Follow-up Investigative Report on Early Light

August 21, 2018
China Labor Watch (CLW) is a non-profit organization that increases transparency of supply chains and factory labor conditions, advocates for workers’ rights, and supports the Chinese labor movement.

For more information, visit chinalaborwatch.org

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Table of Contents

Executive Summary ........................................................................................................................................ 4
Company Profile ........................................................................................................................................ 6
Section 1: Recruitment and Resignation .................................................................................................. 16
Section 2: Labor Contract .......................................................................................................................... 33
Section 3: Working Hours .......................................................................................................................... 34
Section 4: Labor Remuneration and Benefits .......................................................................................... 34
Section 5: Dining and Accommodation Conditions ................................................................................ 41
Section 6: Occupational Safety and Labor Protection .............................................................................. 48
Section 7: Fire Safety .................................................................................................................................. 53
Section 8: Rewards and Penalties ............................................................................................................ 56
Section 9: Labor Union and Grievance Procedures .................................................................................. 59
Section 10: Other ........................................................................................................................................ 62
Investigator’s Journal ................................................................................................................................. 67
2017 vs 2018 Working Conditions Comparison Chart ........................................................................ 74
Executive Summary

Toys play a starring role in many a childhood memory. Take a walk through a playground on a summer day and chances are you will see children running around, chasing each other with Nerf guns or playing make believe with Disney princess dolls. As innocent and idyllic as the playground scene may seem to be, the process of how those toys make it into our children’s hands is much less picturesque.

Early Light International Ltd. Co. is a toy factory based in Shaoguan, Guangdong, and manufactures products for brands like Disney, Walmart, Hasbro, Mattel and Bandai. These brands’ portfolios include much loved toys such as the aforementioned Nerf guns and Disney princess dolls. China Labor Watch conducted its first investigation into Early Light in August 2017 and the results revealed an array of poor working conditions such as excessive overtime, discriminatory hiring practices and lack of a labor union. Even more alarming were the two incidents where an Early Light worker jumped from a factory building, resulting in one worker passing away and the other falling into a months-long coma before finally regaining consciousness.

In the background of these rights violations and work injury incidents are the multinational corporations’ supplier codes of conduct, where promises to ensure “ethical and responsible conduct in all of our operations”\(^1\) and “implement procedures and safeguards to prevent accidents and injuries to workers”\(^2\) are put forth but seemingly unenforced.

Given the abysmal working conditions revealed in 2017, CLW launched a follow up investigation in April 2018 to see if the factory had made any improvements to its working conditions. During the course of the investigation, some improvements were discovered such as making first aid kits available to workers, contributing to workers’ social insurance and improving the factory’s fire safety protocol but many of the original issues were found to still be ongoing.

Persisting Labor Rights Violations

- There are discriminatory hiring practices. Workers with a Shaoguan \textit{hukou} (household register) are not hired as temporary workers and can only work as regular workers.
- Workers are responsible for covering the cost of their pre-entry physical examination and are not reimbursed.
- There is insufficient pre-job training and the length of training is far below the legally stipulated 24 hours.
- Workers work an average of 75 overtime hours a month, greatly exceeding the legally stipulated maximum of 36 hours a month.
- The factory has an unclear leave policy. Workers who were ill, were unable to take sick leave and could only take an unpaid regular leave.

Follow-up Investigative Report on Early Light

- Workers are provided insufficient personal protective equipment. The workshop has safety signs indicating the necessity of wearing hearing protection but management does not provide workers with any other equipment besides for cotton gloves and work uniforms.
- There is no Environment, Health and Safety committee nor are workers provided any related training.
- Workers were unaware of who their worker representative was as well as the functions of a union.
- Workers reported being verbally abused by management.

In addition to contending with these substandard working conditions, regular workers only earn approximately 2,600 RMB ($379.12 USD) a month, while temporary workers earn a slightly higher average monthly wage of 3,100 RMB ($452.03 USD) as they do not make social insurance contributions. In comparison, the average annual wage in Shaoguan in 2017 was 65,739 RMB ($9,585.74 USD) or 5,478.25 RMB ($798.81 USD) a month. Workers are forced to rely on overtime wages to maintain a basic standard of living, which is difficult to do during the factory’s off-peak season.

The joy on a child’s face when they finally receive a long anticipated toy is immeasurable but their joy should not be at the expense of a factory worker’s wellbeing. It is imperative members of the public express their condemnation of these unfair practices and for brand companies to ensure their supplier codes of conduct are being upheld and to swiftly address the issues raised in CLW’s report.

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Company Profile

Shaoguan Early Light Toy (Xuri) Factory is a large-scale independent foreign enterprise established in Shaoguan by Hong Kong Early Light International Group. The company mainly manufactures electronic toys, handbags, travel bags, suitcases, and apparel among other products. All products are sold to the United States, European countries and other regions. The company was founded in 2004 and is one of Shaoguan City government’s main projects to attract investment. Currently, it is also the largest enterprise located in the North Guangdong region. The company encompasses an area of 3900 acres.

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4 Information sourced from the company’s profile on Tianyancha, 51 Jobs, and recruiting advertisements.
Company Name: Shaoguan Early Light International Ltd. Co.

Address: No. 26 Muxi Avenue Shaoguan City, Guangdong Province

Contact Information: Chen Jinming 0751-8828888

Main Products: Plastic electronic toys, apparel, handbags, backpacks, video game consoles, camcorder devices, home audio systems, stationery, travel bags, plastic molds, toy cars, cardboard boxes, shoes, paper products, batteries, electronics, plastic products, packaging, medical equipment

Main Clients: Disney, Walmart, Hasbro, Mattel, Bandai

Total number of employees\(^5\): 30,000

Number of workers: 27,000

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\(^5\) “Employees” here refers to both regular workers and management personnel (administrators, technicians, marketing, etc.). The two categories are differentiated because workers and management receive different treatment when accessing the cafeteria, library and other regular services.
Male to female ratio: 3:7, according to observations the investigator made while working in the workshop and also on the way to and from work, workers’ average age is around 35 years. The regular workers on the production line in the assembly department are generally 40 year-old women.

Number of workers interviewed: 50

Male to female ratio of workers interviewed: 3:2
Follow-up Investigative Report on Early Light

Products Manufactured at Early Light

Hasbro Nerf Rival Deadpool Kronos XVIII-500 Dual Pack
Target - Disney Princess Above the Waves Wardrobe

SpinMaster Chubby Puppies Tent Playset
Disney Princess Wardrobe Style Set
Follow-up Investigative Report on Early Light

Hasbro Production Line
Kmart Australia and Target Australia’s “Ethical Sourcing Code”
Walt Disney’s Manufacturer Responsibility Standards
Follow-up Investigative Report on Early Light

Bandai’s Supplier Responsibility Standards
Section 1: Recruitment and Resignation

Hiring Policy

**Hiring Requirements:** Information regarding hiring general workers that was found at Early Light’s Recruitment Center states the factory is looking for young men and women from urban or rural areas who are 18 years and older.
According to the above intermediary’s recruitment notice displayed in Shangmiaobei Village, Xilian Town, Shaoguan City, Early Light Toy Factory is restricting its hiring of temporary workers to people who do not have Shaoguan household registers.
Shaoguan Industrial Park’s factory is recruiting a large number of long-term workers, temporary workers, and summer workers. The work locations are at Muxi, Shixing, Wengyuan, Ruyuan (Dongguan, Shenzhen plant). Hourly wages range from 12 to 15 RMB ($1.87 - $2.34 USD) (Applicants can have both local and non-local household registers). Each day there will be 10 to 11 hours of work. While working, workers will have room and board provided for. Dormitories have air conditioners and electric fans. Work is easy. Average monthly wages range from 3,500 to 4,600 RMB ($545.91 – $717.49 USD) (including wages and bonuses). Demands for workers include being in good health, possessing good vision, hardworking and dedicated men and women. Applicants must be between 18 to 45 years of age. No gender restrictions. Xuri Toy Factory limits hiring to only applicants who do not have a Shaoguan household register. Applicants must be between 18-48 years of age. No gender restrictions. Hourly wages are 13-14 RMB ($2.03 - $2.18 USD. There is a monthly meal stipend of 300 RMB ($46.79 USD), which includes housing.

Recruitment hotline and contact information:

- The plaza across from the Shaoguan City Ruyuan Yao Autonomous County Hougongdu Town government building 18933709219 Ms. Deng
- Shaoguan City Muxi Avenue No. 6 Road Agricultural Market 15812982368 Ah Hong
- Across from the Chenzhou City Yizhang County Yanquan Town Golden Eagle Store 15973268229 Ms. Yang

It was confirmed during the investigation that applicants from Shaoguan could apply to be regular workers; however, the factory did not recruit people from Shaoguan to be temporary workers. When the investigator inquired with the senior workers at the factory for why this practice exists, none of them could provide a specific reason. One person said Shaoguan workers would be “difficult to manage”, which the investigator could not verify. The investigator speculates this is done to reduce labor costs.

All of the factory’s temporary workers are migrant workers and many of them come from neighboring counties and cities, with a majority coming from rural households in Chenzhou, Hunan.

On April 13th, the day of training, regular workers made up 15% of the workers in attendance, with everyone else being a temporary worker. In the assembly workshop, judging by the number of workers who brought along their own lunch boxes, the percentage of regular workers may be around 50%. The factory dormitories do not have electrical outlets so workers are unable to use any electrical appliances. Workers, who are able to bring their own meals, must have access to a kitchen in order to do so and are, in other words, renting apartments. Conversely, due to the flexible working hours of temporary workers, they do not have a need to rent an apartment.
Hiring Process:

(Application Window)

When directly applying, the applicant must first go to the lobby of the recruitment center and submit their ID card to the clerk. The applicant must also provide: three copies of their ID card, which will be kept on file, two headshots, and their original ID card that will be scanned. The factory does not hold onto the documents or request any fees from the worker.

After the clerk inspects the ID card, the clerk immediately hands over a blank job application form without asking any follow up questions.
Once the applicant fills out the form and submits it to the clerk, they will receive a physical examination form. After completing the physical examination on the following day, the applicant will submit the completed form to the clerk and the clerk will give the applicant a “worker summons” form.
<table>
<thead>
<tr>
<th>姓名</th>
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</thead>
<tbody>
<tr>
<td>身份证号码</td>
<td></td>
</tr>
<tr>
<td>报到日期</td>
<td>2018.4.13</td>
</tr>
<tr>
<td>试用部门</td>
<td>2112装饰</td>
</tr>
<tr>
<td>试用岗位</td>
<td>看下</td>
</tr>
<tr>
<td>人力资源部签名（盖章）</td>
<td></td>
</tr>
<tr>
<td>人职培训签章</td>
<td>合格</td>
</tr>
</tbody>
</table>

温馨提示：请于报到当日8:30分到本公司报到，逾期不报到者视为放弃试用资格。如有特殊情况需延后报到者请致电8828888转1248与人力资源部联系。

(Workers’ Summon Form)
Throughout the entire application process, the investigator was asked no questions.

Temporary workers generally go through an intermediary to enter the factory. The investigator asked temporary workers about their hiring process and learned it was similar to the hiring process for regular workers.

(Chart listing the amount of money on the meal cards of the temporary workers in the E11-2 Workshop)

**Entry Methods:**
- A: Directly applying
- B: Intermediary
(A woman reviewing the hiring notices)

(Training center for new hires, the first floor is the recruitment lobby, second floor is where the training classroom is located)
Position Assignment:
Workers receive their workshop assignments from the workshop clerk and the line leader later decides each worker’s specific post assignments. The line leader must approve of any switching between work positions on the assembly line.

Underage Student Workers:
The investigator did not discover any student workers. Information regarding underage student workers was obtained from interviews with senior workers. The investigator learned that during the summer and winter vacations, the factory would recruit a large number of 16 to 18-year-old student workers. In the summer of 2017, student workers earned a wage of 10.5 RMB/hour ($1.64 USD); the investigator could not find information on whether or not they received a living stipend. Student workers’ earned wages that were slightly higher than regular workers and lower than temporary workers. Temporary workers and student workers are all assigned to work in the assembly department and perform similar work to regular workers.

Physical Examination:
The designated location for physical examinations at the time of hiring is Xilian Village, Yuebei Second People’s Hospital. The exam costs 40 RMB ($6.24 USD), which the worker is responsible for paying.

(Medical Invoice for the physical examination, total cost was 40 RMB)

The physical exam includes two exams for men: blood test, chest X-ray and an additional test for women: urine exam. Information regarding height, weight and vision is left for the worker to fill out on their own.
Follow-up Investigative Report on Early Light

(Medical report listing all the medical exams as well as their results)

(Physical examination room)
Factory health exam process

1) First floor: Submit fees, retrieve forms, chest X-ray
2) Second floor: Blood test, urine test (female workers)
3) Third floor (examination center): regular exam, submit forms, retrieve results
4) Following times to pick up results (Monday – Friday):
   a. AM times to submit forms (8 – 11:30)
   b. Retrieve results at 4 PM
   c. PM times to submit forms (2:30 – 5)
   d. Retrieve results the following day at 10 AM

Physical exam results can be obtained on the same day. There is no physical exam after resignation.

Training and Orientation:
Training lasts from 10:10 AM to 11:05 AM. Content covered during training includes an introduction of Early Light Toy factory’s organizational structure, attendance system, remuneration and benefits, bonus system, how to fill out resignation forms, and dispute and communication channels. Time spent in training is compensated. The “New Employees Safety Education Schedule” was entirely unenforced and summarily ignored.

(New Employees Safety Education Schedule)
Prohibition:
According to Early Light Toy Factory’s labor contract, the probationary period is six months.

Resignation:
If a worker resigns during the probationary period, the worker would need to notify the workshop supervisor three days in advance. If resigning during the contract period, the worker would need to notify the supervisor one month in advance.

Workers can have their wages settled on the day they complete their resignation paperwork. The contract does not state that wages are settled on the day of resignation. When asking senior workers, they said if a resignation application is submitted in the morning, wages are calculated at that time and are later transferred into the worker’s bank account by the afternoon.

The investigator completed their work at the workshop and left Shaoguan on a Saturday. As the relevant administrative departments were not open on that day, it was not possible for the investigator to fill out the resignation forms so they had to return on May 9th to finalize the resignation as well as return their factory ID and meal card.

(Factory ID card for a worker in the manufacturing department, specifically the E11-2 assembly workshop)

(Notice stating the resigning worker has returned their factory card and granting the resigning worker permission to complete dorm check out procedures)
The investigator received their wages that same afternoon and received a final paystub in the form of a text message instead of a paper copy.

(Left: Final paystub sent via text message, translated in the chart below; Right: Online bank statement confirming the deposit of 1201 RMB)
The resignation process was not difficult. The investigator discussed resigning with their line leader and the line leader said they did not have the authority to approve resignations. The investigator was instructed to find the workshop supervisor. After arriving at the workshop office, the workshop supervisor arranged for a clerk to give the investigator a resignation application form, which was filled out in the office and handed back to the clerk. The clerk then brought the completed form to the supervisor to sign and saved a copy.

In the afternoon, once the work shift was finished, the clerk gave the investigator a “record of departure” form and said that in three days, they would have their wages settled.
Follow-up Investigative Report on Early Light

(Worker’s record of departure form, denotes when the worker left the factory in addition to how many work uniforms the worker received.)

The investigator completed the resignation process at the resignation and wage settlement center, where they handed in their factory ID. The clerk took out a form with the attendance and wage records of all the workers who had resigned that month. After locating the investigator’s name, the investigator signed their name in the empty space at the bottom of the form. Before 6 PM on the same day, the investigator’s wages were direct deposited to their bank account.
Section 2: Labor Contract

Signing Process:
At 8:30 AM, the applicant brings their “employee summons” form to the recruitment office and gathers with the others in the first floor lobby. Afterwards, everyone lines up to enter the training classroom on the second floor. At 9 AM, workers begin to sign the attendance sheet and blank contracts are handed out. The labor contract is explained, filled out by workers and then submitted. Training starts at 10:10 AM and ends by 11:05 AM. Workers receive a copy of the contract. When signing a contract with the factory, it is usually for a fixed period of three years, for example, the investigator started work on April 13, 2018 so their contract’s expiration date was April 13, 2021. However, when workers who are 48 years old sign a contract, the contract’s expiration date is set to be on their 50th birthday.

Contract Terms: Work description and location; working hours as well as leave and holiday schedule; labor remuneration; social insurance and benefits; labor protection, labor conditions and occupational hazards protection; rules and regulations; contract changes; financial compensation; contract release and termination procedures; dispute resolutions; etc.
Section 3: Working Hours

<table>
<thead>
<tr>
<th></th>
<th>Morning</th>
<th>Afternoon</th>
<th>Overtime</th>
</tr>
</thead>
<tbody>
<tr>
<td>Working Hours</td>
<td>7:45 - 12:45</td>
<td>13:45 - 16:45</td>
<td>16:45 - 18:45</td>
</tr>
</tbody>
</table>

The labor contract stipulates an eight-hour working schedule, with at least one day off each week. A time card machine records work hours. When signing in for the start of their shift, workers do not need to line up but when signing out at the end of their shifts, they need to line up for around five minutes but the time spent lining up is included in their wage calculations.

During the investigation, overtime on Friday afternoons was scheduled from 16:45-18:15. On other days of the week, workers would work two hours of overtime and finish their shift at 18:45. On Saturdays, workers would work 10 hours of overtime. In total, workers work 75 hours of overtime a month.

According to the senior workers’, during the three summer months of June, July and August when there is a greater workload, overtime would occasionally be extended to three hours and workers would finish their shifts at 19:45. However, as overtime is voluntary, workers who do not wish to work overtime only need to verbally notify their line leader. The assembly line that the investigator was working on had a daily production quota of 4,000 toy guns, which was not easy to reach.

According to the investigator’s understanding, the injection, assembly and molding departments did not institute a night shift and only had day shifts. It may be possible that the other departments institute a night shift but the investigator was unable to make contact with anyone who had knowledge of the other departments.

Section 4: Labor Remuneration and Benefits

Wages
The factory implements a daily pay system. Wages are made up of: base wages + overtime wages + living stipend (which includes the meal stipend). Workers’ minimum wage is 64 RMB/day ($9.99 USD), living stipend of 12 RMB/day ($1.87 USD), weekday overtime is 12 RMB/hour ($1.87 USD), weekend overtime is 16 RMB/hour ($2.50 USD), overtime on legal holidays is 24 RMB/hour ($3.74 USD). Workers’ total monthly wages are approximately 2,600 RMB ($405.84 USD).

The factory does not offer an attendance bonus. Pay stubs are distributed on the 15th of each month. After confirming the previous month’s attendance and total wages, wages are distributed on the 20th of the month. Wages are transferred to workers’ China Bank account.
Follow-up Investigative Report on Early Light

(Worker’s paystub, for the month of March the worker earned 2682 RMB ($418.79 USD), translated below)

(Close up of the same March paystub)

<table>
<thead>
<tr>
<th>Start Date</th>
<th>Job Position</th>
<th>Wage Rate</th>
<th>Daily Rate</th>
<th>Base Wages</th>
<th>Overtime (time and a half)</th>
<th>Overtime (double pay)</th>
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<tbody>
<tr>
<td>3/28/2017</td>
<td>General manufacturing worker</td>
<td>64</td>
<td>12</td>
<td>165.5</td>
<td>1324</td>
<td>27.5</td>
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<table>
<thead>
<tr>
<th></th>
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<th>Wages</th>
<th>Work Hours</th>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Overtime (triple pay)</th>
<th>Misc. Bonuses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Work Hours</td>
<td>Wages</td>
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<tr>
<td>0</td>
<td>0</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Misc. Deductions</th>
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</thead>
<tbody>
<tr>
<td>Management Fees</td>
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<tr>
<td>0</td>
</tr>
</tbody>
</table>
Temporary workers are paid according to an hourly pay system. Regardless if they are working during regular working hours or on the weekend, temporary workers are paid according to 13 RMB/hour ($2.03 USD). Temporary workers’ average monthly wage is 3,100 RMB ($485.04 USD). Temporary workers receive a living stipend of 70 RMB a week ($10.92 USD). The stipend is directly deposited into the Early Light factory card, which functions as a meal card.

On the paystubs for regular workers, there is an “additional categories: subsidies” column that refers to a living stipend of 12 RMB a day ($1.88 USD). The living stipend is only provided for days the worker works; no stipend is provided on weekends or leave days.

Workers have very few opportunities for a promotion. On occasion, a worker will be promoted to line leader. According to the line leader’s own words, her total monthly wages is only 28 RMB ($4.37 USD) more than regular workers’ wages. Wage increases are only mentioned in the rewards and penalties system but senior workers have never had their wages raised.

**Leave Policy**
Because the factory does not have an attendance bonus, workers who request regular leave are usually able to receive permission. When requesting regular leave, their wages are calculated as if they had not gone to work. In other words, requesting a day of leave means workers do not receive wages or a living stipend for that day.
The above photo is the factory’s leave request form. The form requires the following information: the department the worker is in, their name and work number, reason for requesting leave, the worker’s signature as well as the specific date and times the worker will be on leave for. In this instance, the worker requested leave from 7:45 AM on April 20 to 4:45 PM on April 21.

The factory does not have publicly available regulations regarding sick leave, maternity leave, marital leave, and bereavement leave. Some workers have had to ask for a day off due to a fever but were only able to take a regular leave.

**Holidays**

May 1st is International Labor day. Workers receive the day off and are paid a base wage of 64 RMB ($9.97 USD). Workers who have worked for a year receive a 5-day annual leave.
Notice stating that the factory will be taking one day off for Labor Day on May 1st, during this time, only one cafeteria will be operating and will only be open for the following times: 6:45 – 8:30 AM, 11:00 AM – 1:00 PM, 4:45 – 8:30 PM, 12:00 – 2:00 AM

**Social Insurance**

The factory purchases social insurance for workers they sign contracts with. Social insurance includes the following five types: old age, medical, maternity, work injury and unemployment. Workers pay 264.86 RMB ($41.27 USD) and the factory pays 586.46 RMB ($91.38 USD).

In general, temporary workers do not purchase social insurance by default. Some of the workers who have contracts with the factory choose not to purchase social insurance.

The investigator noticed that the regular workers who purchased social insurance tended to be middle aged women because they hoped they could work at the factory for the long term until they retired and they would be able to receive pension payments. On the other hand, regular workers who chose not to purchase social insurance tended to be young men, who felt helpless regarding the low wages offered by the factory and had thoughts of resigning.
Recreational Facilities
The factory has the following exercise, entertainment, and cultural amenities: basketball court, tennis court, table tennis room, billiards room, movie theater, KTV room, and library. The KTV room is located on the third floor of the Number 7 cafeteria. The billiards room, theater, table tennis room, and library are all located on the third floor of the Number 3 cafeteria. After their shifts are over, workers often visit the basketball court and KTV room. The other facilities are not used very often. There is a poster with library regulations posted next to a table in the library. The poster states that workers can only read in the library and are not allowed to sign up for a library card. Employees can pay a 50 RMB ($7.79 USD) deposit to borrow one book.
Dorm management offers a battery lending service for workers who wish to charge their phones. Workers must have their factory ID on their person to borrow a battery and are not allowed to borrow one on someone else’s behalf.)
Section 5: Dining and Accommodation Conditions

(Workers’ cafeteria)

Workers waiting in line to be served
Dining Conditions
The cafeteria and dorms are located in the living sector. There are two cafeterias open in Sector A. Sector E has five cafeteria buildings but only three were operating at the time of the investigation: Cafeteria no. 3, no. 6, and no. 7. In the no. 3 cafeteria, the first and second floors are open to workers. There are an abundant number of dishes. The primary flavor profile of the food is somewhat spicy. The price for each dish starts from 4.5 RMB ($0.70 USD). On the second floor of the no. 7 cafeteria, each dish costs 7.5 RMB ($1.17 USD).

(Left: Food at the cafeteria; Right: Cafeteria menu and prices, dishes range from 2 – 4.5 RMB)

The first floor of the cafeteria has a small convenience store.
The no. 6 cafeteria is designated as the “employee cafeteria” and is not open to regular workers. The investigator attempted to purchase lunch at this cafeteria but after the cafeteria staff member checked the investigator’s factory ID, they said, “This is the cafeteria for the management. You cannot buy food here.” After observing, the investigator discovered that the dishes served at the no. 6 cafeteria are drastically different from the food served at all the other cafeterias. Most of the dishes are Cantonese and are stews. None of the foods had hot peppers added to them.

Because there is limited time in the afternoon, workers who rent apartments outside of the factory grounds usually bring their own lunches in order to save themselves the time it would take to go to and from the cafeteria and line up for food. This way the workers can take an afternoon nap outside of the workshop.

**Accommodation Conditions**
Early Light Toy Factory’s living sector and manufacturing sector are situated very close to each other and requires a ten-minute walk to get from the workshop area to the dormitory. There are guards at the door who keep watch. Workers are required to swipe their factory cards in order to exit or enter. Temporary workers live in the dormitories, while only a small number of regular workers choose to live in the dormitories.

(Dormitory hallway)
The factory dormitory has electric fans, wardrobe, balcony, toilet, and shower.

(Electric ceiling fans in the dormitory)

However, the shower does not have a water pipe, showerhead or coat hook so it is impossible to take a shower. In order to take a shower, workers must bring their own water bucket or basin and go to the water faucet located on the balcony to fill their containers with hot water.
The dorm room has four iron framed bunk beds. Each room generally has 4 to 6 people residing in them. The dorm rooms do not have air conditioners.

The workers who live in the factory’s dormitories are required to pay a dormitory fee, water and electricity fee. The fees total around 50 RMB ($7.80 USD) a month and is directly deducted from workers’ wages.
(Left picture is the dorm room interior; right picture is the shower room.)
Follow-up Investigative Report on Early Light

(Above photos: workers resting in the afternoon)
Section 6: Occupational Safety and Labor Protection

Safety Equipment
The assembly department is located in an open style workshop. There is no air conditioning. There are electric fans installed on the windows. During the investigation, the investigator noticed someone replacing the fans. Overall, the workshop environment is clean and hygienic. Walkways in the workshop are clear and unobstructed.

Poster describing hazardous waste products (leftover oil debris, oily rags, used gloves that have made contact with chemical products, empty containers that used to store chemicals) and instructing workers to dispose of these waste products in the garbage bin below and to ensure the lid is on tight.
There are emergency aid boxes located in the workshop office and dorm stairwells. While there is an emergency aid kit in the workshop office, the medicine cannot be used outside of the office.

**Personal Protective Equipment**

Workers on the production line in the assembly department usually do not come into contact with hazardous chemicals. According to the orientation trainer’s explanations, workers in the other departments such as in the injection department will come in contact with paint varnish and will need to wear face masks and undergo regular health checkups. Additionally, workers in the injection department receive a living stipend of 16 RMB/day ($2.50 USD), which is higher than
the stipend received by workers in the assembly department. However, during the investigation, the investigator did not meet a worker from the injection department.

(Safety notice stating face masks must be worn)

On the door of the workshop’s oil storage facility, there are labels for the following hazardous chemicals: Butanone, DSP8160A additives, cyclohexanone, white oil, isophorone, isopropanol, toluene, xylene, methanol, and propanol.

The door to the oil storage facility is normally not open. The investigator would occasionally see people go inside to retrieve supplies but they would not be wearing any kind of protective equipment such as a facemask or protective eye equipment.
The only protective equipment assembly workers receive is a pair of cotton gloves, which is distributed to them once a week. The factory distributes two sets of blue, long sleeved factory uniforms to workers that are free of charge. When resigning, the worker needs to return the uniform to the workshop office.

Despite the safety sign hanging on the ultrasound machine stating, “hearing protection must be worn”, the workshop does not distribute hearing protection to workers operating the ultrasound machine.
Environment, Health and Safety Committee
Workers had no knowledge of the environment, health and safety committee. Throughout the course of the investigation, there was no mention of this committee.

Workers’ orientation does not cover any topics related to environment, health or safety. The workshop also does not implement any kind of related training.

Work Injury
The investigator did not discover any cases of work injury during the investigation.
Section 7: Fire Safety

The fire safety equipment in the workshop and dorm areas is relatively comprehensive. All relevant notices are sufficiently clear and inspection logs have been updated.

The plastic toys, assorted parts, packaging boxes in the workshop are all flammable objects. The workshop has signs posted stating smoking is prohibited. In addition, there is a visible sprinkler system installed on the workshop ceiling.
The third floor of the no. 3 cafeteria has a few fire hydrants and fire extinguishers that have not been routinely inspected. The inspection logs have not only had their date of inspections corrected but also do not display a 2018 inspection date. The investigator speculates that the fire safety equipment in this area have not been inspected for at least half a year.

According to the recollections of senior workers, the factory schedules an annual fire drill and during the fire drill, demonstrates how to use the fire extinguisher and fire hydrant. However, not everyone is allowed to participate, instead the factory chooses at random from a few workshops which assembly line workers are permitted to participate. Some workers had been working at the factory for four years but had only been selected once to participate in the fire drill.
Follow-up Investigative Report on Early Light

(Above photos: Fire extinguishers’ inspection log)
Section 8: Rewards and Penalties

The rewards and penalty structure that the factory implements for workers is based on a point deduction system. Each person who starts working at the factory has a default score of 10 points and points are deducted according to the violation. The worker will be fired if point deductions surpass 10 points.

While points will be deducted, workers will not have their wages deducted but their opportunities for a promotion or raise will be diminished.

The factory does not have an attendance bonus and all other bonuses are also unheard of. Workers receive a commendation notice if they report an incident of theft or sabotage.

The factory will not distribute holiday gifts to workers during traditional holidays: On Dragon Boat festival, the factory does not give out zongzi (a traditional Chinese dessert made of glutinous rice wrapped in a bamboo leaf) and on Mid-Autumn Festival, the factory does not give out moon cakes.

(New hires training syllabus and abstract)
Basic overview of factory rules and regulations, awards and penalties structure (1)

<table>
<thead>
<tr>
<th>违纪级别</th>
<th>处分</th>
<th>举例</th>
</tr>
</thead>
<tbody>
<tr>
<td>一级违纪</td>
<td>罚分10分，公司可以单方解除劳务关系，无须支付任何经济补偿或者赔偿。</td>
<td>例如：动手打人、偷窃、赌博，代人打工、收送他人钱财等。</td>
</tr>
<tr>
<td>二级违纪</td>
<td>年度内第一次，罚分6分；年度内第二次，累积分达到10分或以上者，作一级违纪处理。</td>
<td>例如：上班睡觉，擅自离开工作岗位，盗窃他人财物等。</td>
</tr>
</tbody>
</table>

Basic overview of factory rules and regulations, awards and penalties structure (2)

<table>
<thead>
<tr>
<th>违纪级别</th>
<th>处分</th>
<th>举例</th>
</tr>
</thead>
<tbody>
<tr>
<td>三级违纪</td>
<td>年度内第一次，罚分3分；年度内第二次，罚分6分，作二级违纪处理；年度内第三次，累积分达到10分或以上者，作一级违纪处理。</td>
<td>例如：不佩戴厂牌、不按要求佩戴厂方提供的保护设备及安全帽等。</td>
</tr>
<tr>
<td>四级违纪</td>
<td>年度内第一次，罚分1分；年度内第二次，罚分3分；年度内第三次，罚分6分，作二级违纪处理；年度内第四次，罚分10分或以上者，作一级违纪处理。</td>
<td>例如：佩戴工卡，不按要求佩戴厂牌，无故不参加培训等。</td>
</tr>
</tbody>
</table>
Poster Translation:

Reward

Anyone who reports a suspicious person carrying out or attempting to carry out activities such as sabotage, theft, release of commercial secrets and other first level offenses and has their discovery verified via an investigation, once the perpetrator has their case filed with the public security organ, the informer will receive a reward.
The company will sincerely thank the informer and express its thanks. May the informer provide their name and department information so that the company may deliver a reward and commendation.

Report methods: Mailed letter, message, suggestions box, telephone

Notice: All provided information will be kept completely confidential

Package recipient: Company leadership – Mr. Chen, Mr. Huang or the rules and regulation supervision department (8828888 ext. 1026)

Shaoguan Early Light International Ltd. CO.

March 3, 2008

**Section 9: Labor Union and Grievance Procedures**

The factory has a poster displaying all the worker representatives hanging in the lobby of the recruitment center, as well as in the dorm and workshop hallways. When the investigator inquired with the senior workers about the poster, they were all unclear how the worker representatives were chosen because they had never voted for anyone and there had not been a worker meeting.

The phone number for the employee care hotline is posted in a prominent location in the workshop. The hotline number works; however, when workers have an issue, they generally will go directly to their line leader, very few workers make use of the hotline.

(Shaoguan Early Light International Ltd. Co. Worker Representative List)
Employee care hotline: 15914857389

Hours of Operation: 8:30 AM – 12:30 PM, 14:00 – 18:00, excluding for days off as well as holidays, if at any other time, no one answers the phone, please send a text message or leave a voicemail.
Employee care center address: Dorm building no. 8 room number 8121
Hours of Operation: 12:15 – 14:00, 18:00 – 20:00, excluding for days off or holidays
(Posters regarding the People’s Mediation Committee Hotline)

Left Poster:
Mediation Committee Address: Room no. 8121 Building 8 Dormitory area
Opening Hours: Starting from today, Monday through Saturday, 12:15 – 2:00 PM and 6:00 – 8:00 PM (closed on rest days and holidays)
Email: gary.gao@earlylight.com.hk
Mediation Committee Hotline Number: 15914857389
Hotline Hours: Monday through Friday, 8:30 AM – 12:30 PM; 2:00 – 6:00 PM
If calling at other times and no one answers, please send a text message or leave a voicemail and we will follow up.

Right Poster (summarized):
If a worker encounters any problems in their work, they should reach out to the mediation committee.
Section 10: Other

Client Visits and Audits
At the end of April, the workshop notified workers that there would be a client inspecting the factory. The line leader held a morning meeting for all workers, reminding everyone to maintain the cleanliness of their work areas. On April 25th, staff members from the workshop office hung up a poster regarding the worker hotline near the time card machine as well as placing newly printed operating instruction manuals at each work station.
Follow-up Investigative Report on Early Light

(Worker hotline notice placed by the time card machine)

(Hasbro inspection schedule for May 6 – June 5)
Work Environment

When workers enter and exit the factory, they will not be physically searched but if they have a bag on their person when leaving the factory, a security guard will use a detector to scan the bag.

(When a worker leaves their work position, they must carry the above card with them, indicating which position they work at and that they have left their post.)

Notice stating workers are prohibited from bringing personal belongings into the workshop, such as: knives, nail clippers, earrings, wristwatches, necklaces, and rings. The notice also states workers are prohibited from painting their nails, leaving their nails long, wearing sandals, skirts or shorts, and should ensure their hair is secured under their work hat, leaving no hair visible.
Worker Satisfaction
Workers commented on a job hunting website that they had been verbally abused by management before.

Online review left by a former Early Light worker:

*How is your career trajectory? What kind of standard must be reached to be promoted? Do you feel your company’s promotion system is fair?*
Management is awful, young people do not have any room to develop themselves.

*What space do you feel your company occupies in its respective industry? What does its future look like? What is its advantages in comparison to other similar companies?*
Its structure is lacking, there is no reward system in place, which results in low level workers having a lack of desire to work eagerly. Management is very bureaucratic and verbally abuse low level workers at random. Note, they are not giving instruction, they are verbally abusing them. Even for the smallest mistake, they can treat someone with no respect. People with any skill shouldn’t come here. Once you work here for a few months, you’ll know to regret your decision to come. It is hourly work, not piece rate work. Work for a day, muddle through a day. The
efficiency at this factory is lower than at other similar factories. Management plays favorites, especially lower level management. People receive the same wages even though some people mess around while they work, others work like dogs.

What was your reason to resign from the Early Light Toy Factory?
Unable to realize my development needs there so I left early

The wages at the factory are comparatively low. Workers work for ten hours a day and in a day their base wages, overtime wages, living stipend total to 100 RMB ($15.64 USD). Their wages only allow them to maintain a base minimum of living standards and it is difficult for workers to save any portion of their wages. Workers from Shaoguan claimed they wanted to be temporary workers so they could earn somewhat more money.

The regular workers who work at Early Light are mostly female locals from Shaoguan’s countryside. The reason why these women choose to work at Early Light is primarily because the factory work is stable and not difficult (toy assembly work does not exert too much stress on workers’ eyesight and hand flexibility), and provides social insurance. If they work until retirement, they can receive a pension and obtain a certain degree of protection in their old age (rural Chinese universally do not receive a pension). The temporary workers at Early Light are usually rural Chinese from the subordinate county-level cities in Chenzhou, Hunan. They are brought to work in Shaoguan by people they are familiar with. So long as they have work to do and are able to earn money, they are satisfied, as to them, there is no difference to which factory they work at so they cannot talk about why they “chose” the Early Light toy factory.
Investigator’s Journal

Around 7:40 AM, I arrived at the workshop, signed in and started a day of work. We must arrive at our respective work positions before 7:45.

My work position is located at the very end of the assembly line; the work I do is mostly piling already sealed boxes of finished products onto a pallet, record the output, and stamp the cardboard boxes. Sometimes I would need to affix a label onto the box.

The assembly line I was located on makes toy guns, with one day’s target goal being 4,000 products. Four toy guns fit into one cardboard box, and each pallet can fit 108 cardboard boxes. On average, I can fill one pallet in one hour. The toy guns are a plastic product so they’re not that heavy when packed into boxes. Overall, the work done in this position is not very tiring.

However, due to the fact the automatic cardboard box sealer only seals the boxes’ center seam and some orders require all the seams to be sealed, I would need to manually seal the box after it had already went through the automatic sealer and seal the remaining four sides with transparent tape. The speed of manually sealing four sides obviously cannot compete with the speed of an automatic box sealer sealing two sides and because of this, a large number of products would start building up. In order to catch up, I would wait until the speed of the products coming off of the production line slowed down and then rush to seal the boxes. When encountering these kind of orders, it would be comparatively tiring, as we would need to move our hands and feet without rest for more than an hour as we sealed boxes, stacked boxes, leaving us with limited time to rest.
The morning shift is from 7:45 – 12:45, for a total of five hours. Because I generally don’t eat that much for breakfast, I’d start to feel hungry sometime past 11 AM. Some senior workers who were more experienced would pack some cookies and fruit and place them in the water dispenser room. They would take advantage of the time to go to the bathroom or go drink water and secretly eat some snacks. The first few days when I just started, I would start to feel both tired and hungry around 11:30 AM and overall, feel exhausted. Fortunately, the workers on the assembly line were also so hungry that they were also exhausted, resulting in a noticeable decrease in the speed of their hand and feet movements. It also meant there wouldn’t be too many boxes building up.

Around 12:43, the assembly line would stop and workers would crowd towards the workshop’s two attendance machines and line up.
One workshop had 6 assembly lines, with approximately 60 workers on each assembly line, meaning the entire workshop has 300 plus workers. It takes about 5 minutes to sign out when everyone lines up to sign out. After signing out, I walk five minutes to the cafeteria and, in the middle of that walk, I need pass through another security gate, where I would need to line up again to swipe my factory ID.
Upon arriving at the cafeteria, I would need to line up for another 5 to 8 minutes before I could receive any food.
In order to avoid falling asleep during the afternoon shift, a large number of workers choose to not eat at the cafeteria and save themselves the time of walking back and lining up again. In the morning, they would bring their own food to the workshop, store it outside of the workshop and in the afternoon, once the shift ends, they would go directly to somewhere outside the workshop to eat.

(Workers eating in the stairwell)

By the time they finish eating, it’ll only be 1 PM. Thus, they can squeeze out a half an hour to take an afternoon nap. Because staff members from the office lock the workshop’s main entrance after workers sign out in the afternoon, workers cannot go to the workshop to take an afternoon nap and can only find a place to nap somewhere outside the workshop. Some workers just fall asleep directly on the ground, on empty plastic crates, on pallets, or rest against the base of the wall. If they can bring their own food, then they will have spare time to take a nap.
Follow-up Investigative Report on Early Light

(Workers resting on plastic crates)

(Workers resting on the curbside)
Only senior workers who rent an apartment outside of factory grounds will be able to cook their own food. New workers generally do not rent an apartment and can only eat at the cafeteria. So around 3 to 4 PM, workers are commonly seen drifting off and yawning throughout the day as they continuously move their hands, working on autopilot.

At 5 PM, the line leader will total the output and estimate if the product quota of 4,000 will be reached by the end of the shift. If the output is not enough, at this time the line leader will urge everyone on the assembly line to move faster. This is the busiest and most tiring point of the whole day, with box after box of products continuously rolling off the box sealing machine. When sealing and stacking boxes, it is necessary to concentrate one’s attention and move extremely quickly up until the five minutes before the shift is over. Therefore, by the time the shift ends in the evening, workers will usually have no strength or energy left. When I was just starting out, I would feel drained by the evening and would directly head back to the dorm to sleep after work. I would only head to the cafeteria to eat dinner after I had woken up.
2017 vs 2018 Working Conditions Comparison Chart

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>General Recruitment</strong></td>
<td>Hiring requirements explicitly state Early Light recruits 18-45-year-old, male or female adults. Applicants from Xinjiang are no longer accepted after the 2009 Shaoguan incident.</td>
<td>Hiring requirements explicitly state Early Light recruits 18-48-year-old, male or female adults. Adults who are 48 years old at the time of hiring will have their contract terminate on their 50th birthday. Early Light limits the hiring of regular workers to applicants with Shaoguan household registers. However, the factory did not recruit people from Shaoguan to be temporary workers.</td>
</tr>
<tr>
<td><strong>Student Workers</strong></td>
<td>The investigator learned that the factory hires a large number of 16 to 17-year-old student workers in the summer months. Student workers earn a wage of 10 RMB/hour ($1.50 USD).</td>
<td>The investigator learned that during the summer the factory would recruit a large number of 16-18-year-old student workers. Student workers were reportedly paid 10.5 RMB/hour ($1.64 USD).</td>
</tr>
<tr>
<td><strong>Physical Examination</strong></td>
<td>Workers have two rounds of physical exams: one upon accepting the position and the second after starting work. The physical exam costs 40 RMB ($6.24 USD) and is paid for by the worker themselves.</td>
<td>Workers have one physical examination during the recruitment process and are responsible for paying the 40 RMB ($6.24 USD) cost.</td>
</tr>
<tr>
<td><strong>Training and Orientation</strong></td>
<td>Workers attend a three-hour group training session. The time spent in training is uncompensated.</td>
<td>Workers attend a less than an hour long training before starting work. The time spent in training is compensated.</td>
</tr>
<tr>
<td><strong>Probation</strong></td>
<td>The labor contract stipulates a six-month probationary period.</td>
<td>The labor contract stipulates a six-month probationary period.</td>
</tr>
<tr>
<td><strong>Resignation</strong></td>
<td>During the probationary period, workers who wish to resign must provide a three to seven-day notice. During the contract period, workers must provide a month’s notice. After resignation, workers can settle their wages the day after and the money will be transferred to the workers’ bank account in a week’s time.</td>
<td>During the probationary period, workers who wish to resign must provide a three-day notice. During the contract period, workers must provide a month’s notice. Workers can have their wages settled on the day they complete their resignation paperwork. After resigning, the investigator received a text message summarizing their final wages. The wages were transferred to the</td>
</tr>
<tr>
<td><strong>Pay stubs</strong> are not available for workers who have resigned.</td>
<td>investigator’s bank account the same afternoon.</td>
<td></td>
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<td>---</td>
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<td></td>
</tr>
<tr>
<td><strong>Labor Contract</strong></td>
<td>Training staff demand workers sign a clause of voluntary overtime</td>
<td>No mention of a clause of voluntary overtime.</td>
</tr>
<tr>
<td><strong>Working Hours</strong></td>
<td>Normal work hours are eight hours a day, five days a week, and around 26 days a month. During off season, workers have an average monthly overtime of 110 hours. During peak production, workers have an average monthly overtime of 140 hours. Workers are often unpaid for the time they work outside of standard working hours. In addition, workers are expected to sign in for work before 7:45, the official shift start time, and that time is not calculated into wages.</td>
<td>The factory’s labor contract stipulates an eight-hour working schedule, with at least one day off each week. The investigator worked during the factory’s offseason. During this time, overtime on Friday afternoon is scheduled from 16:45-18:15, while on other days of the week workers will finish by 18:45. Workers work an average of 75 hours a month. Workers do not need to line up when swiping in for the start of their shift. They need to line up for around 5 minutes when swiping out for the end of their shift and this time is calculated into their wages.</td>
</tr>
<tr>
<td><strong>Overtime</strong></td>
<td>During off season, workers have an average monthly overtime of 110 hours. During peak production, workers have an average monthly overtime of 140 hours. Workers who do not wish to work overtime must submit a written application and obtain consent from the workshop manager. In September 2017, workers were forced to work consecutively for 13 days, with many workers only being afforded two days of rest.</td>
<td>The investigator worked during the factory’s offseason. During this time, overtime on Friday afternoon is scheduled from 16:45-18:15, while on other days of the week workers will finish by 18:45. Workers work an average of 75 overtime hours a month. Workers who do not wish to work overtime only need to verbally notify their line leader.</td>
</tr>
<tr>
<td><strong>Labor Remuneration</strong></td>
<td>Average monthly wages is around 3,000 RMB ($450 USD), which includes a base wage of 64 RMB/day ($9.60 USD) Standard hourly wages is 8 RMB/hour ($1.20 USD) and overtime wages are 12 RMB/hour ($1.80 USD) for weekdays and 16</td>
<td>For regular workers, the factory implements a daily pay system, which includes a base wage of 64 RMB/day ($9.60 USD). Weekday overtime wages are 12 RMB/hour ($1.20 USD), weekend overtime is 16 RMB/hour ($2.50 USD), overtime on legal holidays is 24</td>
</tr>
</tbody>
</table>
### Leave Policy

<table>
<thead>
<tr>
<th>Details</th>
<th>Description</th>
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</thead>
<tbody>
<tr>
<td>RMB/hour ($2.40 USD) for weekends</td>
<td>Workers say the factory only allows sick leave in the case of work injuries. Workers receive a base wage of 64 RMB/day ($9.60 USD) during sick leave. To apply for sick leave, workers must submit medical documentation and an application that must be signed by their supervisor. The factory fails to provide workers with paid marital leave, maternity leave and bereavement leave.</td>
</tr>
<tr>
<td>RMB/hour ($3.74 USD). Workers’ earn a total of approximately 2,600 RMB ($405.84 USD) a month. Temporary workers are paid 13 RMB/hour ($2.03 USD) regardless of when they are working and earn an average monthly wage of 3,100 RMB ($485.04 USD).</td>
<td>The factory does not offer an attendance bonus. Workers generally receive permission when asking for regular leave but will not receive their wages for the days they take leave. The factory does not have publicly available regulations regarding sick leave, maternity leave, marital leave and bereavement leave. Workers who had fevers and attempted to ask for sick leave could only take regular leave.</td>
</tr>
</tbody>
</table>

### Vacation

<table>
<thead>
<tr>
<th>Details</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Workers who have worked for at least a year receive a five-day annual leave during the month of the Spring Festival. Workers receive compensation for statutory holidays.</td>
<td>Workers received May 1st off and were paid their base wage of 64 RMB ($9.97 USD). Workers who have worked for a year receive a five-day annual leave.</td>
</tr>
</tbody>
</table>

### Social Insurance

<table>
<thead>
<tr>
<th>Details</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>The factory does not make social insurance contributions for its workers.</td>
<td>The factory purchases social insurance for workers they sign direct contracts with. Temporary workers do not purchase social insurance by default and some regular workers choose not to as well. Workers pay 264.86 RMB ($41.27 USD) and the factory pays 586.46 RMB ($91.38 USD).</td>
</tr>
</tbody>
</table>

### Recreational Facilities

<table>
<thead>
<tr>
<th>Details</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>The factory provides workers with access to a library, billiard room, karaoke room, computer room, basketball court and equipment for badminton and table tennis.</td>
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</tr>
</tbody>
</table>

### Dining Conditions

<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>The food offered at the cafeteria is of poor quality and workers consider it to be expensive. Workers spend on average 600-700 RMB ($90-$105 USD) a month on food alone.</td>
<td>There is one cafeteria exclusively for management that regular workers cannot enter.</td>
</tr>
<tr>
<td>Accommodation Conditions</td>
<td>There is one cafeteria exclusively for management that regular workers cannot enter.</td>
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<tr>
<td>--------------------------</td>
<td>----------------------------------------------------------------------------------</td>
</tr>
<tr>
<td></td>
<td>In the Sector E, number 3 cafeteria, the price for each dish starts from 4.5 RMB ($0.70 USD). On the second floor of the no. 7 cafeteria, each dish costs 7.5 RMB ($1.17 USD).</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Accommodation Conditions</th>
<th>Dormitories cost 50 RMB/month ($7.50 USD) including utilities and electricity fees. There is no shower or running water. Workers take a shower on the balcony. Workers who live off factory grounds generally pay around 300 to 500 RMB/month ($45 - $75 USD)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Dormitories cost 50 RMB/month ($7.50 USD). There is a shower room but no running water, workers must fill containers with water from the faucet located on the balcony.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Occupational Safety and Labor Protection</th>
<th>There is no Environment, Health and Safety Committee at the factory. Workers only receive face masks for personal protective equipment.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>There were no Environment, Health and Safety Co-Committee. Workers only receive face masks for personal protective equipment.</td>
</tr>
<tr>
<td></td>
<td>Workers in the assembly department receive a pair of cotton gloves each week. Workers in general receive two sets of factory uniforms for free. There is a warning sign stating operators of the ultrasound machine should wear hearing protection but the factory does not provide such protection.</td>
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<tr>
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<td>Workers in the assembly department receive a pair of cotton gloves each week. Workers in general receive two sets of factory uniforms for free. There is a warning sign stating operators of the ultrasound machine should wear hearing protection but the factory does not provide such protection.</td>
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<td>There was no mention of the Environment, Health and Safety committee. Workers’ training also did not implement any related training.</td>
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<td></td>
<td>There are posts that expose workers to occupational hazards and toxic substances but workers in these positions do not receive any specialized training or PPE. Student workers are also assigned to these posts.</td>
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<tr>
<td></td>
<td>No first aid kit was found in the workshops and dormitories. Workshops are not air conditioned. Certain safety equipment and machinery are not regularly inspected.</td>
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</table>

<table>
<thead>
<tr>
<th>Work Injury</th>
<th>Liu Chunbo, a worker in the A11-2 assembly department, slipped and fell, fracturing his left leg. The factory paid for his medical expenses but only approved one month of paid work injury leave, forcing Liu to resign.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>The investigator did not discover any work injury cases.</td>
</tr>
<tr>
<td></td>
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</tr>
<tr>
<td></td>
<td>Yang Zongfang jumped from the factory building after his</td>
</tr>
</tbody>
</table>
employment was terminated. His family received only 130,000 RMB ($19,500 USD) in compensation.

Lin Jinhua jumped from the factory building, resulting in him entering a coma. The factory paid for Lin’s medical costs.

### Fire Safety

Most emergency exits in the workshops are obstructed.

In the dorm areas, emergency exits are labeled, unlocked, equipped with sufficient lighting and remained clear.

No fire drills were conducted during the investigation. Workers were unsure about fire drills when asked.

Fire safety equipment in the workshop and dormitory areas is relatively comprehensive. Notices are clear and inspection logs are updated.

The factory schedules an annual fire drill but only a randomly selected group of workers are permitted to attend.

### Rewards and Penalties

No mention of it in the report

The factory does not offer any type of bonuses. Penalty structure is based off a point deduction system; workers who lose 9 points out of their 10 will be fired.

### Labor Union

No labor union or worker representative was found. Most workers were unaware of the functions of a union.

The investigator discovered a poster listing all the worker representatives but interviewed workers reported not having ever voted for a representative.

### Grievance Procedure

The number for the labor hotline was not provided to workers and when the number was called, no one answers.

The factory has suggestion boxes but they bore no signs of recent use.

There is a functional worker hotline but workers do not make use of it and generally report any issues they have to their line leader directly.

### Worker Treatment

Investigator witnessed a worker being verbally abused.

Workers reported incidents of having been verbally abused by factory management.

### Client Visits and Audit

Workers the investigator interviewed mentioned that when clients visit, the factory is notified in advance, giving the factory time to bring the factory up to standards.

Workers were notified of a client coming to inspect the factory at a morning meeting.