

# Investigation of an Apple Supplier: Pegatron Kunshan Report in 2023

## China Labor Watch August 2023

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### Executive Summary

Apple is slated to release its much-anticipated iPhone 15 series this fall. The iPhone 15 Pro and iPhone 15 Pro Max, especially, have generated considerable buzz and attention. Pegatron Group, a Taiwanese electronics manufacturing company, is Apple's second largest Chinese supplier. This past summer, it recruited large numbers of dispatch workers (or workers hired through third-party employment services) for its Shanghai and Suzhou factories in preparation for this launch. China Labor Watch (CLW) investigated Pegatron's factories and found workers working around the clock to create these iPhones. While the world admires Apple's newest technological achievement, few pay attention to the exploited laborers behind this product.

In the past, CLW has repeatedly discovered serious labor rights violations within Apple's global supply chain. CLW's [July 2013 report](#) discovered violations in three of Pegatron's factories in Shanghai and Suzhou, including forced overtime, excessive use of dispatch workers, lack of training and insurance, and workplace harassment. The same violations resurfaced during CLW's [second investigation](#) in October, 2015 at Pegatron Shanghai. This follow-up investigation found no significant improvement in Pegatron's working conditions since CLW's previous reporting.

Eight years later in June and July 2023, CLW sent an investigator to conduct fieldwork and interviews at Pegatron's Kunshan factory (Pegaglobe)<sup>1</sup>. The factory is located in the Kunshan

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<sup>1</sup> Pegaglobe (Kunshan) Co., Ltd

Economic and Technological Development Zone (KETD).<sup>2</sup> It primarily produces the iPhone 15 Pro at the time of the investigation. CLW's investigation found that issues in Pegatron's Pegaglobe factory are consistent with those in Pegatron's Suzhou and Shanghai factories.

**What's most concerning to CLW is that working conditions have not changed significantly in the factory for the past ten years.** As did in the past, the recruitment of a large number of dispatch workers, forced overtime, workplace bullying, and sexual harassment are still found in the factory.

As a leading non-governmental advocacy organization for Chinese worker rights and labor rights, CLW strongly condemns the conditions of Pegatron's factories. As Pegatron's client, Apple failed to fulfill its corporate social responsibility. CLW demands that Pegatron and Apple respond publicly, correct the illegal practices, and compensate the workers who were harmed in the production of Apple products.

Key findings from the investigation:

**1. The recruitment process discriminates against workers based on region, ethnicity, religion, age, and gender.**

While Pegatron's recruitment posters and advertisements do not reveal restrictions on ethnicity or religion, in practice, the factory does not recruit Yi, Tibetan, and Uyghur ethnics. Pegatron's hiring intermediary stated that as long as Uyghurs have no dietary restrictions, they are free to work at the factory. But adherence to Islamic dietary restrictions is an integral part of Uyghur religious identity, effectively making this requirement an act of ethnic discrimination.

Pregnant female workers are indirectly rejected during the recruitment process. If women are pregnant, they are not allowed to take an X-ray that is required during their physical exam. Women who fail to complete the physical exam are not allowed to work at the factory. This, in effect, is an implicit rejection of pregnant female workers. CLW investigators witnessed several pregnant female workers being rejected by Pegatron's hiring intermediary.

The age limit for hiring in the factory is between 18 and 42. Workers are not allowed to dye their hair or have tattoos.

The acts above violate [Article 12](#) of China's Labor Law, which requires that "Laborers, regardless of their ethnic group, race, sex, or religious belief, shall not be discriminated against in employment."

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<sup>2</sup> <https://china.ahk.de/market-info/investment-zones/kunshan>

**2. The factory exceeds the legal limit on the number of dispatch and hourly workers allowed to work at the factory. Labor disputes regarding rewards and bonuses are commonplace.**

Regardless of whether the factory operates during peak season (high demand) or off-season (low demand), Pegatron employs a large number of dispatch workers and hourly workers. This number increases whenever Apple releases a new line of products. During the iPhone 15 Pro production, dispatch workers made up 70% of Pegatron's workforce. This number is still increasing to this day. This excessive use of dispatch workers violates Article 4 of [China's Interim Provisions on Labor Dispatch](#), which states that "An employer shall strictly control the number of dispatch workers employed which shall not exceed 10% of the total number of its workers."

During daily operations, dispatch workers are assigned to the highest intensity work tasks without any days off. At the end of 2020, Pegatron unilaterally lowered promised bonuses for dispatched workers, causing thousands of dispatched workers to protest.<sup>3</sup>

CLW also found some of Pegatron's intermediaries charge workers a fraudulent registration fee, which is a violation of Article 60 of [China's Labor Contract Law](#).

**3. Excessive overtime is normalized. Workers must work at high intensity, and it is difficult to get 10 hours of rest per day.**

Excessive overtime is normalized for both regular and dispatch workers. Monthly overtime reaches 84 hours during the low season and 97 hours during the peak season. This far exceeds the 36-hour monthly overtime limit imposed by Article 41 of [China's Labor Law](#).

Production targets for the assembly line are also extremely high, forcing workers to work at a high intensity pace. At the beginning of 2023, some dispatch workers worked 13.5 hours a day and did not rest for three consecutive weeks.

Workers stay in the factory for at least 12 hours a day. The dormitory is located far away, and the commute is long, requiring workers to go through an underground passage and climb flights of stairs. Due to these long hours, it is difficult to get at least 10 hours of rest.

Workers are not guaranteed to have a day off, even within a 14-day work period. In 2020, vocational school interns worked without a break for more than a month during the peak season of September, sometimes working overtime until 8 PM. This high-intensity

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<sup>3</sup> See <https://chinalaborwatch.org/pegatron-dispatch-workers-in-shanghai-and-kunshan-protest-over-owed-bonuses-and-wages/>

overtime led to the sudden death of a vocational school intern in October 2020.<sup>4</sup> Afterwards, Pegatron no longer openly recruited interns through collaborations with vocational schools. However, interns were still allowed to the factory as individuals.

#### **4. Social insurance is not covered, despite claims to the contrary.**

According to the [Social Insurance Law](#) and the [Regulations on the Management of Housing Provident Funds](#), employers are required to purchase five social insurances (medical, pension, unemployment, work-related injury, and maternity) for employees during their first month of employment, and one housing fund during their second month of employment (“[Five Social Insurances and One Fund](#)”). Contracts for both regular and dispatch workers state that the factory is required to purchase five social insurances for workers.

In practice, Pegatron purchases social insurance for workers’ for the second and third months of working only after four months of employment. The factory does not purchase social insurance for workers employed for under three months. Even if workers receive social insurance for their second and third month of work, they do not obtain the benefits for their first. Pegatron’s labor agency informs workers that Pegatron does not pay social insurance for all dispatch workers. Instead, it randomly selects workers and covers their social insurance in order to bypass random labor inspections.

Dispatched workers are generally recruited on a short-term basis. If a dispatch worker wants to continue working past their terms, they need to apply to become a regular worker. Few choose to become regular workers, meaning that the majority of the workers in Kunshan Pegatron are temporary, staying in the factory for around two months. This fact combined with the randomized nature of provided coverage makes it likely that Pegatron does not cover social insurance for the vast majority of their workers.

Workers who pay social insurance state that the factory does not issue social insurance cards. It also does not purchase any housing fund. These are all violations of social insurance requirements as stipulated by [China's Labor Law](#), [Labor Contract Law](#), [Social Insurance Law](#), and [Regulations on the Management of Housing Provident Funds](#).

#### **5. Workplace intimidation, humiliation, and punishment are common.**

In September 2020, Kunshan Pegatron staff threw some dispatch workers’ IDs on the ground while calling out their names, forcing workers to bend over and pick up their IDs. The incident was publicized and triggered public criticism and worker protest.

Workplace bullying is commonplace. Assembly line leaders insult and belittle production line workers on a daily basis. There are many non-written rules that workers are not

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<sup>4</sup> See <https://www.ntdtv.com/gb/2020/12/29/a103020030.html>



informed of but randomly punished for. Punishable items include wearing uniform pants at work, eating snacks, not wearing hats properly, not wearing masks properly, having dusty desktops, crossing their legs at work, and not neatly placing chairs back in the office.

Workers who make mistakes have their demerits recorded. They can be insulted by the team leader as a result or transferred to higher-intensity assembly lines. Regular workers can have performance appraisal subsidies deducted. Repeat violations result in dismissal.

Pegatron factory management intimidation tactics are a frequent topic of discussion on the Chinese Internet. The bullying is disrespectful, humiliating, and psychological harmful. No decent and responsible company should treat its workers this way.

#### **6. Sexual harassment is widespread.**

CLW's investigator witnessed and experienced numerous cases of sexual harassment. The harassment was verbal and came from male coworkers and supervisors on a daily basis.

Sexual harassment is perpetuated by patriarchal gender norms and institutionalized within workplace hierarchies. The factory's regulations prohibit sexual harassment. But female workers often distrust the factory's available resources and whistleblowing mechanisms, feeling that there are no realistic options. Instead of reporting sexual harassment, female workers opt to keep quiet or quit. This contrast between what is emphasized and what actually gets reported shows that the factory's sexual harassment training is just a client-facing formality.

#### **7. Workers lack labor rights organizations that actually represent their needs. There are no mechanisms for workers to air out their grievances.**

Workers in the factory have never heard of the existence of a union. Workers are told to ask the director's office for help if they want to resign, have issues with their line leader, are insulted, encounter sexual harassment, or have other problems. But workers do not trust this internal grievance system. Since workplace bullying is often perpetrated by superiors, workers often choose to quit instead of fighting for their rights within the factory. There is a labor rights hotline for employees, but no workers inquired have used it.

#### **8. Other violations of laws and regulations in the factory**

Pegatron is suspected of numerous violations of the [Labor Law](#) and [Labor Contract Law](#), including the following:

- Safety training is less than 2 hours, far less than the minimum 24 hours required by the law.

- When workers sign contracts, they are not given enough time to read the details, violating the principle of informed consent.
- It is difficult for workers to apply for and get approval for sick leave and personal leave.
- Workers lack freedom of communication. Workers cannot access their phones even during meal breaks.
- Workers are not regularly tested for occupational illnesses, including those who have been exposed to hazardous substances.

## Overview of Findings

1. Discrimination during the recruitment process based on region, ethnicity, religion, age, and gender. The factory does not recruit pregnant female workers, workers from the Yi, Tibetan and Uyghur ethnic groups, and workers outside the age limit of 18-42 years.
2. Ill treatment of workers who display some range of negative emotions.
3. Recruitment fees: Job applicants must pay 30 yuan for their own medical exams.
4. Inadequate training: Only 2 hours of safety training, far less than the minimum 24 hours required by law. The training also does not cover job skills or safety procedures. Answers to the training exam are given to workers to copy.
5. Excessive use of dispatch and student workers. More than half of the factory's summer dispatch workers are students (college, technical secondary, undergraduate, etc.).
6. Past recruitment of vocational school students. Interns worked overtime and night shifts and were threatened by instructors that they would not graduate if they quit.
7. Deceptive hiring intermediaries manipulate young seasonal workers into unfair work arrangements.
8. Labor disputes over dispatch workers' remuneration occurred: The factory previously unilaterally lowered their bonuses.
9. Workers are required to pay work supply fees of 150-300 yuan, far exceeding the actual price of work supplies.
10. Difficulty resigning: Resignation requires manager approval and is often rejected. In most cases, workers choose to self-quit.
11. Lack of fully informed consent when workers sign the labor contract: Workers are not given enough time to read the contract and do not understand the terms and conditions.
12. Difficulty applying for and getting approval for sick leave and personal leave.
13. Excessive overtime: Workers typically work up to 84 hours during the low season and 97 hours during the peak season. This far exceeds the legal 36-hour per month limit.
14. High labor intensity and impossible production targets.
15. No guaranteed rest for 14 days work periods. It is difficult for workers to get 10 hours of rest per day.
16. Forced overtime: Workers are told during the recruitment process, "If you don't want to work overtime, find another job."
17. Inadequate meal times: Workers receive a 50 minute lunch break and 30 minute dinner break. They often do not take dinner breaks.
18. Unpaid time: Workers must attend a 10 minute unpaid meeting every day, totaling 4 hours and 20 minutes a month.
19. Lack of freedom and movement on the assembly line: Workers must find replacements whenever they take breaks, and approval is a fickle process that depends on the line leaders' personal mood. Even when workers get breaks, they last only 5 minutes.

20. Lack of transparency regarding performance bonuses: Bonuses are determined by team leaders and take into account the worker's network.
21. Lack of insurance: The factory claims to purchase insurance. But it does not purchase insurance for any workers' first month of work as legally mandated. It only offers insurance for workers after their second and third months of work during their first fourth month of employment. Workers who have been at Pegatron for less than three months do not receive insurance.
22. No social security card is provided for workers who do receive insurance.
23. Inadequately used wellbeing facilities due to overlapping opening and work hours, closed venues, and high labor intensity.
24. Lack of storage space in dorms for personal belongings.
25. Overly expensive, salty, oily, and overall poor-tasting food with long lines in the cafeteria.
26. Lack of freedom of communication: Workers are not allowed to use their phones even during meal breaks.
27. Serious workplace bullying issues: Workers are often punished and transferred for unintended mistakes.
28. Widespread sexual harassment: CLW's investigator experienced and witnessed verbal sexual harassment from male coworkers and supervisors on a daily basis.
29. Lack of union representation and internal grievance mechanisms.
30. No environmental health and safety committee: Employees do not receive safety training on these topics before starting work.
31. No regular exams to test for occupational diseases, even for workers who are exposed to toxic substances on a daily basis.
32. Confusingly marked exits and passageways: Some passageways are marked as exits even though they are not, and some doors are unusable because of piles of goods blocking the way.
33. No fire drill training.

## Company Overview

### Background

Pegatron's Kunshan factory, Pegaglobe (Kunshan) Co., Ltd., is located in the Kunshan Economic Development Zone. Its parent company, Pegatron Corporation, is Apple's second largest supplier. Established in 2013, the facility is engaged in the research, development and manufacturing of phones and other electronics. The total factory area is 400,000 square meters. The factory's annual output was 67 billion yuan in 2019<sup>5</sup>. It is the second largest factory in Kunshan City. Another subsidiary of Pegatron is located in Shanghai. It engages in the research, development, and manufacturing of laptops and phones. It is one of the five biggest laptop manufacturers internationally.

### Address

No.68 Meigui Road, Kunshan Economic Development Zone

### Main products

Apple mobile phones (iPhone15 Pro, iPhone 14, etc.)

### Staff

*Total number of workers:* Approximately 50,000

*Number of regular workers:* Approximately 15,000

*Number of dispatch workers:* Approximately 35,000

*Proportion of dispatch workers to the total number of workers:* 70% or more

*Number of workers interviewed by the investigator:* 27

*Department of interviewees:* Manufacturing Department

*Ratio of male to female respondents:* 11:16

*Proportion of regular workers to dispatch and intern workers that were interviewed:* 7:20

*Interview format:* In-person

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<sup>5</sup> See [https://www.sohu.com/a/416914949\\_120441211](https://www.sohu.com/a/416914949_120441211)



*Pegaglobe (Kunshan) Co., Ltd.*

## **Full Report**

### **1. Recruitment and resignation**

Pegatron has two main hiring methods: direct recruitment and dispatch labor. Dispatch labor is Pegatron's primary recruitment method. Job seekers talk with labor agencies before submitting their resumes on platforms such as Zhaopin, 58, Zhipin, and Douyin. They can also communicate with the agency via WeChat. Additionally, some applicants are introduced by their acquaintances back home; others directly visit the factory area to meet with labor agencies. Hiring brokers are located in Henan, Hebei, and Anhui. Once recruited, workers transferred to Jiangsu to work at Pegatron by bus.

Workers who apply to be regular employees can apply through Pegatron's official WeChat account by inputting their ID card and contact information. They then receive a phone call or text to confirm their information. After providing their ID and information, they can no longer apply as a dispatch worker. Applicants can also call the official phone number, go directly to the factory, or be recommended by a current worker.

The factory primarily relies on dispatch workers and hourly workers. The total number of workers in the factory is about 50,000. More than 70% are dispatch workers. Dispatch workers are assigned to assembly line positions and night shifts. Internally referred workers and regular workers are assigned to less intense positions in auxiliary departments or audit teams. For example, among the 600 new employees recruited in one day, only about 100 were regular workers; the rest were dispatch workers. A production line of 300 can have just two regular

workers. CLW estimates that there are always large numbers of dispatch workers at Pegatron, but those numbers increase even more exponentially during peak season.

During peak season, Pegatron increases its recruitment efforts for hourly workers by adopting a fixed period model and a high hourly rate model. For example, towards the end of July 2023, there were two models of hourly recruitment. The first was 19 yuan an hour with a contract period ending in September. On the 10th of each month, hourly subsidies are issued as long as the worker works until payday. The second model was 20 yuan an hour with a contract period ending in August. On the 25th of each month, hourly subsidies are issued as long as the worker works until payday. Age requirements for workers are 24-42 years old.

Hourly wages of hourly workers are higher compared to dispatch and regular workers, but they need to meet certain designated attendance requirements. During the COVID-19 pandemic, Pegatron promised to pay workers at a higher rate. However, this promise was later not met. As workers' dissatisfaction grew, their actual employers, the third-party labor brokers, dodged their responsibilities by pushing the dissatisfied workers to Pegatron. In late 2020, [protests broke out](#) in the Shanghai factory when Pegatron planned to dismiss and relocate workers while compromising their pay. Labor dispatch broker and platforms serving Pegatron include Laikang, Dichuang, Deyuan Labor Dispatch, Yaixin Labor Service, Jingkai, Xianjia, Zhanfan, Huahui, Pinbei, Zhongbang, and dagong.com.

### **Student Workers**

Most Pegatron's summer workers are students over 18 years of age. They come from different regions and account for more than half of the dispatch worker population in the factory. All student workers, at the time of the investigation, came to Kunshan Pegatron through third-party labor brokers as dispatched workers. In some workshops, student dispatch workers make up more than 90% of the workforce. Most summer workers are enrolled students at vocational schools and universities or recent high school graduates. Students work in the factory for various reasons. For some, factory internships are required to graduate. Others simply work to earn money for tuition and living expenses. Students typically enter the factory around June to July and leave by the end of August.

The factory emphasizes during its recruitment process that it does not recruit student workers. But in practice, the factory doesn't verify the identity of applicants who may be students. Hiring brokers also deceive students through various methods, charging extraneous fees, telling them that there are a limited number of job spots available, and lying to them that they only need to work for two months. Brokers charge students 300-600 yuan to reserve job slots in addition to an application fee, and falsely advertise to them that food and housing are free. Students are abandoned by their brokers once they enter the factory. This type of manipulation is very common during the Pegatron recruitment process.

CLW's investigation didn't find any underage employees at the factory. Before the end of 2020, the factory recruited large numbers of underage vocational student interns. But following the sudden death of a vocational student intern in October 2020, the factory laid off all student interns. It is unclear if the laid off students were ever compensated. After the incident, the factory stopped openly recruiting vocational school students.

Workplace bullying towards vocational student workers was widespread prior to 2020. Students were forced to take on factory internships with job responsibilities irrelevant to their actual majors. They worked at the same intensity as regular workers, doing overtime and night shifts. Students were threatened that they would not graduate if they did not complete their internship. After these practices went public, Kunshan Pegatron ceased collaborating with schools to set up these internship programs. Yet students continue to be recruited at the time of the investigation.

### **Recruitment Discrimination**

The recruitment process discriminates against workers based on their birthplace, ethnicity, religion, age, and gender. There is an age requirement of 18-42 years old. People with dyed hair or tattoos are automatically rejected. The factory does not recruit Yi workers from Sichuan<sup>6</sup> or Tibetan and Uyghur workers. For Uyghur workers in particular, hiring intermediaries state that as long as they don't require a halal diet, they can work. But in practice, this is discrimination against Uyghurs with Islamic dietary requirements.

Women are not required to take pregnancy tests, but they are told during their physical that if they are pregnant, they cannot take the required X-ray. If they fail to complete the physical exam, they are not recruited. This is a disguised rejection of pregnant female workers. CLW's investigator witnessed several pregnant female workers' rejection during the recruitment process.

Dispatch workers are required to provide a copy of their ID. Although the factory states that applicants under the age of 23 need to provide bank statements verifying that they are not students, they do not in fact ask for this proof during the application process. Regular workers are required to provide their ID and are required to recognize all 26 letters of the English alphabet. Both regular and dispatch workers pay for a 30 yuan medical exam out of pocket. They must also provide a bank card attached to one of the four major banks in China.<sup>7</sup> No IDs are detained by the factory.

### **Training**

Dispatch workers and regular workers are separated only when they sign their contracts. The morning following the job interview and contract signing, all workers are trained together. In the afternoon, workers receive their uniforms and are assigned to different departments and workshops. This time is all counted as part of work time and is paid.

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<sup>6</sup> In some cases, Yi from Yunnan are allowed.

<sup>7</sup> The four major banks in China are: the Industrial & Commercial Bank of China, the China Construction Bank, the Bank of China, and the Agricultural Bank of China.



The training lasts 1.5 hours and covers the company profile, salary, regulations, punishment and discipline, and sick leave policies. Photo-taking and filming is forbidden. Trainers emphasize that course materials are confidential. If a worker is caught circulating training materials, they are asked to quit immediately. Trainers also warn workers that there is a police station nearby. In the back of the classroom, there are three people in red vests that read “instructor.” They make sure that nobody is taking pictures, talking, or sleeping. Trainers are quite harsh, warning workers, “If one person talks, then everyone needs to stand as punishment.”

The training is not comprehensive. The section on insurance only briefly covers costs. Details regarding marriage leave, annual leave, maternity leave, and other types of leave are skipped entirely. There is no job-specific skills training. Instead, new workers are taught by experienced workers on the job. In some cases, senior workers offer no training at all.

After the training, workers need to take an exam. The exam covers several different subjects, such as static electricity protection, company-level safety education, department-level safety education, hazardous substances free (HSF) beginner test, and information security. The factory has workers take pictures of the correct exam answers in advance. This is the only period during the training process in which workers are allowed to take out their phones. Workers are told to copy the answers down during their lunch breaks. After completing the test, workers receive their department assignments.

Work clothes, electrostatic pants, electrostatic shoes, lockers, and other supplies are provided. Each set can be replaced every three months. Each item’s price is marked.<sup>8</sup> If a worker resigns through formal procedures, they are charged 150 yuan. If a worker self-quits, or leaves the factory without running through the resignation process, then 300 yuan is deducted from their salary. Workers also pay if they lose equipment.

The probationary period for both dispatch workers and regular workers is 2 months. To resign during the probationary period, workers must apply to the team leader three days in advance. Most of the time, the team leader refuses to sign, leaving workers with no choice but to self-quit, or leaving without approval

If a worker is absent for three consecutive days, they self-quit by default. Workers who want to resign within their contract period must apply to their team leader one month in advance. They must specify their end date and return their supplies and work card on their last working day. During peak production season, dispatch workers must go to their labor broker’s office and obtain a stamp before resigning. This extra step is a hassle for most.

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<sup>8</sup> 50 yuan for work clothes, 45 for electrostatic pants, 35 for electrostatic shoes, and 10 for a locker key, totaling 240 yuan

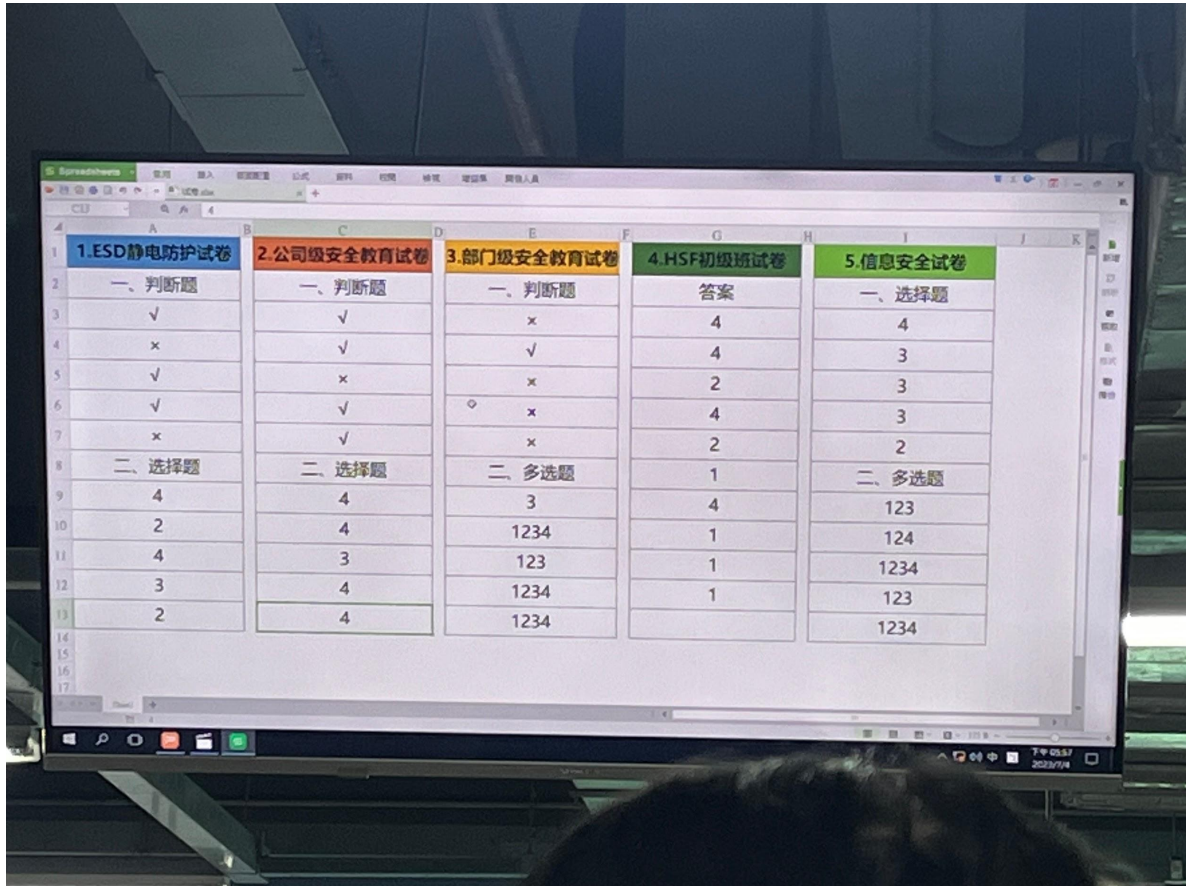
Wages of resigned workers are paid by the next month's payday, on the 10th. Self-quitting workers must wait seven days before being recognized as resigned. Many workers testified that they had to contact the factory directly to obtain accurate wage calculations. Both methods of quitting resulted in a deduction of 150 or 300 yuan for work supplies, even when the worker returned all supplies. All workers who left last year have received their wages.



*Recruitment center (the job interview, physical exam, and training are all conducted here)*



*A reminder that pregnant workers cannot take the required X-ray test*



The image shows a large screen displaying a spreadsheet with test answers for five different exams. The spreadsheet is organized into five columns, each representing a different exam type. The data is as follows:

1. ESD静电防护试卷	2. 公司级安全教育试卷	3. 部门级安全教育试卷	4. HSF初级班试卷	5. 信息安全试卷
一、判断题	一、判断题	一、判断题	答案	一、选择题
√	√	×	4	4
×	√	√	4	3
√	×	×	2	3
√	√	×	4	3
×	√	×	2	2
二、选择题	二、选择题	二、多选题	1	二、多选题
4	4	3	4	123
2	4	1234	1	124
4	3	123	1	1234
3	4	1234	1	123
2	4	1234		1234



*The company provides test answers. Workers copy the answers to pass the exams. The image above shows workers taking pictures of the test answers.*





*Lockers where cellphones and other belongings are stored*



*Rush hour after work*



温馨提醒:为保证您的薪资能够顺利到账,请务必

填写本人有效银行卡信息

注意事项:

1、信息提交成功后,若办理日期在25日及之前,则薪资将在次月发薪日发放;若办理日期在25日之后,则薪资在办理日期后第二个月的发薪日发放。

如:张\*\*2022/10/10旷职;

若其于2022/10/25成功提交旷职补办信息,则薪资会于2022/11/10发放;

若其于2022/10/26成功提交旷职补办信息,则薪资会于2022/12/10发放;

2、提交成功后将不可更改,请确认信息是否准确。

3、基于安全卫生考量,公司所发放的识别卡、静电衣、工作裤、静电鞋、密码锁等物品不回收,相应物品的费用将从应发薪资扣除,扣除金额合计为RMB300元。

*After 7-days of self-quitting, a worker can start the formal resignation process. 300 yuan is deducted for supplies.*

## 2. Employment contract

Both regular workers and dispatch workers sign labor contracts on the same day as the interview. Two copies of regular worker labor contracts are provided. After the contract is signed, factory staff take the contract and stamp it. Workers' copies are returned the next morning before training.

Three copies of dispatch worker contracts are prepared- one for the factory, one for the dispatch company, and one for the worker. The companies have already stamped this contract before it is issued to the worker. The worker receives a copy immediately after signing.

Neither regular nor dispatch workers are given enough time to read their contracts. Factory staff tell workers that they just need to fill in the contract with their name, ID number, place of residence, agreed upon salary<sup>9</sup>, and starting date (the day after the interview). The staff then signs the contract. Nobody explains the contract, only that it cannot be smeared or stained. They also state that, "Everyone must purchase social insurance. If anyone cannot accept, then they cannot work." During the contract signing period, the factory staff and dispatch company staff pressure workers to quickly fill out the forms. In total, it takes less than 10 minutes for workers to receive, sign, and hand in their contracts.

The labor contract follows a standard template. The probationary period for both regular workers and dispatch workers is two months. Dispatch workers can apply to be regular workers after a two-month probationary period. The work location outlined in the contract for regular workers is Suzhou City, Jiangsu Province, a very broad location overall. The work location outlined in the contract for dispatch workers is the Pegatron factory in Kunshan.

Dispatch workers and regular workers receive the same basic salary of minimum wage in Kunshan, which is 2,280 yuan per month. Their salary from the 26th of their first month to the 25th of their second month is paid on the 10th of their third month. Contracts state that workers' personal income tax, social insurance, housing provident fund and other expenses are covered in accordance with national and municipal regulations.<sup>10</sup> The contract also emphasizes that workers must obey the factory's assigned working arrangements or be recorded as absent. Workers are assigned to positions without choice. For example, a poor-performing worker can be assigned to an assembly line position. Sometimes workers are switched to night shifts without having fully completed a full month of day shifts.<sup>11</sup>

Workers are never fully informed about their jobs and labor contracts. Labor contracts specifically note that companies must have "Leave Request Management Measures", "Overtime Work Management Measures", "Attendance Management Measures", "Mainland Employee Reward and Punishment Management Measures", and an "Employee Handbook". But workers state that they are never informed of these specifics before signing their contracts.

Workers also report that those who suffer work-related injuries have difficulty applying for compensation. It is also difficult to apply for leave and holiday.

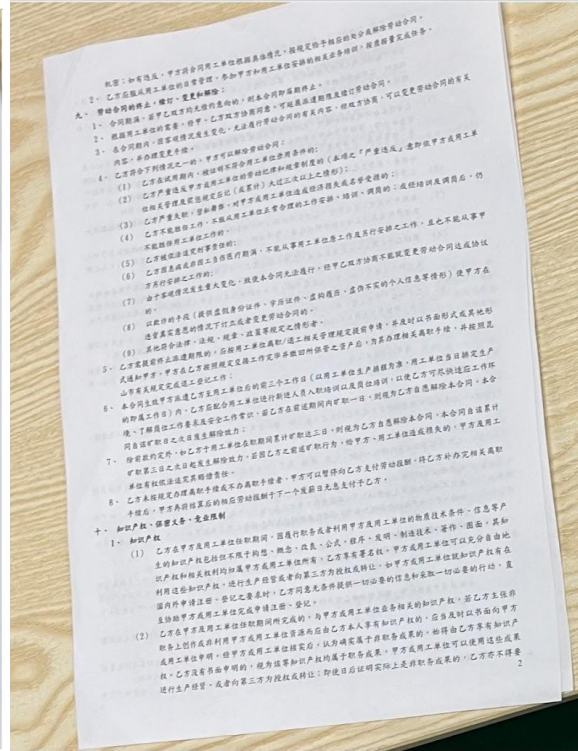
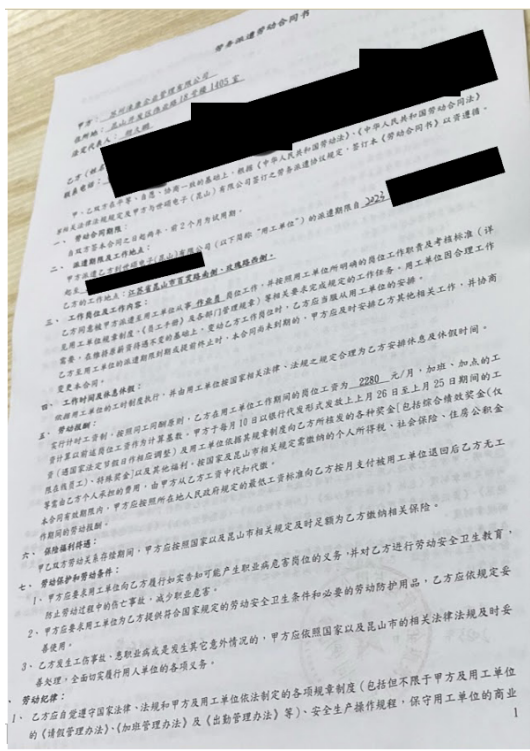
While the regular worker labor contract details sexual harassment prevention clauses, female workers are still sexually harassed on a daily basis. There is no sexual harassment prevention clause in the dispatch labor contract.

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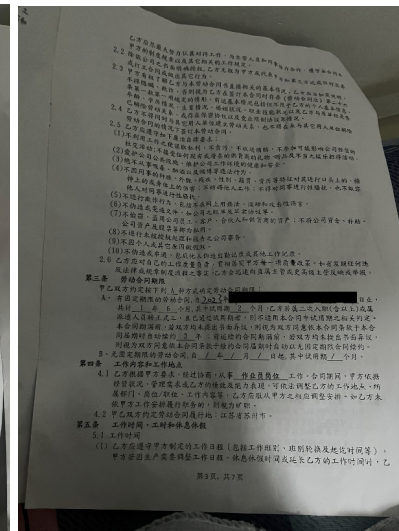
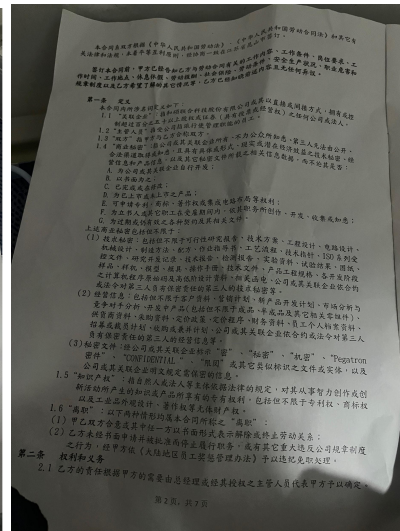
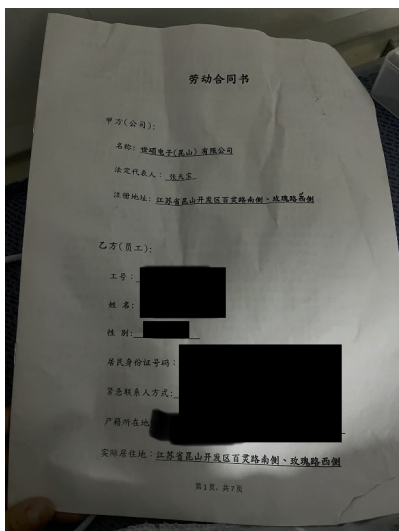
<sup>9</sup> The base salary is 2,280 yuan

<sup>10</sup> For details on wages, benefits and social security standards, see Part 4

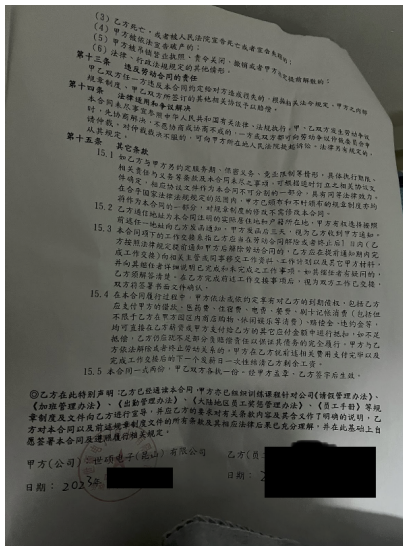
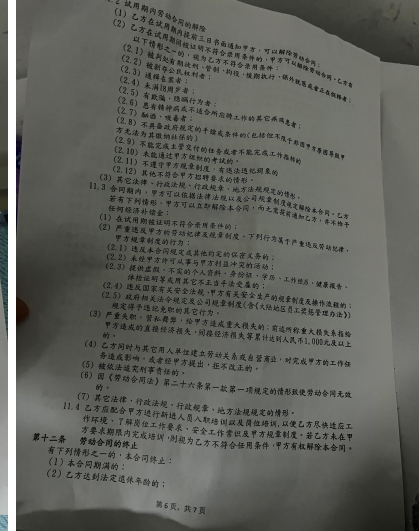
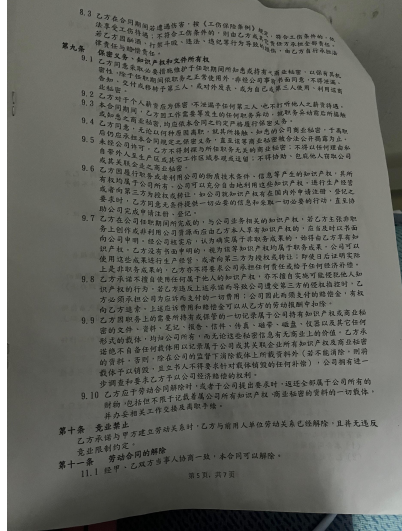
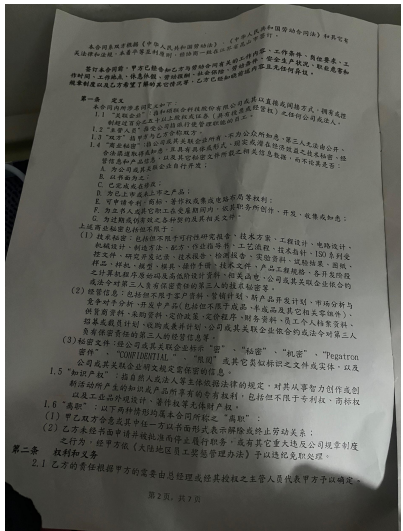
<sup>11</sup> Usually under the two-shift system, day shift and night shift are rotated once a month; a worker works day shifts for a month and then works night shifts for the next month.



Some terms in a dispatch worker's contract







Full text of the labor contract for a regular worker

### 3. Working hours

The assembly line operates on a two-shift system (day and night shift). For a typical day shift, workers meet at 7:50 AM, start working at 8 AM, take a 10-minute break from 10:20 - 10:30 AM, and have lunch from 11:40 AM - 12:30 PM. After their 50 minute lunch break, they continue working until a 10-minute break at 3 PM and continue working until a dinner break from 5:30 - 6 PM. Workers get off work at 8 PM. The day shift operates on a similar schedule.

During the off-season, there is one day per week when overtime hours are controlled and workers must get off at 5 PM. Workers in auxiliary positions get the same overtime hours as assembly line workers but get to rest for longer, receiving a 1.5 hour lunch break and 1 hour dinner break. Regular workers are assigned to auxiliary positions while dispatch workers are



assigned to assembly line positions. Workers also meet for a 10 minute mandatory unpaid meeting in the morning.

<b>Mode</b>	<b>Schedule</b>	<b>Activity</b>	<b>Notes</b>
<b>Regular</b>	7:50	Morning meeting	10-minute pre-work meeting. Unpaid.
	8:00 - 11:40	Work	10-minute break between 10:20-10:30. Paid.
	11:40 AM - 12:30	Meal	50-minute lunch break. Unpaid.
<b>No overtime (rare)</b>	12:30 - 17:00	Work	Workers get off at 5 PM. From 15:00-15:10, they get a 10-minute break.
<b>Overtime (common)</b>	12:30 - 17:30	Work	Workers get off at 8 PM. From 15:00-15:10, they get a 10-minute break.
	17:30 - 18:00	Meal	Workers get a 30-minute dinner break, which is barely enough time to eat dinner.
	18:00 - 20:00	Overtime	2.5 hours of overtime

Assembly line workers get unpaid meal breaks of 50 minutes for lunch and 30 minutes for dinner. The workshop is far from the cafeteria. Cafeteria lines are crowded and long, and dinner times are short. Most workers skip dinner and eat elsewhere after finishing their shift.

During the peak season, both regular workers and dispatch workers work 10.5 hours a day (2.5 hours of overtime) with six days of work and one day off. There are 26 working days per month, and the total overtime is approximately 97 hours. During the off-season, the daily working hours are generally 10 hours (2 hours of overtime), with six days of work and one day off. There are 26 working days per month, and the total overtime is approximately 84 hours. Overtime hours regularly exceed the legal maximum of 36 hours per month.

During the mass production period at the end of the year following the release of the new Apple series, as well as the end of August until before the September release, overtime hours increase. A lot of preparation is required, including having foreign and Hong Kong suppliers visit the factory. Overtime is mandatory and those who do not want to work overtime hours must apply in advance. This is especially true of those working the assembly line. Workers are scolded for not doing overtime and fired if they ask too much. During the training, the staff emphasizes, “If you

don't want to work overtime, you can go find another job.” In effect, workers are forced to do overtime.

The factory records hours by face recognition on an iPad. When workers enter the factory, their face is scanned and doubles as their punch-in card. 10 minutes before work, their face is scanned again, creating 10 minutes of unpaid work time. After dinner, workers punch in to confirm overtime. They punch out again after 8 PM. In total, workers must clock in and out four times. If there are any errors, workers can contact their team leader.

Workers must go through a cumbersome security procedure before entering and exiting the factory, including multiple gates and at least three inspections. Workers are not allowed to carry phones, snacks, or anything with iron. This includes even the tiny bit of tinfoil on cigarettes.

Workers are not guaranteed any days off for every 14-days worked. In 2020, interns from vocational schools worked without a day off for more than a month during the peak season of September, working overtime until 9 PM at the latest. At the beginning of 2023, some dispatch workers worked 13.5 hours a day, and were not able to rest for three consecutive weeks (10.5 hours of work per day). Although Pegatron began to strictly control overtime after the sudden death of a vocational school intern in 2020, the control has since been relaxed.

Employees who work two shifts usually receive 24 hours of rest when changing shifts. According to factory regulations, they rotate shifts every month. Still, there are cases where workers work the same night shifts for two consecutive months. They spend at least 12 hours a day in the factory, and since the dorm is far and the commute is long (including a flight of stairs and an underground passage), it is difficult to get 10 hours of rest and 7 hours of sleep.

The factory sets varying production targets, and some workshops are busier than others. In most cases, production targets can be met after a shift. Because of the two shift system, it's not necessary for workers to start too early or get off super late.

#### **4. Labor remuneration and benefits**

Both dispatch and regular workers are paid on a monthly basis. Wages are paid on the 10th, and payment cycles are from the 26th of the first month to the 25th of the second month. When pay day falls on weekends or holidays, it is advanced. All wages are paid directly by the factory. The average monthly salary of workers is about 4,000 yuan. However, there are still deductions to be made, including social insurance (466 yuan per month), accommodation (40 yuan per month), and utilities and food (varying). The end result is a wage of approximately 3,400 yuan.

The salary structure of dispatch workers and regular workers includes a basic salary of 2,280 yuan (13.1 yuan per hour), overtime wages of 1,950 and 2,170 yuan, a general subsidy of 9 yuan per night, and meal subsidies of 280 yuan. Overtime pay is 19.7 yuan per hour on weekdays (1.5x regular rate), 26.2 yuan per hour on weekends (2x), and 39.3 yuan per hour on holidays (3x). Regular workers can receive skill subsidies of up to 150 yuan per month after completing the necessary certificates. Regular workers also receive performance bonuses of up to 150 yuan per month. The specific amount depends on the worker's team leader and network (guanxi). Team leaders and managers can receive additional benefits, such as bonuses or festival fees.

Each factory office and employee service center is equipped with computers where workers can check their salary records. Wages can only be searched after the 25th of the month. Workers are not allowed to take photos of salary records. Workers testify that their salaries are largely consistent with attendance records.

Regular workers and dispatch workers are told during the contract-signing period that the factory covers five social insurances (medical, pension, unemployment, work-related injury and maternity insurance) for about 466 yuan per month. The factory does not pay housing provident funds. Only higher-level employees, such as senior engineers and section managers, receive housing provident funds. Pegatron only purchases social insurance for workers' second and third months of work during their fourth month of employment. No workers who are employed for less than three months receive social insurance, and even if they meet the requirements, workers do not receive insurance for their first month of employment. Pegatron also does not pay social insurance for all qualified dispatch workers. Instead, the factory randomly selects a few for coverage in order to bypass possible inspections.

For workers who do pay social insurance, the factory does not issue social security cards despite telling them that they will receive them within 3-4 months. As a result, workers have a lack of understanding regarding their actual social security payments.

The factory states on its official WeChat account that workers are paid 80% of their minimum hourly wage for sick leave, but workers are not informed of this. Instead, their training emphasizes that they must provide officially stamped diagnosis certificates, outpatient and hospitalization invoices, medical records, and discharge records. Further, the factory requires that a worker can only receive sick leave by going to a Grade A tertiary hospital, but this is noncompliant with any law that does not restrict the type of hospitals that workers can go to. As a result, getting sick leave is difficult, and at most only 2 days are approved. If a worker takes leave without approval, they are recorded as absent and are not paid.

For personal leave, workers must apply to the team leader at least one day in advance. They cannot take off if the team leader does not approve.

The factory claims that workers receive paid annual leave as long as they apply in writing to the department head. But the actual approval process is much less transparent. For maternity leave, workers must provide a birth certificate, pregnancy inspection result, and discharge record before filling in the leave form. For marriage leave, workers must apply in advance with a copy of their marriage certificate and ID. This application must then be signed by the worker's department head before being forwarded to HR. The workers' training only covers these benefits in tiny print on a few slides, and trainers never elaborate, instead telling workers that, "Most of you won't be working for more than three months, so you won't be able to enjoy these benefits anyways" before skipping the slides entirely. Under Pegatron's current labor conditions, workers can't even enjoy the few benefits that are supposedly outlined in their contracts.

During the peak season, Pegatron recruits a large number of hourly workers. Hourly workers receive no overtime pay, social security, or vacation benefits. Hourly workers must work for a certain period of time before receiving their hourly subsidies and rewards, and their salaries can change with the season. The current hourly wage for workers is 23 yuan, and the current reward for 90 days of employment is 3,500 yuan. Factories also provide incentives to attract more regular workers during peak season- for example, after 90 days of employment, a regular worker can receive a reward of 3,300 yuan.

The factory provides a basketball court in its dorms, and Pegatron used to advertise basketball games on its WeChat account. The factory also has a small library called the "Reading Club" located in its cafeteria, but the door to this is locked outside of meal time. Since getting food takes a long time, the library is rarely used.

薪資明細

系統倒數秒數後，將自動登出，別忘了薪資保密，若不使用離開請 登出系統

剩餘查詢時間為 24 秒

薪資資料

期間每月	應稅薪資	薪資個稅	稅後加項	稅後減項	實發薪資	結	
2023/05	2182.34	0.00	0.00	104.98	2077.36	2023/05	
應稅薪資		稅後加項		稅後減項	當年度累計 專項附加扣除		
稅前加項		稅前減項		餐費	84.00		
基本工資	1036.37			住宿費	20.00		
加班薪資	992.58			水電費	0.98		
餐飲補貼	130.66						
生產獎金	22.73						
稅前加項合計	2182.34	稅前減項合計	0.00	稅後加項合計	0.00	專項附加扣除合計	0.00
				稅後減項合計	104.98		

(1) 公司為員工提供餐飲補貼280元/月，員工就餐費用及在園區內消費需自行承擔  
(2) 為方便員工就餐及在園區內消費，公司提供識別卡預消費服務，當月累計消費金額月底統一結算，併從薪資中代扣

Page showing a dispatch worker's salary in Pegatron's computer system

## **5. Food and accommodation**

The factory provides dorms for a fee of 40 yuan per month (accommodation is 30 yuan, and cleaning is 10 yuan). Utility bills are split equally by roommates. When something breaks, workers can scan a QR code located in their dorm room to get it repaired. Accommodations are relatively clean and spacious. One room hosts eight people, and each person receives an individual locker. Empty beds can be used to store luggage. Between each two dorm rooms is a shared balcony. One dormitory contains two showers, two squatting toilets, a large table, and an air conditioner. Washing machines are located at the end of the hallway and cost two yen per wash. There is also a hot water machine.

Most workers are satisfied with the dorms. Their only complaints are related to the lack of storage space and space for drying clothes. Workers can choose not to live in dorms, but the factory will not help subsidize their outside housing.

The factory provides workers with 280 yuan of meal subsidies per month pre-stored in a meal card. Workers can use a max of 12 yuan a day. Any further expenses are deducted from their salary. Unused subsidies can be added back to their salary. Workers are essentially forced to eat in the cafeteria as they are not allowed to leave the factory during working hours, and meal times are too short to find food elsewhere.

Each factory area has a cafeteria that workers can swipe in to enter. If scheduled meal time hasn't yet started, workers can't enter. The food comes in large portions, but isn't very good as it is salty and oily. It's also relatively expensive, costing approximately 8-12 yuan for one lunch set and 12 yuan for two meat dishes and one vegetarian dish. There are snack windows with fried skewers and milk tea, but they are also expensive. Drinks must be finished in the cafeteria. The cafeteria line takes about 10 minutes per order, which is a relatively long amount of time especially when compared to the short meal break times that workers are allotted.



*Dormitory*

## **6. Occupational safety and labor protection**

CLW's investigation found no environmental health and safety committee in the factory. Employees also do not receive health and safety training before starting work. Workers' understanding of their positions, including health and safety, are learned from other more experienced workers.

The factory provides labor protection supplies, but they are generally meant to protect the product being made, not the worker. Workers must wear them accordingly in order to protect products. Before starting the job, workers are not told whether they will come into contact with toxic and hazardous substances during the course of their work, and are largely unaware of what they'll be exposed to during the production process.

CLW's [previous investigation](#) discovered that workers were exposed to toxic substances including lead, tribute, hexavalent chromium, polybrominated biphenyls, polybrominated diphenyl ethers, and arsenic. Workers were not informed of any of these risks.

Pegatron does not conduct any medical exams to test for occupational diseases on employees who are still at work or who resign, even for those exposed to hazardous substances.

Workplace hallways are confusing and unclear.

The temperature of the factory is fine, but since workers still feel suffocated as they are required to wear masks. The factory has ventilation equipment, and some workers regularly measure ventilation data. Mechanical equipment is also regularly inspected. A form attached to the mechanical equipment is regularly updated with dates and names of inspectors.

The factory provides gloves, finger cots, masks, and tweezers. These are replaced on a daily basis. When workers are short on supplies, they can send a request to their team leader for more supplies. Dust caps are changed every few months and must be cleaned by workers. Each dormitory is equipped with first-aid kits. Most workshops do not contain first-aid kits. They can be seen in factory manager offices, but most workers do not pass by that area.

A worker previously received a foot injury from pulling hydraulic trucks. Afterwards, the factory required workers to wear anti-smashing shoes and shoe covers before pulling hydraulic trucks. There are strict standards when it comes to identifying workplace injuries, and workers need to provide proof that they were injured during work.

## **7. Fire protection**

The lighting in the factory is satisfactory. Workshop aisles, emergency exits, and hallways are clearly marked. However, they are still confusing to navigate and at times very cluttered. Certain emergency exits and doors are unusable. The factory and dorms are equipped with fire



extinguishers, but recent inspection dates are missing. Workers stated that they received no fire drills in the past. No flammable items were found in the factory or dorms.



*Dormitory fire exits and fire hydrants*

## **8. Rewards and penalties**

There are many reward and punishment mechanisms in the factory. These can be separated into explicit regulations and non-explicit regulations. Regulation enforcement is carried out by the 'audit team' which patrols workers and punishes them for mistakes. The audit team often uses non-explicit regulations to punish workers.

Workers are not informed of non-explicit regulations. The workshop's computer contains documents outlining these regulations, but this is not checked by workers. Express regulations include prohibiting workers from swiping their cards on behalf of others, bringing electrostatic slippers and shoe covers out of workshop, carrying metal objects, snacks, and cosmetics through security, sleeping during non-break time, using elevators to leave the workshop area, and pulling hydraulic vehicles in static slippers. The factory also expressly prohibits workers from inquiring about others' salaries, and this can result in a serious demerit if violated.

Non-explicit regulations are entirely up to the discretion of the audit team. It's difficult for workers to know in advance what is and isn't prohibited. Workers learn about them through more



experienced employees or after they themselves are punished. Non-explicit regulations include being prohibited from wearing uniform pants, eating snacks, improperly wearing hats and masks, having dusty desktops, crossing legs at work, and not neatly placing equipment back in offices.

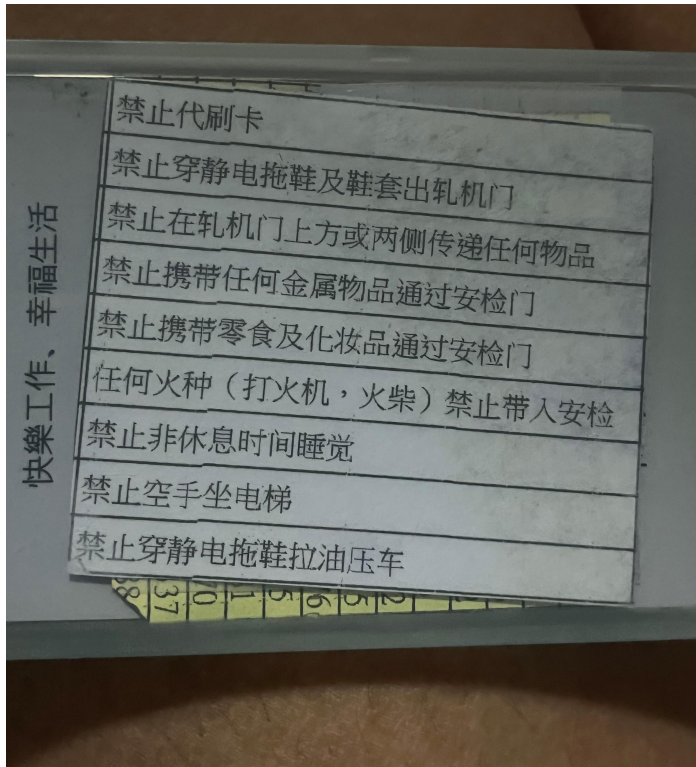
Pegatron does not directly impose fines on workers who violate regulations, but there are punishments. For regular workers, their promotions and monthly performance appraisal subsidies (up to 150 yuan) are affected. They are also publicly criticized. If they repeatedly violate factory regulations, they are transferred to higher-intensity assembly line positions. If they receive two major demerits, they are fired.

Once dispatch workers violate factory regulations, they are insulted and criticized by their managers. If they repeatedly violate factory regulations, they are fired.

The factory explicitly states that if cigarette butts are found in a dormitory, the entire dorm receives a major demerit. If it happens again, the entire dormitory is expelled.

Few factory policies regarding rewards are actually learnable. The monthly performance bonus of regular workers has a ceiling of 150 yuan entirely at the discretion of the team leader. Long-term employees (those who have worked for more than one year) have seniority incentives, but few actually reach this length of service. Other rewards, like Spring Festival retention bonuses, are mainly for senior managers. If a regular worker recommends a successful applicant, they can receive an internal referral bonus.

Workers lack freedom of movement. They need to find a replacement and obtain permission from their team leader before being allowed to use the restroom or drink water. Getting a break largely depends on how kind the team leader is. Even if a break is approved, the maximum amount of time a worker can take is 5 minutes. Without a substitute, workers must ask colleagues to take on double the workload in order to take a break. Workers also have limited access. They can't swipe their cards to leave during work hours as their access is frozen during this time. If there's an emergency, workers must get their supervisor's permission to leave. After work, workers must swipe to enter dorms. During lunch, workers aren't allowed to have phones. In effect, during the entire 12 hours of a worker's day, they can't navigate freely or communicate with the outside world.



*Do-nots in the workshop*

## 9. Other

Workers in the factory have never heard of the existence of a union. Workers are told to ask the director's office for help if they want to resign, have issues with their line leader, are insulted, encounter sexual harassment, or have other problems. The director's office is located in each factory area, but few staff members are present and even fewer workers go there for help.

The factory provides a free psychological counseling service called the 'spiritual spa.' The factory claims to respect confidentiality, but workers don't use the spiritual spa for help. During their training, they are told to "answer carefully" and not choose any negative answers. In effect, the factory requires workers to pretend to be healthy and stable in order to begin working, and under this type of pressure and implicit requirement, workers with psychological problems do not dare use the spiritual spa for help.

The factory has an employee service hotline that is rarely used. During the training, the staff tell workers that they can contact the factory at any time to report sexual harassment and other issues. But the content of the sexual harassment prevention training seems to be largely a requirement of the factory's client. According to CLW's investigative observations, few report sexual harassment as it's difficult to collect the required information in such a confined space. Many do not think of asking for help at all, especially in regards to sexual harassment.

There is widespread workplace sexual harassment in the factory. The investigator experienced and witnessed multiple cases of verbal sexual harassment on a daily basis. Sexual harassment comes from both male workers and supervisors. As an example, a team leader and two male workers once discussed the different types of pornography they usually like to watch in front of other female workers before asking them about their sexual experiences. They also discussed various methods on how to find local sex workers. One male worker harassed a female worker by taunting her, “Look at my ass, it's white.” Not only did the team leader not stop this, but he even joined in, laughing at the female worker’s discomfort.

On another occasion, a senior male team leader from the office told female workers, "I want to find someone to sleep with." He said that men have strong sexual desires, and that everyone working in the factory is lonely. Other examples of verbal sexual harassment include, “What are you doing with hot melt glue? It's too thin for you”, and “I'll wait for you downstairs in your dormitory tonight.”

Male workers ask relentless personal questions about female workers. Although the factory emphasizes that sexual harassment is prohibited, such behavior is extremely common. There is realistically no venue that female workers can go to for help, and they often choose to stay quiet or leave the factory.

There are many reasons for workers to choose Pegatron, and different types of workers have different motivations. Students come to work in Pegatron in summer mainly because Pegatron does not check their student status, and the work is a little easier than other factories. Many dispatch workers choose Pegatron because it is a large factory with relatively standardized management. Even if they self quit they will be paid wages for days worked and there’s no wage withholding. The working environment is relatively good and wages are paid on time, which are also reasons for workers to choose Pegatron.

Almost all the interviewed workers indicate that their income is low. It is difficult to find a job after the zero-covid policy ended this year. The salary at Pegatron mainly includes just basic salary and overtime pay. After social insurance deduction, it is only a bit more than 3,000 yuan that comes to the workers. Therefore, many people leave their jobs on payday. Workers expect a salary of more than 5,000 yuan. People recall the time of the pandemic when one could get subsidies and rewards when they entered. Many workers express that this year the factory is doing badly and the wages have never been so low before.

Regarding work intensity, workers feel that even if the daily work intensity is high, they still cannot earn a living wage. Workers hope to earn enough money to live with no more than 10 hours of work a day, but it is impossible to achieve in Pegatron. Pegatron is also one of the few factories where you can't play with the cellphone during break time. Workers "hope" to work overtime in order to earn more money, and the overtime ban is sometimes used as a punishment, so that workers only get a basic salary that is difficult to live on. There are also many workers who come in summer for two months, hoping to work more overtime and save more money. Many of them work to pay for their own tuition/driver's license fees.

In terms of the factory environment, workers feel that the factory area (workshop) is very convoluted and inconvenient, and the safe passage is also very unclear. Some exits are closed, and workers tend to get lost. Some facilities have shut down some production lines and set up other offices instead, and there are special clothes to divide the space, making it even more crowded and narrow when workers commute or go to the cafeteria. Some are obviously the doors of the office, but they are labeled as safety exits. Some are sealed with cloth, but are marked as escape exits. Many aisles can only be passed by a single person, making the workspace very crowded. Because the roads in the factory area (workshop) are very winding, and some of the hallways are blocked, it is difficult to escape if an emergency occurs, especially for newcomers who are not familiar with the direction. There is no map.

The living standard in Kunshan is not low, and personal consumption is close to 2,000 yuan per month. In terms of food, for example, a bowl of snail noodles/Lanzhou ramen is about 15 yuan, and adding an egg usually costs 18 yuan in total. It costs 20-30 yuan to eat an all-vegetable malatang. A month's food costs at least 500 yuan. If you rent accommodation nearby, it costs about 1,000 yuan. For transportation, one can ride a motorbike or take a bus. It costs 5 yuan to take a pedicab, and the monthly transportation expense is about 100 yuan.

Regarding the management system, most of the interviewed workers express that the factory's management system is very inhumane: angry team leaders, auditors who would appear at any time, and multiple leaders (line leader, team leader, large team leader, etc.). In addition, due to the strict inspection of iron-containing items, some workers cannot bring water bottles into the workshop. Some workers need to pass through the security gate very slowly so that the small buttons (or zippers) on their trousers do not cause the security gate to rattle. Workers said that the accommodation environment is good, and there are many sitting positions. The main disadvantages are low wages (now this is the main reason; there are many people who want to leave their jobs every day), insufficient time for meals, and far distance between work and the dormitory (they have to walk for at least 20 minutes).

During the investigation period, no customer or third-party organization has conducted any inspection/assessment of the factory, but there are still some corner-cutting behaviors found

within the factory. When data such as cleanliness and ventilation rate of machines are found to exceed the standard, the manager can still fill in a fake number within the standard to cope with the inspection.

## **Investigator's Diary**

### **Day 1**

There are a lot of young people who come to Pegatron for interviews, but there's hardly any middle-aged people. Because the wages are not high, many people hold the mentality of dawdling. Other people came here because it's difficult to find jobs in other places (such as Tianjin and Shenzhen). The staff responsible for recruiting has a bad attitude, treating people as if they were their teacher or parent. The general process is like this: arrive at 8:30 am in the morning at the interview site. Get tested on questions (26 letters) on the mobile phone, and then recite the 26 letters in front of the recruiting staff in red vest. Conduct two physical examinations. Have facial data collected. Receive work ID. At 1 pm in the afternoon, sign the labor contract. Take the test on mental health. Go to the assigned dormitory room. One can be assigned to the same area as one's friend. Regular employees can apply to change the dormitory room after three days. When assigning a dormitory, staff ask if you snore or grind your teeth, etc., and those who snore or grind teeth will be assigned a separate dormitory. In the dormitory, the dormitory supervisor will check the housekeeping from time to time. There are seven workers in my dormitory, five of whom being dispatch workers.

### **Day 2**

Training in the morning. Assignment of clothes and departments in the afternoon. Almost all dispatched workers were assigned to the assembly line. The number of regular workers was very small, and they were assigned to relatively easy positions to support production. During the training, the trainer said: "Working overtime for two hours a day is an official statement, and the actual hours depend on the situation. **But if you don't want to work overtime, you can find another job.**" The assigned department does not provide training, although the security check is very strict. Some workers said that the factory is laying off some old employees in order to recruit cheap dispatch workers.

### **Day 3**

Today we had a meeting after arriving at the post. We need to arrive at 7:50 am (these 10 minutes are unpaid), and have to clock out three minutes later than the exact time to get off work, because the official said that walking out from the workshop/office cannot be exact on time, and the inspection on this is very strict. Pegatron has staff in pink hats who check whether the workers on the assembly line operate properly and wear protective gear. If not, the worker's name will be recorded and a warning will be given. Two warnings are equal to a small mistake, and there are other penalties that lead to a big mistake. If you have had two big mistakes, you will be expelled.

There are also staff wearing a red armband reading “audit” who randomly appear to check whether the desktop is clean and whether someone is sleeping (you can’t sleep even when you’re in the rest seat). Workers say that to work in this kind of position, you need to have either money or network.

#### **Day 4**

New workers are not allowed to be absent from work for the first three days, otherwise they will be dismissed. On the assembly line, the work intensity is very high. For example, workers need to install more than 3,000 SIM card slots a day. The spatial layout of this factory area is like a maze. A few newcomers got lost today. If an accident happens, they definitely can’t escape. The male workers keep telling sex jokes. Many of them brag about "having slept with students" and say their goal of coming here is to "find a wife". It is conceivable that sexual harassment happens every day. I also encountered a lot of verbal sexual harassment today. The situation of female workers is more difficult. On one hand, they have to do the harsh work, and on the other hand, they also face harassment from male workers.

#### **Day 6**

A worker said that the factory is usually quite deserted, but now it starts to produce the iPhone 15 pro series so it begins to recruit massively. Many new assembly lines have been built (some of which have not yet started to be used), and security checks have increased and become more stringent. In a single building, I have to go through security checks at least three or four times, and the recognition for "iron" is more accurate; even a small button cannot pass through.

The factory also started hiring hourly workers today, probably because the iPhone peak production season is about to come. Applicants must be over 23 years old. The rate is 20 yuan per hour (subject to change at any time), but there is no double or triple salary for overtime. No need to buy social insurance, but one must work for a full period, and the contract period ends on either August 25 or September 25.

#### **Day 7**

Chatting with the workers, I learned that they were fired by Pegatron in October 2020 but compensated for 2 months of wages. After the sudden death of a student worker in 2020, Pegatron dismissed all student workers (including minors), and no longer recruited student workers sent by their school, but it is accepted if a student comes to work a summer job or as an intern.

#### **Day 8**

In the morning, two new workers bought drinks in the cafeteria and wanted to take them into the workshop on the third floor. They were warned when they were about to pass the security check (the two are newcomers, but the factory has never given any training or reminders on these

rules). Later the team leader said that whoever is warned will directly be fired or assigned to the assembly line. Some workers also said that many summer workers (dispatch workers with student status) are contracted for only two months, and they are assigned two months of night shifts in a row—not the usual shifts that rotate once a month.

### **Day 10**

Lunch hours are unpaid, but we still have to abide by many rules. Everyone is complaining: we can't either bring drinks or go out to use mobile phones. I passed by an assembly line and the group leader was talking. Of the more than 100 people, one guy squatted down for a moment, and the group leader reprimanded him loudly, "Can't you stand? Everyone stands up properly. If you squat again then you go home." We can tell that bullying in the factory is very serious.

### **Day 11**

The workers on the assembly line gather before going to the line every day. The team leader talks about things to pay attention to, and, because there are newcomers coming every day, introduce how to clock in and clock out. In the end everyone has to shout slogans together. The group leader said: "Good morning". The workers replied: "Good! Very good! Very very good!" They had to shout out loudly, otherwise they would be asked to repeat it over and over again. Today, the cycle was repeated more than ten times.

### **Day 12**

Today, on the computer in the factory, I saw a page called the Public Service Center, and I saw a document called "Prohibition of Discrimination Management", which stated that employees should not be discriminated against because of sexual orientation, gender, ethnicity, etc. That's however not what's practiced.

### **Day 13**

Today I heard from a worker that when the sudden death of a student worker occurred in 2020, Pegatron gave the person who took the photo and their roommates in the same dormitory a hush money of 30,000 yuan. The temperature in the workshop within the dust-free cloth needs to be kept at 22-25 celsius degrees and is checked everyday. It is usually very cold at night, especially when it's late.

### **Day 15**

Three roommates decided to leave early next week after finishing the work. They felt that the wages were too low, and they planned to go back to their hometown to find a new summer job. One of them got sick, so they felt that they could not tolerate the work intensity. **I heard from**

**my roommates that before entering the factory, their brokers told them that wages could be paid weekly, but when they actually came in, they found that's not true.**