

An Investigation of Eight Samsung Factories in China: Is Samsung Infringing Upon Apple's Patent to Bully Workers?

September 4
China Labor Watch



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I. Introduction

In June 2012, China Labor Watch (CLW) published an investigative report on ten supplier factories for Apple. Soon afterwards, CLW began carrying out investigations of Samsung's network of factories.

Samsung Electronics, headquartered out of South Korea, is a world leader in electronics manufacturing and sales. In 2011, Samsung enjoyed profits of over \$12 billion and was ranked as the 22nd largest corporation in the world by CNN. Naturally, the treatment of this corporation's manufacturing workers serves as a model for other businesses in the industry.

However, new investigations by CLW have revealed that the treatment of Samsung's Chinese factory workers is far from model. Indeed, the list of illegal and inhumane violations is long, including but not limited to well over 100 hours of forced overtime work per month, unpaid work, standing for 11 to 12 hours while working, underage workers, severe age and gender discrimination, abuse of student and labor dispatch workers, a lack of worker safety, and verbal and physical abuse. Moreover, workers lack of any effective internal grievance channel by which to rectify these transgressions.

Samsung has a network of 12 factories that it directly owns and operates in China. In addition, it has countless contracted factories which it does not operate but which are part of Samsung's supply chain, including the HEG Electronics factory, which was exposed by CLW on August 12 for child labor abuse. From May to August 2012, CLW conducted an investigation of 8 factories, including 6 directly-operated by Samsung and 2 Samsung supplier factories.

Directly-operated factories and supplier factories differ in some important ways. Samsung has majority ownership of its directly-operated factories, these factories only work for Samsung, and all of their processing fees and expenditures are all assumed by Samsung. But supplier factories only manufacture or process products for Samsung. All expenditures are the responsibility of the factory itself, and they gain profit on the price of their produced goods.

These 8 factories include:

- **Shenzhen Samsung Kejian Mobile Telecommunication Technology Co., Ltd (SSKMT)**, with about 500 workers, is 60% owned by Samsung and primarily produces Samsung's CDMA cell phones;
- **Huizhou Samsung Electronics Co., Ltd (SEHZ)**, with about 10000 workers, is 99% owned by Samsung and primarily produces MP3/MP4 players, MINI combined speakers and receivers, and DVD home theaters;

- **Tianjin Samsung Electronics Co., Ltd (TSEC)**, with about 2000 workers, is 91% owned by Samsung and primarily produces DVD players and parts for TVs;
- **Tianjin Samsung Mobile Display Co., Ltd (TSMD)**, with about 3500 workers, is 95% owned by Samsung and primarily produces mobile displays;
- **Samsung Electronics (Shandong) Digital Printing Co., Ltd (SSDP)**, with about 2000 workers, is 100% owned by Samsung and primarily produces digital printers;
- **Suzhou Samsung Electronics Company Co., Ltd (SSEC)**, with about 4000 workers, is 88% owned by Samsung and primarily produces refrigerators, washers, air conditioners, compressors, small home appliances, and related parts;
- **Tianjin Intops Co., Ltd (Intops)**, with about 1200 workers, is a supplier factory for Samsung and primarily manufactures cell phone casings;
- **Tianjin Chaarmtech Electronic Co., Ltd**, with about 900 workers, is a supplier factory for Samsung and primarily produces cell phone casings and other parts.

The worker population of each factory above is an estimate based on our investigators' work. CLW investigators entered these 8 supplier or directly-operated factories either posing as workers or interviewing workers outside of the factories.

II. 16 Major Sets of Labor Mistreatment

Our investigations have discovered an array of serious legal violations and labor abuses throughout these 8 factories. Below are some of the gravest issues:

1. Forced and excessive overtime. Every factory except SSKMT maintains overtime for at least half the year that reaches or exceeds 100 hours per month, sometimes with only one day of rest during the entire month. TSMD workers reach up to 186 hours of overtime during the peak season. Only SSKMT's factory never surpassed 100 hours of overtime, but even its 50 hours of overtime surpasses the legal limit of 36 hours. Workers of the TSEC, TSMD, Chaarmtech, and SEHZ factories are forced to work overtime. Even if not forced, workers often have no choice but to work overtime because their base wages are too low to support themselves. Because of this, most workers are quite willing to work overtime, and many workers view the inability to do overtime as a type of punishment.

2. Exhausting working conditions. Almost all factories require most workers to work standing for the entirety of their shift, including during regular overtime shifts that last 11 to 12 hours. This is despite the fact that factory technicians have expressed that from a

production perspective, in many cases, standing is unnecessary. In addition, the rate of production during these long shifts is incredibly fast. For example, workers at SSEC must assemble a nearly meter-long panel and install two screws every 9 seconds. And workers on the cell phone assembly production line at Intops have to finish assembling one cell phone casing every 5 seconds.

3. Extensive labor contract violations. Almost every factory failed to uphold workers' legal rights to a labor contract. These violations range from a blank contract, to not giving workers a copy of the contract, to no contract at all. For instance, many or most workers at TSEC, TSMD, Intops, and Chaarmtech sign absolutely no legitimate contract with the factory.

4. Forced work without pay. TSEC, SSDP, and Intops require workers to come into work up to 20 minutes early every day for meetings without any remuneration for the time. A fourth factory, SSEC, also doesn't pay workers during some months in the year for overtime past 36 hours, instead giving them extra vacation time.

5. Inhumane treatment of workers. In at least two factories, TSMD and Intops, investigators discovered regular crude treatment of workers, including verbal and physical abuse.

6. Abuse of underage workers. At least 3 factories—TSMD, SEHZ, and SSKMT—have been discovered hiring workers under 18 years of age, requiring them to do the same work as adults without providing extra protection for these children. The SEHZ factory was even reported as having management hire underage workers by changing the name on the young person's ID card to the name of a past worker in order to create a facade of age legality. Additionally, workers at SEHZ, Chaarmtech, and SSKMT have reported that underage workers will enter the factories with fake IDs, indicating a major problem with the hiring and supervision system in these factories.

7. Severe discrimination based on age, gender, and individual characteristics unrelated to the job. Every factory but SSDP and SSEC was reported to be restricting the age of new workers to only young workers, the most egregious of which being 16-20 years of age at the SEHZ factory. The factories hire young workers because they are both more cooperative and less able to defend their own rights. Every factory but SSDP and SSKMT refuses to hire either males or females. When females are favored, it is usually because they are considered more cooperative. Only SSEC favors males because the rate of work is so demanding that the factory fears that female workers could not adapt. SEHZ was also reported as refusing to hire any person less than 1.55 meters tall or that has tattoos, dyed hair, or physical disabilities.

8. Abuse of labor dispatch workers. TSEC, TSMD, INTOPS, Chaarmtech, and SSEC hire a large part or all of their workers via labor dispatch companies, generally offering the workers an illegitimate contract or no contract at all. Instead, dispatch workers will sign a

contract with the dispatch companies, allowing the factory to shirk much responsibility for these workers' benefits and safety.

9. Abuse of student workers. TSEC, TSMD, SSDP, SEHZ, and SSKMT extensively hire students directly from vocational schools. Many of these students are underage and they often don't receive a legitimate labor contract; instead, the factory signs a contract with the school of which the students never receive a copy. Many, if not most, students are forced to accept this work as part of graduation requirements. Moreover, schools themselves are more than happy to continue providing students as they receive kickbacks from the factory.

10. Charging workers inordinately high fees to be hired. Workers hired via dispatch and employment agencies must pay up to 800 RMB (\$125) per person, where the average monthly base wage for workers is less than 1700 RMB (\$267). For example, at the TSEC factory, dispatch workers had to shell out 300-700 RMB (\$47-110) to be hired, which occupied up to one half of their base monthly salary of 1450 RMB (\$228). In addition, Intops, Chaarmtech, and SSEC charge workers up to 100 RMB (\$15) for a health check required during the hiring process.

11. Lack of worker safety. Intops and Chaarmtech don't provide any safety training for workers. In addition, investigators reported safety concerns in the hazardous environments on the factory floors of SSDP, Intops, and SSEC. For instance, those at Intops who come into contact with printing fumes don't receive or wear protective masks.

12. Dependence on overtime. Workers at Intops and Chaarmtech, both supplier factories, receive a monthly base salary of only 1310 RMB (\$206), which is the minimum wage in Tianjin. The average monthly wage at these factories is 3200 RMB (\$503) and 3300 RMB (\$519), respectively, meaning that their monthly base salary is only about one half of their monthly overtime wages, making these workers dependent on overtime in order to make a living wage. Dependence on overtime work is characteristic of workers at almost every investigated factory.

13. No pay stubs. At SSDP, Chaarmtech, and SSEC, workers are not given pay stubs when wages are issued. At SSDP and SSEC, workers must access company computers to check their wages.

14. Discrimination in benefits based on personal identity. The TSMD factory provides more insurance benefits for workers that are Tianjin residents than non-residents.

15. Unfair and unreasonable rules. Almost every factory had other regulations that were unfair or simply cruel. A few examples: at TSMD and Intops, sick days are recorded as "work absences", affecting the workers performance grades and wages; at SEHZ and SSKMT, workers are only allowed to leave the probation period and become formal employees during the month of July, arbitrarily punishing workers who are hired in any other month; and at SEHZ and Intops, workers pay hundreds of renminbi in insurance costs

without ever receiving insurance cards that would allow them to enjoy the benefits for which they paid.

16. Lack of any effective complaint mechanisms. Even when they suffered unfair treatment, workers at almost every factory lacked any effective channel by which to express grievances to management. TSEC and SSEC had a type of suggestion box, but workers didn't believe that management would seriously consider these complaints. Furthermore, most workers at every factory had heard nothing about a union, and even if there was a union, it did not act as a voice for the workers' interests.

(The individual reports for each factory can be found below.)

III. Supplier Factories Are the Worst Violators

All factories in this investigation mistreat labor in one way or another, but generally speaking, those factories directly owned and operated by Samsung are, in some aspects, less egregious violators than the supplier factories that Samsung pays to produce its products. As an example, the chart below compares a factory completely owned by Samsung, SSDP, and a supplier factory, Intops, based on information and estimates collected during our investigations.

	SSDP	Intops
Number of workers	About 2000	About 1200
Base wages	1600 RMB (\$251)	1310 RMB (\$206)
Hiring source	About 60% of workers are students hired through schools. Students work for up to a year and then are required to return to their schools. There are no hiring or health check fees.	About 95% of workers are hired through worker dispatch companies and hiring agencies. Workers need to pay 100-400 RMB (\$15-62) in service fees as well as another 100 RMB (\$15) for the pre-hire health check.
Gender discrimination	There is a male to female ratio of 3:2, and investigators turned up no evidence of gender	More than 80% of workers are female. During hiring interviews, the HR department often chooses not

	discrimination in hiring. There are both male and female dormitories provided.	to interview males. Dormitories are only provided for females.
Age discrimination	Investigators reported no age discrimination.	The factory will only hire people between the ages of 18 and 30.
Labor Contracts	The factory, school, and students sign a joint contract; however, student workers expressed that they do not receive a copy.	The factory requires workers to sign a contract in which specific items are left blank. The workers are also not given a copy. This has led to many workers in the factory not knowing whether or not they are formal employees of the factory.
Work and Safety Training	Before beginning work, workers attend a full week of training in which full wages are provided.	Absolutely no formal training for new workers. Instead, workers just learn from a veteran worker or team leader on the production line the first day.
Forced work without pay	Workers must come into the factory ten minutes before clocking in for a meeting but are not paid for the time. When production plans call for a work stoppage, workers get 50% of normal wages, but the law calls for 70% of wages.	The first day of work is unpaid. Every day, workers are required to enter the workshop 20 minutes early for a meeting but are unpaid for the time.
Excessive Overtime	When production orders are low, workers average about 32 hours of overtime per month. When orders are high, no more than 100 hours.	During non-peak seasons, workers average around 100 hours of overtime per month. During peak seasons, about 150 hours.

Pay stubs	None. Company computers can be used to check wages details.	Pay stubs are given to workers every month.
Working conditions	Everyone must stand while working. One worker of two months reported that the speed of production is so fast that she has never had a chance to drink water while working.	Everyone stands while working. The production speed is very fast; workers on the cell phone assembly production line have to finish one cell phone casing every 5 seconds.
Verbal or physical abuse	None reported.	Workshop managers crudely reprimand workers. Security guards also force workers to accept physical pat downs.
Worker safety	There is a lot of dust under the work areas in the workshop. Workers are given masks, but workers don't believe that it sufficiently protects them.	Workers responsible for printing do not have masks to protect themselves from the fumes. Moreover, without any safety training, they might not even know the risk these fumes pose to their health.
Unfair or unreasonable rules		1) No matter how serious a sickness may be, one must first go to the factory to get written approval for sick leave. If the worker does not get written approval, it is considered a work absence. 2) An absence of one day results in a deduction of three day's wages. This deduction shouldn't be more than 290 RMB (\$45), but the actual deduction is between 300-680 RMB (\$47-106). 3) Workers pay 160 RMB (\$25) per month for an insurance card, but some workers have never

		received a card to use. 4) Workers are not allowed to wear shoes in the production facility, despite the floor being cold. According to some factory technicians, there is no apparent reason for this rule.
Dormitory	The dormitories are provided for free, but there is a 10 RMB (\$1.5) monthly fee for utilities. The dormitories have entertainment rooms and equipment, including computers (though half don't work well), a TV room, a ping pong room, and an exercise room.	Only female dormitories are provided, and the workers who live in them must pay a monthly fee of 70 RMB (\$11). There are no forms of entertainment provided for workers to use.
Grievance Channel	None reported. The majority of workers don't even know if there is a workers union at the factory.	None reported. No union reported.

The above chart clearly demonstrates that although the SSDP factory is still plagued with issues—e.g., excessive overtime, harsh work conditions, a lack of effective grievance channels—the Intops factory can be considered in another league of labor abuse, with over 100 hours of overtime per month throughout the year, gender and age discrimination, illegitimate labor contracts, and a lack of concern for worker safety. Through the network of Samsung's Chinese factories, those majority owned or directly operated by Samsung occupy a very small percentage of the factories. The majority of those in Samsung's network are supplier factories, and the conditions at these supplier factories are, on average, worse than those at Samsung's own factories.

IV. Samsung Can and Must Improve Labor Conditions

The labor abuse detailed above mustn't be allowed to persist. As discussed in the beginning of this report, Samsung is among the largest corporations in the world, with over \$12 billion dollars in profits in 2011. It clearly has the wherewithal to systematically improve labor

conditions for its network of factories and supplier factories in China. Below are some of the steps Samsung can take in both its majority-owned and supplier factories:

- **Establish worker hotlines in each factory.** By establishing this channel of communication between the factory and workers, worker grievances can be clearly expressed and potentially rectified. Of course, workers should be free from factory reprisals and be able to maintain their anonymity if so desired. The factory also benefits from a hotline because the expectations of more workers can be met and employee turnover will reduce.
- **Establish third-party hotlines.** Third party actors, such as NGOs, can act as mediators of labor disputes by giving workers a direct channel by which to contact these NGOs and express their grievances. In turn, these NGOs can then communicate the grievances to the factory and discuss potential solutions.
- **Reduce internal audits and increase third party audits.** Redundant internal corporate social responsibility (CSR) audits lack independence and are mired in corruption. Samsung should reduce these audits and replace them with regular independent third party audits. NGOs, which have no conflict of interest in working with Samsung, should be able to freely conduct CSR audits in factories, strengthening oversight and improving labor conditions.
- **Educate managers.** Management—particularly low-level management on the factory floor—should be provided with communication and human resource management training. Without these essential skills, the verbal and physical abuse in factory workshops will persist.
- **Round-table discussions.** Samsung can organize discussion events which bring in representatives for the workers at a given factory, for that factory, for Samsung itself, and for any other corporation that does business with that factory. Round-table events should allow all sides to hold open discussions on factory rules, labor treatment, and other issues relevant to workers. These events should emphasize equality among the various parties, ensuring that there are an equal (or greater) number of worker representatives as corporate and factory representatives. Worker representatives should be directly chosen by the workers themselves.
- **Production transparency.** Samsung should publish a list of all supplier factories as well as put the names of these factories on its products. This way, Samsung's manufacturing operations will be fully transparent.
- **Collective bargaining and unions.** Not one factory in this investigation had a legitimate union. Samsung should allow the right to worker-organized, worker-operated, and worker-led unions in all of its directly-owned and supplier factories.

Of course, all union leadership and representatives should be chosen by the workers that union represents. And all unions should have to right to collective bargaining.

The long list of abuses discussed in this report demands an immediate effort by Samsung to rectify current illegal and unfair treatment. But in order to prevent transgressions in the future, Samsung should also improve the entire system, as is detailed above. By nature of its size and extensive utilization of Chinese labor, Samsung can change the way that the electronics industry treats manufacturing workers. CLW calls on Samsung to begin at once.

About China Labor Watch:

Founded in 2000, China Labor Watch is an independent not-for-profit organization. In the past ten years, CLW has collaborated with labor organizations and the media to conduct a series of in-depth assessments of factories in China that produce toys, bikes, shoes, furniture, clothing, and electronics for some of the largest companies. CLW's New York office creates reports from these investigations, educates the international community on supply chain labor issues, and pressures corporations to improve conditions for workers.

Investigative report on Shenzhen Samsung Kejian Mobile Telecommunication Technology Co., Ltd. (SSKMT)

May 3, 2012

Company Profile

Shenzhen Samsung Kejian Mobile Telecommunication Technology Co., Ltd. (SSKMT) is a Sino-foreign joint venture, majority owned by Samsung that primarily produces CDMA mobile phones for Samsung. The company is located in the northern section of the Hi-Technology Park, Nanshan District, Shenzhen, Guangdong. There are around 500 employees in the company, 40% of which are female workers.

The company was established in 2002 with \$20 million of registered capital. The total investment amounted to \$60 million. The shareholders (initiators) are: South Korea's Samsung Electronics Co., Ltd., China Kejian Co., Ltd., and Shanghai Alliance Investment Ltd. Among them, Samsung Electronics invested 60%, Shanghai Alliance 35%, and China Kejian 5%.

The registered address for SSKMT is Samsung Kejian Park, 2 Songpin Street, Hi-Technology District North, Nanshan, Shenzhen. It has registered to carry out research and development and produce CDMA mobile phones. It sales its manufactured products and provides customer technical service as well as R & D in 3G terminal products. Kejian also engages in wholesale import/export and other business related to mobile phones and parts. According to its registration, SSKMT can be in business from February 26, 2002 to February 26, 2032.



SSKMT campus



Outside SSKMT campus

I. Recruitment and Termination

Workers are required to be between 16 and 20 years old in order to be hired. These young workers are recruited directly through schools— never publicly. The student applicants do not need to pay fees to be recruited. Non-student applicants have to pay the school 500-1000 RMB (\$78.1-\$156.3) to be recruited, but they still must be between 16 and 20 years old. The company will provide free health checks and make copies of the workers' IDs for record-keeping. Workers are required to take part in a 4 day-3 night training course in Dongguan, where they learn about the history of the company, service concepts, and play some games. There is an assessment at the end of the training to determine if workers meet the company's requirements. If the employees pass the test, they will be trained for 2 or 3 days in skills related to their positions, including work procedures and precautions. The training period is paid. Before beginning formal work, anti-static clothing is provided, but it is not allowed outside of the workshops.

New recruits can become full-time employees during the month of July, which is a regulation of the company. If a person is recruited in July, he/she will become an official employee during that month. Official employees can benefits such as housing allowances and

five insurance. Non-official employees who are still in their probation period can leave the company anytime with the permission of management. Employees with contracts must inform the team leader one month before leaving the company, get the permission of their supervisor, and then needs to have a resignation form granted by the company. The date on which the form is completed will be considered the date on which the worker resigns. The company will issue a resignation certificate according to the performance of that employee who can then receive remaining wages.



Visitors notice

II. Labor Contract

It is a company regulation that it only signs labor contracts, which are three years, with employees every July. The workers are able to receive copies of these contracts. However,

our investigator reported that some of the workers do not pay attention to the details of the contracts.

III. Working Hours

The company records employees' working hours by card swiping. There are four shifts during working hours: regular shift, morning shift, noon shift, and night shift:

- Regular shift: 8am-12pm, 1pm-5pm.

- Morning shift is 7am-3:30pm; night shift is 9:30pm-6am. These two shifts styles operate in cycles. Workers switch between these shifts every two weeks on a Saturday or Sunday. The company will arrange days off for them to rest and work no overtime.

- Noon shift: 7am-3pm, 3pm -11pm, 11pm -7am. This type of shift actually has three shifts that cycle. Workers change shifts every two weeks on a Saturday or Sunday. The company will arrange days off for them to rest and work no overtime.

- The meal break is 40 minutes for every shift. Workers take these breaks in groups. There is also a 10-minute break in the morning and afternoon.

According to workers, during the current period, overtime is seldom. The peak season is from October to February, during which period workers might have 40 to 50 hours of overtime per month. During other months, the overtime hours will be around 10 hours per month. In April, most employees only work 5 to 6 hours of overtime.

There were four days off in the Labor Day holiday this year, with one of the days considered adjusted work time, so that the work would have to be made up later.

The supervisor will customize individual production amounts based on each worker's abilities, and this work load is usually achievable. To work overtime, the workers need to fill out an overtime application form. Those who do not want to work overtime can just inform their supervisor orally.

IV. Remunerations and Benefits

The base salary of workers is determined by their rank. Currently the average salary is around 2000 RMB (\$312.5) per month. The salary is issued on the 21st of every month, and will be issued early if the 21st is a Saturday or Sunday. The workers interviewed told us that the company made it a rule of not disclosing remuneration details. During the interview

process, most of the employees were not willing to reveal to us their pay, saying, “It’s confidential. I can’t tell others.”

Example paystub of a worker who had been at the company for over two years

Base salary: 1550 RMB (\$242.2)	Basic insurance: 2514 RMB (\$392.8)
Fund (P): 308 RMB (\$48.1)	Pension (C) : 251.1 RMB (\$39.2)
Competence reward(P): 300 RMB (\$46.9)	Pension (P): 200.88 RMB (\$31.4)
Competence reward (G): 260 RMB (\$40.6)	hospital coverage (C): 16.82 RMB (\$2.63)
Mar- Oct summer heat subsidy: 120 RMB (\$18.8)	Hospital coverage (F): 8.41 RMB (\$1.31)
Overtime wages: 246 RMB (\$38.4) (11.83 hours in all)	Maternity insurance (C): 8.41 RMB (\$1.31)
Weekend overtime wages: 55.59 RMB (\$8.69) (2 hours in all)	Unemployment insurance (C): 16.82 RMB (\$2.63)
Overproduction reward: 147.7 RMB (\$23.1)	Local medical insurance (C): 8.41 RMB (\$1.31)
Donation to Loving Heart Fund: 5 RMB (\$0.78)	Injury insurance (C): 12.56 RMB (\$1.96)
	Housing allowance (F): 169.8 RMB (\$26.5)
	Housing allowance (C): 169.8 RMB (\$26.5)
	Company portion of insurance payment: 483.92 RMB (\$75.6)
	Personal portion of insurance payment: 379.09 RMB (\$59.2)
Income before tax: 2584.8 RMB (\$403.9)	Income after tax 2544.86 RMB (\$397.6)

Note: The donation to the “Loving Heart Fund” is voluntary.

In the dormitory, there are amenities such as free internet, a chess and poker room, a Ping-Pong room, leisure area, and reading room. Workers can rent books and movies for free. There are tens of internet-ready computers and internet cables for workers to use. Using their factory identification card, a worker can use the computer for two hours. If they have their own computer, there is no time constraint.

There are reading rooms in both the production building and in the dormitory. The one in the production building is mainly used for resting during the ten-minute break period. Some workers will go to this reading room after work and read until dinner time, because the cafeteria is in the factory area rather than in the dorm area, walking from the dorm to cafeteria takes around 15 minutes.

Every weekend between 10 am to 3 pm, the company will arrange free transportation that will take the workers to shopping centers and other places of entertainment in order to enrich their weekend activities. The places include Dongmeng, Huaqiangbei, Hualiangshan, and the beach.

V. Living conditions

The Company offers accommodation and meals for the workers. Each meal is one RMB. Workers can choose to eat either Korean or Chinese food. If a worker chooses not to eat in the factory, then there are no meal allowances. The room is free for the workers, but the workers are in charge of the electricity and water fee. The fee is divided among the workers living in the room. It ranges from 30 RMB (\$4.68) to 100 RMB (\$15.62).

For workers who first enter the factory, they have to live in a 6-person room. When the workers advance to a certain rank, they can move to a 4-person room. Each room has basic facilities such as a fan, air conditioner, water heater, laundry machine, bathroom, shower room, desk and chairs.



SSKMT dormitory board



SSKMT male dormitory



SSKMT female dormitory

VI. Occupational safety and labor protection

Workers know that the company has an Environment, Health and Safety Committee. The company often offers environment and safety.

Workers do not come into contact with harmful chemicals much. Some positions are exposed to ethyl alcohol, but they wear protective gear for this.

After completing one year of work, they need to do a body check—which the company will pay for. As of now, there are no cases of work injuries.

There is a clinic for workers inside of the factory that operates 24/7. However, there is no clinic in the dormitory. The workers said that there might be an emergency aid in the factory because the company does provide training regarding safety. However, they do not know where the safety box is, nor do they care about the existence of the safety box.

VII. Fire Drill

There are two fire drills every year. The company will not notify the workers in advance. As of the date of this report, the most recent fire drill was in March.

VIII. Regulation on rewards and punishments

The company offers competency awards and bonuses. The award each person receives is different every month.

For example, if a worker has been working for the factory for more than two years, he will receive bonus different from those mentioned in the table above.

There is also a hardship allowance of 120RMB (\$18.75) per month that is offered during the hot months between March and October of every year.

Workers can smoke outside of the factory during their rest time. Even within the dormitory, there is a smoking area. Workers are not allowed to smoke within the factory. Doing so will negatively affect their performance evaluation.

IX. Other Issues

According to the workers, the company is currently engaged in a law suit. It seems like the company is in debt, and the revenue is not high.

Some workers reflect that they chose to work for this company is because of the great benefits. In terms of benefit, they claim that they cannot find a better company.

Most of the time, workers chose to stay in factory because the factory offers free internet, leisure rooms, and other entertainment facilities.

When clients come to audit in the factory, the factory will remind the workers and require the workers to perform the 5S well.

Due to the economic slowdown, there are fewer orders, and therefore, overtime is rare. On April 22, around 30 workers quit their jobs. As of the date of this report, many workers have been quitting their jobs. On May 17, another group of workers is going to leave the company. So far, three high-level administrators have left the factory.

Investigation Report on Huizhou Samsung Electronics Co., Ltd. (SEHZ)

Factory profile

Hui Zhou Samsung Electronic Co., Ltd (referred to as SEHZ in the report) is a joint venture of Samsung and Huizhou Real Estate Company. SEHZ has four factories, all located in Chenjiang Town, Huizhou city. Currently, the company has around 10,000 workers, the female worker population being 83% of the male worker population. SEHZ mainly produces Samsung cell phones, MP3 players, MP4 players, mini stereos, amplifiers, and home theaters. The products are mainly sold to Europe and the Americas, covering more than 100 countries and regions. SEHZ's sales in 2011 were 7.5 billion USD, making this the largest export company in Huizhou.

According to workers, a factory jointly owned by Samsung, like SEHZ, is different from a supplier factory. Joint-owned factories only supply labor, while all the expenses are covered by Samsung, and their source of income comes from the processing of Samsung's goods. Supplier factories, on the other hand, provide processed goods for Samsung and are responsible for expenses; their source of income is from the products they sell.

SEHZ was founded in 1992 and went into operation in 1993 with registered capital of 32 million USD. In 2006, the company began cell phone production, and has since then expanded to have more than 40 production lines for GSM/CDMA/3G cell phones as well as more than 30 SMD full automatic production lines. The SEHZ factory area covers about 120 thousand square meters. The factory floor covers around 35 thousand square meters. The company is considered well-organized, and it has a pleasant environment. In 1996, the HuiZhou City Green Committee rated the company as "Garden-style Company."

I. Recruitment and exit

SEHZ recruits most of its workers from schools. When students cannot fulfill the company's labor demand, the company hires people via front gate recruiting, labor dispatch companies, factory worker suppliers, and the internet. Females have a greater number of channels by which they can be employed when compared to males.

SEHZ has candidate requirements when recruiting in schools. Only students currently in their third year of technical school are able to apply, but there is no restriction on majors. Workers must be 17-20 years old with 20/20 vision and at least 1.55 meters (5 feet 1 inch) in height. One of the major hiring criteria is quick reactions. Recruiters will test an individual's reactions by asking relevant questions too the candidate. The ratio of males to females is 1 to 7; SEHZ will not hire a single male past this ratio.

The requirements for front gate recruiting are rarely made known to the public because the factory only recruits through this method when it is in bad need of labor. However, most people know that the recruiting requirements include a high school or technical school degree and an age between 17 and 22. When the factory can not fulfill their labor demands, they often will relax the age restriction to 17-25 years old or even to 17-30 years old. If it is utilized, the front gate recruiting takes place on Saturday from 6am to 12pm. Sometimes the factory recruits people on Monday mornings from 7am to 8am. The number of people employed during these front gate recruitment sessions ranges from dozens to hundreds.

Internet recruiting is often use for skilled positions, and the age requirement is not strict.

Even though SEHZ has many hiring channels, some hiring requirements are not openly revealed. Some of these hidden restrictions include no tattoos, dyed hair, or disabilities.

When compared to SEHZ, the age and academic restrictions for labor dispatch companies and labor suppliers are more relaxed. In these cases, only a middle school degree is required. The recruiting time is different than that of SEHZ, but similar to Samsung, they also focus on hiring female workers.

According to Samsung's own rules, the company cannot hire child workers. But in reality, children are often recruited into the factory. Some children borrow other's ID cards to get into the factory. However, the factory did not take any actions to prevent the hiring of child workers even when they know about them. Furthermore, when hiring child workers, the company will change the name on the underage person's ID card to that of an adult worker that has already resigned. Workers in the equipment department claimed that such situations are prevalent.

Once they are hired, underage workers work under the same conditions as adult workers. No special work arrangement or protections are provided for child workers at SEHZ.



Notice for hiring without any hidden fees

When workers enter the factory, they only need to submit a copy of their ID card and diploma. The unmarried certificate and other documents are only briefly looked at. According to the workers in MID department, they simply submitted 5 copies of their ID card when they enter the factory, and the factory only looked at the diploma to verify that it was not falsified. SEHZ does not charge workers to be hired nor does it detain their documentation during the hiring process.

According to workers from the HHP-SUB department, they were required to submit three copies of their ID card, and the factory only looked at diploma to verify that it is not falsified. The probation period for new workers is one month, during which employees can resign. The resignation forms already have copies of a lot of supervisor's signatures, and such a form takes effect once the employee leader signs it.

When recruiting from schools, the factory provides free health checks for the students. However, in the case of front gate recruiting, workers are required to get pay for these health checks themselves before they can be trained.

New hire training lasts for a week. Three days are spent in the factory while the other three days are spent at the "Sunshine Education Training School" or a hotel, the latter of which is

a relatively far from the factory. The training outside the factory includes content such as the company history, service philosophy, core values, safety issues, benefits, interpersonal communication, and team consciousness. The in-factory training includes content such as manufacturing processes, factory regulations, and skill training. The entire training period is paid.



SEHZ shuttle bus

SEHZ signs labor contracts with its workers every July. Any time before July is considered a probation period. If a worker joins the factory in July, for example, then there will be no probation period for her. Supposedly, if a worker wants to resign during the probation period, then he needs to tell the managers three days in advance. However, according to employees from the MID department, workers actually need to inform managers three months before resignation, and even then it is difficult to get permission. Only when the worker is extremely persistent will she be able to get permission for resignation.

6月16日内部推荐 合格名单				
序号	姓名	性别	身份证号	毕业学校
1	李国林	男	440101198001010011	惠州学院
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List of qualified internal referrals

II. Labor Contracts

As mentioned above, the company only signs labor contracts with its workers every July. The contract period is two years. When signing contracts, workers need to follow the instructions given to them by the HR department and fill out the contract information accordingly. Workers will get a copy of the contract after they sign it.

III. Working hours

SEHZ supposedly maintains a regular work-hour schedule, with eight hours a day, five days per week, and any time over this will be counted as overtime. But 10-hour days are, in reality, the regular working schedule in the factory, and workers have to work 6 days per week, 26-27

days per month. Overtime is limited to 40 hours per month. There is no peak season or off seasons in some departments, so the overtime limit is always 40 hours a month.

According to workers in the MID department, workers work 10 hours a day, six days a week, 26 days a month. March to July of every year is considered the nonpeak season, during which period overtime is restricted to less than 38 hours. However, there is no overtime restriction during peak seasons, during which period workers need to work well over 100 hours of overtime per month. The day shift lasts from 8:00am to 5:00pm and 5:40pm to 7:40pm with a break in-between for dinner. The night shift is from 8pm to 5am and 5:40am to 7:40am with a break in-between for a night meal. The normal meal break is one hour; however, when there is a need for overtime, the meal break is reduced to 40 minutes. Workers need to be on the factory floor 20 minutes for a meeting before their official shift begins. These 20 minutes are unpaid. But workers do receive a ten-minute paid break every two hours.

The normal working hours for workers in the HHP MAIN IP department and HHP-IP department is 10 hours a day, six days a week, 24 days a month. The department has two shifts. The day shift lasts from 8:00am to 8:00pm. The night shift lasts from 8:00pm to 8:00am. Summer is the off season in this department, and overtime is expected from managers during the peak season. If a worker does not wish to work overtime, then she must submit a written request. If management does not approve the request, the worker will have to work overtime. If she fails to get permission, she will be punished by point reductions from her performance record, thus affecting her merit pay. Workers shift between day and night shifts every two weeks, on either Saturday or Sunday. During such periods, they will receive at least one day off to adjust to the new schedule, sometimes even getting two days.

The HHP-SUB department has regulated overtime hours for contracted workers but not for dispatch workers.

Workers in the VD department work 10 hours a day, 6 days a week, 26 days a month. This department only has a day time shift. The working hours are 8:00am to 5:00pm and 5:40pm to 7:40 pm with a break in-between for dinner. The regulated overtime hours are limited to less than 100 hours per month. The meal break is one hour. However, during days with overtime, the meal break reduced to 40 minutes. Just as in the MID department, workers in the VD department must be on the factory floor 20 minutes early for a meeting that is unpaid. However, like the MID workers, VD department workers get ten paid minutes of break every two hours.

The working hours for management and office staff are 8:00am to 6:00pm. They do not have a night shift.

Workers who do not wish to work overtime must submit a written request for leave to management. In these cases, management will often try to change the worker's thinking, trying to convince them to voluntarily work overtime. However, during our interviews, many workers claimed that it will be impossible production to continue if no one worked overtime. Moreover, workers themselves wish to work overtime in order to raise their income.

The company uses an electronic system to record workers' work hours. Before issuing pay stubs, the company will check the work attendance for each worker. If any error exists, workers can ask management to fix the error. However, there are only two opportunities every month for workers to ask management to check errors.

Most workers are able to complete the work load assigned to them. Workers will begin working early despite a rule not allowing it. But even if workers finish their work early, they are not permitted to leave work early.



Workers going to work (1)



Workers going to work (2)



Workers going to work (3)

IV. Wages and benefits

The company issues wages on the 15th of every month. The date might be different by a day or two when the 15th of the month happens to be on weekends.

The average monthly salary for SEHZ workers is around 2800 RMB (\$437.5), including the base salary, overtime pay, and bonuses. This does not mean that all workers received similar wages. Due to work time or other reasons, the wage levels differ even between workers in the same position. The base salary for newly employed workers is around 1702 RMB (\$265.93).

Dispatch workers and formal employees enjoy different base salaries. They have different compensation during probation periods, too. There is also severe stratification among salaries. If a worker could avoid overtime, her wages would be affected. For example, in the HHP-SUB department, refusal of overtime work will lead to a social security insurance deduction of 81 RMB/month (\$12.7) and an extra dorm fee deduction of 5 RMB/month (\$0.77).

SEHZ provides five types of social insurances: a pension, work injury insurance, health care, unemployed insurance, and maternity insurance. And for workers who have signed a formal contract, SEHZ also provides a subsidy for housing. Additionally, workers receive five days of paid annual leave after completing one year of work.

Some facilities are also provided for workers, including a garden, basketball court, soccer field, library, internet café, fitness center, barbershop, health center, Ping-Pong room, and television room. The company was ranked by the Huizhou City Green Committee as a “Garden-style factory.”

Because some of the workers are from local areas and live in their home, Samsung arranges free transportation for the workers who live outside of the factory. The main route includes Baiyun Mountain, JinMao, GuangChang, and other stations.



Workers after work

V. Living conditions

The company deducts 50 RMB (\$7.9) for meal fees every month from each worker's wages. However, workers are only entitled to enjoy these meals when they select set meals. The meal consists of four dishes and one soup. Some of the workers expressed that they do not like the food provided by the factory. Some decided to eat outside rather than in factory canteens. The company does not provide any meal allowance when workers dine outside the factory.



Workers buying breakfast (1)



Workers buying breakfast (2)

There are five dorm buildings in the factory area. The buildings can accommodate more than 4000 workers.

Those workers that are local will live at home. And some workers choose to live outside of the factory because the company does not provide housing for couples. For workers who live outside of the factory, free transportation is provided by the company. There is a fixed route for the buses to pick up the workers.

Some of the dorm rooms accommodate eight people. The rooms have televisions, fans, closets, a balcony, and a bathroom. These types of rooms are free of charge.

There are also some rooms for two or four people. These rooms have an air conditioner, computer, internet, refrigerator, speakers, telephone, closet, shoe case, balcony, restroom, and beds with Simmons mattresses. However, these rooms require workers to pay a fee.



SEHZ female dormitory



Outsourced workers returning to their companies (1)



Outsourced workers returning to their companies (2)

VI. Occupational safety and labor protection

Workers in the factory do not know that there is an Environment, Health, and Safety Committee.

All workers must stand while working. They get a ten-minute break every two hours.

The most common chemical to which the workers are exposed is ethyl alcohol. Some specialized workers are responsible for other chemicals such as heavy cleaning agent.

The company pays for the annual health check of every worker who has been working for over a year. Work injuries are reported to seldom occur. Every area of the factory has an emergency aid kit. And on the first floor of the dorm building, there is a clinic for the workers.

In HHP-SUB department, the protective gear can only be changed before work starts on Monday, Wednesday, or Friday.

VII. Fire Drills

The factory had a factory-wide fire drill during April of 2012.

VIII. Rewards and penalties

Different types of employees—i.e., Samsung workers, dispatch workers, etc.—are enjoy different rewards and are subjected to different punishments. Some workers are not aware of the make-up of their rewards, and some do not care about the composition of their wages.

IX. Other Issues

When SEHZ is facing an audit, there are special personnel that receive the auditors. During this time, the company demands that workers that have never signed an official contracted must stay away from the auditors. The factory will notify the workers in advance and request workers to abide by company regulations, such as wearing protective gear and maintaining an orderly environment.

SEHZ requests workers not to disclose their salary information to anyone. When there are mistakes in the overtime working hours, workers will consult the relevant department to fix the problems. At this time, workers must shred their old pay stub.

According to the workers from the MID department, networking, rather than ability or experience, is the most important factor in striving for a higher position and higher salary. An 18 year old worker once entered the company because of connections with management,

and they only had to train for half a month to become a shift leader, which is a managerial position.

According to the workers in the HHP-SUB department, in February 2012, workers needed to fill out labor contracts as indicated by the managers. They did not allow the workers to fill in the date. This was changed after some complaints were made to the human resources department. Workers expressed that when signing contracts, they did not have enough time to read over the content of the contract. And after signing the contract, most workers did not feel any more like reading over the contents.

The company does not allow its workers to bring any metal into the work place. Thus, electronics like cell phones are prohibited.

When Korean managers visit the factory, factory management will instruct workers not to talk and not to look up at the visitor.

SEHZ workers claimed that the company deducts a social insurance fee from their salary, but they have never received any social insurance card from the company.



ID card for outsourced workers at SEHZ

Workers also claimed that getting leave is very difficult. In most cases, leave will not be approved by management. Even if management allows leave, they will deduct performance points, which will negatively influence workers' performance bonus.

X. Labor conditions at company inside Samsung factories

The average monthly salary for workers from the Shenzhen Elite Dispatch Company (Huizhou branch) is around 2400 RMB (\$379). Since April 1, 2012, the base salary for workers from Elite Dispatch Company increased from 1560 RMB (\$246) to 1702 RMB (\$269). Also, workers are entitled to a birthday present as an additional benefit. If they demonstrate excellent work ability and pass an exam, they will be promoted to a “multi-skilled” worker and enjoy a bonus of 100RMB (\$16) per month.

The dorm buildings for Shenzhen Elite Dispatch workers are outside of the factory. There are two buildings, one for men and one for women, and can accommodate up to 3000 people. Male workers expressed that the living conditions are bad because the room is tiny, the corridor is narrow, and there is only one bathroom and shower room on each floor. Every floor has ten rooms. Eight rooms are four people to a room and two rooms are six people to a room. There is a fan in every room, and every worker has a storage box.

Huizhou YeAn Property Management Company, a company stationed in the Samsung factory, mainly hires cleaners and movers. The requirements for hiring include: 1) under the age of 48 and in good physical condition; 2) possess a second generation ID card and other relevant documents. During the interview, workers need to bring two copies of their ID card and two one-inch photos.

The average monthly salary for YeAn workers is around 2000 RMB (\$316). The base salary is around 950 to 1000RMB (\$150 to \$158) and the overtime pay is 8.09 RMB (\$1.3) an hour. Overtime pay for weekends is slightly higher, about 10.7 RMB (\$1.7) an hour. The working hours are from 6:30am to 6pm, with a one hour break for both lunch and dinner. The average daily working hours are 9.5 hours. Sometimes, YeAn workers must work 12 with overtime. Workers get 2-4 days off every month.



惠州市业安物业管理有限公司

地址：惠州市河南岸东鑫大厦 B1303 邮编：516007 电话/传真 0752-2840555、2532952

招聘

- ★ 现因业务需要，需招清运工，保洁员，人事文员
男：48 岁以下，身体健康 另招管理人员
女：48 岁以下，身体健康 班长、主任

- ★ 具有第二代身份证（及其它有效证件）

要求：

符合年龄要求。能吃苦耐劳，身体健康，有一定的理解能力，素质优，能遵守公司的各项规章制度，服从上司的工作安排和调配。

待遇：

☆ （工作地点：三星电子厂）

- ◆ 如有意者请带身份证，身份证复印 2 份，1 寸彩照 2 张前来面试

（此招聘通告长期有效）

联系人：林先生（13531742306）yeaniinchundu@163.com

惠州市业安物业管理有限公司

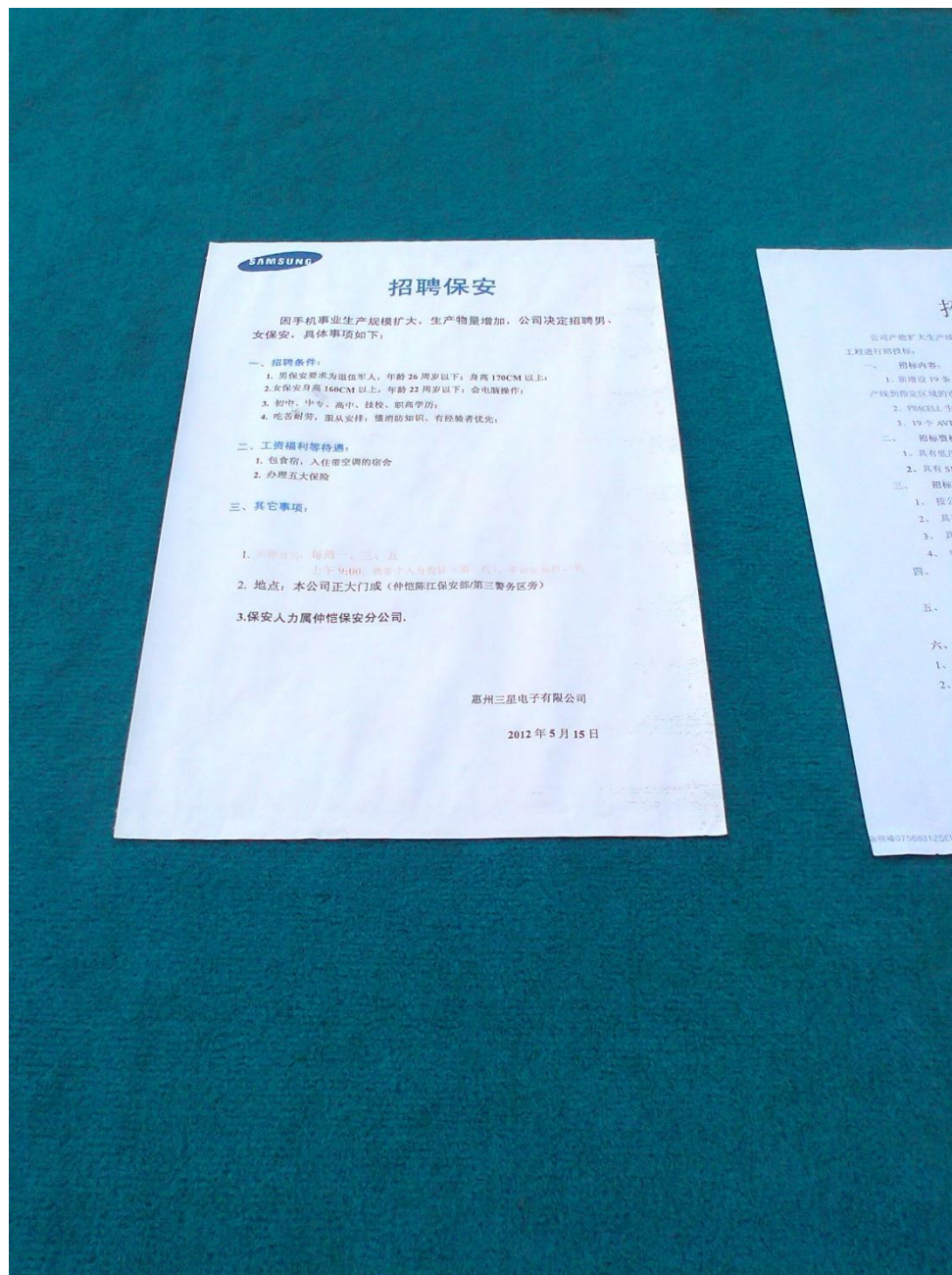
2012 年 4 月 18 日

April hiring notice from YeAn



YeAn campus ID

ZhongKai Security Company is stationed in SEHZ and is in charge of security issues. Male security personnel must be military veterans under the age of 26 of at least 170cm (5 feet 7 inches) tall. Female security personnel need to be 160cm (5 feet 3 inches) tall, under the age of 22, and have computer skills. All personnel must have at least a middle school education. All personnel must be capable of hard work, obedience, and know how to deal with fires. The recruiting time is every Monday, Wednesday, and Friday at 9:00am. Job seekers need to bring their ID card and the original copy of their degree to the company.



Hiring notice for security at ZhongKai



招聘保安 迎宾员

因手机事业生产规模扩大,生产物量增加,公司决定招聘男女保安和迎宾厅值班员,具体事项如下:

一、招聘条件:

1. 男保安要求为退伍军人,身高170CM以上;
2. 初中、中专、高中、技校、职高学历;
3. 吃苦耐劳,服从安排;懂消防知识、有经验者优先;
4. 年龄:男保安,26周岁以下;女保安,22周岁以下;
5. 女保安160CM以上,高中以上学历;懂电脑操作优先;
6. 男迎宾值班员,高中以上学历;23周岁以下;

二、工资福利等待遇:

1. 包食宿,入住带空调的宿舍
2. 办理五大保险

三、其它事项:

1. 招聘时间:每周一、三、五
上午9:00,携带本人身份证(第二代)、毕业证原件、笔
2. 地点:本公司正大门
3. 保安人力属仲恺保安分公司。

惠州三星电子有限公司
2012年4月13日



惠州市业安物业投资管理有限公司

地址:惠州市河南岸东鑫大厦B1303 邮编:516007 电话/传真 0752-2840555、2532952

招聘

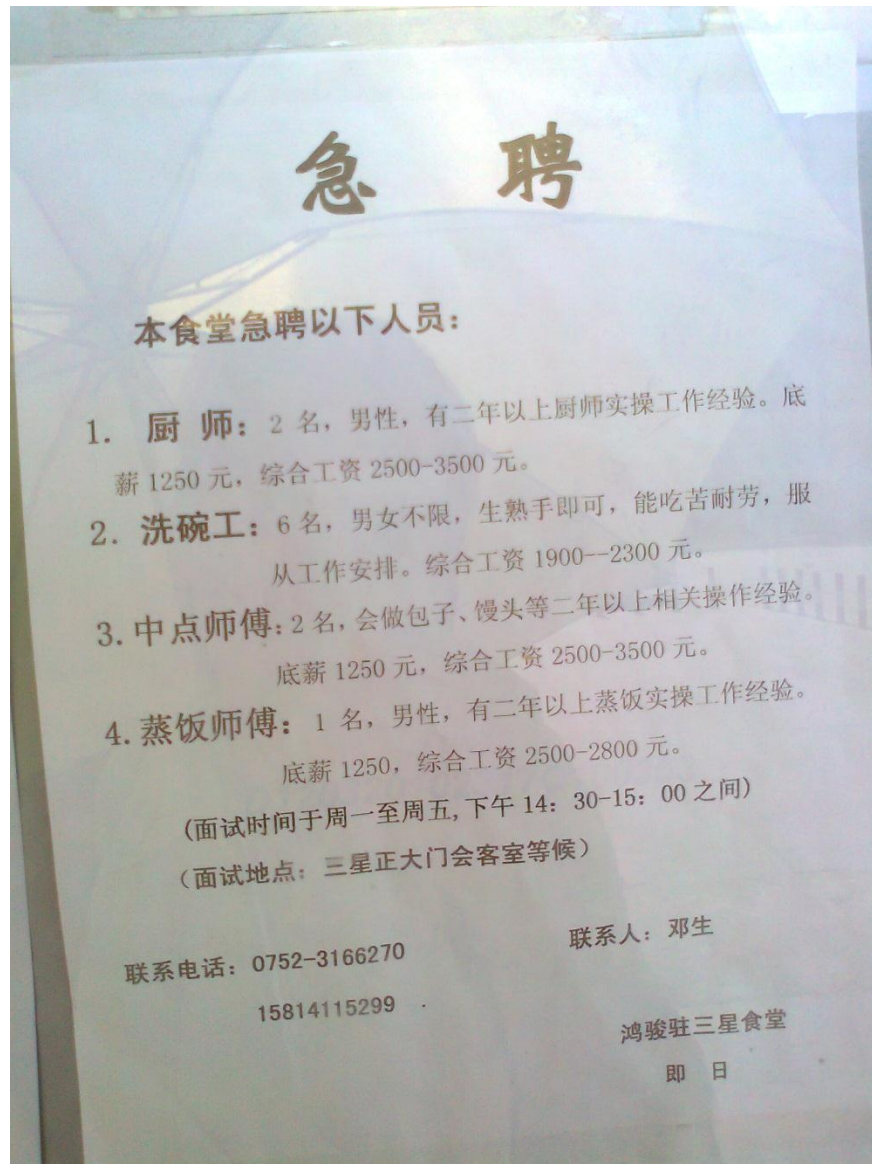
★ 现因业务需要,需招清运工,保洁员, 人事文员
男:48岁以下,身体健康 *另招管理人员*
女:48岁以下,身体健康 *班长、主任*

★ 具有第二代身份证(及其它有效证件)

Hiring notice for receptionist at ZhongKai

ZhongKai provides some benefits to its workers, including room and board subsidies and the five major social insurance benefits.

HongJun Cafeteria is the company at SEHZ responsible for cooks, steamers, and hourly workers. The basic salary for the cook is 1250 RMB (\$195.3) per month.



Hiring notice of HongJun

Requirements of the HTS Shenzhen Company for their workers include: 1) age 18 to 42; 2) middle school degree; 3) females need to be more than 155cm (5 feet 1 inch) tall and males need to be more than 165cm (5 feet 5 inches) tall. During the interview, job seekers need to bring their ID card, diploma, and two photos. The company does not hire anyone from Henan, Sichuan, or Chongqing. Nor do they hire anyone with tattoos or long hair.

招 聘 启 事

我公司因承接惠州三星电子手机加工业务，需招聘以下人员：

一、招聘岗位

包装、搬运工：10名 性别：男性

二、岗位要求

年龄 16 至 35 周岁，初中毕业以上，上班时间为长白班。身体健康，五官端正，有工作经验者优先，男工 身高 165CM 以上

三、工资待遇

- 1) 普工：基本工资 4,420 元，按国家劳动法规定计算加班费。员工提供宿舍，男员工提供住房补贴 120 元/月
- 2) 伙食标准 360 元/月 仅扣个人 50 元/月
- 3) 高温补助 (6-10 月份 100 元/月) 满勤奖 30 元/月

四、其他事项

- 1) 不收取任何费用及不押任何证件，需携带身份证、毕业证及复印件 1 份、1 寸照片 2 张。
- 2) 工作地点：惠樟路 惠州三星电子厂内
- 3) 公司联系电话：0752-3168521/15976236791 任小姐

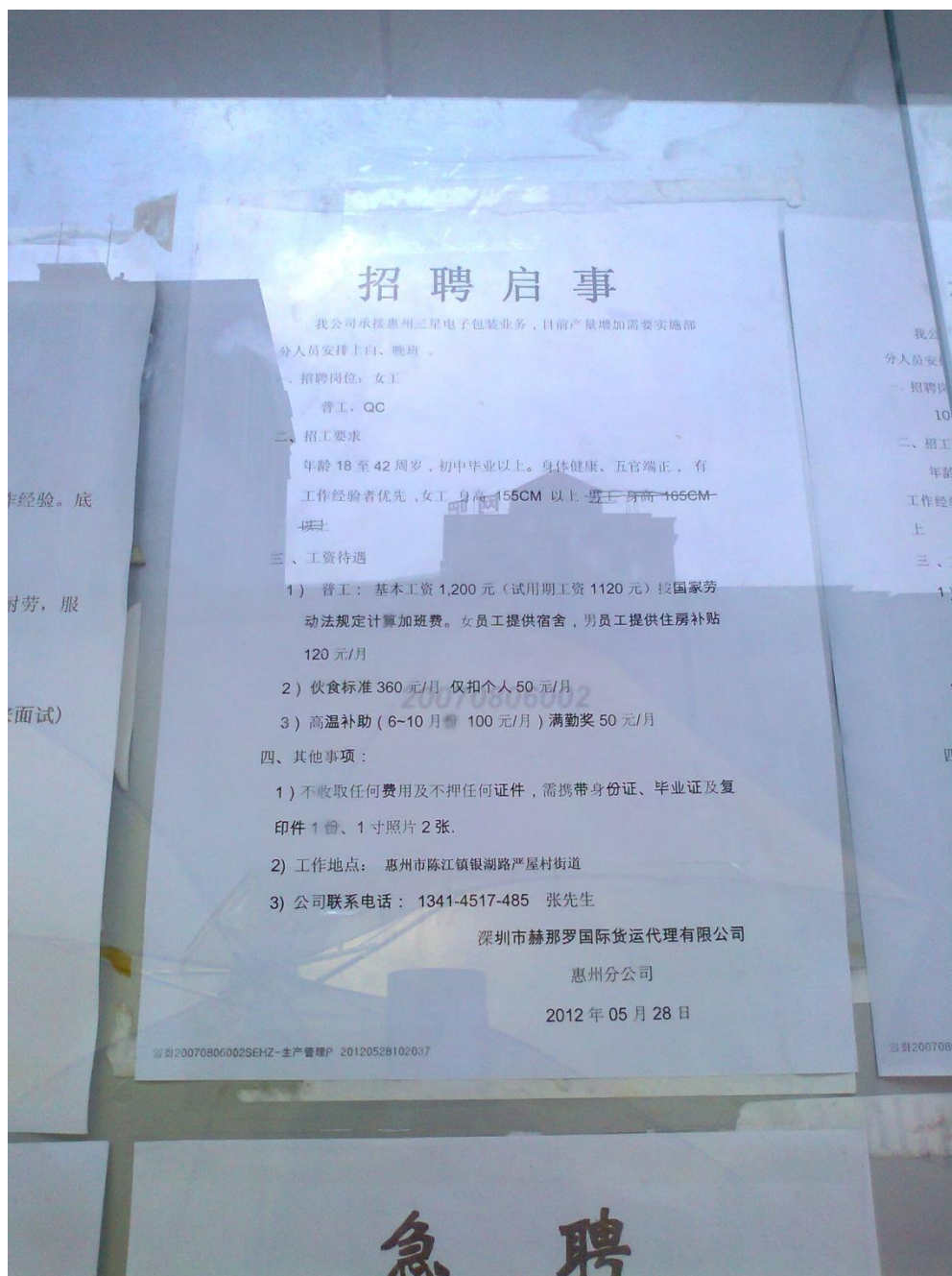
深圳市赫那罗国际货运代理有限公司

惠州分公司

2012 年 02 月 04 日

留查20070806002SEHZ-生产管理P 20120321083721
HuyangD080429181921C102887SEHZ-生产管理P 20120320224035

February hiring notice of HTS



May hiring notice of HTS

The average salary for HTS workers is around 2000 RMB (\$316). Workers must work around 70 hours of overtime per month. The company deducts a social insurance fee from workers' paychecks. However, workers never receive a social insurance card.

Huizhou Solutec Engineering Co., Ltd is another company that is stationed in SEHZ. It specializes in plastics production. The average monthly salary for its workers is around 2200 RMB (\$347). Workers' salaries are calculated daily. A daily salary is 21.75 RMB (\$3.4), which amounts to about 950 RMB (\$150) a month. However, if a worker works less than 20 days, then he will not receive the full 950 RMB. If a worker works more than 21.75 days, then there is a bonus of 30 RMB (\$4.7) per month. If a worker completes a year of service, then there will be a 50 RMB (\$7.9) bonus per month. And if a worker completes three years of service, then there will be a 100 RMB (\$15.8) bonus per month.

Solutec Engineering Company offers free accommodation and meals for its workers. During peak seasons, there is 3 hours of overtime per day and workers work 7 days a week, 30 days a month. This means that workers often work for whole month without a single day off. Workers in Solutec can refuse to work overtime. However, it is very difficult for workers to ask for personal leave unless it is sick leave accompanied by a doctor's note or relevant medical records.

Investigative Report on Labor Practices

At Tianjin Samsung Electronics Company (TSEC)

Part 1: Factory Profile

Tianjin Samsung Electronics Co., Ltd (TSEC) is the product of a joint venture by Tianjin Communication and Broadcasting Co., Ltd (TCB) and Korea's Samsung Electronics Joint Stock Company. Established in April of 1993, TSEC is located as No. 12, Fourth Avenue in Tianjin's Economic and Technological Development Zone. Currently, the company primarily produces semi-finished televisions – assembling primary parts, then giving products Xiqing factory for speaker installation before the final covering – and DVBD players.

There is no set cycle for peak- and off-seasons. Normally, the half year before May is regarded as the peak-season, and the working hours and the number of vehicles required for delivery can be predicted. According to a security guide, during peak-seasons, there are around 130 delivery vehicles every day. However, in the past one or two months, this has reduced to around 90 every day.

There are currently around 2,000 workers in the factory, the ratio of male to female workers being 1:4. 60% of the workers are dispatched workers, 30% are student workers including interns and students recommended by their schools after graduation—and 10% are officially employed workers who have signed labor contracts with the Samsung factory.

Except for additional required explanation, this report is based on the information given by workers in the factory.

Part 2: Hiring Practices

The factory doesn't go into society to directly conduct hiring itself, and it mainly depends on labor dispatch companies and designated schools for worker recruitment. The factory requires that the workers must be between the ages of 18 and 24 and have an education level of high school or above. Labor dispatch companies recruit a portion of workers themselves while also recruiting from labor services agencies. These agencies usually charge a service fee of 300 RMB (\$46.9) for female workers, including a 100 RMB (\$15.6) introduction fee and 200 RMB (\$31.3) administrative fee. Male workers must pay 700 RMB (\$109.4), in most cases paying 400 RMB (\$62.5) before they start working and having the 300 RMB (\$46.9) administrative fee deducted from their wages in the first month. The workers sent by labor dispatch companies are still required to take both the exam and interview conducted by the factory, the admission rate only being around 20%.

The workers need to pay a 100 RMB (\$15.6) security deposit if they want to live in the dormitories provided by the factory, and they can receive the money back when they move out. In addition, it is required that these workers should pay 20 RMB (\$3.13) for dormitory entry cards, but the workers never receive the card or get the fee back.

After being hired, there is paid training which lasts three to seven days. The training covers factory history, wages, regulations and management, the knowledge related to electronic products and occupational safety. However, according to interviewed workers, the occupational safety training is useless for actual work in the factory.

Part 3: Labor Contracts

All dispatch workers, including student workers sent by labor dispatch companies, will usually sign a contract the dispatch companies. The contract is only effective for one year, including a one month probation period. A copy of the contract will usually be given to the workers after one or two months. Student workers sent directly by designated schools will

sign a one-year contract with their schools, and the contract covers legally important topics, such as wage and benefits, working hours, working conditions, and occupational safety.. The contract will also include content related to the protection of secrets.

After one year, workers can sign a one or two year contract with the factory if they wish. By signing this contract, workers become officially employed by the factory. Compared with the dispatch company's labor contract discussed above, this factory contract is more detailed, which covering wage and benefits, working conditions, job duties, labor protection, social insurance, and the rights and responsibilities of both the employer and employee.

Some student workers have contracts with their schools or labor dispatch companies, and the contracts last one to three months. This kind of contract only covers information like the internship period and worker discipline. Because the investigator conducted this research during a period in which no student interns worked, this investigation failed to collect information relevant to this type of contract.

Part 4: Working Hours

Depending on the department, there are two kinds of shifts: a day shift and a night shift. The workers on the night shift constitute 25% of total workers, and most of them DVD player production department. Workers in the TV production department primarily take the day shifts.

Workers on the day shift start work at 8:00am, but they are required to arrive at the factory 15 to 20 minutes earlier for a meeting. Workers can have lunch at 11:30, taking lunch according to their department. Workers have 50 minutes to have lunch. If there is no need for overtime, they can clock out at 5:00pm. In addition, there is a 15-minute break in both the morning and afternoon.

If overtime is less than two hours, workers don't can only have dinner after work. If the overtime is more than two hours, then they are permitted 30 minutes for dinner beginning at 5:00pm.

Workers on night shifts start working at 8:00pm, getting one hour for a nighttime meal, which usually starts at 12:00am. They can get off duty at 5:00am, but they are required to continue their work if needed. Night shift workers get two 15-minute breaks, one before the nighttime meal and the other afterwards.

During the peak season, workers are usually required to work 3 hours of overtime per day, 27 days per month. During the off season, they work one hour of overtime per day, 25 days per month. The factory allows workers to confirm their overtime record every month, and mistakes in the record will usually be corrected if workers report them to the managers.

Working overtime does not depend on workers' willingness to do so. Whether or not they need to work overtime is decided by production plans and actual production capacity. For instance, if a particular production decides that it needs overtime, every worker on the line is required to work overtime. If they do not want to work overtime, workers must submit a formal application to management. But workers' wages depend primarily on overtime, so no worker would be willing to pass up overtime opportunities. (Details of this issue are included in part 5.)

Part 5: Wage and Benefits

Wages are composed of the base salary, the performance bonus, and overtime wages. The base salary is 1,450 RMB (\$226.6)/month. The bonus depends on performance as is divided into five categories—A, B, C, D and E. The bonus for C is 550 RMB (85.9)/month, the bonus for A is 180% of that for C, the bonus for B is 150% of that for C, and the bonus for D is just 50% of that for C. If workers got E, they would not receive any bonus in that

month. Overtime wages are calculated based on the total of the base salary and the performance bonus. Take the bonus for C, for instance. The total amount a C worker can receive is base salary of 1,450 RMB (\$226.6) plus a performance bonus of 550 RMB (85.9), which is 2,000 RMB (\$312.5) in total. Based on different overtime wage calculation methods, the workers will be paid either 1.5, 2 or 3 times the 2,000 RMB (\$312.5) base number.

The factory conducts a performance evaluation once per month, and the evaluation is decided by management based on the performance of the workers in a given month. According to interviewed workers, in most cases, 80 percent of workers get a C in the evaluation.

During the off season, the average salary for workers is around 3,000 RMB (\$468.8) month, while during the peak season, the monthly salary can reach 4,000 RMB (\$625), with some workers even receiving 5,000 RMB (\$781.3)/month. However, the overtime wages exceeds the amount of the base salary. In other words, workers depend disproportionately on overtime instead of the regular work schedule.

On the 21st of every month, the factory will send the base salary for days of full attendance and the overtime wages in a given month to the workers' bank accounts. For instance, on May 21, workers will receive the base salary and the performance bonus for May as well as the overtime wages for April. If workers ask for leave or have an absence during the period from the 21st to the 31st of May, the corresponding wages will be deducted from their May overtime wages, which is distributed in June. In most cases, workers are required to sign their names on the wage slip one day before issuing wages, and they are also be provided a copy of the wage slip.

基本工资	绩效工资	平日加班费	周末加班费	节日加班费	夜班津贴	Incent	防暑降补发	临时工事假扣	病假扣	矿工扣	其他扣	保险扣	税金
450	550	741.11	183.84	0.00	0.00	0	106	0.00	0	0.00	0.00	0.00	160.48

Paystub

The short-term student workers receive no social insurance. Dispatch workers enjoy workers compensation insurance, medical insurance, and a pension, for which they need to pay 160 RMB (\$25) per month. Officially employed workers who are not permanent residents in Tianjin enjoy one more benefit: a housing fund, paying 330 (\$51.6) every month for this benefit. Compared with non-Tianjin permanent-residents, formal employees who are permanent residents of Tianjin enjoy two more benefits: unemployment insurance and maternity insurance, paying around 380 (\$59.4) per month for both. During the interview, some workers expressed that they are not willing to be officially employed workers, even when they meet the requirements, because officially employed workers need to spend more on fees related to social insurance.

Part 6: Living Conditions

There are cafeterias in the factory. Day shift workers' lunch and night shift workers' nighttime meal are provided by the factory. Breakfast and dinner each cost 1.5 yuan, and workers need to pay by themselves. However, workers can choose whether or not to eat it in the cafeteria. For breakfast, workers can have soybean milk and choose either an egg, steamed bun, fried bread stick, or flatbread. The lunch, dinner, and nighttime meal include vegetables dishes, one meat dish, a bowl of soup, and fruit, such as tomatoes or an apple. Except for the meat dish, workers are allowed to have one more serving for free.

Day shift workers who live far away commute to and from the factory by way of the factory bus. They usually have breakfast and lunch in the cafeteria, returning to a place near their dormitories for dinner. Night shift workers only eat a nighttime meal in the cafeteria. According to workers interviews and investigator findings, the cafeteria environment and the amount of food are both satisfactory, and there are many types of dishes from which workers can choose. However, the workers expressed that there are too many people eating in the cafeteria at the same time, so it is always crowded.



Cafeteria (1)



Cafeteria (2)

The factory provides its workers with dormitories for free. One dormitory, located beside the factory, mainly houses senior workers. This dormitory has four levels with 20 rooms on each level. There are four bunk beds in each room, and 8 workers are allowed to live in each room. However, in most cases, there are only 6 or 7 people in each one. Everyone is provided with a cabinet to store their private property. Other than this, there are tables, chairs, air conditioners, and electric fans in each room. There are also cafeterias, television rooms, and other entertainment facilities in the dormitories.



Dorm (1)



Dorm (2)

About five kilometers from the factory, there is a 6-level apartment building in the Tianbin community with about 20 rooms on each level. The situation in this building is quite similar to the dormitory we mentioned above. There are two toilets, one shower room, and two sinks in each room. There is also a television room on each level which is open for use between 10:00am to 10:00pm.

There is limited amount of electricity and water permitted for use in each room, and the workers of a given room are responsible for paying the part of the bill that exceeds the limit. Workers may need to pay 10 RMB (\$1.56) per month for water and electricity in the summer and winter, and they usually don't need to pay in spring and fall.

Both dormitories on and off the factory property set strict limits on the entry hours; nobody is allowed to enter after 11:00pm. The Samsung dormitory beside the factory has managers at the gate, and the dormitory closes at 11:00pm. The management of the dormitory in Tianbin community is relatively lax; although the door must be locked at 11:00pm, workers coming back late can get in through the windows.

Part 7: Work Environment

More than 90 percent of workers have to work standing. According to interviewed workers, the first week working in the factory is the most difficult, their legs feeling incredibly rigid after work. However, they can adapt to the conditions after a period. In addition, they get a 15-minutes break during which they can relax their legs.

There is a reading area and billiard room in the factory; however, due to the short breaks, few workers use these facilities.

Some workers have expressed that the work site managers are crude. Workers are criticized and even required to write self-criticism when they make mistakes. However, more than half of managers have a better attitude, willing to communicate with workers and help them with their problems. Some workers said this may be related to the ratio of male workers, where female workers are less likely to oppose management, which is the driving reason for the factory not hiring many male workers.

The production department has a strict production schedule. For instance, if they fail to meet their goal after 8 hours of work in a given day, workers are required to work overtime. Overtime exceeding 30 minutes will be recorded, but overtime less than 30

minutes will not necessarily be recorded. According to interviewed workers, this can only be decided by the manager, and it is totally dependent on the mood of the manager at the time.

There are around 40 workers in the television production line, but the production output varies based on the product. For instance, they can produce 3,000 32-inch televisions in 8 hours, while they can only produce 1,000 60-inch televisions during the same length of time.

Due to the large size of the products, it is common for workers to get injured during production, though the most common injuries are not usually serious. There is a health clinic in the factory in which workers can get wounds dressed. According to a new worker who has worked in the factory for a month and a half, he has witnessed two workers injure their hands.

Based on discussions with many workers, the investigators failed to find any existing risk factors associated with the production process. However, there may be some electromagnetic radiation in the work site, but this type of risk is difficult to confirm and needs to be investigated by professionals. In any case, workers haven't displayed or expressed any obvious problems related to radiation.

Part 8: Other Issues

There are unions in the factory, but few workers are clear about the functions of these unions. Some assert that unions are the organization that aims to protect workers' rights, but they have no idea how they might receive help from these unions. Most workers believe that the main function of the unions is to organize entertainment activities.

There is a suggestion box near the cafeteria in the factory. Aside from this, workers have no other methods to communicate complaints to management. Workers have been injured expressed that they won't use the suggestion box to express their needs because they

strongly believe that it cannot solve their problems. When a conflict occurs, workers usually choose to endure, sometimes quitting when they can no longer bear the unfair treatment.

Workers must apply for resignation with their team leader. The applications, in most cases, will be approved, in which the resigning worker will receive all owed compensation when the resignation date arrives.

Samsung Electronics Primary Issues:

- 1) Abuse of dispatch and student workers. The large majority of workers are dispatch workers or student workers (about 90%)
- 2) Gender and age discrimination
- 3) Illegal dispatch companies force workers to pay high fees
- 4) Workers are not compensated for a daily 15-minute work meeting
- 5) Too much overtime and too little rest.
- 6) Given their low base wages, workers have to do overtime. And their overtime wages surpass their normal wages, making workers dependent on overtime to make a living.
- 7) More than 90% of workers must work standing.
- 8) Lack of effective channels to express complaints.
- 9) Workers are clear about the union. And even if they know about the union, they don't think it can play a rights defense role for workers.

Investigative Report on Labor Practices at the Tianjin Samsung Mobile Display (TSMD)

Part 1: Factory Profile

Samsung's joint ventures in Tianjin, China include a number of production factories: Samsung SDI, Samsung Electro-Mechanics, Samsung Communications, Samsung Photo Electronics, Samsung Electronics, and Samsung SDI Mobile.

This report primary focuses on the Samsung Electronics Xiqing Factory and Samsung SDI Mobile, while also touching on information related to Samsung Communications and Samsung Photo electronics. Investigators carried out this comprehensive study via enrollment in the factories as workers as well as interviews. Except in special circumstances, all information is based on the descriptions of production line workers.

Samsung SDI Mobile Company, Ltd is the product of a joint venture by Korea's Samsung Mobile Display Joint Stock Company and Tianjin Central Electronic Information Group, Ltd. Established in July 2004, this factory currently has about 3500 workers and is one of the primary producers and retailers for mobile display devices in the world. Located in the Xiqing District micro-electronics industrial park of Tianjin City, Samsung SDI Mobile Company develops, produces, and sells every type of display device for mobile communication equipment, including new-age touch screens. Outside of supplying accessories for its cell phones, Samsung SDI Mobile Company is NOKIA's main supplier. Its customers also include Lenovo, K-Touch, Microsoft, Apple, and HP.

Samsung Electronics Company, Ltd was established in 1993. A manufacturing base for display devices, color TVs, projectors, blue ray discs, Pick-Up, and LED display modules, Samsung Electronics currently has about 3000 workers. The Xiqing Factory is a branch factory of Tianjin Samsung Electronics Company, Ltd. In 1999, the Xiqing Factory moved to the micro-electronics industrial park, in which it has a R&D and production factory in buildings A, B, and C, as well as Samsung Electronics Chinese International Quality

Certification Research Center in building D, which primarily deals with the R&D and production for computer displays, color televisions, projectors, and other display media.

Part 2: Hiring Practices

The workers in Samsung's factory in Tianjin are mainly recruited from schools, employment agencies, labor dispatch companies (such as Shijizongheng, Huahan, and Guangyingwanzhong labor dispatching companies), walk-ins, and internal referrals. Among these five recruitment methods, the first three, as a whole, play the most important roles, accounting for 70% of the total employees.



Unofficial labor agencies surround the factory (1)



Unofficial labor agencies surround the factory (2)

The factory only employs workers between the ages of 16 and 23, and it desires employees with technical secondary school, high school, or other equivalent diplomas. Samsung only recruits a small number of male workers from schools and labor dispatch companies, primarily hiring female workers instead. Thus, female workers constitute more than 95% of the factory's production line workforce. Direct recruitment is limited. For instance, Tianjin Samsung SDI Mobile conducts recruitment programs in front of the factory every Wednesday and Friday; however, few people get hired this way because there isn't a residential district nearby.

Other than workers coming in via schools, walk-ins, and internal referrals, workers who are recruited via labor dispatch companies and employment agencies must pay a fee ranging from 200RMB (\$31.3) to 800RMB (\$125). Workers are also required to pay the 90 RMB (\$14.1) health check fee, which is reimbursed into workers' salary account when they are formally hired and have worked for at least three months. If the employees need to live in the dormitory, they pay the access card security deposit, which varies depending on the dormitory. They can get 50RMB (\$7.81) of the card fee back when they resign, but they are required to pay 20 RMB (\$3.13) to 30 RMB (\$4.69) if they damage or lose the access card.

The new employees must take a one- or two-day orientation, which introduces factory rules and regulations, wages standards, and some (but not all) occupational safety information in the factory. Applicants receive 80% of the basic wages during the training period, and they become formal workers only when they pass the training examination. However, if they fail to pass the exam, they will neither be hired nor receive any payment for the training period. According to a past employee of the factory's HR department, about 20% of the workers are unable to pass the exam.

A company named Jinji is contracted by the factory to take care of packaging and transportation work in the television and display device warehouses. Jinji recruits its workers through both independently and via intermediaries, and there is no limit on the workers who apply.



Trucks being loaded



Trucks to be loaded by night shift workers

Part 3: Labor Contracts

Workers recruited from the designated schools (including Yangquan Secondary Technical School in Shanxi Province, Langfang Electronic Engineering School in Hebei Province, and the Business School in Jiangxi Province) normally work as “interns”. Workers recruited in this way need to sign an internship contract with their schools in the first year, after which period they can sign a labor contract directly with the factory. Workers hired through direct recruitment and internal referrals can sign a contract with the factory only if they pass the training exam. This contract usually lasts two years, including a three-month probation period. At that point, the factory provides an incomplete contract a worker is only required to sign. The factory usually provides the workers a copy of the labor contract after one or two months.

In most cases, the factory recruits technicians and managers directly. They are required to go through a three-month probation period, and during which they just need to conduct the entry formalities instead of signing any contract. They are only permitted to sign a labor contract after passing the qualification process during the probation period.

The labor contract covers the wages and benefits, working hours, and working conditions. Aside from detailed information on occupational safety and others matter required on the contract by law, the factory also adds an item about information security.

Workers recruited through employment agencies and labor dispatch companies usually sign a labor contract with the agencies or companies. They usually sign the contract when they start working. However, in most cases, the factory won't provide copies of the labor contract to the workers. Although the contracts these workers sign with agencies or dispatch companies are similar to the factory contract in that contract covers legally-required items, it is not as detailed as the factory contract discussed above.

Contracted workers don't need to sign any labor contract or agreement with the contractor company, and they are not required to conduct any entry procedures. Because the contractor company has no office in the factory, the workers have to exchange their IDs for pass cards at the front gate's security office. They only get their IDs back when they finish their work at the end of the day.



Outsourced workers must exchange their IDs for this pass when they come to work

Part 4: Working Hours

The factory divides shifts into a day shift and a night shift, differing across departments and in the number of workers. A long day shift is usually arranged only when there are not enough workers; this shift begins at 8:00am and ends at 5:00pm. However, workers usually have to work overtime until 8:00pm or even 10:00pm. During the shift, workers can take one hour to have lunch, which starts at noon. At 10:00am and 3:00pm, workers are permitted to have a paid 10-minute break, and the 20 minutes is included in working hours. Workers are only permitted to have dinner after they get off work.

Day and night shifts switch every week. The day shift starts at 8:00am and ends at 8:00pm; the night shift starts at 8:00pm and ends at 8:00am. Both include a one-hour meal time. Usually, every shift lasts 11 hours, including 3 hours of overtime. However, if there is a

shortage of labor, workers need to work 1 or 2 extra hours. On average, then, workers work 12 to 13 hours per day; this is an especially prevalent circumstance toward the end of the year.

With respect to working days, there are two types of schedules at the factory: "4 days on, 2 days off" and "regular work-rest schedule". The first arrangement is pretty clear; workers get two days off every six days. The two days are randomly arranged, falling on either weekdays or weekends. Under such a schedule, workers are on the job 20 days per month. The factory will then subtract two days from the workers' overtime hours, ensuring a normal record of work attendance. Under a "regular work-rest schedule", workers get to rest on Sunday. But when there is a labor shortage or are many orders from customers, workers can only take one day or two days off per month. This situation is more frequently witnessed one or two months before and after the Spring Festival and is especially serious in the production department of TSMD.

For example, the contracted workers at the finished product warehouse of Samsung Electronics work from 8:00am to 8:00pm, and the package workers work from 8:00am to 10:00pm. The workers only get 30 minutes for lunch and dinner. The meal time is not fixed, and workers divide into two or three rotating groups for meals. Usually, workers don't work on the weekends, but they must work on Saturday if there is unexpected vehicle scheduling, which usually occurs once per month.



Meal ticket of outsourced worker



Outsourced worker cafeteria

Part 5: Wages and Benefits

The factory calculates wages based on a time. In April 2012, according to the newest wage rate schedule, workers are paid at least 1600 RMB (\$250) during the probation periods, and the overtime wage 1.5, 2, or 3 times this minimum wage. After probation, the minimum wage increases to 1800 RMB (\$281.3), and overtime wages are adjusted accordingly.

However, some students and interns get paid far below the wage standard required by law. For instance, in May 2010, a student working in TSMD as an intern only received 750 RMB (\$117.2) even though the legal minimum wage in Tianjin is 920 RMB (\$143.8).

Every month, the team leaders provide performance evaluations based on workers' performance, for which workers can receive bonuses ranging from 200 RMB (\$313.3) to 1000 RMB (\$156.3). In most cases, the bonus is around 500RMB (\$78.1), but workers can only receive the bonus when they have worked in the factory for at least 6 months. In

addition, day shift workers get a 7.5 RMB (\$1.17) bonus, and night shift workers get a 15 RMB (\$2.34) bonus.

If the profit the factory gains during a given period reaches a certain standard, workers can also receive a bonus ranging from 500 RMB (\$78.1) to 1000RMB (\$156.3). This usually only occurs once a year and will only be distributed to formal workers, excluding workers in probation periods, contracted workers, interns, and other informal workers.

In most cases, the monthly salary for workers is around 3500 RMB (\$546.9). At the end of a year or when there is a labor shortage, workers can receive more than 5000 RMB (\$781.3), during which time, of course, workers must work longer hours in order to receive the high salaries. Due to the young age of these workers, their awareness of rights protection is poor. They couldn't find their pay stubs and couldn't remember the specific amount of money they receive every month. Therefore, we will provide an example.

The minimum salary is 1800 RMB (\$468.8) the hourly wage is 10 RMB (\$1.56), and the hourly overtime wage is 15 RMB (\$2.34), 20 RMB (\$3.13), or 30 RMB (\$4.69). A worker is on the job 28 days per month, 11 hours per day. They work 66 hours of weekday overtime (3 hrs x 22 days) and 66 hours of weekend overtime (11 hrs x 6 days), so the overtime wages for this worker are 2310 RMB (\$360.9) $[(15 \text{ RMB} + 20 \text{ RMB}) \times 66]$. The bonus for day and night shifts is 292 RMB (\$45.6) $[(7.5 \text{ RMB} + 15 \text{ RMB}) \times 13]$. Therefore, the total wages of this worker for this month is 4902 RMB (\$765.9) (basis salary of 1800 RMB + bonus of 500 RMB + allowance of 292 RMB + overtime wages of 2310 RMB).

Around the 15th of every month, the factory will issue the previous month's wages via bank accounts. Workers who are registered permanent residents in Tianjin are provided with social insurance and housing allowances, including work injury insurance, medical insurance, pension, unemployment and birth insurance and housing fund, and workers who are non-residents are only provided with a partial social insurance benefits and housing allowances. However, workers are not clear about which of the three types of social insurance is

provided to them. The investigators had a discussion with staff in the factory's HR department on this topic but still unable to gather a clear answer.

The contracted workers in the Samsung finished product warehouse receive a fixed salary. The wages for the first month is 1800 RMB (\$468.8). Starting from the second month, workers can wages of 2200 RMB (\$343.8), including the full attendance bonus of 200 RMB (\$31.3). In other words, if a contracted worker isn't absent or doesn't ask for a leave in a given month, then he can receive a monthly salary of 2200 RMB (\$343.8), but he won't enjoy any other bonuses or benefits. The salary will be distributed on the 15th of every month, and the financial department staff of the contracting company will go to the factory to pick up the salary of their workers. There is no detailed payroll for these workers.

Part 6: Living Conditions

There are dining halls in this factory. Day shift workers get lunch for free, and night shift workers get a nighttime meal for free. The breakfast costs 1.5 RMB (\$0.23); the dinner costs 3.5 RMB (\$0.55). Workers should pay for the both by themselves, but they eat the meals in any place they want, whether or not it's the dining halls. For breakfast, workers get soybean milk, and can choose either a steamed bun, fried bread stick, or flatbread. All lunch, dinner, and nighttime meals include two vegetable dishes, one meat dish, and fruit. The contracted workers in the finished product warehouse of Samsung Electronics can get a free lunch and dinner by using meal tickets. Unlike the lunch and the dinners of workers mentioned above, the contracted workers do not get fruit, but they can add more portions of food at no cost.

Workers living far away from the factory need to commute by factory bus. They usually have breakfast and lunch in the dining halls and go back to their dormitory after work, eating

dinner nearby. Night shift workers just have their nighttime meals in the dining halls. According to workers' accounts and investigators' findings, the dining hall environment and food amount are satisfactory. However, food choices are largely limited. Workers can only have three types of dishes every day with no other alternatives.

The factory provides dormitories for workers. Each room in the dormitories is as large as 20 square meters (50 square feet), with 4 bunk beds in each, allowing for 8 workers. But in most cases, there are only 6 workers per room. Every worker is provided a locker in which they can put their valuables in it. There are table, chairs, an air conditioner, heater, and electronic fans in each room. There is one public restroom and two sinks on each level. There is also a television room and a shower room in each dormitory. There are cleaners that are responsible for all dormitory area except for the bedrooms.

Workers are not allowed to use any electronics in the dormitories. They must go to the public areas on the first level to charge their mobile phones. Here they can lock their mobile phones in a locker and then take them back when the phones are fully charged.

Workers are not charged to live in the dormitories. They may need to pay 10 RMB (\$1.56)/month for water and electricity in summer and winter, and they usually don't need to pay in spring and fall.



Dormitory #3



Cafeteria



Dorm of outsourced worker (1)



Dorm of outsourced worker (2)

Part 7: Work Environment

Workers in Samsung SDI, Samsung Electronics, and Samsung Photo Electronics need to stand constantly while working. The chairs provided can only be used when workers are on break.



Production line



Display assembly



Display production line

The managers in the work site of Samsung SDI and Samsung Electronics are very mean to workers. The managers report the workers' mistakes—including working too slowly, misoperation, or failing to complete work on time—immediately to the team leaders, who then may use very loud, abusive language to reprimand the workers in question. Moreover, there is no effective channel by which can respond or make a report of such treatment. The HR department is actually responsible for these kinds of complaints, but the staffs in this department usually ignore workers' grievances. According to a person who once worked in the HR department, many workers would ask questions concerning their salary or bring up other complaints, but his HR colleagues usually ignored them. This kind of situation is rarely seen in Samsung Photo Electronics. Although the management here is also rude sometimes, workers are more able to resolve the issue through the HR department.

The security check in the Samsung Photo Electronics factory is very strict. Workers are not allowed to have electronics, such as their cell phones, on their person when they enter the production site. They must lock their electronics in their personal lockers before work and then go through the security check of both the electronic security gate as well as the security guards after work.

The security guards and some managers in the work site are rude, and they sometimes even beat up workers. According to information provided by our investigators in the products warehouse of Samsung, a manager regularly beat up the contracted workers. The security guards would also beat up workers who were not standing in line or who were disobeying the rules. These types of incidents have all been confirmed by many workers in the Samsung factory as well as other factories nearby.

Because the factory is only responsible for assembling or producing core components, workers face less physical danger than workers in some other Samsung factories. That said, there may be some electromagnetic radiation in the work site that could create a hazard for workers, but this needs to be confirmed by professionals with proper equipment.

On the Samsung SLR camera assembly line as an example, there are 12 workers in each production line, and they can produce 180 to 240 SLR cameras every eight hours. There are five production lines in the workshop; therefore, there are about 900 to 1200 SLR cameras produced here every day during an 8-hour period.

Based on an analysis of product warehouse schedules and logistics, the total number of finished display products coming out of this factory every day is about 18,000 to 25,000.

Part 8: Other Issues

According to the rules and regulations set out by the factory, every worker is allowed 8 days of sick leave, during which period they can receive 80% of their original salary. But sick leave is only permitted after workers provide written proof by a hospital which shows that

the sickness is rated at least at the Third Level Grade A. If a worker doesn't provide this evidence, then the leave will be regarded as an absence, and the worker will lose their bonus.

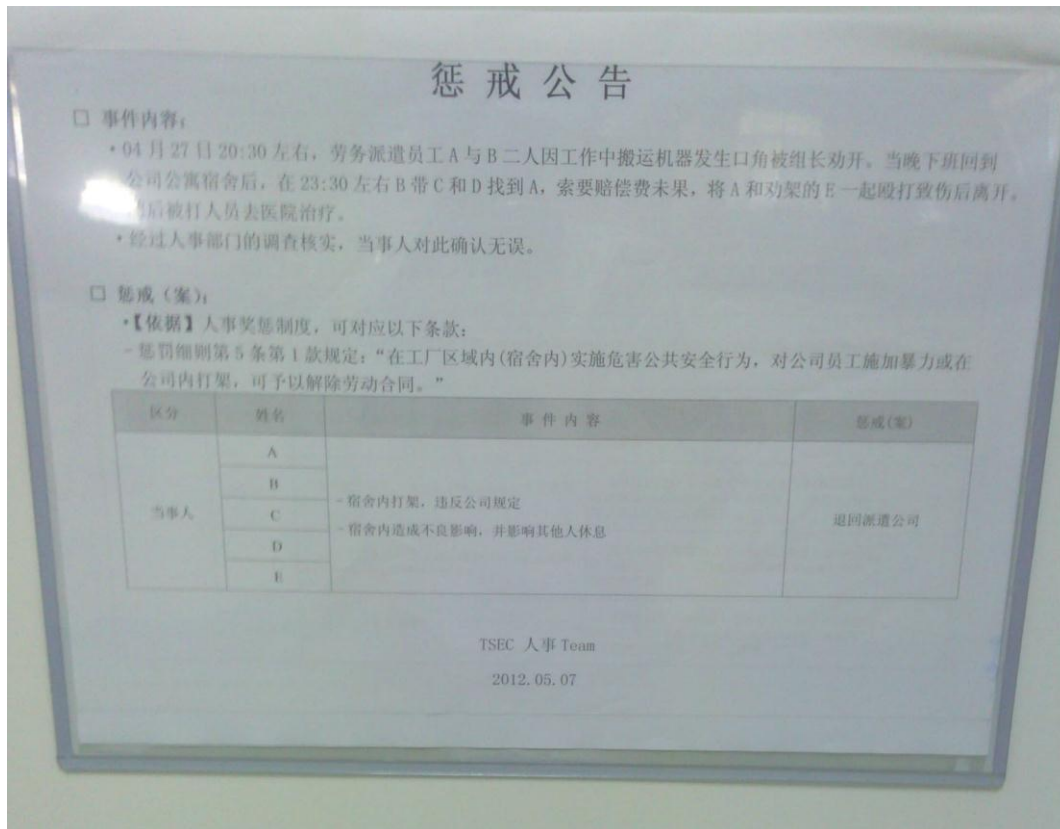
Getting approval for leave for other reasons is even more difficult. To do this, workers must go to the HR department to pick up a form, fill out the form, get approval from both managers and team leaders, and then take it back to the HR department. If they do not complete this process, then their leave would be regarded as an absence.

The factory requires that workers cannot be absence for longer than a total of three days per year; otherwise the workers will be fired with their remaining wages.

Due to production needs, working being faces with periods of work longer than 8 hours is unavoidable., If workers don't work overtime, then they will be given an absent day, and they will be punished as mentioned above. Some workers expressed that workers who keep a good private relationship with the team leaders can occasionally get off of overtime. However, in general, overtime is not an option for workers.

Workers who were interviewed are not clear above rules related to other types of leave required by laws, such as marriage leave, maternity leave, or family leave.

The investigators interviewed more than 20 workers, and none of them expressed having ever experienced a social responsibility audit or review of the factory.. There is no union or similar worker organization in the factory, leaving workers with a lack of an effective channel by which to communicate or make complaints.



Notice of disciplinary action

Part 9: Summary of problems

1. There exist both serious gender and age discrimination.
2. The factory abuses the dispatch workers and student workers.
3. The factory hires illegal dispatch workers who neither given a contract with the factory nor paid the minimum wage.
4. Workers doing the same job don't receive the same compensation.
5. The factory recruits workers via illegal employment Agencies, which also increases the cost to workers in finding a job.

6. The factory charges workers security deposit and detains their identity cards.
7. Long work hours.
8. Forced overtime.
9. Insulting and beating up of workers.
10. There are no effective complaint mechanisms for workers.

Investigative Report of the Labor Conditions at Shandong Samsung Digital Printer Co., Ltd. (SSDP)

Part 1: the Factory's Profile

Samsung Electronics (Shandong) Digital Printer Co., Ltd (SSDP) was formerly called Shandong Samsung Telecommunication Appliance Co., Ltd. It was established in March 1993 by Samsung Electronics with capital of \$39.8 million. This factory is a high-tech enterprise engaged in R&D, production, and sales related to digital printer products, and this factory is a main manufacturing base of Samsung electronics printer products.

SSDP is located at Shandong Weihai Torch High-Tech Industrial Development Zone and has more than 2,000 employees. Its main products are laser printers and laser-ink printers. Its annual production capacity is about 10 million units. In 2011, it produced and sold 7.81 million printers, with sales revenue of 9.1 billion RMB (\$1.42 billion). (All of the above information was drawn from Samsung's official website and its 2011 Social Environmental Report).



SSDP

Part 2: Hiring

Currently, there are around 2,000 workers in the factory, which matches the officially total worker population. The ratio between males and females is 3:2.

The factory hasn't conducted direct-hire for a couple of years, and it mostly depends on the interns from and graduates of designated technical schools, which constitute more than 60% of the workforce at SSDP. Interns usually spend two months to one year in the factory, after which they can return to schools.



Factory cooperation with Samsung

Part 3: Working Hours

There are three types of work shifts: day shift, night shift, and triple shift. Most production workers work on the day shift. The day shift starts at 8:00am and ends at 5:00pm. During the shift, workers get one hour for lunch, from 12:00pm to 1:00pm. They also get a ten-minute break in both the morning and the afternoon. If the workers are required to work overtime at night, then they can have their dinner from 5:00pm to 6:00pm, finally finishing their shift by 8:00pm. The hours of work are the same for both day shift and night shift.

Night shift workers start work at 8:00pm and finish their work at 5:00am. From 12:00pm to 1:00am, they have a night meal. Also, they get a ten-minute break in both the evening and the morning. If they are asked to work overtime, they can take breakfast from 5:00am to 6:00am, and overtime work will be completed by 8:00am.

In terms of overtime, there is no difference between peak-season and off-season. If production orders are high, then workers essentially must work overtime until 8:00pm, 26 days per month. Under normal circumstances, they just work 23 days per month and have to work overtime for 4 days per month. Sometimes, they can get a day off even though it is a workday. Based on our calculations, workers usually work 192 hours to 260 hours per month.



Shuttle bus

Workers are required to attend a meeting and make preparations on the factory floor 10 minutes before official work begins, and this time is not calculated into workers' wages.

The factory utilizes an electronic system to record workers' hours. Workers can also use this electronic system to confirm their working hours. If they found that their working hours have been wrongly calculated, they can apply to correct it, and in most cases, it will be corrected.

Part 4: Wage Rates

The base salary for workers at SSDP is around 1600 RMB (\$252), and overtime wages are calculated off of this base salary, multiplying the base by 1.5, 2, or 3 based on the period of overtime hours.

Workers who have worked for three months can receive a "performance bonus" every month on top of their base salary and overtime wages. However, the performance bonuses are not calculated into the overtime wage base. There are five levels for performance evaluations, including A+, A, B+, B and B-. For each level, workers can receive 1,000 RMB (\$158), 600 RMB (\$95), 300 RMB (\$47), 0 RMB, and -300 RMB (-\$47), respectively. According to workers, the foremen are totally in charge of the evaluation process, and the influencing factors of this evaluation include the amount of work workers have done, workers' willingness to obey the rules, their work performance, and their private relationship with the foremen.

About 60% of workers receive a B evaluation, meaning that 60% of all workers receive no performance bonus, including the workers who've worked less than three months. Around 30% workers get a B+, receiving 300 RMB (\$47) per month as the performance bonus. The performance evaluation is conducted every month, and the evaluation is just effective for that month.

Night shift workers receive an extra bonus of 10 RMB (\$1.6) per night. Every month, one worker in each production line will be picked as the best worker and receive a bonus of 100 RMB (\$16) or a gift of equal value.

The factory issues wages into workers' bank accounts on the 18th of every month. Pay stubs are not given, but workers can check detailed calculations of their salary through the inner computer system.

Part 5: Living Conditions and Dining

There are dining halls in the factory, and they provide breakfast, lunch, dinner, and night meals for workers. However, workers can only have two free meals per day; day shift workers receive a lunch and dinner while night shift workers receive dinner and breakfast. Other than these two meals, workers must pay. For instance, day shift workers need to pay for dinner, and night shift workers need to pay for lunch. The breakfast costs 5 RMB (\$0.79), and all other meals cost 6.5 RMB (\$1.02) per meal.

Workers can choose from milk, eggs, bread, fried bread sticks, noodles, and fried rice for their breakfast, each respectively costing them 1.8 RMB, 0.8 RMB, 1 RMB, 1 RMB, and 2.4 RMB. Workers can choose and combine by themselves, but the maximum amount that they can take must not surpass a total of 5 RMB (\$0.79). If the workers pay themselves, they are required to pay 5 RMB even if the breakfast costs less than 5 RMB.

Potato, pork, chicken, duck, fish, shrimp, rice, and steamed bread are provided for lunch, dinner, and the night meal. Workers can have three hot dishes and a cold dish for each meal. Workers can get fruit every other day. Workers can also have Korean dishes, but they need to apply for it as a unit a week before; otherwise, they will be charged a fee. The dining halls are equipped with air conditioners, and dining tables are cleaned on time. However, according to the night shift workers, because there are not enough staff working in the dining halls at night, they need to wait 10 minutes before they can get their meals.

The factory provides dormitories for its workers: one for male workers and the other for female workers. The dormitories are equipped with bathrooms, water heaters, electric fans, heaters, shelves, and other cleaning appliances. Each worker is provided with a cabinet. There are three bunk beds in each room that can accommodate a total of six. On each floor, there are washing machines and water fountains provided for free.

There are 12 computers on the first level of the male's dorm, and workers can use them for two hours at a time. However, according to workers, only half of the computers can be used and few people use them. There is a television room, Ping-Pong rooms, and gyms in

the female dormitory. Using their worker ID, male workers can enter the female dorm to use these facilities.

The workers need to pay for their rooms' water and electricity, usually costing a worker 10 RMB (\$3.15) per month.



Female dorm



Male dorm

Part 6: Working Conditions

The main production departments are located in a three-level building. Copy machines are produced on the first level, and most workers on this level are male because the rate of work is very intense. Both the second and the third level of the building are used for the production of toner cartridges, and most of the workers on these two floors are female.

All of the workers are required to working standing. According to some workers, workers can apply for a seat based on their circumstance, but as of now, these applications are in a pilot phase and are not really normal. According to one female worker, every time she needs set up more than 10 gears, she can't move quickly enough, resulting in the crushing of many products. Moreover, during the two months that she has worked in the factory, she hasn't even had time to drink water outside of the scheduled breaks because of the intense rate of work and foremen cannot find someone to cover for her when she needs water. The workers are not allowed to bring their own water bottles into the factory, and water bottles are supposed to be provided by the factory. However, new workers don't get the bottles until they've worked for more than a month. Based on what she said, the interviewed female worker brought a bottle into the factory, but it was thrown away quickly.

Some interviewed workers said that they just need to inform the foremen if they need to have a drink or go to the bathroom. In most cases, they will be allowed to do this. Whether their petition will be approved or not is closely related to the mood of the foremen.

There are around 23 workers working on the toner cartridge production line, including foreman, a mechanic, and a person responsible for materials. In 10 hours, this line can produce around 1,600 large-size cartridges or around 2,500 small-size cartridges.

The factory is in charge of the assembly of printers and cartridges, so there is not a lot of safety risks associated with the work. However, according to many interns, the factory floor is covered with carbon powder, and they were told during orientation that it's toxic. Although they are provided with masks and gloves, they don't think that these can effectively protect them. The factory will provide masks and gloves for workers working in particular positions and require these workers to have a physical exam every year.

Part 7: Other Issues

Most workers are not sure whether or not there is a union in the factory. A few workers said that they've heard of the union, but they never received any other information about it.

Workers who are not officially employed receive no social insurance, and only official employees receive insurance. According to some senior workers, they need to pay around 200 RMB (\$32) per month for their social insurance, but they are not even sure what insurances are covered.

Workers will get a B performance grade for if they are come more than 5 minutes late even once in a given month, meaning that they won't receive a performance bonus. In other words, when comparing it with a B+ grade, workers are charged 300 RMB (\$47) for being late.

Workers' will have 200 RMB (\$32) deducted if they have an absence. No matter how many absences the workers have, they will only 200 RMB will be deducted. Under such a circumstance, they will get a B- for the evaluation, which means they will have a total of 500 RMB (\$79) deducted, not including the wages they lose for the day(s) they are absent. If the workers have three absences in a month, they will be forced to resign from the factory.

In some cases, workers will get a few extra days off due to changes in production plans. If the workers have half a day off, they can receive half a day's salary. If the workers have more than one day off, then they will only receive half of their total wages (but according to local law, it should be 70% of wages).

Investigative Report on Labor Practices at Suzhou Samsung Electronics Co, Ltd (SSEC)

Part 1: Factory Profile

Suzhou Samsung Electronics Co, Ltd (hereinafter referred to as “SSEC”) is a joint-venture approved by Suzhou industrial parks district on April 4, 1995. It is also Samsung Electronic’s largest major overseas electronics production base. In 2002, the company invested 199 million dollars to establish the Suhong Road factory in this industrial park. The factory is located on 501 East Suhong Road in this industrial park, and it occupies an area of 170 thousand square meters. The company primarily designs, produces, and sells refrigerators, washing machines, air conditioners, compression engines, small home appliances, and other relevant components and parts. The company exports its line of refrigerators, air conditioners, and washing machines to more than 60 countries and regions around the world, including America, Europe, Africa, Japan and Australia.

The factory has quality, air conditioning, compression engine, refrigerator, washing machine, and research & development departments. There are currently about 4000 employees in the factory, the male workers accounting for 80 percent.



SSEC

Part 2: Hiring Practices

The factory doesn't conduct direct recruitment of workers, recruiting its workers, instead, primarily mainly from Suzhou Bolger Human Resource Co., Ltd and Suzhou Humanpool Human Resources Co., Ltd, two labor dispatch companies. In general, workers enter into dispatch companies through employment agencies, and the agency fee ranges from 100 to 500 RMB (\$15.6- 78.1).

Workers need to pay about 100 RMB (\$15.6) for a physical examination before entering into a position at SSEC. The factory will refuse to admit those employees carrying contagious diseases, such as hepatitis B. The author has contacted a number of local employment agencies and labor dispatch companies, and they all expressed that Samsung won't give offers to these workers.

The labor dispatch companies sign labor contracts with workers. If these workers later become formal Samsung employees, the contracts they signed with dispatch companies will automatically terminate. According to workers, dispatch workers can usually convert into

formal Samsung employees within a half year or one year. Beginning this year, this conversion period will only take three months. The author also discovered through the investigation that several dispatch workers working for more than one year still keep their original work IDs. They don't think that becoming a formal employee is important because there are very few differences between dispatch and formal workers in terms of salary.

Employees must conduct one-week of orientation and training before starting work. This training includes a company introduction, business culture, rules and regulations, and occupational safety, with the latter accounting for about 15 percent of the content. According to interviewed workers, what they learned about occupational safety during the orientation does in fact help in daily work once they began working, and what they learn is sufficient for the needs of the production safety. Employees were given normal wages during their training period.

After converting into formal workers, Samsung will usually sign three-year contracts with these workers that include no probation period. The content of the contract includes work location, salary, labor protection, confidentiality clauses, liability for contract breaches, and other rights and obligations of both parties.

The factory will provide uniforms and other protective gear for workers without charge after they begin working. Workers don't need to pay any other fees related to the hiring process to the factory or dispatch company.

Part 3: Working Hours

The factory maintains a day-night shift system; the following shows the detailed work hours:

Day shift		Night shift		Remarks
Time	Content	Time	Content	
08:30—10:00	work	20:30—22:00	work	Normal work period
10:00—10:10	work	22:00—22:10	work	Break time
10:10—11:30	work	22:10—23:30	work	Normal work period
11:30—12:30	lunch	23:30—00:30	Midnight meal carried out in groups;	

			the total time is one hour	
12:30—15:00	work	00:30—03:00	work	Normal work period
15:00—15:10	work	03:00—03:10	work	Break time
15:10—17:30	work	03:10—05:30	work	If there is no overtime, workers clock out at this time
17:30—18:00	dinner	05:30—06:00	Breakfast. This meal only occurs when workers need to work overtime	
18:00—20:00	Overtime	06:00—08:00	Overtime extended work hours	



Workers beginning their shift

The day shift and night shift switch every two weeks. The factory has always technically had rules that restrict overtime hours, but these have neither been carried out nor enforced by the factory. In the first six months of the year, the overtime hours for many production line workers are over 100 hours per month. This means that within this period, the maximum number of days off a worker could have is three days. Workers are not entitled to the weekly day off. But in the second half of the year, the factory says that it will more rigorously enforce restricted overtime hours, which are restricted to be below 36 hours per month. However, this provision is still not really enforced. Many workers still have to work more than 36 hours of overtime. On average, the overtime hours are around 60 hours per worker per month. But because the factory has rules that restrict hours above 36, any hours that exceed 36 hours do not count as overtime. Rather, workers are given extra vacation time for their overtime.

Workers recently filed an official complaint about wage arrears with the local court. On September 6 of this year, this case will be opened in court.



Workers smoking on their break

Part 4: Salary and Benefits

After the salary readjustment in July, the base salary for new workers is 2150 RMB (\$332). After three months of work, there will be a 10 percent increase in salary, resulting in a monthly base salary of 2365 RMB (\$369.5). But the base salary for the past workers was 2300 RMB (\$359.7) and 2530 RMB (\$395.3), respectively.

After a worker has completed three months of work, supervisors will perform a monthly evaluation to assess every the worker performance. Performance-based wages are then given based on the performance level of each worker after evaluation. For every year that a worker spent working in the company, there is a 10 RMB (\$1.56) per month of seniority pay added on. Below is a chart that shows how performance-based wages are calculated.

	5%	25%	65%	5%	0%
The percentage of workers that achieve a given performance level					
※Remark : Level D is for disastrous mistakes, often resulted in dismissal of the worker. This type of situation rarely happens.					

For example, if a worker was employed in May 2011 and received a B+ level, then his overtime base value would be 2530 RMB (\$395.3) + 10 RMB (\$1.6) + 253 RMB (\$39.5), or 2793 RMB (\$436.4). Based on an average working time of 174 hours per month, this worker's hourly base wage would be 16 RMB (\$2.5). Consequently, the worker's overtime wages would be 24 RMB (\$3.75), 32, RMB (\$5), and 48 RMB (\$7.5), dependent on the period in which the worker does overtime. This example expresses the ability of overtime calculations, working age, and performance level to directly and significantly affect different workers' wages.

Other than the items described above, the workers have some other sources of income, including a night shift allowance of 18 RMB (\$2.81) per person per night. Additionally, around 10% of the workers have a position allowance of 50 RMB (8.13) to 200RMB (\$31.3). But these two items are not calculated into the overtime base value. At the same time, team leaders and other managers receive an allowance that amount to around 800 RMB (\$125), and this amount is calculated into their overtime base value. But managers make up a very small proportion of the total worker population, so this report will not get into details about them.

The average salary for workers of three months is around 3500 RMB (\$546.9), not including the 19% social security fee that is deducted from wages. As for the workers of less

than three months have an average salary of around 2800 RMB (\$437.5). Similarly, this does not include social security deductions.

Wages are issued into workers' bank accounts every month. This salary distribution includes the basic salary and the overtime pay from the 16th of the previous month to the 15th of the given month. Pay day for formal contracted workers is the 20th of every month. And the pay day for dispatch workers is the 28th of every month. For example, on July 28th, a dispatch worker will receive his basic salary for July and overtime pay for the period from June 16th to July 15th. On the other hand, a formal contracted worker will receive his wages on the 20th.

When the factory issues wages, it does not provide a copy of a the pay stub to workers. The workers can only find out about the details of their wages by using the computers provided by the factory. If there are any mistakes, the workers can talk to the foreman. Usually the mistakes will be fixed after verification.

Part 5: Living conditions

There is a communal cafeteria in the factory. If the workers do not have overtime hours, then the factory will only provide one free meal. For example, if a worker is working the day shift, then lunch will be free of charge for him. If he doesn't have to work overtime and gets off at 5:30 PM, he is not entitled to free dinner, and there would be a 7.5 RMB (\$1.17) charge for the meal. Conversely, night shift workers are subject to the same rules.

Every meal consists of four dishes and one soup, including one meat dish. There is also one serving of fruit for both lunch and dinner. The canteen usually has eight serving windows open, so problems with overcrowding or long wait times are rare. There are also essential facilities installed in the factory cafeteria, such as air conditioners, televisions, and shops. The cafeteria is sanitary. However, our meal survey indicates that many workers are not satisfied with the food. 31 out of the 34 people we surveyed answered that they were not pleased with the meal. Their main reaction we received was that the food simply tasted bad. Some workers contributed this problem to the fact that cafeteria food is contracted to another company.



Standard meal



Workers lining up to get their lunch



Workers eating

The factory does not provide any form of living accommodations to workers, and workers must deal with it themselves. Usually, workers rent a room near the factory and the factory will provide free transportation to and from the factory for the workers. Within a 40 kilometer radius of the factory, the rent for a 12 square meter room is around 300 RMB (\$46.9) to 650 RMB (\$101.6), depending on the exact location and the facility. For example, a 14 m² with a kitchen and bathroom within a 5 minute walking distance of the grocery and shopping district will cost around 500 RMB (\$78.1). Of course, if renting a one storey house or shared room, the cost will be cheaper.

The factory provides no allowances for accommodation other than the free transportation.

Part 6: Working Environment

All production line workers in the factory work under a high intensity conditions which can be understood in two primary respects.

First, the rate of work is very high. For example, on the production line for the indoor machine of a split air conditioning unit, the output is 4000 units every 10 hours. This means that the production time for one indoor machine is about 9 seconds. This calculation even includes the 10-minutes breaks on each shift. For instance, in 9 seconds, workers responsible for installing the panels must assemble a nearly meter-long panel as well as install two screws. However, the entire process must be finished in ten hours minus the meal time, and workers don't receive any break time outside of their 20 minutes of total rest time. If a worker takes time to drink water or go to the restroom, this worker cannot hope to finish his work in the allotted time.



Workers so tired that they sleep on the factory floor during a short break



Worker sleeping on the factory floor



Standing while working (1)



Standing while working (2)

Second, almost all workers on the production lines must work standing. The factory only provides seats in the leisure room, and workers can sit during either of the ten-minute break periods in each shift.

Work intensity of such a high degree forces Samsung to employ large numbers of male workers despite the fact that the factory originally only preferred female workers.

Besides taking on the burden of such intense work, workers are also forced to suffer deafening noises in the workshop. The production model of Samsung includes the manufacturers being responsible for the production of parts, while Samsung themselves are responsible for assembly. Thus, SSEC has few potential safety hazards, such as toxic substances or injury from machinery. However, due to the relatively large surface areas of home appliances, machinery related to the assembly process will produce a great deal of noise. According to workers, although the factory has issued the necessary protective gear—such as earplugs—workers believe that it does not really protect their hearing. The negative influence on workers' hearing is accumulated gradually, so workers don't pay enough attention to this issue or lack the relevant occupational safety awareness.

Part 7: Other Issues

According to the workers interviewed, representatives from the Samsung headquarters often visits production lines and asks workers some questions. However, these questions are always related to corporate interests, such as information safety or bribery, and they never obtain the feedback of or suggestions from workers. A general manager suggestion box has been installed in the cafeteria, but workers do not believe that this method can effectively express their voice and opinion.

No worker involved in the investigation expressed that the factory had a labor union. And the author also found no information regarding a labor union during visits to the factory.

The factory has a strict ranked system for all employees. Employees are divided into the P system (for manufacturing) and the T system (for technology). Each system has four levels—P1 to P4 and T1 to T4. Each level has three grades— A, B, and C. Of course, one's rank will determine his authority, benefits, and other related factors.

Investigative report on labor practices at Intops (Tianjin) Electronics Co., Ltd. (Intops)

I. Factory profile

Intops (Tianjin) Electronics Co., Ltd. (hereinafter “Intops”), was founded and registered with the Tianjin Administration of Industry and Commerce on Nov. 9, 2001. Its registered capital is 7.5 million RMB (\$1.17 milion). The factory is located on 20 Huoju Road, North Zhakou Town, Jinnan District, Tianjin. Manufacturing cellphone covers for Samsung, Intops is a business partner of Tianjin Samsung Communication Co., Ltd.

There are approximately 1,200 employees in the factory. About 1,000 workers work in the production department, including 500 workers in the plastic injection department, 200 workers in the painting department, and 300 workers in the assembly department. The remaining employees work in the technology and administrative departments. This report will focus on the conditions of the workers in the production department.

II. Hiring

The factory hires workers via four methods: employment agencies, labor dispatch companies, internal referrals, and direct hiring. About 95% of the workers are hired in first two ways, including student workers. Most workers are female, constituting 80% of the workforce.

If the workers are hired through employment agencies or labor dispatch companies, they usually need to pay a fee of 100 RMB (\$15.6) to 400 RMB (\$62.8). The human resource department of Intops will interview all job candidates, and they usually restrict interviews to females between the ages of 18 and 30. There is no further requirement to work at Intops. If the candidate does not pass the interview, the employment agency or labor dispatching company will often return the fees.

Occasionally, the factory will directly hire workers. However, it doesn't advertise these hiring events and potential candidates must ask the factory gatekeeper. If there is a vacancy, the candidate can get an interview. The workers in the factory can also refer other workers to the factory if there is a vacancy. About 5% of the workers are hired through these two methods, and workers hired this way do not need to pay any hiring fees to the factory.

Before the interview, all candidates need to undergo a health examination in a local hospital or clinic, including an electrocardiogram, urine test, blood test, X-ray, blood pressure test, and vision test. The cost is about 100 RMB (\$15.6), and workers are responsible for the fee.

After being hired, the workers will be assigned to a department. Except for some unofficial operational guidance by a group leader or experienced worker, there is absolutely no training for workers, including job safety training. The workers do not receive any salary for their first day of work. According to workers, because many new workers cannot tolerate the conditions in the factory, they will leave the factory after their first day. As a result, the factory chooses not to pay the workers for their first day of work.

III. Labor Contract

After the workers are employed, the factory will sign a labor contract with them. However, at signing, the contract is incomplete and workers don't receive a copy.

Many workers thought that they signed a contract with Intops and were hired by Intops. But some workers, when checking the status of their social insurance with social security administration, will find that the labor dispatch company, rather than Intops, handles social insurance for the workers. Most workers never check their social insurance status, including both ordinary workers and engineers, will never know whether or not they are directly hired by Intops or hired by a labor dispatch company.

The workers are not only unable to confirm their employer, they can't even confirm, based on a contract, their salary, position, and length of their employment, all of which are contained in the contract and of great significance to the interest of workers.

IV. Working hours

The production department's work schedule is split into two shifts: a night and day shift. The shifts change at 8am and 8pm, respectively. The workers will switch between day and night shifts every 15 days. Below is detailed information about every shift:

Day shift		Night shift		Note
Time	Activity	Time	Activity	
08:00—10:00	Work	20:30—22:00	Work	Normal working hours
10:00—10:10	Break	22:00—22:10	Break	Break during work hours

10:10—11:30	Work	22:10—23:30	Work	Normal working hours
11:30—12:30	Lunch	23:30—00:30	Night meal	Broken up into groups, the lunch time is one hour
12:30—15:00	Work	00:30—03:00	Work	Normal working hours
15:00—15:10	Break	04:00—04:10	Break	Break during work hours
15:10—19:00	Work	04:10—07:30	Work	Can leave factory after this shift if there is no overtime
19:00—20:00	Dinner	07:30—08:00	Breakfast	Only for the workers working overtime
20:00~	Overtime	08:00~	Overtime	Overtime hours

The information expressed above is the normal working hours for workers. Typical overtime after 8am or 8pm lasts two hours. Workers usually work 6 days a week. Work on Sunday and extra overtime depends on the number of orders. June and July are considered the low season, and during this period, workers changed shifts at 8am and 8pm, respectively. During this period, the workers worked 27 days a month and had monthly overtime of about 100 hours. The period from March to May is considered the high season, and during this period, the monthly overtime will be about 150 hours, including Sunday and extra overtime. For example, during this peak season, one shift will start at 13:00 and end at 8:00 the next morning. Workers in the technical department will have even longer working hours. They might work from 8:00 on day one to 20:00 on the evening of day two. They would, however, still be permitted meal breaks and short work breaks during these working hours.

Although the day shift starts at 8am, the workers need to check in before 7:30am. 7:30 to 7:40 is the morning exercise time, which is directed by team leaders. After the morning exercise is a group meeting and work preparation. Usually, there are several workers in every group who need not do the morning exercise. However, regardless of when workers must get to the workplace, wage calculations do not start until 8am.

Those at the front of the assembly line or others whose work is to add raw materials are not given a one-hour meal break. Usually, these types of workers need to start preparing 20 to 30 minutes before the official work period begins, but these extra hours are not included in the wages.

V. Salary and Benefits

The salary of workers is composed of a base salary and overtime wages. The base salary is 1310 RMB (\$206), and the overtime wage is 150%, 200% or 300% of the base salary, dependent on the nature of the overtime hours. If a worker takes no leave or has no absences during a given month, he or she can get a 50 RMB (\$8) full attendance bonus. Workers who stand while working can get 50 RMB (\$8) standing allowance every month. Workers on the night shift can get a 12 RMB (\$1.8) per night shift allowance. There are hardship allowances during summer and winter seasons for heat and cold, which is 100 RMB (\$16) for three months of time.

All workers have occupational injury insurance, pension insurance, and medical insurance. The premium every month for these insurance is 160 RMB (\$25). Some workers said that although they pay the premium every month, they have never received an insurance card and cannot enjoy the benefits of their insurance.

Wages are calculated from the 26th of every month to the 25th of the second month. Wages are issued on the 15th of every month. For instance, on August 15 the workers will receive their wages for work between June 26 and July 25. The workers will receive a pay stub. The stub includes items like working hours, overtime, allowances, social security deductions, and total salary. The record on the statement is consistent with actual numbers. If there is any error, the workers can ask their team leader to correct the data; in such situations, the error will usually be approved.

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2012-02-26 ~ 2012-03-25																			
부서	사번	직원명	직위	입사일자	기본급	근로 비율	본 보 수	생 계 별 성 적 달 성 도 가 라 고 금 액	가 라 고 금 액	기타 보 수	기타 보 수	가족 보 조	주택 보 조	학자금 보조	의료 보조	기타 보조	기타 보조	기타 보조	기타 보조
개발팀	I202665	윤현	주임	2012-02-16	1,220	8.0%	1,107.81	68.00	69.00	36.00	14.00								
								135.85	567.59	504.82	58.32	45.40	(81.50)				372.41		

Paystub

VI. Food and accommodation

There is a cafeteria in the factory that provides three free meals to workers without any restriction.

Lunch, dinner, and night meals include one meat dish, one vegetable dish, and one cold dish. The workers can take as much rice and soup as they want. According to the investigator's personal experience and interviews with workers, the environment and equipment in the cafeteria is good. However, workers are very unsatisfied with the ingredients, quality, cooking style, and distribution process of the food.

There will sometimes be sand or other foreign items in the rice. Almost all ingredients are cheap ones like potatoes. Meat only constitutes a small portion of the meat dish. For example, in the pan-fried pork with potatoes, the ratio between potato and meat is about 5:1. Although the workers can request more food, there is still very little meat. Additionally, workers have expressed that where a dish should be pan-fried, the cook boils it. And where the dish should be should be boiled, the cook stews it. As a result, the dishes are quite unappetizing. Additionally, for every type of dish, only one dish is provided for every meal, and for a starch, workers can only choose from rice, steamed ban, and noodles.

There are only two windows open in the cafeteria. Other than the first group of workers taking a meal, it will take a worker 15 minutes on average to get his or her meal. The longest waiting time is 22 minutes. The workers going to the cafeteria late will only get cold food, sometimes even no food at all. During the dining time, the tables are not usually cleaned in time, causing the entire cafeteria to look messy. One worker who has worked in the factory for more than a month told us that she only eaten in the cafeteria no more than 10 times because she doesn't want to wait such a long time for her food and the food is no good. Instead, she usually secretly brings food into the workshop and eats it there.

The factory only provides dormitories for female workers and the rent is 70 RMB (\$11) per month. There are no recreational facilities in the dormitories. There is only a personal storage closet for each person, a fan, and a radiator in each room. There is public restroom and shower room on every floor and 24-hour hot water. There are typically four to six workers living in one room.

VII. Working conditions

Many workers in the factory have to work standing. The percentage varies among different departments. For example, 30% of positions in the plastic injection department require standing while 80% of positions in the assembly department require standing. According to some technicians responsible for the design of the production process, there is no technical reason that workers must stand as opposed to sitting. However, the factory may believe that standing is more efficient.

The factory floor managers are very crude. In the workshop, one can hear the team leader scolding the workers from time to time. However, according to the workers, the managers just scold and shout at the workers loudly; there is no usually verbal abuse or other insulting language.

Workers are prohibited from wearing shoes on all factory floors. Only socks or sock covers are allowed. The regulation is enforced regardless of season and shift. Even female workers during their menstrual period have to obey the rule. According to the workers, there is AC in the workshop, and the workers feel cold standing on the floor, even during the summer. One technician in the factory said that such a regulation is unnecessary from a production and technical perspective. He could not understand what the significance of the regulation is.

The primary occupational hazards in the factory are chemical and mechanical injuries. For example, in the plastic injection department, the workers need to frequently change the mold in plastic injection machine. Because the molds are metallic and weigh hundreds of pounds, workers will sometimes be injured in the moving or installation process. However, serious injuries are very rare. In the painting department, the workers are exposed to large amounts of chemicals like paint and paint dusts. But workers directly spraying the paint will receive protective masks. And due to a lack of safety training and disclosure, the workers often do not pay enough attention to the hazards and do not wear the masks. Workers in the screen-printing department need to use ink in an open space, and the fumes released by ink is an irritant. However, such workers do not receive any any protective gear. In the assembly, there is a pressing machine which requires workers to put products in the machine by hand, close the curtain and press the button. However, the machine is operated by one hand, which can cause an accident if the workers press the button accidentally while the other hand is still in the pressing area. According to workers, such accident happens from time to time, but most of the time, the injury is not severe.

The intensity of work is very high in the Intops factory. The word “labor intensity” does not mean the workers need to lift a heavy load, rather meaning that they must work for long hours and produce at an extremely fast pace. We introduced the long working hours in part IV of the report. As for the pace of work, we can take the assembly department as an example. The assembly line assembles cell phone covers for the model 9300 cell phones. There are about 25 workers working on this line, and they need to assemble 600 cell phones every hour, which means one case every 6 seconds. The actual time, however, is 5 seconds or less after deducting time for restroom breaks, drinking water, or interruptions in the assembly process.

The security guards of the factory are cruel. When workers are coming and going to and from work, guards often require them to undergo a security examination. Besides using detective equipment, they sometimes require a body search. One worker interviewed told us that once the detective equipment alarm went off when he was leaving the factory and the security guard immediately began searching his body without letting him do a self-check. Other workers have said that similar incidents occur often at the security check point.

VIII. Miscellaneous

Leave. If a worker cannot work, regardless of the reason, he or she needs to file a written application for a leave. Otherwise, it will be treated as an absence and the factory will deduct three-day wages from his or her salary. And absence for three days will be treated as self-resignation. According to the rules, if a worker is sick in the night after work, she has to go to the factory to apply for sick leave before she can go to the hospital. If the condition is serious, the worker needs to stay in the hospital, and she cannot apply for a leave in three days, he or she will be effectively fired. During an interview, one worker joked that everyone working in Intops needs to have the ability to predict when she will be ill and apply for a leave in advance. Otherwise, she will either not be able to get treatment or face a serious penalty, even so far as losing her job. Given the difficulty of taking sick leave, personal leave is near impossible.

Absence. Because it is very difficult to get a leave from the factory, most workers will choose absence. Given that the base salary is 1310 RMB (\$206), the daily salary is approximately 60 (\$9). As we mentioned above, the factory will deduct three days of wages for every one day of absence, equal to RMB 180 (\$28). If one adds in the wages for the day of absence and the attendance bonus, the total deduction should be 290 RMB (\$46). However, five workers who have had experience with absences expressed that 300 RMB (\$47) to 680 RMB (\$107) was deducted for a one-day absence. None of them were clear on the standard or regulation used to calculate the deduction.

Leaving the factory. According to the regulations of the factory, if a worker wants to quit her job, she needs to file an application a week, half month, or even a month in advance. However, it is very hard to get such an approval. Because the workers sign an incomplete labor contract, there is no language related to resignation during a probationary period. Most work will thus just choose self-resignation. If a worker does resign, the factory will deposit all remaining wages into the worker's bank account on the 15th of the month.

If a worker quits her job after the 25th of a given month, the factory will deposit the salary to her bank account on the 15th of the next month. If a worker quits her job before the 25th of a month, she needs to bring their ID to her department between the 25th of the next month and the 10th of the month following that to get a pay stub. Only then can she receive her wages from the financial department in the form of cash. If the worker has already left Tianjin or it is not able to go to the factory herself, she can authorize another worker to get the salary on her behalf. This person must bring both an authorization document and the ID of the worker in question.

Investigative Report on Tianjin Chaarmtech (Crucial) Electronic Co., Ltd.

I. Factory Profile

Tianjin Chaarmtech Electronic Co., Ltd is located at 17 Xeda Shiji Road, Xiqing Economic Development Area, Tianjin. It is foreignly owned by a South Korean company, producing mobile phone covers and other phone parts for Samsung. It produces no other commercial products. Chaarmtech has already removed its registration with the administration for industrial and commercial. The new name of the factory has been changed to Tianjin Crucial Electronics Co., Ltd. (official website: www.crucialems.com). Despite this, there has been no change in workers, production equipment, or management.



Chaarmtech (now Crucial)



Factory award

There are four manufacturing departments at this factory: molding, coating, EMS, and packaging in the factory. There are now around 900 workers in this factory, 15% of whom are male workers.

II. Hiring

All the workers come from employment agencies or labor dispatch companies; one of the dispatch companies is called “Lianshu” (Xingtai, Heibei Province) and provides more than 80% of the work force at the Crucial factory.

The factory restricts workers' ages to between 18 and 26 years old. Apart from some special positions, all positions are only filled by female workers. Male workers primarily work in storage or moving positions. No limitations are put on workers based on their household registration or education. During our investigation, the investigator heard from several workers that there were some very young workers employed in the factory and one was around 14 years old, but the investigator was not able to get in touch with that worker.

Workers must pay 200 RMB (\$31.25) to 500 RMB (\$78.12) in introduction and administration fees to dispatch companies in order to get hired. The factory does not openly recruit production line workers. After passing through the interview stage, workers have to pay a 70RMB (\$10.9) fee for a health check. If the workers need to live in the dormitory, they have to pay a 100 RMB (\$15.6) deposit and 10 RMB (\$1.56) key card fee. The deposit is refunded upon leaving the dormitory.

There is a training session of about 2 to 4 hours for new workers that covers factory regulations and salary and benefits. There is absolutely no job safety training given to workers. Instead, new workers just receive some operational guidance on the factory floor from experienced workers or team leaders after they start working.

III. Labor Contract

As all the workers are dispatched workers, the factory does not sign any labor contract with them. However, most of the labor dispatch companies never sign such documents with the workers, either. And even those labor dispatch companies that did sign labor contracts with the workers only had workers to sign a contract in which items were left blank. The dispatch company then took the contract without giving a copy to the worker.

IV. Working hours

There are two shifts every day in the factory: a day and a night shift. These shifts are changed at 8 am and 8 pm, respectively, so workers usually have an 11-hour day. But workers also expressed that they sometimes have to work overtime until 10 (regardless of the shift). In such cases, some workers on the day shift who get off work later than 10pm are very concerned about their safety. The factory will sometimes arrange vehicles to send workers home.

The workers are not guaranteed to have at least one day off every week. Usually, they can get one day off every two weeks—i.e., they must work 28 days a month with around 120 hours or more of overtime.

Overtime is mandatory for workers. If there is any personal reason to refrain from working overtime, the worker must ask for leave from the team leader; if not, this worker will get scolded or even considered absent from work.



Workers being lectured

V. Salary and Benefits

The base salary of production line workers just meet the minimum wage standard of Tianjin—1310 RMB (\$204.7) per month. Overtime pay is calculated as a percentage of the base salary at 150%, 200%, and 300%, depending on the time that a worker works overtime. Apart from the base and overtime wages, the factory offers 10 RMB (\$1.56) each day for those on the night shift as a subsidy. After calculating for all wages, the average monthly income for workers is around 3300 RMB (\$515.6).

A new rule was instituted beginning June 2012 that requires the factory to distribute employee paychecks through banks on the 20th of every month. The effective wage period is from the 26th of the first month to 25th of the next month. For instance, the paycheck distributed on August 20 will cover the period from June 26 to July 25.

Paystubs are provided to workers. Team leaders will let workers confirm with their attendance records themselves at work. According to workers, calculations are often incorrect, and the amounts usually amount to from tens of RMB to 300 RMB (\$3 - \$46). Additionally, they said that it was difficult to get the owed wages back.

II. Living Conditions

The factory provides four free meals (breakfast, lunch, dinner, and night meal) every day for workers. Team leaders distribute meal tickets every day.

There are buns or eggs for breakfast, together with pickled vegetables, but only one main course can be chosen. The other three meals are similar, with three courses (one meat and two veggies) and one soup. These are the basic dishes, but workers eating late will often be left with only one or two dishes that have all gone cold. Workers expressed that the dishes are all not very good. Our investigator at work could only get one or two cold dishes or just steam buns.

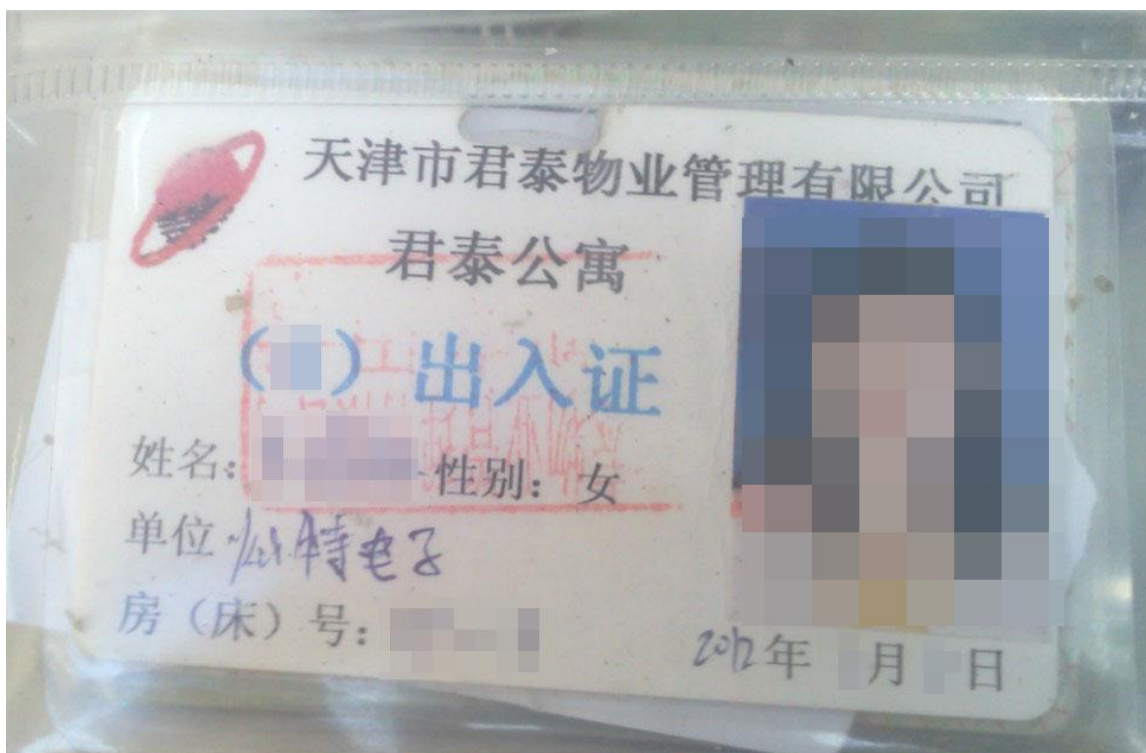
In the cafeteria, there is no TV or any other entertainment equipment, and the tables are often not cleared immediately. More than 30 interviewed workers were unsatisfied with the meals.

The factory only offers dorms for female workers. Because the dorm is far from the factory, the factory will distribute allowance transportation allowance of 1 RMB (\$0.16) a day, 30 days a month. The workers need to get a monthly pass for 30 RMB (\$4.69) from the bus company themselves. If the worker take leave or is absent from work, the traffic allowance for that day(s) will be taken back.

Each room can hold 8 to 10 workers, and each room has one electric fan, a table, chairs, and individual lockers. There is no bathroom in the room, but there is a public restroom every floor. Because there are no showers, however, workers must go to a public shower in the area around the dorms and pay 3 RMB (\$0.5) each time they take a shower.



Workers in the cafeteria



Dormitory door pass

VII. Working conditions

The entire production building prohibits workers from wearing shoes. All the workers have to wear socks or shoe covers when entering the building. Previously, the restroom was equipped with slippers, but the investigator only once found a pair of slippers in the restroom during working hours, meaning workers have to go to the restroom with bare feet or socks.

The packaging department requires workers to use ethyl alcohol to wipe cell phone covers but does not provide the necessary protective gear (such as gloves or masks) to the workers. The windows in the workshop are all closed, causing poor ventilation.

The workers have to ask for permission from the team leaders when they want to drink water or use the restroom during work. The lack of slippers when using the restroom really bothers the workers.

While on shift, workers have to constantly bend their heads down and stare at the products while carrying out delicate work. The hourly production of 1200# or 1205# mobile phone covers in the packaging department is about 1000 units. If the this production number is not met, longer overtime hours will be required to finish it, and these extra overtime hours will not be calculated in wages.

If the workers' request for leave is not permitted or workers don't work overtime as the rules stipulate, they will be punished with absenteeism and three days of wages will be deducted.



Unfinished cell phone casings



Assembly workers

The main problems existing in this factory include:

1. Employment discrimination, especially in regards to age and gender limitations;
2. Exploitation of dispatch labor and the slack regulation of labor dispatch companies which has led to an increase in workers' employment costs and a failure to protect their rights;
3. No labor contract. The factory doesn't sign contract with the workers. And labor dispatch companies only sign incomplete contracts with workers, if they even sign a contract at all;
4. A lack of necessary training before employment, such as job safety and skills training;
5. Excessive overtime hours. Workers have overtime hour that surpass 120 hours per month, not even being guaranteed a day of rest each week;

6. Forced labor. Workers have no choice but to accept overtime arrangements or else they will be punished;
7. Excessively low wages. 1310 RMB (\$204.7), the minimum wage in Tianjin, is the base salary for workers in the factory. However, workers at factories directly owned by Samsung receive a base salary of 1800 RMB (\$281.3) or more despite also making products for Samsung;
8. Harsh working environment. Without a technical necessity to do so, workers must always stand while working, which increases the intensity of their work for no apparent reason;
9. The company has deregistered, and many issues related to workers' rights, such as working years, social insurance, and annual leave, have been left unattended.