Low wages, long hours persist at iPhone factory, says labor group

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By Michael Kan

Apple's iPhone 6S may be a hit, but according to an industry watchdog, the Chinese laborers who make it are toiling in poor working conditions.

New York-based China Labor Watch made the allegations in a new report Thursday, urging Apple to raise workers' wages at a factory it investigated. The group has a long history of investigating the Cupertino, California-based company's supply chain in China, and this time claims to have found problems at an iPhone factory in Shanghai.

The report also alleged that workers lived in cramped dorms and that the factory failed to provide adequate job safety training.

Complaints over the conditions at facilities making iPhones and iPads aren't new, with Apple's manufacturing partners drawing criticism for the treatment and pay of their workers. The controversy got to the point that Apple in 2012 asked the Fair Labor Association to investigate one of its suppliers, and the company has since been more outspoken about enforcing guidelines for working conditions and pay. Apple regularly audits its suppliers and releases its own annual reports on their compliance with standards.

Apple's activism in China extends beyond labor issues. The company also has been pushing its manufacturing and supply chain partners toward clean energy and a smaller carbon footprint. On Thursday, it announced new solar-power and energy efficiency projects in China.

"Our culture is to leave the world better than we found it," Apple CEO Tim Cook said at a technology conference earlier this week.

The factory cited in the China Labor Watch report is owned by manufacturing giant Pegatron and employs around 100,000 people. Apple's website lists the factory as building both smartphones and tablets.

In September, the facility was at the start of its busiest period of the year, manufacturing Apple's latest smartphones, the iPhone 6S and iPhone 6S Plus. During that time, China Labor Watch sent an investigator to work there undercover.

The investigator claimed that workers earn about $1.85 (AU$2.55 or £1.20) per hour and pull significant overtime hours to make enough money to cover living expenses. The report further claimed that the standard shift was nine hours a day, but that starting in September staff worked an additional minimum of 20 hours of overtime each week, usually split between an extra two hours each weekday and one 10-hour shift on Saturdays. With overtime accounted for, the factory's workers earn about $753 (AU$1,045 or £490) in monthly wages.

This overtime was essentially the minimum, according to the investigator, who claimed to be told by a trainer that working eight-hour shifts five days a week "does not conform to our hiring requirements."

Apple declined to comment on China Labor Watch's report. Pegatron was not available for comment.

In recent years, Apple has sought to cap the excess work hours at the factories, with its guidelines for manufacturers stating a 60-hour maximum workweek. Last year, 92 percent of the workers Apple monitored in its supply chain were compliant, according to the company, but in September 2014, when Apple was busy readying the iPhone 6 line for sale, the percentage fell to just over 75 percent.

China Labor Watch found that this year the compliance rate was lower at the Shanghai Pegatron factory. The group collected pay stubs from 76 workers in September and found that only 42 percent of the employees had worked 60 hours a week or less.

It's not the first time China Labor Watch has spoken out against working conditions in iPhone manufacturer factories. In 2013, the group slammed Apple over low pay for the workers who make its devices.

This time around, the group said that conditions had improved in a few areas, most notably the hiring process. It said that in 2013 Pegatron was "explicitly" discriminatory against people over 35, people with dyed hair and those of Tibetan or Uyghur ethnicity, but none of that was present in 2015. There were also "partial" improvements in regard to sick leave and resignation, among other areas, according to the report.
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