

# **A Second Attempt at Looking for Mickey Mouse's Conscience**

**A Survey of the Working Conditions of Disney's Supplier Factories in China**



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**Students and Scholars Against Corporate Misbehavior**

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# **A Second Attempt at Looking for Mickey Mouse’s Conscience**

## **A Survey of the Working Conditions of Disney’s Supplier Factories in China**

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### Factory # 1

#### Huang Xing Factory

Address: Longdong Village, Longgang Town, Longgang District,

Shenzhen City, Guangdong Province, China Tel: (86 755) 8480 1558



Source: Pictures by SACOM (August 2006)

### Factory # 2

#### Qi Sheng Factory

Address: Xiuxin Village, Kengzi Town, Longgang District,

Shenzhen City, Guangdong Province, China Tel: (86 755) 8412 5608

### Factory # 3

#### Kam Long Industrial Co., Ltd.



No. 1, A# Road, Hongwan Industrial Park  
Xiangzhou District, Zhuhai City, Guangdong Province, China  
Tel: (86 756) 881 7788  
Fax: (86 756) 881 7688  
Website: [www.kamlong.com](http://www.kamlong.com)  
Email: [info@kamlong.com](mailto:info@kamlong.com)



Kam Long office and plant (toys assembly and packing lines)

Source: [http://www.kamlong.com/assembly\\_packing.asp](http://www.kamlong.com/assembly_packing.asp)

Map: Shenzhen and Zhuhai Cities, Pearl River Delta, South China



## 1. Introduction

SACOM published the first research report entitled “*Looking for Mickey Mouse’s Conscience – A Survey of the Working Conditions of Disney’s Supplier Factories in China*” in August 2005 (in both Chinese and English, downloadable from [www.sacom.hk](http://www.sacom.hk)). Disney’s labor practices came under widespread scrutiny from Hong Kong groups and the international community. The investigation discovered all 4 of the target factories were in serious violation of Chinese Labor Law: wages were far below the statutory minimum, working hours greatly exceeded the maximum standard, and occupational injuries were prevalent, the most serious of which was a factory that averaged 2 to 3 occupational injury cases every week. After the publication of last year’s report, SACOM engaged in 4 rounds of negotiations with the Walt Disney Company Regional Director of International Labour Standards between September 2005 and January 2006. But Disney continuously avoided addressing the problems and was unwilling to assume any responsibility.

This summer SACOM conducted a second investigation at another 3 Disney suppliers in Shenzhen and Zhuhai Cities in Guangdong Province, namely, Huang Xing Factory, Qi Sheng Factory, and Kam Long Industrial Co., Ltd. We discovered that the problematic things exposed in the previous year’s report had certainly *not* improved. The Disney suppliers are still in serious violation of the labor law and Disney’s own code of conduct.

### Three Disney Supplier Factories in Guangdong Province, South China

	<b>Huang Xing</b>	<b>Qi Sheng</b>	<b>Kam Long</b>
<b>Factory</b>	Longgang District, Shenzhen	Longgang District, Shenzhen	Xiangzhou District, Zhuhai
<b>Ownership</b>	Japan	Hong Kong	Macau
<b>Workforce</b>	1,000	500	1,000 – 2,000
<b>Products</b>	Key chains (for Tokyo Disneyland) and toys 	Candles	plastic toys and direct food contact toys
<b>Major Buyers</b>	Disney	Disney, Target, Hallmark Cards (HK) Limited, American Greetings	Disney, Wal-Mart, Target, Kellogg’s, YUM!, Woolworths

All these 3 suppliers fail to provide workers with the legally mandated wage payment. Knowledge of the wage calculation mechanism is workers' fundamental right but the factories refuse to provide workers with this information. The piece rates and monthly wage rates are very confusing and most workers express that they feel unclear on their own wage calculation mechanism. When wages are paid, workers often suffer unjustified deductions. When they request to analyze their wage composition, they are harassed by management. For example, management claims "workers violated the factory rules" as an excuse to deduct fines from workers' pitiful wages. During the low season, factory bosses force workers to take "days off" (unpaid vacation) so workers typically only earn a monthly salary of RMB 400 to 500. This income is not nearly sufficient to pay their everyday living expenses.

During the peak season, there are severe overtime violations. Workers often work 11 to 14 hours everyday, from 8 a.m. until 11:30 p.m. A typical work week lasts for 6 to 7 days. In other words, workers work a minimum of 26 days per month and it increases to 30 days when filling rush orders. Thus, workers work up to some 360 hours per month. Furthermore, workers complain that they are not allowed to refuse overtime – even when they are sick, they are still forced to work.

On the shop floor, the factory management neither trains workers in occupational health upon their employment, nor does it provide regular physical examinations. Personal protective equipment is absent. Workers' living environment is equally substandard. In Kam Long factory dormitory, for example, each floor houses as many as 180 workers (in totally 15 small rooms) but in each room, there is only one bathroom (for toilet, cleaning, and washing). Basic facilities are severely inadequate. Worse still, wages are deducted every month for collective dormitories and canteen food.

Workers also highlight that management lies unscrupulously when customers of the factory or officials of the local labor bureau conduct social audits. First, the factory owners and senior management creates fake wage and working hour documents beforehand. Second, management trains workers in how to answer the auditor's questions according to the "standard key." They use threats and bribes to compel workers to submit. For example, at Qi Sheng factory, the management instructs workers that if they answer correctly (according to the standard key), they will earn a RMB 70 bonus, otherwise they will be dismissed.

We also discover that all the injured workers – whose fingers are hurt or completely cut – had never heard of Disney's health and safety measures in the "Manufacturing Code of Conduct." Their legal rights to compensation over industrial injuries are also robbed of

because most of them are not provided with labor contracts, and thus they are not entitled to social insurance at all.

In sum, two successive investigations in Pearl River Delta cities in South China have found violation of both Chinese Labor Law and the Disney Corporate Code of Conduct in the supplier factories. We believe the major reason for this is that Disney does not earnestly uphold its labor standards. The Code is not regarded as a commitment to its global consumers but merely a public relations tool. Workers in the bottom-end of the supply chain have to carry on their fight for legitimate rights, economic justice and dignity.

## 2. Methodology

SACOM organizers conducted field observations in cross-border Shenzhen City in July 2006, when the new levels of minimum legal wages of 2006 and 2007 should have been enforced. We located Japanese-invested Huang Xing Factory through factory workers' introduction. Some of the assembly workers at Huang Xing were able to take pictures of Disney's key chains (manufactured for Tokyo Disneyland) to attest to the supplier relation.

In August 2006, during the high time of our field investigation at Longgang District, outside the Shenzhen Special Economic Zone, we received an urgent appeal from workers at a nearby factory through email to [sacom@sacom.hk](mailto:sacom@sacom.hk). A complaint letter composed by "a group of helpless migrant workers from the Qi Sheng Factory" was attached to us and it immediately drew our attention (see *Appendix I* for the full text of the Complaint Letter in Simplified Chinese). The concluding paragraph, translated by us into English, calls on SACOM:

...We were left with no recourse, no means of finding a proper channel of complaint. However, one of us accidentally came across your website and only then did we learn that we could contact you and let you know the real situation in our factory. We hope that you will be able to help us, a group of helpless workers. We have many materials we can give to you. We hope all of you will read these materials and help us to contact the factory's buyers and inform them that our factory is without principle, our boss is without principle. Our factory's customers include: Disney, Hallmark Cards (HK) Limited, Target, and American Greetings. We will bring our materials to your organization.

A group of hopeless migrant workers from the Qi Sheng Factory

In August and early September, we contacted the workers for interviews and analyzed the exploitative conditions. We were highly motivated by their self-determination and collective struggles for their legal rights against all odds. To protect their identities, we decided not to reveal individual workers' stories but overall labor patterns in this report.



Between late August and early September 2006, we moved on to Zhuhai Special Economic Zone to research Kam Long Industrial Co., Ltd. ([www.kamlong.com](http://www.kamlong.com)), the 3<sup>rd</sup> selected factory. The rise in local minimum wage was supposed to come into effect on September 1 and we aimed to document the changes of workers' wages and benefits, if any at all. We approached production workers (in staff cards and factory uniforms) outside the 5-storey plant for interviews. We learned that Kam Long had recently been accredited with ISO 9001:2000. Its clients mainly include Disney, Wal-Mart, Target, Kellogg's, YUM!, and Woolworths. A majority of the toys are exported to the United States and European countries. The workforce is around 1,000 persons during low seasons and it nearly doubles during peak seasons. The large manufacturing premise is divided into engineering, quality control, sampling, mold-making, assembly and packing, injection molding, rotational molding, blow molding, metal stamping, spray painting, hand painting, and pad printing departments. We attempted to talk to workers from different departments so as to have a better understanding of the working conditions. At the final stage, we collected concrete evidences on the ways the factory forced its workers to lie to the auditors, so as to pass the audits (see *Appendix II* for the full text of the "training" script in Simplified Chinese).

On September 10 and 12, SACOM launched the 2<sup>nd</sup> Round Disney Campaign at the Hong Kong Disneyland, when it celebrated the first anniversary. Student activists staged a demonstration inside Disneyland, marching around with placards proclaiming "Disney Exploits Chinese Workers" and "Disney is a Sweatshop" and attracting attention from a number of security guards and a large crowd of Disney guests.<sup>1</sup> Importantly, mass media's reports to some extent enhanced workers' confidence in carrying on their fight for labor rights. In October and November, we did follow-up interviews with workers of the 3 factories.



On the one year anniversary of the opening of Hong Kong Disneyland, Hong Kong students also came to the princess' palace to deliver a "present".

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<sup>1</sup> Selected news reports in English can be accessed at *The HK Standard* at <http://www.thestandard.com.hk/> ("Group Slams Disney over Labor Abuses in Factories" on Sep 11, 2006 and "Protesters Rain on the Disney Parade" on Sep 13, 2006).



In short, despite Disney's repeated refusals to publicly disclose the names of its suppliers in China and in other countries, we have had searched the internet and gone through many other channels to identify Disney suppliers. We demand the Walt Disney Company to do the right thing to immediately end sweatshops in its manufacturers and subcontractors. Disney should consult SACOM and concerned labor groups to provide workers with participatory training programs, to support democratic elections run by workers for the establishment of workers' committees, and to collaborate with workers in factory monitoring for the long term.

### **3. Labor Conditions**

In "the world factory," Chinese migrant factory workers' youthful lives become the most elastic tool of production, supporting unlimited economic growth, and driving the brands' continuously rising profit. During the peak season, workers work overtime day and night, their bodies and minds are exhausted. During the low season, workers are forced to take unpaid leave so even the most basic living expenses become a problem. There is no fair wages for fair labor. Cheating on factory audits is widespread in the 3 researched supplier factories of Disney.

#### **3.1 Workers without a Contract**

The Walt Disney Company claims to commit to "ethical and responsible conduct," in which its suppliers should sign labor contracts in written form with the employees to protect their fundamental rights. Article 19 of the Chinese Labor Law spells out the inclusion of the following clauses in an effective contract:

- (a) term of labor contract;
- (b) contents of work;
- (c) labor protection and working conditions;
- (d) labor remuneration;
- (e) labor disciplines;
- (f) conditions for the termination of a labor contract; and
- (g) responsibility for the violation of a labor contract.

In reality, neither Huang Xing nor Qi Sheng sign contracts with their production workers. Among 1,000-some production workers at the Kam Long factory, only a few older workers have labor contracts. In the event that labor disputes arise over wages, working hours, compensation for industrial injuries, welfare and benefits, and so on, it would be very difficult for workers to substantiate their employment relations and defend their legitimate

interests.

### 3.2 Illegally Low Wages and Unpaid Overtime

Disney expects its manufacturers and subcontractors to recognize that “wages are essential to meeting employees’ basic needs” (“Compensation” in Disney’s *Code of Conduct for Manufacturers*). According to local minimum wage standards in China, monthly wages should be RMB 700 in two outer cities in Shenzhen (RMB 4.02 x 8 hours x 21.75 days)<sup>2</sup> and RMB 690 in Zhuhai (RMB 4.12 x 8 hours x 20.92 days). These are basic labor remunerations for standard 5-day work week of 8-hour work days. In practice, none of the 3 researched factories are in compliance with applicable wage laws or the Disney Code.

All the 3 researched factories pay their production workers far *below* the legal minimum wage levels. In terms of hourly wages, Huang Xing only pays its production workers RMB 3.41 (a difference of RMB 0.61 from the Shenzhen level at RMB 4.02), Qi Sheng RMB 2.19 (a large difference of RMB 1.83 from the Shenzhen level at RMB 4.02), and Kam Long RMB 2.04 (some 50% less than the Zhuhai level at RMB 4.12).

Data as of July and September 2006 (SACOM)

	Huang Xing	Qi Sheng	Kam Long
<b>Hourly Wage</b>	3.41	2.19	2.04
<b>Monthly Wages (Low season)</b>	400 – 500	400 – 500	500
<b>(Peak season)</b>	900 – 1,000	500 – 600	600 – 800

The variations of wages between low and peak seasons are remarkably huge. At low season, workers’ monthly wages on average are only RMB 400 to 500, which are illegally low. Wages, workers say that when there are no orders, the bosses force them to take “days off” (forced vacation), for which they are not paid. This results in wages much lower than the statutory minimum. Workers from Qi Sheng indicated that during the off season they will often have only small orders, not even enough to provide an 8-hour standard day’s work. As they are paid primarily by piece-rate, when there are no orders, there are no wages. Workers often earn a meager monthly wage. Similarly, at Kam Long, workers mentioned that they were once forced to take as long as 16 “days off” in a month. The wages were hardly sufficient for them to afford daily livings in the city. Even during the peak season, workers at

<sup>2</sup> There are systemic differences in wages within Shenzhen city. The four administrative districts constituting the Special Economic Zone (Luohu, Nanshan, Futian and Yantian) set higher wage levels than Bao’an and Longgang, the two districts which lie outside the boundary of the SEZ. The former is RMB 810 and the later RMB 700.

Huang Xing earn very little, ranging from RMB 900 to 1,000 a month (normal and overtime wages inclusive), Qi Sheng between RMB 500 to 600 a month, and Kam Long between 600 to 800 a month.

According to our worker interviewees at Huang Xing, they were *not* provided with detailed wage statements. There was no specific breakdown in the wage component but a lump-sum. Even a veteran worker who has been serving in the factory for about 8 years told us that the wage calculation mechanism remains a mystery. He concisely put, “However much the factory gives, and that is how much we get!”

At Qi Sheng, the workers were not provided with wage statements at all.

For most of us, our wages are calculated on a piece-rate system. It does not matter if it's Saturday or Sunday, we are paid the same price for our work and never get the overtime premium. The price of labor that the boss promulgates is never actualized and when they see that we are producing at a faster rate, they immediately lower the unit price....Similarly, we workers who are paid a monthly wage all have to work 28 days per month. Each evening we have to work overtime but are only paid RMB 2 per hour. It doesn't even matter if it's the 2-day weekend or a statutory holiday, we never receive any overtime compensation. We all are forced to keep our resentment to ourselves, there is nowhere to register complaints, and we are afraid if we do complain we will be fired or receive wage deductions. Still, there are some workers who cannot stand it and leave the factory without due wages and overtime compensation.

In accordance with Article 44 of the Chinese Labor Law, the employing entity shall pay employees remunerations *higher* than those for normal working hours under any of the following circumstances:

- (a) to pay no less than 150% on weekdays (Mondays to Fridays);
- (b) to pay no less than 200% on weekends (Saturdays and Sundays);
- (c) to pay no less than 300% on statutory holidays (e.g. International Labor Day).

Ridiculously, for some workers at Qi Sheng, their “overtime hourly wage” at RMB 2 is even *less* than their normal hourly wage (at RMB 2.19)!

At Kam Long, many workers reported that they were being cheated on their wage payments. A worker expressed that his wage was miscalculated. When he attempted to check the records with his supervisor, he was denied. Another worker cited a concrete example to illustrate the managerial tricks: when management sees workers becoming more skilled at their work, they deliberately reduce the unit price and thereby the workers' wages. In the past, the unit price for producing one “Angel Figurine” was RMB 0.15 but it has now been lowered to merely RMB 0.045. Similarly, in the dust free workshop, the unit price of attaching a

gemstone to the toy is continuously dropping, i.e., from RMB 0.12 to 0.06 and finally to 0.04 (overall a dramatic cut by 2/3). Ironically, the harder the production workers work, the lower their wages. They are condemned to live in the “race to the bottom” global production.



Source: Kam Long’s dust free workshop is specially designed for manufacturing direct food contact toys.  
[http://www.kamlong.com/images/dustfree\\_workshop9.jpg](http://www.kamlong.com/images/dustfree_workshop9.jpg)

In sum, the production workers’ legal right to minimum wages is *not* protected. Their right to know about the wage calculation mechanisms is also not safeguarded.

### 3.3 Excessive Working Hours and Forced Overtime

In addition to wages, Disney sets guidelines on working hours: “Manufacturers will not require employees to work more than the limits on regular and overtime hours allowed by local law” (“Compensation” in Disney’s *Code of Conduct for Manufacturers*). In China, the *regular monthly working hours* (for standard 5-day work week of 8-hour work days) in Shenzhen City is 174 hours (21.75 days) and Zhuhai City 168 hours (20.92 days). In terms of overtime hours, according to Article 41 of the Labor Law, the employing entity may extend working hours due to the requirement of its production after consultation with employees, but “the extended working hour for a day shall generally not exceed 1 hour;” if such extension is called for due to special reasons, “the extended hours shall not exceed 3 hours a day” under the condition that the health of employees is guaranteed. In total, the extension in a month shall not exceed 36 hours.

Based on our field data, all the 3 researched factories fail to comply with applicable laws either on basic pay or overtime wage premiums. During the busy season, overtime work was mandatory but not voluntary.

	<b>Huang Xing</b>	<b>Qi Sheng</b>	<b>Kam Long</b>
<b>“Regular” Hours</b>	8 hours (26 days) = 208 (of which 34 hours are in fact “overtime”)	8 hours (28 days) = 224 (of which 50 hours are in fact “overtime”)	8 hours (28 days) = 224 (of which 56 hours are in fact “overtime”)
<b>“Overtime” Hours</b>	60	136	136
<b>Total (Month)</b>	268	360	360

Huang Xing, Qi Sheng and Kam Long illegally set the “regular” working hours in a month between 26 and 28 days, sometimes continuously for 30 days. Production and logistic workers, in particular, are rarely entitled to at least 1 day off in a week (in violation of Article 38 of the Chinese Labor Law and Disney Code). Workers are forced to work excessive overtime, resulting in 11 or even 14-hour work days.

At Huang Xing, management gives newly recruited assembly-line workers a target of 600 pieces on the first day. On the second day, it is increased to 800 and the third day to 1,000. Because the daily quotas are too excessive, there is no way workers can finish during standard work hours so everyday they work overtime till very late, at 10:30 or 11 p.m. A number of these workers lamented: “It really is too excessive! Makes a person so exhausted they could die!” Later, on one production line, more than 10 workers staged a strike but they were all dismissed by factory management.

At Qi Sheng, workers wrote a complaint letter:

Actually, we squeeze our time so as to meet the high quota. For example, we start working early in the morning, work continuously through lunchtime and have to work 30 days per month (without rest). The thing that causes us the most mental pain is that in the peak season the factory does not permit us to ask for leave, even when we have a cold or headache we are not given a day off.

Workers are forced to work for excessively long hours, despite their sickness.

At Kam Long, the situation also goes far that the workers will be fined RMB 50 to 60 if they refuse to work up to 28 days in a month (and sometimes 30 days or the entire month). In other words, even if they have special needs, they cannot take leave.

By the end of a month, Huang Xing records 268 working hours, Qi Sheng 360 hours, and Kam Long 360 hours. This far exceeds the maximum legal limits of working hours.

**3.4 Delayed Wage Payments**

	<b>Huang Xing</b>	<b>Qi Sheng</b>	<b>Kam Long</b>
<b>Wage Arrears</b>	One month	70 days	One month

Both Huang Xing and Kam Long withhold one month’s wages and Qi Sheng withholds up to 70 days’ wages – workers finally received their March wage payment on May 10, 2006. In the Complaint Letter sent by workers of Qi Sheng, it says:

NGO leaders, we have for a long time wanted to find a person to whom we could file a complaint, but we simply don’t know how. Recently, several workers from our factory decided to go to the local Labor Bureau to file a complaint against the factory, to file a complaint against the boss, and to complain that our factory does not pay our wages on time (generally, our wages are retained for 70 days. On May 10, we finally received our March wages). Moreover, we are not given proper overtime compensation.

In emergency situations, workers in need of money can only try their luck in borrowing money from their relatives and friends. Budgeting in everyday life is out of the question.

Moreover, even when workers give a written notice to the employer 30 days in advance (in accordance with Article 31 of the Chinese Labor Law), they often cannot get back their last month’s wages or even 2 months’ wages in order to finally leave the factory. To a large extent, such deliberate delay in wage payment is a means to discourage workers from resigning form work. This is also a violation of the “forced or involuntary labor” clause in Disney Code of Conduct for Manufacturers.

**3.5 Arbitrary Wage Deductions**

Article 50 of the Chinese Labor Law stipulates that “wage shall be paid monthly to employees in form of currency; and the wages paid to employees shall not be deducted or delayed without justification.” Despite legal regulation, arbitrary deductions from workers’ wages are a common practice for the management to squeeze down labor costs and thereby produce cheaply.

A worker interviewee from Kam Long stated that when workers receive their long-awaited wages, they often discover unjustified deductions. During the peak season, average production workers should receive some RMB 1,000 but they often end up with only RMB 600 to 800 in a month. The management provides no explanation for the illegally low wages. When they point out the gross mistake and ask for a reason, their supervisors often comes up with an excuse. For example, the worker in question has violated a factory regulation and was



thus penalized by a wage deduction. Another young worker confided to us that because of the very long working hours of one single shift, she could not help but falling asleep and was heavily fined RMB 50.

Besides fines and penalties, deductions for room and board from workers' wages are commonplace. At Huang Xing, production workers have to pay as much as RMB 150 per month for simple food and basic accommodation. At Qi Sheng, the lowest-rank workers are forced to pay RMB 20 for dormitory and RMB 60 for food in canteen every month. Workers generally believe that the dormitory and food payments will soon be increased to RMB 90 and RMB 140, respectively. This is perhaps to counter the effect of "raised minimum wages" in the Shenzhen City. If this is indeed the case, the managerial behavior is illegitimate.

### **3.6 Non-Provision of Social Insurance**

The management of the 3 researched factories shirks their responsibility by *not* providing their lower-level workers with social insurance (there are only some exceptions). Article 73 of the *Chinese Labor Law* clearly stipulates that *all* employees shall enjoy social insurance benefits under the following circumstances:

- (a) retirement;
- (b) illness or injury;
- (c) disability caused by work-related injury or occupational disease;
- (d) unemployment; and
- (e) child bearing.

Specifically, if workers contract occupational diseases or are injured, their *medical costs* should be properly covered by insurance schemes. Moreover, if they are hospitalized, their employers should provide them with a *food allowance* (the amount is varied by city) for the entire period of hospitalization.

In the past 7 to 8 years, the Huang Xing factory has *not* bought social insurance for its 1,000-some workers. There were only some changes until the fall of 2006 when some workers staged a collective protest. They made a complaint at the local labor bureau and publicized the problems through mass media. The management had no choice but buy *certain* types of insurance for *some* of the workers. But they still refuse to cover the costs of the past consecutive years of old age pensions.

Qi Sheng factory does not provide its workers with any social insurance. Recently, a worker has incurred an industrial injury – an amputated finger – and the factory only paid the medical expenses and a few thousand yuan in compensation so as to dispose of the matter.

The factory never reported the injury to local health departments, nor did it facilitate the worker to assess the seriousness of the injury (classified into 10 grades) according to the China's industrial injury insurance regulations.

Among workers at the Kam Long factory, only a few veteran workers have enrolled in city-level social insurance schemes. Workers say that the management personnel do this with an intention to deal with audits from local labor departments and / or factory's customers, but not for the well-being of the workers.

### **3.7 Unsafe Production Environment**

Workers in the 3 factories indicate that the production environments lack safety protections and they themselves do not enjoy the legally mandated safety measures. Article 30 of the *Law on Prevention and Control of Occupational Diseases* (effective May 1, 2002) specifies that:

“When signing with the workers labor contracts, the employer shall truthfully inform the workers of the potential occupational disease hazards and the consequences in the course of work, the measures for prevention of such diseases and the material benefits, and it shall have the same clearly put down in the contracts; it may not conceal the facts or deceive the workers.”

Article 20 of the Law further requires that the employer shall take at least these 2 measures on the shop floors: (a) to install effective facilities for prevention of occupational diseases; and (b) to provide individual workers with articles for prevention of occupational diseases.

Many production workers in Huang Xing, Qi Sheng, and Kam Long however come in direct contact with different kinds of poisonous chemicals on the shop floors without basic protective tools. All of the worker interviewees informed us that the factory management fails to provide them with pre-service health and safety trainings.

Workers in the wood-working department of the Huang Xing factory have to use *thinner*, *white gasoline* and other toxic chemicals in the production process. They stated that when they smell some of the chemical agents, they feel dizzy and light headed. But the factory does not provide them with masks or gloves. For another example, workers in the blow moulding department at Kam Long factory stated that the knives they use are very sharp and they have to work extremely quickly to keep up with the production pace. As a result, a lot of workers cut their fingers. One worker even cut down to the bone but afterwards just wrapped it up, for the factory would not allow him to go to the hospital.

### **3.8 Inferior Dormitory Environment**

In the Kam Long factory dormitory, 12 people share one room. There are as many as 15 rooms on each floor, totaling 180 people per floor. Workers say that the dormitory and restroom environment is very poor and the facilities are extremely inadequate. They have virtually no private or personal space. Workers must store all their personal belongings on or under their bunk beds. Each room only has two electric fans. Worse still, security is poor. Workers often lose some of their personal items. Some even stated that after having items stolen while they sleep, they became very worried about their personal belongings getting stolen.

In terms of fire safety measures, workers commented that in the Huang Xing dormitory, there are fire extinguishers hanging on the wall along the corridor but they are faded, rusted, and maybe not functioning. The expiration dates are not posted. Potential hazards are also built in at the Kam Long factory dormitory where there is only one staircase – clearly not in compliance with emergency fire evacuation regulations. It has no fire extinguishers at all.

### **3.9 Poor Canteen Food**

A worker from the Kam Long factory stated: “We have to eat vegetable almost every day – it is disgusting. We eat fried egg and bitter melon and the food is often burnt. The bitter melon does not even have the flavor of bitter melon. These dishes usually have something in them that is difficult to choke down so we just swallow it all in one gulp.”

Another worker added: “The things cooked there (the factory canteen), they are not for people to eat – even a pig would not eat them!”

However, most workers lack the money to eat outside the factory. “It is disgusting but we still have to eat it.” While factory managers often criticize workers for wasting food, workers contend it is not that they want to waste food but they are compelled to do so. In the end, workers work long hours and lack nutrition, whose health is seriously threatened.

### **3.10 Disney’s Code of Conduct and Monitoring Systems Exist in Name Only**

To live with “the audit culture,” many supplier factories have gotten better at concealing abuses. Disney’s Code of Conduct and monitoring systems exist in name only.

None of the workers we encountered had ever heard of Disney's *Manufacturing Code of Conduct*, even though the Code is available in more than 50 languages. The workers of the 3 factories instead observed that the management has unscrupulously falsified documents to deal with client auditors and officials from the labor bureau.

Based on our field data, this fabrication includes mainly threats and bribes to compel workers to answer auditors' questions according to the "Standard Key." The Complaint Letter from the Qi Sheng workers contains detailed proof of the factory's trails of falsification:

In May of this year, the factory management called for the workers to assemble for a meeting. From among more than 500 workers they chose approximately 100 to participate in a series of trainings, two per week. In the trainings we were taught that whenever the audit firms come to check the factory conditions, we workers should all answer the auditor's questions according to the factory's standard answer key. Each time an auditor comes and we answer the questions correctly we will each receive a RMB 70 bonus; however, if we do not answer the questions properly we will be sacked and asked to leave the factory. Thus, we seriously and diligently worked each day to recite and memorize the answer key. On the morning of May 17, the factory assembled us all together for a quiz. Workers who didn't answer the questions properly had their names removed from the factory audit list.

On the morning of May 18, the factory organized the more than 100 workers who would participate in the audit for a final rehearsal; and the remaining 400 workers were taken to the new factory to work. Further, a portion of the workers were given a vacation day but they had to leave the factory premises. (In fact, there are two factory premises. The new factory, just opposite to the old one, has now been open for three years but auditors have never come to investigate it.) In the middle of last year, the boss began to renovate the old factory. The renovation project was originally supposed to be finished within 3 months. However, it was believed that many factory clients wanted to come to audit at that time and therefore the boss deliberately prolonged the renovation – it is still not complete – as a means of deceiving the clients.

We learned that Qi Sheng in fact has two manufacturing premises but only one of them is monitored and audited. While some 100 workers were selected for focused training for the pre-announced audit in May 2006, a majority of 4/5 workers were "hidden" from the scene – they were all allocated to work in the second plant. Through a coaching and drilling exercise, and with the spatial arrangement, the factory had passed the audit.

Under these circumstances, workers at Qi Sheng shared their uneasy feelings:

We felt deep regret – why did we help the factory deceive the investigators? We were scared because we heard that our boss has established close ties with senior management of ITS Company in Hong Kong. If the customers of the factory retain ITS to come to audit, the senior managers will certainly step in the investigation conducted by the auditors. That is, to modify the findings of the written report from serious to minor problems. It is to convince the factory customers that things are alright. Only slight remedial actions are needed.

The Hong Kong-invested Qi Sheng Factory’s major buyers include Disney, Hallmark Cards (HK) Limited, Target, and American Greetings. The factory management has deceived the auditors systematically.

But falsification of audits is not limited to Qi Sheng alone. An older worker from Kam Long stated that *before* factory’s clients ask workers about their treatment at work, management tells them the “standard answers.” Management also gives each production line an answer key and takes it back after workers have committed it to memory. Furthermore, on the day of the audit, all the workers without labor contracts, workers without social insurance, and novice workers are required to take a “day off” and the factory gates are secured so that none of them can enter the factory. In other words, “Those on the list have to work, those not on the list do not have to work. All the workers on the list are older workers with labor contracts and social insurance.”

In the last phase of our field research, a junior managing staff of Kam Long presented us 4 parts of a “question and answer sheet” as evidence of management’s coaching of workers to ensure the factory passes the audit (see below for Parts I to IV about the contents of the so-called training). We learned that the owner and senior management lied openly: no prior coaching among the workers and staff for the audit (question 48 in Part II). The information on working conditions was untrue. The “training” exercise, in sum, aims to put the workers in different scenarios and to provide them with socially desirable and legally mandated answers.

***Part I***

1. When did you start working in this factory? (Answer: Your first date at work here.)
2. Were you charged any deposits when getting into this factory? (Answer: No.)
3. What is your date of birth? Where do you live? (Answer: In accordance with the information printed on the identity card.)
4. At the time you started to work, were you provided with regulations, rules or

- memos about this factory for your reference? (Answer: Yes. A Guidebook for Employees.)
5. Do you have a copy of the Guidebook? (Answer: Yes. I keep it in my living place.)
  6. Did you receive training during the probation period? (Answer: Yes. It lasts for one month.)
  7. What are the training contents? (Answer: Factory regulations, working hours, fire safety, production safety, etc.)
  8. How is your wage calculated during probation? (Answer: RMB 33 / day, i.e. RMB 4.13 / hour.)
  9. How is your wage calculated after probation? (Answer: RMB 34 / day, i.e. RMB 4.25 / hour.)
  10. In accordance with the Chinese Labor Law, what is the current minimum wage level? (Answer: RMB 684.<sup>3</sup>)
  11. Does the factory provide you with housing and food? (Answer: For those who live on their own: we take care of our accommodation and cook by ourselves.)
  12. How many days do you work in a month? (Answer: Five-day work weeks. But we usually do overtime work on Saturdays. We have rest days on Sundays.)
  13. How is your wage calculated on Saturdays? (Answer: Double.)
  14. Any overtime work? (Answer: Yes. (1) One-shift workers should reply as follows: we do one-hour overtime work on every weekday from Mondays to Fridays and 4-hour overtime work on Saturdays. Three-shift workers should reply as follows: we do 8-hour overtime work at daytime on Saturdays. (2) Adjustments will be made from July 1 onwards: 2-hour overtime work on every weekday from Mondays to Fridays, and 8-hour overtime work at daytime on Saturdays.)  
Is overtime work voluntary? (Yes.)

## ***Part II***

40. Is there a first-aid box on the shop floor? (Answer: Yes.)
41. What is the name of your factory? (Answer: Kam Long Industrial Co., Ltd.)
42. The number of workers who are at work is so small. Are all the others on leave today? (Answer: No. It is small.)

<sup>3</sup> SACOM's edition: Between May 1, 2005 and August 31, 2006, the legal minimum wage level in Xiangzhou District in Zhuhai City was RMB 684 per month. It slightly increased to RMB 690 from September 1, 2006 onwards.



43. How many stories does your factory have? (Answer: 5-stories.)
44. Which department does your factory have? (Answer: Injection Moulding, Blow Moulding, Rotational Moulding, Spray Painting, Assembling, Repairing and Maintenance, Engineering, QC, and Warehousing.)
45. Have you ever been forced to change your work tasks? (Answer: No.)
46. Can you ask for a change of your work tasks? (Answer: I can.)
47. Can you answer your phone calls? (Answer: In emergency situations, I can. On usual matters, messages will be kept and I will be notified after work.)
48. Did you know that we would come today to audit the factory? Have you been trained for this? (Answer: No, I didn't know. No.)
49. Do you have a housing subsidy? (Answer: No.)
50. Who is the person-in-charge of the workplace trade union? What is the function of the union? Whom would you ask for help if you have difficulties? Where is the office of the union?  
 Answer: (Zhang Jun-Xuan) (Help us workers to solve questions) (Zhang Jun-Xuan) (5<sup>th</sup> Floor)  
 Did you join the union? (For those who did – answer: yes; for those who did not – answer: no.)<sup>4</sup>
51. Did your factory sign a labor contract with you? (Answer: Yes.)
52. How long does your contract last? (Answer: Usually it lasts for 6 months. For other cases, refer to the concrete term of the contracts).
53. What is your pay, as specified in the contract? (Answer by workers: RMB 34 / day.)
54. Do you have a copy of the labor contract on hand? (Answer: Yes. I put it in my living place.)
55. What clauses are included in a labor contract? (term of a labor contract, contents of work, working hours, payment of wages, labor protection and working conditions, etc.)
56. Did you have an in-service medical check-up? Do you have annual check-ups? Do you have to pay for these?  
 (Yes) (Yes) (Paid by the company)  
 Do you have a health certificate? May I have a look at it? If you are found to be pregnant, will you still be employed?<sup>5</sup>

<sup>4</sup> SACOM's edition: Based on our field investigation, none of the worker interviewees at Kam Long was aware of the "existence" of the official trade union in the factory. Even if it does exist, it is largely subordinated to the Chinese party-state and the enterprise management. In foreign-invested enterprises, many leaders of basic-level union committees are concurrently board directors, vice-directors, or managerial staff. Basic-level union branches, in short, tend to be responsible to management but not workers.

<sup>5</sup> SACOM's edition: The answer is unclear to our research team.

**Part III**

65. What are the application procedures for asking for leave? (I fill in the form of leave and pass it to my line leader; and it is done upon the supervisor's endorsement.)  
Do you need to apply for leave on Saturdays and Sundays? (No need to do so.)
66. Is there an opinion box in the factory? (Yes. It is placed next to the card punching machine at the factory door.)
67. What channels are available for you to ask questions, give suggestions or make complaints? (I can approach our employee representative, speak to my line leader or supervisor, or write to the opinion box.)
68. What kinds of chemical agents does your department use? (Oil dilution solvent, alcohol, and paint. But these are not the same for all the departments. It depends on our actual production needs.)
69. Have you ever seen the Codes of Conducts of Disney, Wal-Mart, or the International Council of Toy Industries?<sup>6</sup> Do you know what they are? (Yes. These codes are posted on notice boards. They mainly mention standards and regulations on labor remuneration, working hours, child labor, discrimination, etc. But I cannot remember clearly the details.)
70. How many days prior to your resignation should you notify the factory management? (30 days.)  
In how many days after your resignation will you receive your wages? (I receive them on the same day of resignation.)  
Do you need to return your staff card and uniform upon resignation? Why? (Yes. Because they are provided by the company.)
71. Will compensation be given if an employee is laid off by the company? (Yes. A month's wages for those who have served for one year, two months' wages for those who have served two years, and so on.)
72. How do you know about benefits and factory rules? (They are written down in the Guidebook and Memo for Employees.)
73. Is there a designated area for smoking? Where? Does it mean that one can smoke only within the designated area? (Yes) (On the rooftop of the 5<sup>th</sup> floor) (Yes)

**Part IV**

Answer:<sup>7</sup> Can report to upper-level management, and write to the opinion box.

<sup>6</sup> SACOM's edition: The International Council of Toy Industries (ICTI) aims to promote international toy safety standards and to inform, educate, and survey its members so that individual member companies can adhere to its Code of Business Practices (<http://www.toy-icti.org>). Kam Long is likely one of the ICTI members.

<sup>7</sup> SACOM's edition: The question is unclear to our research team.

4. Have you received training on anti-terrorism recently?

Answer: Yes.

5. What should you return to the factory upon resignation?

Answer: Staff card and uniform.

The following 3 points are applicable for managing staff:

1. Did you receive training during the probation period? (Answer: Yes. It lasts for one month.)

2. How is your wage calculated? (Basic wage 《20.5 days / month》 + subsidy)

Wages according to different ranks:

Line leaders – RMB 34.15 / day (i.e., RMB 700 / 20.5 days)

Assistant supervisors – RMB 36.59 / day (i.e., RMB 750 / 20.5 days);  
(including non-supervisory-graded staff and engineers of the office)

Supervisors – RMB 39.02 / day (i.e., RMB 800 / 20.5 days);

Managers – RMB 43.90 / day (i.e., RMB 900 / 20.5 days).

3. Term of labor contract: Usually between 6 months and one year.

Kam Long forced its workers and staff to recite and memorize the “standard answers.” They have to take part in these cheating schemes and convey a positive image of the factory.

In summary, the corporate codes of conduct and top-down monitoring system do not result in significant improvements in the treatment of workers. Disney's Code is not effectively implemented in the 3 researched supplier factories and its ability to protect the workers is drastically compromised by the loop-holes built into the existing monitoring model. The fact is that only a certain proportion of the supplier factories are audited every year, and the vast majority if not all of these audited factories receive prior notification before the actual date of the audit. Since the management of the factories can have time to prepare fake reports and evidence, and to coach workers to not to tell the truth, this monitoring model is obviously not a viable way to assure factory compliance with the legal, human and worker rights standards.

Moreover, the Disney audit reports are never made available to the factory workers in question and the concerned public. Thus, there is no guarantee that the validity of these

reports is endorsed by the workers themselves. The uninformed consumers and the public are also denied their right to know if the remedies and corrective action plan proposed by the audits are properly implemented. Therefore, consumers are still left in the dark regarding whether the products they buy are coming from exploitative worker conditions or not.

### **3.11 Disney “Cut and Run”**

Workers from the Huang Xing factory testified that Disney auditors have been overwhelmingly concerned about the product quality but have not paid attention to their situation. Corporate compliance standards exist in name only. When management uses threats and bribes to compel workers to assist in the deception, workers often have no means to resist and are forced to helplessly submit. Abuses and exploitations are still rampant.

In September 2006, we exposed the sweatshop conditions of Huang Xing at the first anniversary of the Hong Kong Disneyland in Hong Kong. Workers from Huang Xing in Shenzhen also demands rights protection, including notably compensations to wages and social insurance. Some of them had reported abuses to mainland Chinese journalists. Then, in October, according to our follow-up interviews with the workers, Huang Xing was no longer receiving the same volume but much *less* production orders from Disney. Workers believe that Disney has attempted to pull out of the factory. The factory management may lay off a large number of the workers. “Cut and run” is no doubt an irresponsible behavior and it itself is a social violence.

The brand-name transnational corporations such as Disney receive the largest profit share in the production chain and thus should be held responsible for improving the labor conditions in its entire supply chains. But the case of Huang Xing shows the opposite. There is neither a corrective action plan nor a reasonable time schedule for workplace improvements. Workers’ basic rights are not safeguarded.

#### 4. SACOM's Continued Demands of Disney

This 2<sup>nd</sup> investigative report – following the first one released in August 2005 – finds that violations of Chinese Labor Law are epidemic in the supplier factories of Disney in southern China. Working for Disney is absolutely no fairy tale.

Disney's *Manufacturing Code of Conduct* can now be reduced to a piece of paper full of empty rhetoric that is used to convince consumers that Disney already takes responsibility for its manufacturing workers, to convince consumers that these workers' rights are already protected, and to convince consumers that Disney is a socially responsible company. Businesses like Disney, which exploit workers and deceive consumers, will not be tolerated by our society. The voluntary, internal compliance programs of global corporations, which *lack both workers and NGOs' democratic participation*, are completely without credibility.

SACOM urges Disney to resolve the aforementioned problems now. Disney must do the right thing as follows:

1. Strictly enforce the Chinese Labor Law to safeguard workers' lawful rights.
2. Strengthen production worker participation in monitoring the corporate code of conduct and invite NGOs to participate in establishing worker representation in the factory so as to safeguard workers' legal rights, health and safety and overall welfare.
3. Increase the level of transparency in the corporate social responsibility by publicly disclosing the names and addresses of all the supplier factories, including subcontractors.
4. Raise the order price and lengthen turn-over time so as to reflect reasonable labor costs.

To empower *workers* in Disney's suppliers in China, SACOM has collaborated with *Disney Hunter* and other advocacy groups based in Hong Kong, in the United States (United Students Against Sweatshops, Writers Guild of America – West and East, National Labor Committee, and Sweatshop Watch) and in European countries (Clean Clothes Campaign – Austria and Réseau-Solidarité – France) to launch international campaigns since December 2006. We demand that Disney immediately allow workers to participate in the monitoring processes and give workers the final authority to enforce the Manufacturing Code of Conduct. This is the fundamental way to concretely improve manufacturing conditions and enhance workplace democracy.

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<http://www.cleanclothes.org/companies/disney-archive.htm>

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National Labor Committee (NLC)

Why is Disney Lying

<http://www.nlcnet.org/campaigns/shahmakhdum/truth.shtml>

Disney’s Children’s Books Made with Blood, Sweat and Tears of Young Workers in China

[http://www.nlcnet.org/news/china\\_info.asp](http://www.nlcnet.org/news/china_info.asp)

SACOM & Sweatshop Watch – Those with Justice: A Disney Supplier Factory in Shenzhen (a 11-minute documentary film)

<http://www.sacom.hk>

<http://www.sweatshopwatch.org/index.php?s=82>

The Walt Disney Company – Code of Conduct for Manufacturers

[http://corporate.disney.go.com/corporate/conduct\\_manufacturers.html](http://corporate.disney.go.com/corporate/conduct_manufacturers.html)



# Appendix I

## A Complaint Letter from Workers of Qi Sheng Factory

(August 2006)

先生們、領導們：

我們是一群被工廠欺壓的工人，我們從外省到深圳市龍崗區坑梓鎮齊生燭業制品厂。在這個廠工作了一年多，現在有一些實情要向你們反映。

這個工廠的老板和管理人員都是說一套做一套，欺壓我們；我們在廠都是以計件的方式計算工資，不管是星期六、日、双休日都是一個價計算，沒有算到加班費，老板每次公布的工價老是不算數，看到我們的生產數量多了，就把工價降下來，其實我們的數量是用時間拼回來的，比如我們提早上班，中午上連班，常常是工作30天（沒有休息）。最令我們傷心的是，工廠在趕貨的時候，工廠都不准我們請假，連感冒頭痛都不批假。我們廠拿月薪的人員都是一個月上28天班，晚上加班按2元/小時計算加班費，双休日，節假日上班都不會另外計算加班費。全廠的工人都只是敢怒不敢言，也沒地方去申訴，都害怕會被炒掉，更會被扣掉工資，但還是有部分工人受不了，扣掉工資走人。

今年5月份我們工廠就集合全廠工人開會，從500多人中挑選約100人集中培訓，開始每星期培訓2次，培訓內容說，凡是由公證行來廠查廠，我們都必須按照工廠的規定答復公證行的調查員，並且說了凡是能答好問題的每人每次都有70元的獎勵，如果沒有答好的就要被開除出廠，所以我們都很認真用心的天天念記問題。5月17日早上，工廠集中、示范、抽查提問工人，當時有人答的不好，就把他的名字取消，不列在查廠檔案中。

5月18日早上工廠組織要查廠的100多人作最後排練，其他的400多人安排在斜對面的新廠上班，有部分的工人放假一天，但必須離開工廠遠遠的。其實我們的工廠是2個，（老廠在裝修，新廠在老廠的斜對面，已經開了三年，新廠從未被調查員查過），總人員有500多人。工廠去年年中開始裝修老廠，工程原定是3個月完工，聽說很多客戶都到了期要來查工廠，所以老板故意把工程一拖再拖，一直到现在還沒有完成，老板用這個借口來騙他們過關。

領導們，其實我們早就想找人投訴，不過是找不到地方去投訴。最近我們廠有幾個工人去當地勞動站投訴了工廠，投訴了老板，投訴工廠沒有按時發工資（一般我們是押70天工資，5月10日才發3月份工資），還沒有給我們算加班費。

當時勞動站要我們回工廠協商解決，我們工人回到工廠找經理和廠長，他們都不理不睬，於是我們的工人又回到勞動站，勞動站就叫我們申請仲裁，不過勞動站的人員要我們每人先交幾百元的仲裁預交費。我們都有2個月沒發工資了，我們也無能為力，去哪裡找那麼大一筆錢，最後只有由工廠宰割，由老板壓迫。我們覺得很後悔當初為什麼會幫工廠蒙騙查廠的評審員。但聽說這個老板很有本事，勾結到香港ITS公司的高層領導，只要客戶是委託ITS到廠查廠，ITS的領導都會關照調查員，手下留情，把嚴重不合格調整到輕微不合格。尤其是在寫報告總結前都會把嚴重的說成輕微，讓工廠給客戶覺得問題不大，小作整改就能過關。

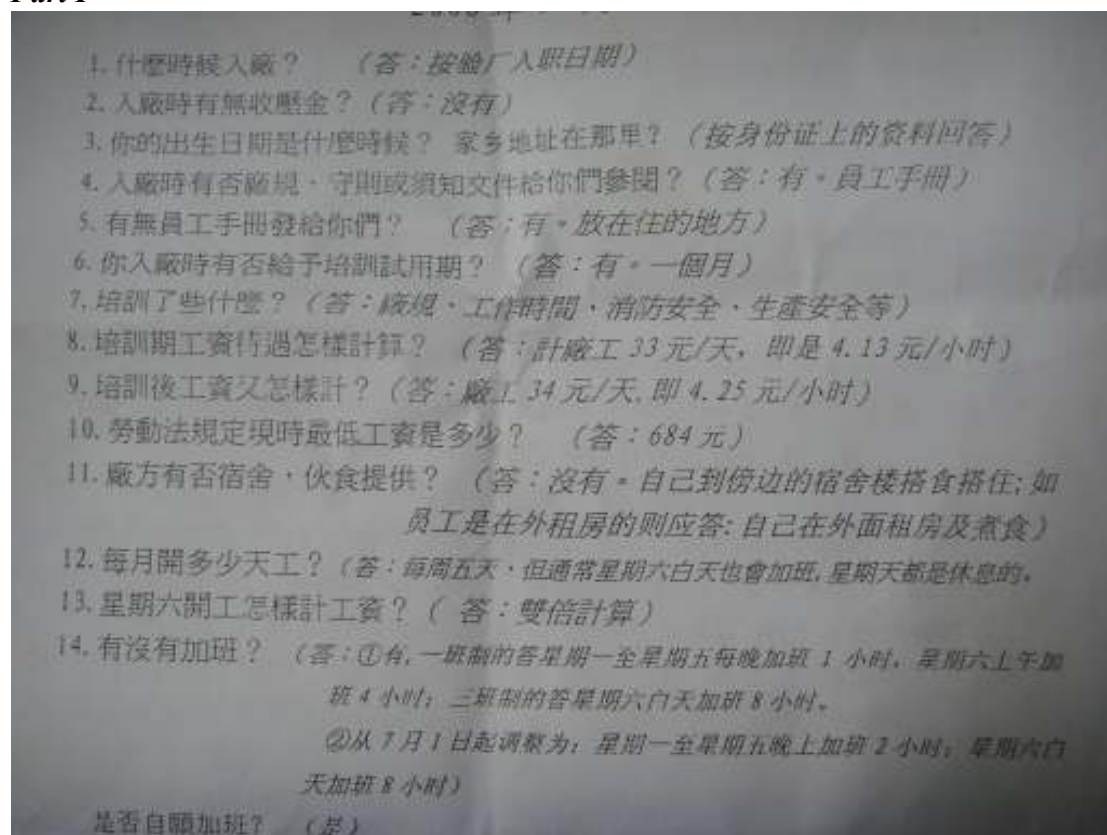
所以，我們都無法找到正確申訴之路，直到一次無意中我們有工人上到你們的網站，才知道可以跟你們聯系，將上述真實情況反映給你們知道，希望你們可以幫幫我

們這群無助的工人。我們現在有很多資料提供給你們，希望你們各位領導能看到我們的資料，可幫我們通知到我們工廠的客戶，廠是無良企業。老闆是無良的老闆。我們工廠的客戶有 Disney、Hallmark Cards(HK)Limited、Target、American Greetings。我們的資料會送到你們的公司。

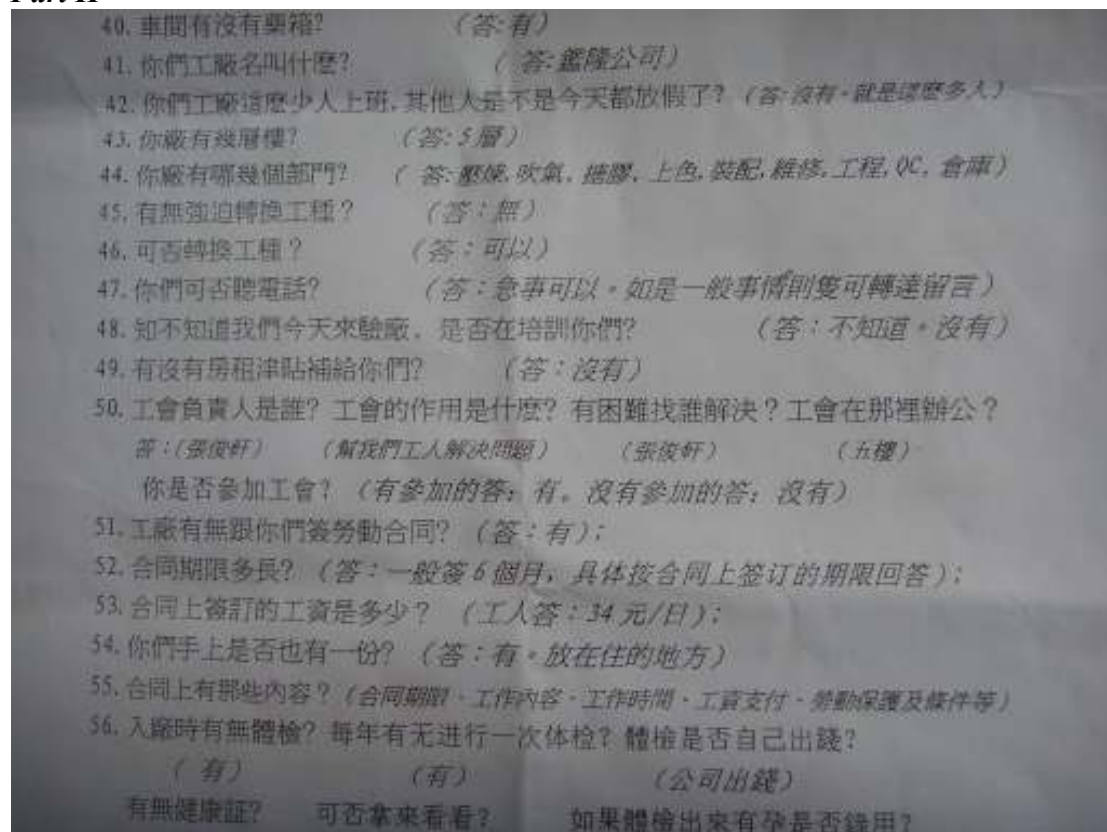
一群齊生廠外來無助的工人

## Appendix II “Training” at Kam Long Industrial Co., Ltd.

### Part I



### Part II



### Part III

65. 如果要請假怎樣辦理手續？（自己寫請假單交拉長及主管批准即可）  
星期六、日要不要請假？（不用請）
66. 廠裡有無意見箱？（有，在廠門口刷卡處）
67. 如有問題、建議或投訴可通過什麼途徑進行反映？（可以通過員工代表，也可通過口頭通知拉長或主管，亦可投信到意見箱）
68. 你們車間有什麼化學用品？（開油水、酒精、油漆，各部門並不一樣，實際由部門自己培訓）
69. 有無見過有關迪士尼、W-Mart 或国际玩具业协会商业行为守則？知道上面寫些什麼嗎？  
（有，在各个宣传板上均貼有這些守則，大概是寫有關工人的酬勞、工作時間及罷工、歧視等規定及要求，詳細內容我記不清楚了。）
70. 你們辭工要提前多少天申請？（30 天）  
高職後多少天內可以拿到工資？（辭職的當天可以拿到）  
離職後廠証及廠服要不要退回公司？為什麼？（要，因為是公司發的。）
71. 員工如被公司辭退，有無補償？（有）  
——工齡一年內的補一個月工資，二年的補兩個月工資，如此類推；
72. 你們是從那裡得知這些福利和有關廠規的？（員工手冊及員工須知文件中有寫）
73. 工廠有無吸煙區？ 在那里？ 是否只可以在吸煙區才能吸煙？  
答：（有）； （在 5 樓天台）； （是）。

### Part IV

- 答：可以口頭向上級管理人員舉報，亦可投信到意見箱進行反映。
4. 你們最近有沒有受過有關反恐方面的培訓？  
答：有。
5. 如果你們辭工要交回什麼東西給公司？  
答：要交回廠証及廠服。
- 以下三點管理人員適用：
1. 你入廠時有否給予培訓試用期？（有，一個月）
  2. 你們的工資是怎樣計算的？（基本工資以日薪計算（20.5 天/月計）+ 補貼）  
工資級別：拉長級：34.15 元/日（即 700 元/20.5 天）；  
副主管級：36.59 元/日（即 750 元/20.5 天）；（包括寫字樓的非主管級人員及工程部工程師）  
正主管級：39.02 元/日（即 800 元/20.5 天）；  
經理級以上：43.90 元/日（即 900 元/20.5 天）。
  3. 合同期限：一般簽 6 個月至 1 年期限。

## About SACOM

SACOM (Students and Scholars against Corporate Misbehavior) is a new nonprofit advocacy group founded in Hong Kong in June 2005. SACOM originated from a students' movement devoted to improving the labor conditions of cleaning workers and security guards under the outsourcing policy. The movement attained relative success and created an opportunity for students to engage in local and global labor issues. SACOM aims at bringing concerned students, scholars, labor activists, and consumers together to monitor corporate behavior and to advocate for workers' rights. Selected research reports and journal articles of SACOM are downloadable from our website:

1. *Looking for Mickey Mouse's Conscience: A Survey of the Working Conditions of Disney's Supplier Factories in China* (August 2005);
2. *'A World without Strangers' – A Report of the Working Conditions of Giordano Subsidiaries and Suppliers in China* (December 2005) [Hong Kong firm Giordano, a clothing brand and a Disney's licensee in apparel for children, men and women];
3. *Chinese Migrant Workers in Action: Bringing Wal-Mart to Global Corporate Responsibility* (Fall 2005) [this article is also available from *Social Policy: Organizing for Social and Economic Justice* at [www.socialpolicy.org](http://www.socialpolicy.org)];
4. *Resistance, Collective Actions, and Labor Organizing* (Fall 2006) [this article is also available in German, "Kein Bleiberecht: Arbeitsmigrantinnen in Südchina." *Frauensolidarität (Solidarity among Women)* at [www.frauensolidaritaet.org](http://www.frauensolidaritaet.org)];
5. *Making Mobile Phones in South China: An Investigative Report on Labor Conditions of the Electronics Industry* (August 2006) [see also *The High Cost of Calling* (November 2006) at SOMO [www.somo.nl](http://www.somo.nl)];
6. *Clean up your Computer Campaign: A Report of the Working Conditions of 13 Computer Supplier Factories in China* (November 2006 [in Chinese]; see the case study of Yonghong Electronics in English at SACOM [www.sacom.hk](http://www.sacom.hk) and Business & Human Rights Resource Centre for a summary [www.business-humanrights.org](http://www.business-humanrights.org));
7. *A Second Attempt at Looking for Mickey Mouse's Conscience: A Survey of the Working Conditions of Disney's Supplier Factories in China* (Dec 2006).

### SACOM's Ongoing Projects:

- Looking for Mickey Mouse's Conscience – An international campaign targeting Disney
- Clean Clothes Campaign – Giordano, Bossini, and other garment brands
- Clean up your Computer Campaign – Dell, HP, ACER, Apple, and Fujitsu-Siemens
- Good Electronics – Motorola, Nokia, and other cell phone brands
- Wal-Mart China Research and Labor Campaigns

### Contact us

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