

Apple's supplier Pegatron Group violates workers' rights

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FOR IMMEDIATE RELEASE

Today, China Labor Watch (CLW) published an investigative report detailing the labor violations of three factories of Pegatron Group, a major supplier to Apple. In 2013, Apple has increased its orders to these factories, which have benefitted from and relied upon labor violations to increase their competitive edge.

CLW's investigations revealed at least 86 labor rights violations, including 36 legal violations and 50 ethical violations. The violations fall into 15 categories: dispatch labor abuse, hiring discrimination, women's rights violations, underage labor, contract violations, insufficient worker training, excessive working hours, insufficient wages, poor working conditions, poor living conditions, difficulty in taking leave, labor health and safety concerns, ineffective grievance channels, abuse by management, and environmental pollution.

In short, the Pegatron factories are violating a great number of international and Chinese laws and standards as well as the standards of Apple's own social responsibility code of conduct.

In May 2013, Apple heralded that its suppliers had achieved 99 percent compliance with Apple's 60-hour workweek rule, this despite the fact that 60 hours is a direct violation of China's 49-hour statutory limit. This "accomplishment" is further discredited by the fact that average weekly working hours in the three factories probed by CLW are approximately 66 hours, 67 hours, and 69 hours, respectively. For instance, in Pegatron Shanghai, our investigation uncovered that workers were forced to sign forms indicating that their overtime hours were less than the actual levels.

Indeed, a number of Apple's social responsibility promises are being broken, including those related to worker safety, protecting the environment, and more. None of the Pegatron factories investigated here, for example, provide sufficient safety training to workers. At Riteng and AVY, waste water is disposed of directly into the sewage system, polluting the local water source.

Conditions at these factories are so poor that most workers refuse to continue working for long. In a period of two weeks, 30 of 110 new recruits at AVY left.

Apple continues to source from Pegatron factories despite serious labor rights violations. That Apple has made promises on the conduct of its suppliers means that Apple is complicit in the persistence of violations at these factories.

Apple has zero tolerance for lapses in the quality of its products. If a quality issue arises, Apple will do everything it can to have it corrected immediately. But a lower level of urgency apparently applies in responding to labor rights abuses. Despite its professed high standards for the treatment of Apple workers, serious labor violations have persisted year after year. Apple must prioritize its efforts into halting the abuse of the workers making Apple products.

CLW executive director Li Qiang said, "Our investigations have shown that labor conditions at Pegatron factories are even worse than those at Foxconn factories. Apple has not lived up to its own standards. This will lead to Apple's suppliers abusing labor in order to strengthen their position for receiving orders. In this way, Apple is worsening conditions for workers, not improving them."

The report brings this issue into sharp relief by comparing 17 social promises that Apple has made with 17 corresponding realities uncovered during CLW's investigation.

From March to July 2013, CLW sent investigators into the three Pegatron Group factories to carry out undercover investigations and conduct nearly 200 interviews with workers outside the factories. The factories included Pegatron Shanghai (producing the iPhone), Riteng (a Pegatron subsidiary in Shanghai producing Apple computers), and AVY (a Pegatron subsidiary in Suzhou producing iPad parts). Together, these three Pegatron factories have more than 70,000 employees.

[Download the full PDF report.](#) 

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