

# Samsung to re-evaluate labor practices in China (Update)

September 4 2012, by Youkyung Lee

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(AP)—Samsung on Wednesday acknowledged poor working conditions at eight factories in China after a U.S.-based labor group said investigators found widespread abuses.

The company was responding to China Labor Watch's investigation of six Samsung-owned plants and two suppliers in China. The New-York based group said an investigation uncovered excessive overtime, exhausting working conditions that require most employees to work standing, cases of forced overtime without pay, and other labor abuses.

Samsung—the world's largest electronics company by sales—is aware of the accusations and will start re-evaluating its labor practices in China, an official said.

"We frequently review our manufacturing facilities regarding overtime work. We will re-evaluate working hour practices," said spokesman James Chung said. "When new production lines are completed or new products are launched, high demand has led to overtime work."

The company denied allegations that it used child labor, saying it has "zero tolerance" for the hiring of underage workers.

According to China Labor Watch's report, overtime for some employees reached or exceeded 100 hours per month, with some employees having only one day off a month.

The report also said that while Samsung suppliers Tianjin Intops Co. and Tianjin Chaarmtech Electronics Co. complied with minimum wage laws—workers were paid the base monthly salary of 1,310 renminbi or \$206—the pay was so low that many workers felt compelled to work overtime.

"Dependence on overtime work is characteristic of workers at almost every investigated factory," the report said.

The group said Samsung also failed to provide an avenue through which workers could take complaints.

"Even when they suffered unfair treatment, workers at almost factory lacked any effective channel by which to express grievances to management."

The Chinese factories investigated by the labor group produce cellphones, media players, DVD players, TV components, mobile displays, printers, home appliances and cellphone casings. They hire more than 24,000 workers combined.

Investigators entered the eight factories undercover or interviewed workers outside the factories.

Earlier this week, in response to China Labor Watch's allegation that Samsung supplier HEG Electronics used child labor, Samsung said it will audit working conditions at around 250 Chinese companies in its supply chain by the end of this year.

It vowed to terminate contracts if any labor abuses or violations of its policies are found. But the company denied the presence of child workers at HEG Electronics.

The U.S. group published an investigative report on ten supplier factories for Apple Inc. in June.

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