the night shift. Workers switch every two months between shifts, and working every night for two months is tiring, they said.

During the orientation training, the trainer Yi Jinxia said to workers, while displaying the PPT for salary and benefits, "Our factory's benefits are actually not bad. I can't understand why so many choose not to stay. You still want to go? We are hiring every day, and every day more people leave. The factory even had to outsource some production to Yunnan Province. If you work hard here over a long period of time, the salary is actually alright. If you're in the painting or soft plastics departments, you can add on some

subsidies that are certainly not small. Any month you'll get several hundred RMB more than those in the assembly department. Look at our factory's fitness room or KTV room, we've got it all. You'll have money and entertainment. After working for a while, you can meet Dongguan household registration requirements and make your home in Dongguan. You can spend your entire life here. That's not bad, right? Anyway, I can't understand what some of you who came out to work [a term than generally refers to migrant workers] are thinking. I've come across workers in the past who leave and then come back, back and forth back and forth is torturing. Isn't finding a new job tiring!?"



Restricted number of workers hired for different department.

Investigative Report on Dongguan Lung Cheong Toys

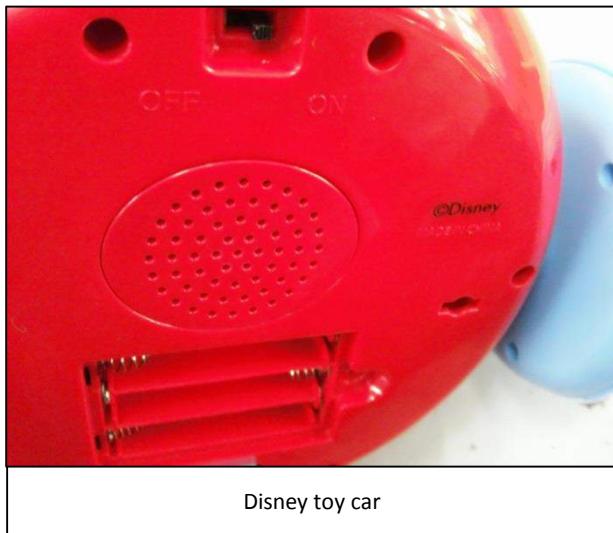


Lung Cheong Toys Labor Violations

1. Hundreds of temp workers hired, but their working conditions do not conform to Chinese law.
2. Hiring fees by labor service agency of between 200 RMB (\$33) to 300 RMB (\$49).
3. Age restrictions for hiring new workers limited to applicants aged 18-40.
4. Pre-job training only 30 minutes; no safety training.
5. Workers do not receive a physical exam before or after hiring at Lung Cheong despite workers coming into daily contact with chemical that could harm their health.
6. Hiring restrictions for minority groups; might also have restrictions for people with tattoos during slow seasons.
7. Workers have to wait a month to receive a copy of their labor contracts, a violation of legal regulations. Some temp workers do not even receive a copy of their labor contracts.
8. Labor contracts are incomplete: the space designated to express the frequency of physical exams was crossed out by company management.
9. Workers have no time to look at the contract thoroughly—they are rushed by management.
10. Excessive overtime. Working 12-hour shifts, six days a week, Lung Cheong workers accumulate as much as 112 overtime hours per month, over three times the legal maximum.
11. Not all legally mandated social insurance is paid, including pension. Temp workers do not receive social insurance.
12. Protective equipment is not distributed in a timely manner and some workers don't use any at all.
13. Workers are unpaid for 10 minutes of work every day, or over six hours per month. Lung Cheong may be failing to pay workers about 40,900 RMB (\$6,544) a month.
14. Lack of effective grievance channels; union is practically in name only.
15. Resignation requires management approval, even though law only requires employees to give notice.
16. Audit fraud. Workers rewarded for lying when questioned by auditors.

Factory Profile

Dongguan Lung Cheong Toys Co., Ltd. (Lung Cheong), founded in 1994, is a subsidiary of the Hong Kong-based Lung Cheong Toys Limited, one of the largest toy manufacturers in the world. It mainly produces entertainment toys such as electronic remote control plastic toys and high-tech digital toys. The products are mainly sold to clients in Europe, USA, Japan, and other developed countries. Lung Cheong has two separate industrial sites. These are located in Zhouwu and Changping of Dongguan's East District. According to company information, Lung Cheong's main clients include Disney, Kid Galaxy, Mattel, Tomy IFI, and others. CLW's investigation photographed the production of Disney toys, including the Mickey Mouse brand.



Lung Cheong HQ Information

Address: Lung Cheong Bldg. 1 Lok Yip Rd Fanling, New Territories, Hong Kong
 Phone number: (852) 26776699
 Fax: (852) 26822161
 Website: www.lungcheong.com.cn

Lung Cheong Toy factory 1 Information

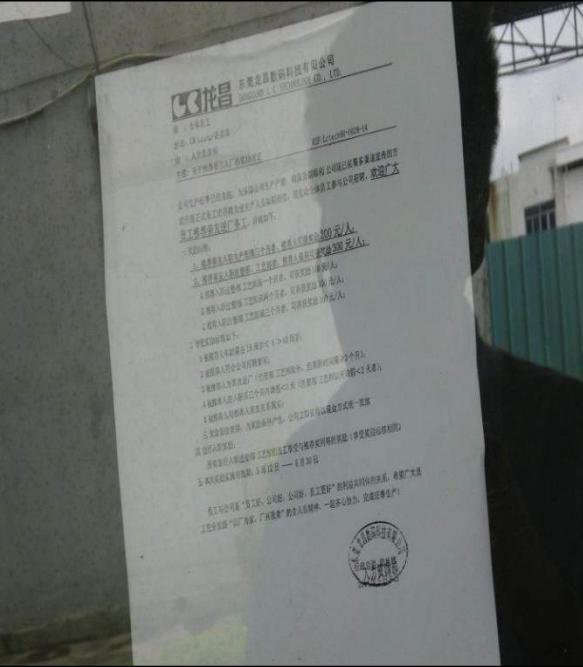
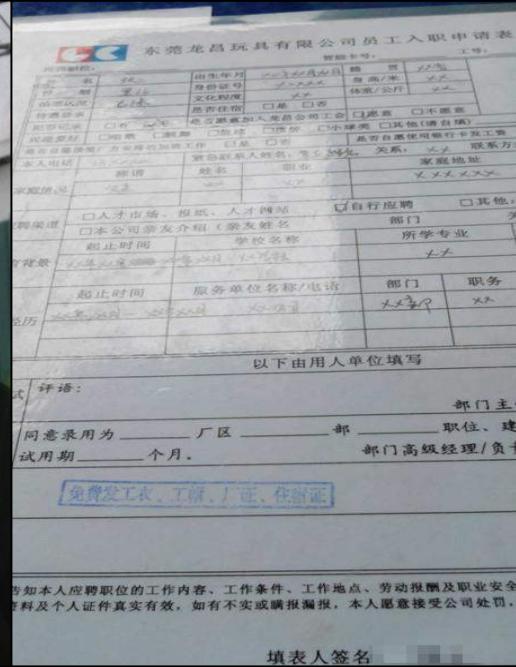
Address: Lung Cheong Industrial Park, Qiaoli, Changhuang Rd., Changping Town, Dongguan City, Guangdong Province
 Phone number: 0769-868362266
 Fax: 0769-86836026

Lung Cheong Toy factory 2 Information

Address: Zhouwu Industrial Park, Dongguan City, Guangdong Province.
 Phone number: 0769—88990997
 Fax: 0769—88990997-333

Hiring

Lung Cheong has its peak production season from May to October, during which it has an increased demand for workers, especially for molding, painting, and assembling departments as well as production line supervisors. In order to meet high production demands, the factory encourages workers to introduce relatives to the factory. A reward of 300 RMB (\$49) is given to workers who introduce a new employee to Lung Cheong who works for at least three months.

	
Regulation on rewards for workers who introduce their relatives to Lung Cheong.	Recruitment application form

There are two types of employees recruited: full-time workers and temporary workers. Temporary (temp) workers are usually recruited through an agency. Each worker must pay an introduction fee of roughly 200 RMB (\$33) to 300 RMB (\$49) to the labor service company. Full-time workers are recruited by Lung Cheong's HR department at the guard station front door every day from 9 am to 2 pm.

The factory recruits a large number of student labor from June to September; they are hired in the same way as temp workers and receive the same treatment.

People applying for full-time positions only need to bring three photos and three copies of their ID card to the factory. They can begin work after filling out the employment application form. There is a template for the application form written by the factory

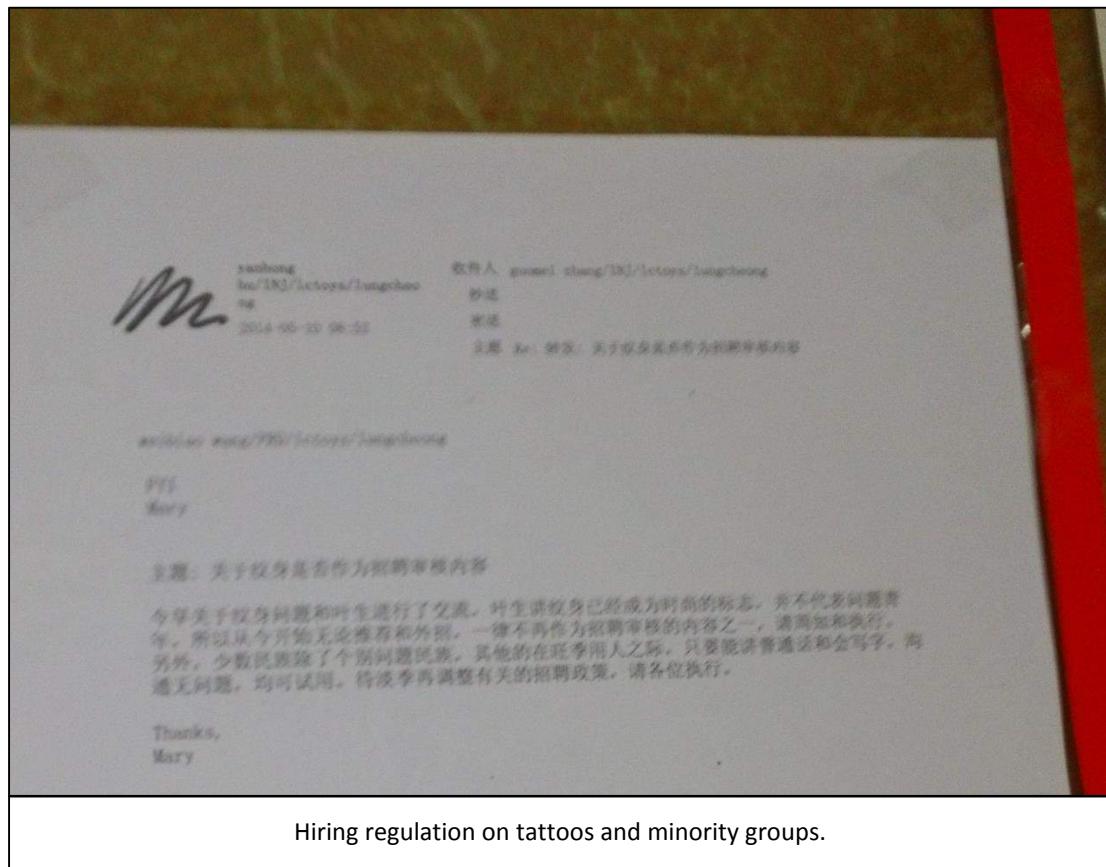


Poster encouraging worker recruitment.

which the workers have to copy when filling out their own form.

Lung Cheong restricts the age of those hired to between 18 and 40 years. Workers fill out the form on the first day and attend a training program on the next day. The training is about 30 minutes and mainly focuses on wages, benefits, housing, and the work environment. After the training program, workers' fingerprints are taken, contracts are signed, and work uniforms, caps, and factory ID are distributed.

A full-time worker's factory ID begins with the number 8, while a temp worker's ID begins with the number 3. During the period of this investigation, there were hundreds of temp workers at the factory. Work uniforms and caps are free to employees, but each person is limited to one set. If workers want to change and wash their cloths, they have to pay for a new set, each costing 13.5 RMB. Workers must return the free set of clothing upon resignation from Lung Cheong. There is no physical examination upon entering the factory. Lung Cheong posted a notice in the factory that said it is willing to hire people with tattoos or members of most minority groups (except for "troublesome groups") during peak production seasons; however, the same notice said that the company would change hiring policies again during the low season.



Labor Contracts

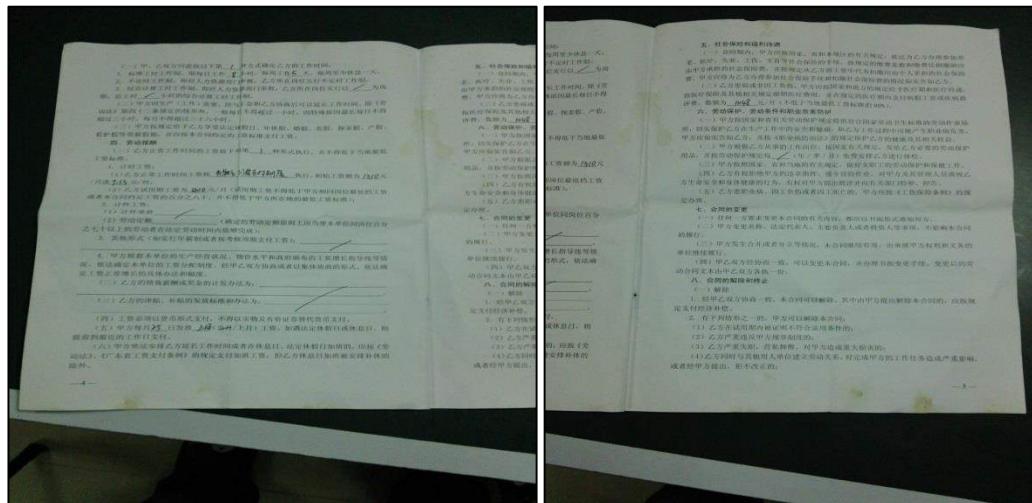
Full-time workers have to sign a three-year labor contract, which includes a six-month probation period. The labor contract is drafted beforehand by factory personnel. Workers are not given time to read the contract; instead, they are told to sign it on page 8 and press their fingerprint before personnel take the contracts back. Temp workers sign a

contract but sign it under the same conditions as full-time workers and are not given time to look at the contract. The factory gives formal workers a copy of their contracts one month after they are signed. But many temp workers do not receive a copy; the agencies that introduced them to Lung Cheong keep the contract.

The labor contract includes the contract period, work content and location, working hours, leave, compensation, social insurance and benefits, labor protection, working conditions and occupational hazard prevention, contract changes, contract termination, mediation and arbitration, service hours, noncompetition rules, and others.

The section of the contract on working hours and leave states that the employer may extend the employee's working hours through negotiation between the labor union and the employee. According to China's Labor Law, overtime hours should not exceed one hour a day, or three hours per day under "special circumstances", and 36 hours per month. But in reality overtime at Lung Cheong exceeds 100 hours each month. For example, the paystub of one worker in the painting department, who resigned on May 20 this year, demonstrated that in March he labored 63 hours of weekday overtime and 40 hours of weekend overtime.

The section of the labor contract concerning social insurance and benefits states that according to national, provincial, and local regulations, the employer should apply for social insurance items that include pension, medical, unemployment, work injury, and maternity insurances for the employee. But CLW's investigation found that the factory does not pay for all insurances mentioned above; workers only receive medical and injury insurance.



Content of the labor contract

The section of the contract involving labor protection, working conditions, and occupational hazard prevention states that, based on national regulations, the employer should distribute necessary protective equipment to the employee according to the employee's type of work, and according to the labor protection regulations, the employer should arrange regular free physical examinations. The space on the contract designated for the frequency of physical exams, however, was crossed out by Lung Cheong management.

Working Hours and Conditions

Full-time, temp, and student workers all typically put in three hours of overtime per day on top of the eight-hour workday. They work six days a week with one day of rest, and they usually only work eight hours on Saturdays. During peak production seasons, Lung Cheong workers do as much as four hours overtime daily, accumulating 112 hours of overtime each month. With the exception of the molding department, all departments only have one shift. Molding workers who work in two shifts will switch between day-and night-shift every two weeks with 24 hours of rest in between.

To clock-in, workers have to register their factory ID 10 minutes before time begins being calculated, meaning that workers are not paid for the 10 minutes before the shift. This 10-minute period is usually used for meetings with management. (For some shifts, the 10-minute meeting period occurs after the shift has finished.) In other words, Lung Cheong shorts most workers 60 minutes of overtime every week per worker, or more than 240 minutes each month.

Working hours:

Non-molding department: 7:50—8:00 (morning meeting, which is not calculated into working time), 8:00—12:00, 13:00—17:00, 17:00—22:00

Working hours of molding department (two shifts): day shift is 7:00—12:00, 12:30—16:30, 17:00—19:00, 19:00—19:10 (evening meeting not calculated into working time); night shift is 19:00—00:00, 0:30—4:30, 5:00—7:00, 7:00—7:10 (morning meeting not calculated into working time)

Workers are under a lot of pressure to meet production quotas. The factory has a fixed



Production quota board

production quota for each day, and a worker's workload simply accumulates if she cannot meet the quota. High production quotas also result in a fast pace of work. For instance, when assembling the Mickey Mouse music car toy, a worker must package one Mickey toy every five seconds in order to prevent items on the production line from backing up.

If they don't meet quotas, workers are scolded by management. For instance, CLW's investigator witnessed a 30-year old worker harshly scolded by the workshop director for not being able to handle a workload. The director said that he should get out if he can't do the work, taking the worker's ID away on the spot. The next day, the worker did

not come to work.

If a worker wants to drink water or go to the restroom, he has to ask the line leader or leader's assistant, and if they refuse to temporarily take that worker's position, the worker simply cannot use the restroom or drink water.

On the production line where CLW's investigator worked, the line leader scolded workers for working too slow or being unable to meet the production quota. If workers are late to the 7:50 pre-work meeting—despite not being paid for this time—they will be scolded. Though ventilation in the molding and assembly departments were on during the day, it was still very hot, and workers were covered in sweat while working. Veteran workers told CLW that line leaders would randomly assign workers to easy or difficult positions depending on who was favored or disliked by the leader.



Meeting before the work-shift

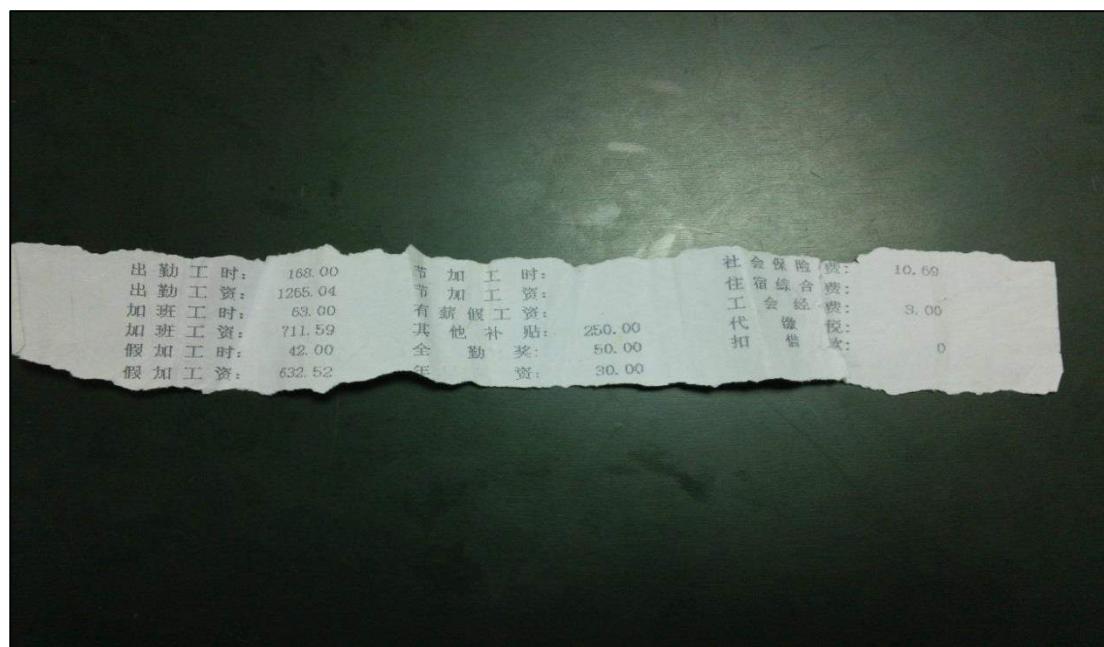
Workers in the factory are older, often in their thirties or forties. Some workers said the factory is not able to keep younger workers because wages are too low, the working environment is poor, and overtime hours are too long.

Wages and Benefits

Lung Cheong workers typically earn about 2,500 RMB (\$409) per month. A worker's base monthly wage is 1,310 RMB (\$214), which equals about 7.53 RMB (\$1.23) per hour. Weekday overtime wages are equal to 11.3 RMB (\$1.85) per hour, and weekend overtime is 15.06 RMB (\$2.46) per hour. There is a 50 RMB (\$8.16) position subsidy, 100 RMB (\$16) night-shift subsidy, and a 50 RMB (\$8.16) full-attendance bonus at the molding and

printing departments. There is also a 30 RMB (\$4.9) monthly seniority bonus for workers who have worked for one year at Lung Cheong, 40 RMB (\$6.53) monthly bonus for two years, and 50 RMB (\$8.16) bonus for more than three years. There is a 50 RMB (\$8.16) full attendance bonus for assembly department workers each month, but no position subsidy. They receive the same annual bonus as those of other departments. During peak production season, from June to August, workers in all departments receive an extra 80 RMB (\$13) meal subsidy every month. Workers in the molding and production departments receive an extra 20 RMB (\$3.27) high temperature subsidy each month from May to October.

Lung Cheong only provides health insurance and occupational injury insurance for workers who passed through the probation period, and these two are the only insurances provided by the factory, though legal regulations also require pension, unemployment, and maternity insurance. There is a 10.5 RMB (\$1.71) wage deduction for insurances each month. Though the deduction is slightly higher for workers who have been employed longer, it is always less than 20 RMB (\$3.27). But many temp workers at Lung Cheong do not have social insurance, which is a violation of national regulations.



Payroll of an assembling department worker from March, 2014

The factory distributes wages on the 25th day of each month and sends it to a bank account that the factory sets up for workers. The factory provides paystubs for the wages issued, which include a worker's name, factory ID number, bank card number, department, attendance, overtime working hours (weekday and weekend), seniority, paid leave and other subsidies, full attendance bonus, social insurance, housing fee, and union fee, which is 3 RMB (\$0.49) each month.

There is only one basketball court in the factory, but no one uses it. Workers either go home or back to the dormitory after their long work shifts.

Meals, Housing, Living Conditions

The factory does not provide free meals to full-time workers, but it provides a 150 RMB (\$25) monthly food subsidy to each worker. (A worker that labors at Lung Cheong less than a month will receive a meal subsidy according to the number of days worked.) It is the same for temporary and students workers. The factory cafeteria provides lunch and dinner. Workers have 8.5 RMB (\$1.39) deducted from their food subsidy each day by registering their fingerprints. Both lunch and dinner consists of two vegetables and one meat dish with rice. Full-time employees often cook for themselves at home after work or dine at the restaurants outside the factory.



Worker relaxing in his dorm room

The factory provides housing in the form of dorm rooms, with eight people per room. A worker who lives in the dorm pays 50 RMB (\$8.16) per month for utilities. There are three dorms, G, H and F. Dorms G and H are for females and managerial staff family housing. Dorm F is for males. There are fans in the dorm rooms and each floor of the dorm is equipped with public shower rooms and bathrooms. Phone charging is not allowed in the dorm, so workers have to charge their phones in the guard station. There are also first aid kits in each dormitory.

Since workers did three hours or more of overtime every day during the busy season, each person would rush after work to take a shower and wash his or her uniform in order to have it ready for the next day. Even if the uniform did not dry, the worker had to wear it because Lung Cheong workers are not allowed to work without their uniform and hat.

The investigator spoke with two workers from Guangxi who usually went to bed soon after their long shift. They did not go out on weekends, saying it would lead to them spending money and their wage was too low to afford it. Instead, they worked as much as possible, even on Saturdays. They complained that the factory would not let them work on Sundays as they believed that putting in even more overtime was the only way to earn more money.



Dorm

Occupational Safety

Since workers in the painting and printing departments often come into contact with paint and chemicals, they receive masks and gloves, though they may only change them every four days. There is ventilation equipment in the factory, but paints and chemicals

constantly emit strong odors throughout a number of departments. Furthermore, the masks given to workers are thin and may not provide sufficient protection against long-term inhalation of airborne chemicals. A number of workers in the painting department said that the paint odor was extremely bad and that they suffered from nausea and diarrhea.



Workers in the painting department.

CLW's investigation discovered that workers in the painting department are only allowed to change masks every four days and that workers in the assembly department come into direct contact with industrial alcohol with their bare hands due to a lack of any protective equipment.

Physical examinations are provided to neither full-time workers nor temp workers, including before they begin working at Lung Cheong, meaning that workers' pre-existing health

conditions are unknown to the factory. Workers do not receive any safety training at Lung Cheong. Production facilities and dorms are equipped with first-aid kits.

CLW did not observe any regular inspections of factory equipment or inspection record cards.

Fire Safety



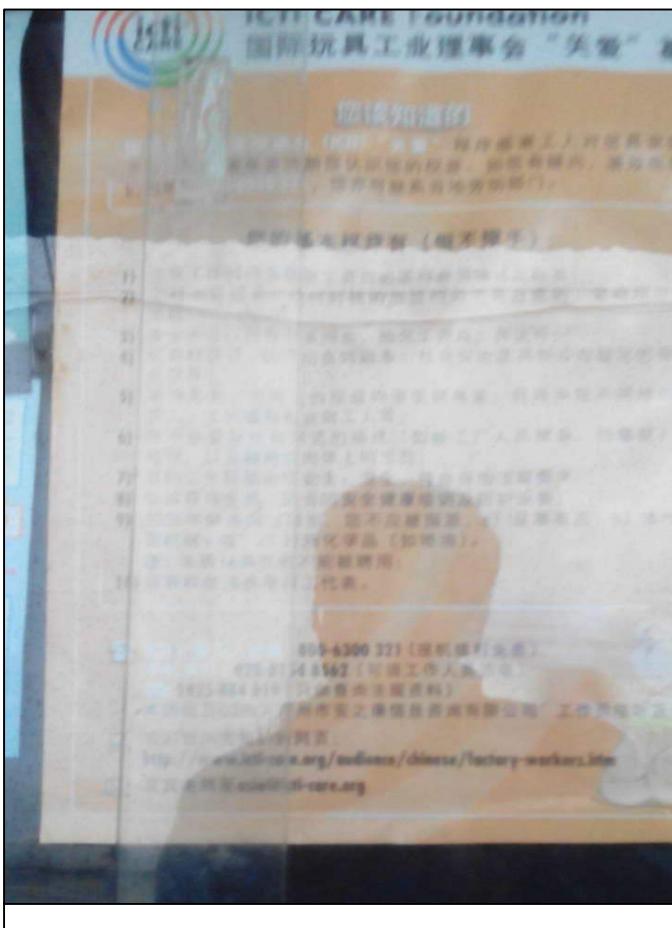
Finished toy

Factories and dorms are equipped with fire hydrants and fire extinguishers, which are checked every month according to records on the equipment. But CLW's investigator observed that factory personnel do not actually check the equipment, instead just filling out the record. According to a notice posted in the factory, the factory held a 30-minute fire drill on March 27, during which all workers supposedly assembled outside the factory. But workers told CLW that only the managerial staff participated. Fire escapes seemed clear in the factory, but there were neither fire escapes nor escape signs in the dorms.

Grievance Channels

At Lung Cheong there is technically a labor union and labor representatives, whose names and photos are posted in the factory. One question on the new hire form asks whether a new employee wants to join the labor union, to which applicants are told by

Lung Cheong management to answer ‘yes’. Workers told CLW that the labor union only provides them with cool tea in July, August, and September, and other than that, they do not provide any assistance to workers. 3 RMB (\$0.49) is deducted from a worker’s wage as a union fee each month.



ICTI poster

81548562) posted in the glass cabinet three times and was connected only after waiting three minutes. The automatic response system directed the caller to instead dial 4008-169-580. Upon calling this number, CLW’s investigator asked the operator on the other line about social insurance. The investigator asked which insurance was being provided to workers at Lung Cheong for the 10.5 RMB monthly deduction. The male operator said it might be occupational injury insurance, saying that ICTI only requires the factory to buy injury insurance for workers, leaving other types of insurance optional. But according to the social insurance laws in China, companies must purchase five kinds of insurances for each employee. CLW’s investigator told the operator that injury insurance should not include a deduction from an employee’s wages. The operator insisted it does include a deduction and suggested that the caller ask the factory for more detailed information. The investigator responded “I remember injury insurance is not subject to deduction in Dongguan.” The male operator then said, “Wait, I’ll check and call you back later.” About three minutes later, he called back saying that injury insurance is indeed not subject to deduction from employees’ wages, but medical insurance is subject to a 2% deduction. The investigator told the operator that based on this information, the deduction should be 26 RMB instead of 10.5 RMB. The operator then became a bit impatient and said, “I don’t know. You can ask the factory,” before hanging up the phone.

The plant has information for two hotlines posted in the factory premises. One is for the ICTI hotline at 800-6300-321. The second number, apparently run by a local group, is 020-81548562, the information for which is posted inside a glass cabinet next to the guard room. The information has visibly been posted for a long time without being updated; it has turned yellow and the numbers are hard to recognize through the glass.

None of the workers CLW’s investigators spoke with knew about the hotline numbers, nor were they told about a hotline or union by management during training. No workers interviewed had ever used the hotline, and they said they can only turn to supervisors if they have a specific problem.

CLW called the local hotline (020-

The investigator tried later to call 4008-169-580 to inquire about the labor union. The investigator said, "Workers are forced to join the labor union, which requires a 3 RMB deduction." The female operator then answered, "Which factory are you from?" The investigator answered "Dongguan Lung Cheong." She asked, "How do you write Lung and Cheong?" After clarifying the characters to her, she said, "Wait. Let me ask the factory." About one minute later she called back and replied, "You should cooperate with the factory and join the union. Many workers do not want to join simply because they do not understand the details, but joining the labor union will benefit you." She then hung up the phone.

Resignation

After a week of work at Lung Cheong, workers are permitted to resign three days in advance of leaving. According to factory rules, a resignation form should be approved by the line leader and workshop director. Upon resignation, a worker must fill out a resignation form and submit it to either the line leader or his assistant. The line leader then gives the worker another form to sign, after which the worker will receive a leave certificate. Next the worker goes to the cafeteria and hands in her uniform and hat—this must be done on Tuesday mornings. After turning these in, the worker receives a certificate with their photo on it to draw final wages. The worker takes the certificate to the security office for wage distribution—which must be done on Thursday afternoons. The worker signs her name and receives an envelope with the money in it, the back of which has a paystub with wage details.

姓名		工号	宿舍	离职原因		
部门	生			<input checked="" type="checkbox"/> 辞职 <input type="checkbox"/> 辞退 <input type="checkbox"/> 自动离职		
部门	职位	工人	离职日期	2014 [redacted]		
部门	办理事项	办理情况说明(在适当项目打"√")				
工作部门	工作移交	<input checked="" type="checkbox"/> 工作已移交完毕(档案、资料、文具移交)				
	工具移交	<input checked="" type="checkbox"/> 工具已移交(含办公钥匙) <input type="checkbox"/> 损坏或遗失工具已交赔偿				
IP管理	IP管理	<input type="checkbox"/> IP资料已回收/监控 <input checked="" type="checkbox"/> 无涉及IP资料				
	厂牌	<input type="checkbox"/> 厂牌已收回 <input checked="" type="checkbox"/> 厂牌遗失已交工本费			HR经办人	HR审核
人力资源部	工衣	<input type="checkbox"/> 工衣已收回 <input checked="" type="checkbox"/> 工帽已收回 <input type="checkbox"/> 工帽遗失已交工本费(口冬装口夏装口工帽)				
	电脑部	IT	<input type="checkbox"/> IT使用权已注销 <input type="checkbox"/> 未使用IT工具		电脑部审核:	
其它						

备注:离职人员凭此单每星期二上午10:00到生活区员工饭堂办理离职手续,并请准备一寸证件照两张。

Resignation certificate for Dongguan Lung Cheong Toys

Factory Audits

Every year Lung Cheong's client conducts factory audits. This year an audit fell on May 8-9 and was conducted by two female inspectors. The factory received advance notice of the inspectors' arrival. Management told workers to keep the floor clean and labor

diligently. Inspectors walked around the factory, took pictures, and asked workers' working hours, overtime hours, wages and benefits, and other conditions. Veteran workers told CLW that the factory instructs workers beforehand how to answer when an inspector directly poses questions to workers, even if the answer is not true. If a worker answers the way the factory wants, that worker will be rewarded. If the factory fails the audit, it could lose orders, leading to reduction in work and, consequently, wages. In this way, the factory convinces workers to follow their directives.