



Hui Zhou Win Merchant Tour Product Co., Ltd



公司外围远景 Factory Building



公司工作区 Sewing Workshop



员工餐厅 Canteen



公司宿舍远景 Dormitory



公司篮球场近景 Basketball Court

Win Merchant Tour Product Co. Ltd. is a Hong Kong-owned enterprise founded in 2000. Products of the company range from play tents to inflated bouncers for children. The website of ICTI CARE Foundation indicates the factory has 105 workers. However, researchers observed that there were about 200 workers during the investigation.

工厂全体员工人数约 200 人，根据 ICTI 规定，105 名工人是与生产直接相关的人员。

The total number of employee in our factory is approximately 200. According to ICTI, 105 are the number of workers involve direct with production.

In 2007, Win Merchant's plant was relocated from Shenzhen to Huizhou in order to cut down on production costs. At that time, many workers followed the company to settle in Huizhou.

According to the senior workers who are still working at the factory, the working conditions have worsened.

以上所述与事实不符，实际上工厂搬迁后，员工的工作条件和生活环境及各方面待遇和深圳相比都有了很大的改善。在深圳的时候，公司厂房、宿舍楼都是租用的，且工厂租用的两栋楼在不同地方。考虑到公司发展的需要，同时也为员工创造舒适的工作和生活环境，公司管理层决定迁址，将工厂迁到更开阔的地方建造独立厂房，以便于管理。新厂房、宿舍楼是根据 ICTI 的要求标准来设计及建造的，我们有宽敞舒适的员工休息室，整洁明亮的员工食堂、餐厅，还有员工娱乐室，篮球场。对于这些我们都有照片为证。每间宿舍连两个卫生间、一个阳台面积共计 39 平方米，且只有四人住一间宿舍。公司还为已婚工人提供专门的夫妻宿舍，所有这些在迁址以前都是不可能做到的，我们完全不同意“工厂搬迁以后，工作环境变坏了”的说法。

The statement is not true. In fact after the relocation of our factory, working condition and living environment have big improvements than when we were in the old factory in Shenzhen. The old factory plant and dormitory were rented and the factory was separated in 2 different buildings.

In consideration about the development of the factory, and to create a comfortable working and living environment, the management decided to relocate the factory plant in an area that offers more space with a building that suits to the operation of the factory. The new plant and dormitory were designed and built according to the standard requirements. In the new site, we have commodious rest room, clean and tidy canteen, recreation room and basketball court. Please see attached photos. A single dormitory with 2 bathrooms and balcony is 39 square meters, only 4 workers lives in one room. Now we also afford to offer to married workers rooms for married couples. All of these is impossible before relocation, We totally disagree to the comment: "The working condition have worsened after the relocation"



员工娱乐室 Recreation Room



篮球场 Basketball court

Official website of Win Merchant.

Source: Win Merchant, <http://www.szwmc.com/en/>

4 On its website, Win Merchant lists a number of clients who placed orders at the factory in the past or still have a contractual relationship with them. <http://www.szwmc.com/en/company.asp>.

Research Methodology

Win Merchant is situated next to a highway in Huizhou. There is no vivid community outside the factory. In addition to putting in long working hours, workers rarely go outside the factory compound. And there are not many strangers around the area. This presents great challenges in attempting to conduct offsite interviews. In August 2010, the research team was only able to interview 18 workers outside the factory. During that period of time, however, there were also 2 researchers who applied for and obtained jobs at Win Merchant. The following research findings are mainly based on observations of the 2 undercover workers and supplemented with off-site interviews. It is worth noting that SACOM's investigation took place just after Win Merchant was certified by the ICTI-CARE Foundation in early August.

Findings

Win Merchant was certified by the ICTI CARE Foundation (seal no.: C2528) on 2 August. Despite the certification, a multitude of labour rights violations were observed. The following are some of the findings at Win Merchant.

Contract

Workers sign 2 copies of an employment contract. However, there is not much time for the workers to review the content of the contract before signing. Researchers said the contract they signed was falsified. There was no specification about working hours or wages. Article 17 of the Labor Contract Law spells out that an employment contract must specify remunerations, working hours, social security and so forth. Therefore, a falsified contract is very likely to be manipulated by the employer if there is a labour dispute.

我们的雇佣合同不是伪造的，我们从来没有限制员工阅读劳动合同内容的时间，雇佣合同对酬劳、工时和社保等等都有明确的规定。我们的劳动合同明确说明“甲方执行法律、法规规定的工时制度和休息休假办法。如甲方由于生产经营需要，经与工会或乙方协商同意后，可以依法延长工作时间”。员工确定在工厂工作后会签订两份相同的合同，签订后的合同会送到当地劳动部门签字盖章，工厂和员工各保留一份，当地劳动部门和工厂审计时从来没有提出过我们的雇佣合同是伪造的。我们有一部分员工的工资是计件的，没在合同上说明，但我们有另外的文件补充规定，并通告全厂员工，今后我们会完善这些合同内容。

The employment contract is not falsified. We never limit the time for workers to review the content of the contract, and the contract has detailed specifications about remunerations, working hours, social security and so forth. It is stated in the employment contract: "Party A in carrying out the provisions of laws and regulations regarding working hours and holidays, working hours can be extended in accordance to labor law after the agreement with worker representatives committee or workers". Workers sign the contract when they confirm to work at our factory, after the contract is signed, the signed contract will be sent to the local labor department to be endorsed and sealed. The factory and the worker will keep one copy each. The local labor department and factory audit never point out that our contract is falsified. The labor contract does not show that some workers are paid by piece rate but we have a supplement appendix document to the contract stating this to the workers. We will clarify this in the contract in future.

Wages

Win Merchant moved to Huizhou in 2007. In the first half of 2007, the monthly minimum wage in Shenzhen's outer zone was CNY 700. When workers followed the factory to Huizhou, the basic wage remained the same. The minimum wage in Shenzhen has now been raised to CNY 1100 per month. However, the monthly minimum wage in Huizhou is only CNY 810. The relocation of the factory is apparently related to rising labour costs in Shenzhen.

公司管理层决定迁址完全出于对工厂更好发展的考虑以及迫切地想要改善员工的工作环境。迁址的时候，惠州的最低月工资标准只比深圳龙岗少 30 元，调查人员也知道我们并没有降低工人的基本工资。

The management decided to relocate just because we want to have a better development and eager to improve the working condition for the factory. When we relocated the factory, the monthly minimum wage in Huizhou was only CNY30 less than Longgang, Shenzhen. Researchers also knew that our factory did not reduce the basic wage.

The minimum wage should be a safety net for vulnerable workers. Disappointingly, the minimum wage always turns into the basic wage of workers in the toy industry, including those at Win Merchant. The basic wage is CNY 810 per month. The hourly wage should be CNY 4.66. In fact, workers can only get CNY 4 per hour. Most of the interviewees know the minimum wage and know how to calculate the overtime premium. They are disappointed that the payment is arbitrary. They usually get only CNY 1200, with full attendance.

工厂保证员工最低实得工资不低于 1200 元，即使在订单不足的淡季，计时工资也不会低于 4.66 元每小时。剪线普工的工资是比车缝工的工资略低，但工厂也一直在不断提高普工的工资待遇，事实上普工现在的月工资已达到 1500 元~2000 元。

Our factory ensures that the minimum monthly basic wage a worker can get is no less than CNY1200, time wage not less than CNY4.66 per hour even when we don't get enough orders. The wage of ordinary workers is a little than sewing workers, our factory is trying to improve the wage of ordinary workers all the time and now the monthly wage of an ordinary worker has already risen to CNY1500-2000.

Some workers are paid by time rate while the majority of workers are paid by piece rate. As mentioned, time rate workers' monthly wage is limited to CYN 1200. Meanwhile, piece rate workers who are skilled labour can earn CNY 2000-4000 per month. Piece rate workers do not receive any overtime premium payment, but production bonuses will be given. For instance, workers can receive CNY 50 if they finish 1000 items, and they can be rewarded with CNY 100 after finishing 2000 items. Even so, production bonuses cannot replace the overtime premium. This constitutes a violation of article 44 of the Labour Law.

公司的计时工资是符合当地劳动法的规定。为了保护员工的利益，计件工人都有保底工资。他们的计件工资若是高于计时工资，我们也会按照较高的计件工资来支付。

Our factory pays the workers by time rate in compliance to the local labor law. To protect the benefit of workers, all piece workers have a guaranteed basic wages if there is not enough work. If their piece rate wages are higher than hour rate wages, we will pay them by piece rate.

To stabilize the workforce, there is a seniority bonus for workers. According to a worker who has been

working at Win Merchant for 3 years, however, the seniority bonus was only CNY 30 per month. For an annual bonus, workers said they might get a few hundred.

With the significant difference in monthly wage, it makes sense that many time rate workers want to become piece rate workers. This is extremely difficult to do. Time rate workers usually take care of the tedious work in the factory, like piling up the products, cutting extra thread from the products, and providing assistance to the sewing workers. Most of the time rate workers are new and young workers. The piece rate workers are responsible for sewing and must have some skills.

Most of them are 30-40 years old. In order to become a sewing worker, a time rate worker has to find a sewing worker willing to be his/her mentor. And the mentor has to pay a deposit. If the trainee resigns within a year, then the mentor concerned will be fined CNY 2000. As a result, sewing workers are reluctant to teach the ordinary workers the skills they have.

关于师傅及惩罚的描述与事实不符，根本不存在，事实上我工厂大部分剪线普工的年龄都是在30~50岁之间，有一些在工厂已经工作很多年，是从老厂过来的。她们的工资比车缝工低是事实，但工厂都会鼓励她们参加工厂的免费培训，转成车缝技术工，这在我工厂已有很多成功的例子。培训期间，工人的原工资照常支付，所有福利待遇不变。因车缝技术工较缺，如员工介绍亲友进厂来工厂做培训车工，每介绍一个人可奖励200元，培训期间工厂支付该培训车工不低于当地最低工资标准的工资，并享受工厂的所有福利待遇。如果培训车工不适应工作可随时辞职，没有任何人会被罚款。一直以来工厂提倡人性化管理，从来没有对工人进行过经济处罚，以上所述2000元的惩罚是不真实的。

The description and statement about mentor is not true and not existing. In fact, the age of most ordinary workers is 30-50 years old, some of them even moved with the factory and work in the factory for many years, It's the fact that their wage is less than sewing workers, the factory often encourage them to take part in the free upgrading training to become sewing workers, we have many successful examples. During the training course, workers are paid as usual and welfare is the same. Since our factory is always require skilled sewing workers, we give CNY200 to worker who can introduce their friends or relatives to work at our factory, we provide the trainee enough wage no less than the local monthly minimum wage, and he can enjoy all the treatment. If the training worker can't adapt to work condition, he can resign any time, nobody will be punished. Our factory advocates humanized management all the time, we never take monetary punishment on workers. The mentioned of CNY2000 fine is not true.

Products of Win Merchant.

Source: Win Merchant

Working hours

During SACOM's investigation, the work shift started at 7:25 and ended at 22:30. That means workers have to work for 11.5 hours a day. These hours, together with the meal breaks, mean workers stay in the factory for 15 hours a day. Workers have to work for 7 days a week. The only rest time is on Saturday night and on the 25th of each month, which is the date workers get their wages. In the low season only, workers may be able to decline overtime work. In other words, overtime work is not on a voluntary basis.

Work shift at Win Merchant:

Morning shift 7:25-11:55 4.5 hours

Lunch 11:55-14:30

Afternoon shift 14:30-17:30 3 hours

Dinner 17:30-18:30

Evening shift 18:30-22:30 4 hours

Total working hours 11.5 hours

Sometimes, workers have to work until midnight. In the past 3 months, interviewees said the longest work shift was 13 hours, and they had to work for 74 hours in a week. The overtime is over 100 hours per month. The Labour Law stipulates that overtime cannot be more than 36 hours per month. As a result, the monthly overtime is almost triple the legal limit. In summer, the shop floor is very hot, even though there are some fans installed in the workplace. In addition to such long working hours, the high temperature creates further hardship for the workers.

工厂承认在旺季赶货的时候存在加班超时，工厂会在今后逐步改善。而且，今年我们会更合理的安排生产计划，并与客户协商，延长交货期。避免出现出货太过集中，导致工人超时加班。目前，我们已经与所有客户达成一致协议，把订单生产周期由过去的 45 天延长到 60~75 天以上。

There are overtime for workers in peak seasons. Now we are trying to change this situation step by step. At the same time, we re-arrange our production schedule at the peak production periods and negotiate with our customers about delivery lead time avoiding the issue with overtime for production in the peak periods. At present, we have reached an agreement with our customers that the production lead time needed to be extended from 45 days to 60-75days to relieve this issue.

Even worse, workers complained that there was the deception in overtime. Usually, the work shift ends at 22:30. Astonishingly, though, a security guard punches the timecards for workers at 21:00, while in reality, workers are still working. Workers cannot punch their cards again as the cards are locked after 21:00. On record, the working hour is only 10 hours per day. It is suspected that this is a tactic to deceive the auditors.

考勤卡都是由工人自己打的，保安只是在旁边监督以维持秩序，但有部分计件员工会在打下班卡后又再回到车间做事。今后工厂会完整记录工人工作时间。

All time cards are punched by workers themselves, the security guard is to supervise the progress in an orderly manner, but some workers on piece rate may come back to workshop to finish up their work on their own accord. We will improve on the records on the working hours from now on.

Social insurance

Although social insurance is one of the fundamental rights of workers, workers at Win Merchant are not protected by the social insurance scheme. This suggests that workers will not have pensions after they retire and cannot receive full compensation if there experience industrial injuries, occupational diseases or illnesses. This constitutes infringement of articles 3, 72 and 73 of the Labour Law, which demand that employers contribute to the social insurance scheme in the areas of pension, medical insurance and industrial injury insurance.

工厂会安排新进员工统一在每月的 20 号办理社保手续，现在工厂已为 81 名员工购买社会保险，但是目前工厂面临一个问题：有一些员工（特别是年龄比较大的员工），因为购买社会保险以后，社保关系转移很困难且不能退保，他们担心政策经常改变，交的社保费将来拿不到，不愿意工厂为他们购买社会保险。工厂现在也正在努力与员工沟通，尽量说服他们购买社保，工厂也在

计划为员工购买一些商业保险作为补充，如雇主责任险等。如果员工工伤，会有行政部的负责人带其到当地医院治疗，所有相关费用全部由工厂直接支付，且基本工资及所有福利照发，我们也按照工伤保险条例的规定支付相关补偿金。

Our factory conducts the social insurance related procedure for new employees on the 20th of each month. We have bought social insurance for 81 workers. But there is a situation which is difficult for us to deal with, because it is difficult to transfer or withdraw the insurance, some workers especially some old workers are not willing to buy social insurance, they are afraid of not getting back their insurance premium for the change of policy. Now we are communicating with those workers that are unwilling to join and try to persuade them to buy social insurances. We are planning to buy commercial insurance like the Employers' liability insurance as supplement. Only small numbers of elder workers are not willing to pay for social insurance. In case of industrial injury, the administration department will take the worker to the local hospital to get treatment, and all the expenses will be paid by factory, basic wage and all the welfare will be paid as usual. We also pay the compensation as the industrial injury insurance rules indicated.

Health and safety

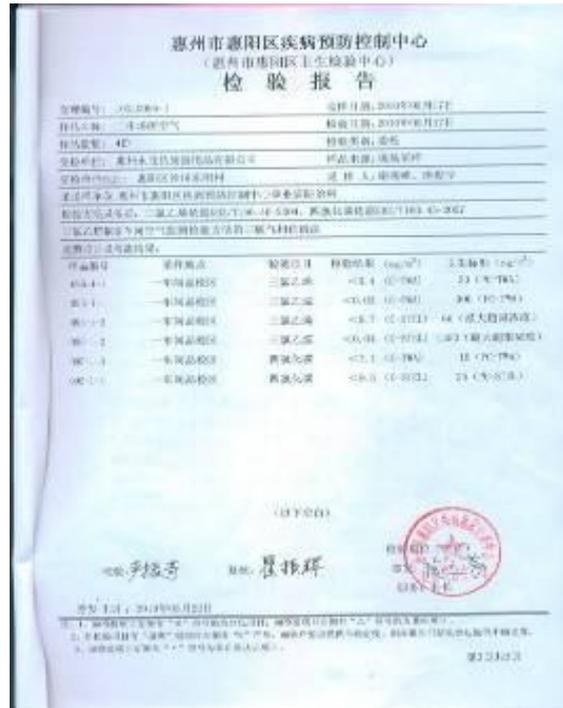
Health examinations are not required by Win Merchant in the recruitment process. Likewise, no health examinations are organized by the employer after an employee is hired. It is very noisy in the sewing department. However, no earplugs are provided to workers. Meanwhile, researchers did not find that there was personal protective equipment provided by the employer. In order to retain a clean environment, workers are required to take off their shoes on the shop floor. This presents potential dangers to workers, such as injury by products dropped from above.

除了特殊岗位如厨房的员工，工厂没有要求一般工作岗位的员工在进厂时做身体检查，但工厂每年都会在 5~6 月份的时候组织全厂员工进行身体检查并有体检报告，体检单位是沙田镇人民医院。关于噪音问题，我工厂每年都会请专业机构（惠阳区疾病预防控制中心）对我工厂所有工作环境的空气、噪音、照明等进检测，检测结果显示，我工厂各生产车间的噪音均未超过 85 分贝（报告内容见附件），因此我工厂在保证员工健康的情况下，未强制要求员工佩戴耳塞，况且长期佩戴耳塞也会给员工造成一些负面影响，如：员工之间沟通交流不方便等。为了保证生产环境的干净整洁，我工厂规定员工进车间需换工作鞋，以保证生产车间地面的清洁和干燥。

Our factory doesn't organize health examinations for newly hired employees immediately except for special positions such as kitchen staff. We provide all the staff to have health examinations in May or June every year at the People's Hospital in Shatian Town and examination reports and certificates were issued.

With reference to the noise issue, our factory has been inspected by Center for Disease Control of Huiyang District to test the air, noise and lighting of the working environment in the factory. The result of testing indicated that noise level doesn't exceed 85 decibel in all the departments (Please see the attached report), so we do not require workers to put on earplugs.

To ensure the cleanliness of the production environment, our factory stipulated that workers must change foot-ware when they enter the production floor. This is to ensure the production floor is kept clean and dry.



噪音检测报告 Noise test reports

Management

Win Merchant prefers to hire female workers rather than male as female workers are more obedient

and have a higher level of acceptance of hardship. Ordinary workers who provide assistance to sewing workers have lower status in the factory. Besides pressure from frontline management, ordinary workers encounter pressure from sewing workers. They have to provide assistance to the sewing workers, including maintaining hygiene on the shop floor. “We are the most inferior in the factory. The sewing workers do not even want to talk to us. Sometimes, sewing workers even order us for this and that as if they are the supervisors,” an ordinary worker grumbled. Management always pushes workers to speed up in order to boost productivity. New workers usually do not know how to handle work pressure. Workers can make suggestions or direct their grievances to the management. However, there is no guarantee that their problems will be resolved.

工厂对所有员工都一视同仁，并不会歧视任何员工，普工和车缝工只是分工不同，不存在身份地位差别，只要员工符合工作要求我们不会考虑其性别。实际上工厂将近 40%的员工是男性，在车缝行业，女性员工多于男性员工也是这个行业的特性。

Our factory treats every worker equally, we don't discriminate any of them, ordinary workers and sewing workers are different in division of labor but they are equal in status. We don't consider about gender of employees as long as the employee fit the job. In fact, almost 40% workers in our factory are male, Since this is sewing industry, female workers are more than male workers is the feature of the industry.

Fire drill

Toys are usually flammable products. Fire prevention measures are essential in the toy manufacturing industry. In line with the Fire Protection Law, work units have obligations to carry out fire prevention measures. At Win Merchant, workers have never experienced a fire drill and have not been trained on what to do in the event of a fire.

公司有充分意识到火灾预防及紧急事故逃生训练的重要性，我们每年 6 月份及 12 月份都会分别在白天和晚上组织全厂员工进行生产楼和宿舍楼的防火演习及紧急逃生训练。同时，向员工讲解及演示灭火器和消防栓的使用方法，并抽调各部门员工进行现场操作，且都有拍照留存。（见附件照片）

We are aware of the importance of fire drill and emergency escape training, we organize annually in June and December for all the staff to take part in fire drill and emergency escape training in and around plant and dormitory buildings for day and night sessions. At the same time, we train the workers and demonstrate usage of fire extinguisher and hydrant, we also choose some workers of every department to operate the equipments and take photos in records. (Please see the attached photos)



消防演习 Fire Drill performed (Day and Night drills)

Sick leave and annual leave

Workers are entitled to paid sick leave, but this is denied at Win Merchant. Because they will not be paid if they take leave, workers usually continue to work if they are sick. Furthermore, during the peak season, if a worker requests to take even unpaid leave, it will be difficult to get approval from the management.

Workers who have been employed over 1 year at the factory are entitled to 5 days paid annual leave in line with article 45 of the Labour Law. At Win Merchant, workers with seniority do not enjoy paid annual leave. They are compensated by some allowances instead.

只要有正式的医院证明，带薪休病假是可以实现的。员工也可以休带薪年假，根据员工意愿，员工可以休年假或得到补偿。这些政策在我公司的员工守则及其它程序文件都有规定，并张贴在员工食堂的宣传栏里。

Paid sick leave is valid with formal hospital certification. Workers can take paid annual leave, according to their wishes, they can choose to take annual leave or get compensation. We have provisions about these rules in the employees' hand book, we also post up these rules on the notice board in canteen.

Leisure

A handful of workers buy television sets for the dormitory. "I haven't watched television for the last 3 months. I am exhausted after work. Usually, we come back to the dormitory at 23:00. I still have to take a bath and clean my clothes, etc. I can't afford time for television," a female worker exclaimed.

There is an absence of community outside the factory. The only entertainment facility in the factory is snooker table in the canteen.

餐厅的公共区域有电视机，工厂有乒乓球台，篮球场，员工也可以打羽毛球。

Television set is available at the common area in the canteen. Table tennis, basketball court, badminton is also available in factory for the workers.

Food

Food is free at Win Merchant. However, most of the workers complain about the quality of food. In other factories, workers may buy food from vendors outside the factory. Owing to the remote location of Win Merchant, workers do not have that option.

我们努力使餐厅食物符合大多数人的口味，事实上我工厂的伙食是很好的，只是众口难调，很难令所有人都满意。员工也可以在工厂外面买食物，工厂外面 50 米~100 米范围内有很多的餐饮店及百货商店。每天早上及下午在马路两边还有个较热闹的小集市，水果蔬菜、鸡鸭鱼肉、卤味熟食、各种小吃、书籍衣服等应有尽有（见附件照片）。

We have been trying our best to suit the majority's taste and we believe that food in our factory is good but different people have different preference. The workers can buy food from outside of the factory. Just about 50 to 100m outside the factory, there are many snack shops, restaurants, stores and shops. In the morning and afternoon, there are small markets along the roads, fruits, vegetables, fresh meat, fish, braised food, cooked food, snacks, books and clothes are available. (Please see the attached photos)



厂外集贸市场 Streets outside the factory

Win Merchant is located in an isolated area. It is next to a highway and a farm. Therefore, most of the workers live in the dormitory provided by the factory. Each room can accommodate 4 workers. The size of a room is about 15 sq. meters. There are 2 double deck beds. Hot water is available in the bathroom, but only after workers have finished their work. There are not many facilities in the dormitory. Workers do not even have lockers. There is no privacy in the dormitory at all.

公司每间员工宿舍净面积有 23.4 平方米，连带洗手间阳台有 39 平方米，每个宿舍都配有可上锁的铁柜子，每个员工都有自己的可以上锁的柜子（见附件照片）。我们也给员工提供床帘，有需要的员工可到行政部免费领取。每间宿舍配有两个功能完好的独立卫生间，有阳台，有洗衣池。公司暂时没有能力为员工安装空调，但每间宿舍都配有 2 个楼顶扇和 2 个落地扇。热水也在每天早上及工人下班的时候供应。

Every room of the dormitory is 23.4 square meters, and it is 39 square meters together with bathroom and balcony. Each dormitory room is equipped with cabinets with lock for every worker. Every worker has his/her own lock cabinet (Please see the attached photos) . We also provide bed shade, workers who need curtains can get from the administration department. Every dormitory room is equipped with 2 independent bathroom, balcony and laundry tub. We can't install air conditioning for workers, but every dormitory has 2 ceiling fans and 2 floor fans. Hot water is supplied in the morning and after work.



员工宿舍 Dormitory



带锁柜子 Cabinet with Lock

Difficulties in resignation

Upon signing of the labour contract, workers are warned by the management that they must work in the factory for at least one year. If they just want to seek a temporary job, they should leave the factory immediately. As stated above, if a worker becomes an apprentice of a sewing worker, it will be difficult for the worker concerned to resign. If the worker does resign, the mentor will be punished heavily.

试用期员工可随时离职，在办理好离厂手续的第二天结算工资，试用期后的员工辞职需提前 30 天通知工厂，不存在“师傅-徒弟”一说，也没有任何人会因辞职而受罚。

During the probation period, workers can resign at anytime, they will get salary at the second day after finishing the resignation procedure. If a worker who has passed the probation period and wishes to resign, the worker must inform the factory 30 days advanced. The so-call "apprentice - mentor" does not exist in our factory, and nobody is punished for resignation.

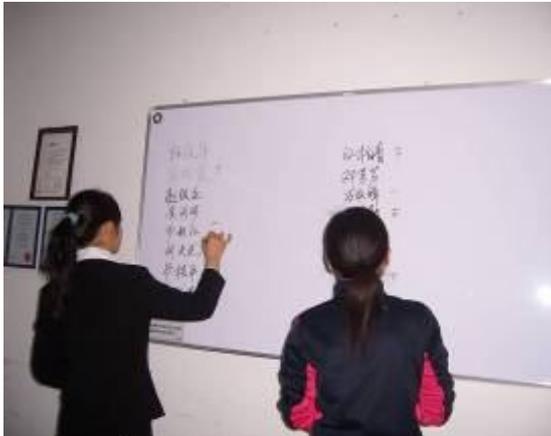
Worker representative system

There are 5 worker representatives in the factory. They are appointed by the management instead of being elected. Some workers pointed out that there were meetings among the representatives. Nonetheless, there is a lack of transparency in the process. Workers do not know about when the meetings take place or what is discussed in the meetings. Workers generally do not care about the existence of a worker representative system, because they do not think the handpicked representatives can make changes on the shop floor.

工厂的员工代表都是在工代表选举会议上由员工投票选出的，选票是由各车间员工监督，绝对不是管理层指定的（见附件照片）。工人代表委员会是工人和管理层沟通的桥梁，工人代表委员会是独立运作的。今后，我们会加强与员工代表委员会的沟通及互动，及时将会议记录及决议事项张贴出去，让所有员工都能知悉会议内容。

The worker representatives were elected by workers on the election meeting of worker representatives, the count of votes is supervised by workers from every work shop, none of the elected representative

was appointed by the management. (Please see the attached photos) Worker representatives committee is the communication channel between the workers and management. The Workers representative committee operates independently. From now on, we will ensure the meeting minutes will be posted up on the notice board so that all the workers know the contents of every meeting.



代表员工选举会议 Worker's representative election

Code of conduct

Researchers find the code of conduct of Walmart in Chinese posted on a notice board inside the canteen. This confirms a buying relationship between Walmart and Win Merchant. Other than

that, workers are not aware of other codes of conduct from other brands.

除了沃尔玛的行为守则，ICTI 的所有行为准则及程序文件也一直被张贴在餐厅布告栏上（见附件照片）。

Apart from the Walmart code of conduct, the code of conduct and processing program files of ICTI are posted on the notice board inside the canteen. （Please see the attached photos）



张贴的 ICTI 的行为准则 ICTI Code of Conducts posted on notice board

Deceptions in audit

The management will make an announcement prior to factory inspection. A meeting will be organized to prepare for the audit. Workers are trained to give model answers related to the working conditions. For example, all the piece rate workers have to say they are paid at a time rate. Workers under 18 years old will be sent to the 3rd floor of the factory building, which belongs to another factory. A middle-aged female worker complained, “it makes me dizzy to memorize so many regulations.” It is apparent that the factory knows about the legal standards. However, there is no commitment to rectify the violations. Instead, the factory just cheats the auditors by forcing workers to give model answers. On 30 July, a factory audit took place. Nonetheless, workers did not know which brand or institute it was

我们开会是为了让员工有机会了解关于劳动法规和供应商行为守则的知识，目的是让员工更好地了解这些知识和准则。

We organized the meeting to give workers the chance of getting knowledge about Labor Law and suppliers' code of conduct, aiming to let workers know better about this knowledge and code.

ICTI code

Workers are ordered by the management to recite the ICTI Business Code. Instead of educating the workers, however, it is a means to get them to pass the factory inspection. Hence, most of the workers recognize the information card of the ICTI CARE Foundation. Some workers can even recite the content of the code. Compared to workers at other toy factories, Win Merchant workers have a higher understanding of the ICTI code. Nevertheless, workers cannot comprehend how the code is relevant to their working conditions. The factory should have regular training on labour laws and other labour rights standards, including ICTI Business Code, for workers on a regular basis. Win Merchant announced on its website that the factory passed the ICTI inspection.

工厂给员工进行各种培训是为了提高员工的素质。工厂给每位员工发 ICTI 关爱基金卡，每位员工也都通过培训知道这张卡的内容和用途。今后工厂会继续加强对员工进行相关劳工权利标准的培训，争取所有行为符合标准要求。

Our factory takes all kinds of training to enhance standard of workers. We issue the ICTI care foundation card to every worker, and all workers know the content and usage of the card by training. We will insist on enhancing the training about workers' rights and endeavor to fit all the requests.

Source: Win Merchant

Concluding Remarks

Underpayment for both time rate and piece rate workers, excessive overtime and cheating with regard to working hours, absence of social insurance, and so on, prove labour rights violations are rampant at Win Merchant. Furthermore, deception is prevalent during audits. These findings reveal that factory audits are insufficient for monitoring the working conditions in the factory. Echoing the situations at Chuang Ying and Yat Hing, Win Merchant is certified by the ICTI CARE Foundation even though rights violations are extensive. SACOM is deeply concerned about the extent to which the audit and certification system of the foundation can protect labour rights.

Some of the interviewees are aware of the legal standard of overtime premium. But they have not used the ICTI CARE hotline to lodge complaint. Despite the presence of a worker committee, its formation determines that it is not going to speak for the workers. A genuine and legitimate worker representative system is needed. To make this possible, there should be general labour rights training provided to workers as a first step towards reform. Afterwards, there must be a democratic election to form a worker committee or trade union to enable workers to monitor working conditions and defend workers' rights.

SACOM calls on the brands to work with Win Merchant to rectify the labour violations.

Additionally, there should be compensation for the workers for these violations.

总结：

工厂承认赶货的时候会存在加班超时，但只是偶尔出现。永茂昌一直都在为改善员工福利待遇，工作和生活环境而努力。尤其是在申请 ICTI 认证的这几年来，我们提倡人性化管理，员工的福利待遇有了很大的提升，大多数员工对工厂都较满意，工厂与员工的关系也很融洽，很多老员

工辞职了都又回来。因为大家都能看得到工厂的努力和改善的成效，工厂也承诺员工，各方面条件待遇还会继续逐步改善，我们的员工对此都深具信心。同时，我们深知工人是工厂最大的财富，我们会竭力善待和珍惜他们！

Summary:

Our factory admits that in order to deliver the goods in time, sometimes overtime work is required. Win Merchant is endeavoring to improve wage and welfare, working conditions and living environment. Especially during the years we apply for the ICTI certification, we advocate humanized management, workers' welfare and treatment have big improvement. Most of workers are satisfied with the factory, the relationship between workers and factory is harmonious, and many workers who have resigned have come back to work with us again. Everybody can see our endeavor and achievements. We promised to workers that working conditions and welfare will keep on improving, our workers also have great confidence about this. At the same time, we know well that staffs are the wealth and asset of the factory, we will do our best to treat and cherish our staff.