



中国劳工观察
CHINA LABOR WATCH

**Investigative Report on
HEG Technology (Huizhou) Co., Ltd.**

August 28, 2014

Company Profile

HEG Technology (Huizhou) Co., Ltd. is a high-tech electronics manufacturer held by the Harbin Investment Group, which also has companies in Harbin, Tianjin, Xiamen, Shenzhen, Huizhou, and other places. The company in Huizhou is currently divided into two parts, the Chenjiang and Zhongkai branches, and mainly produces mobile phones. The Chenjiang branch has more than 5,000 workers. The branch is located at Jiabin Industrial Park, Dongsheng Village, Chenjiang County in Huicheng district of Huizhou, China. HEG is currently producing cell phone parts and other products for Samsung and Lenovo.

Company name: HEG Technology (Huizhou) Co., Ltd.

Postal code: 528447

Legal representative: Feng Xiaojiang

Phone number: 0752-5750098

Address: Haige Street no. 1, Zhongkai High-Tech Zone, Chenjiang, Huizhou

Hiring

Since student workers have to go back to school after the summer break, HEG is currently hiring a large number of workers. It restricts workers' age at hiring to between 16-30 years old. HEG built a recruitment space next to the factory compound. Applicants simply need to fill-in a notice form, and after they are contacted by HEG, they will return to the factory complete hiring processes.

After hiring interview on the second day, workers need to undergo a physical examination on the second day. Fees for the physical exam are 30RMB (\$4.87), which will be returned to the worker after a full month of work. The physical exam includes a blood test and chest X-ray. Despite paying for it, workers are not given the results of the exam. On the third day, workers participate in training and orientation.

Labor Contracts

After workers pass through training and testing on day three, they sign labor contract on the fourth day. The contract period is usually limited to three years and the probation period to one month. The factory stipulated that resignation has to be announced one month in advance. If a worker leaves earlier, a full month's base wage will be deducted from his unpaid compensation, which equals 1,400 RMB (\$227). The factory does not provide any explanation of the items in the contract, just asking workers to write their information and sign on the first and last pages. The rest of the contract has already been filled out by the factory when the workers sign.

Working Hours

Workers at HEG usually labor eight hours a day and then an additional two hours of overtime. They usually work six days a week. The factory implements a two-shift (day and night shift) system, between which a worker switches every two weeks. Workers usually receive 24 hours of rest between switching shifts. The day shift operates from 8 am to 8 pm and the night shift from 8pm to 8am. Overtime is compulsory at HEG, and during busy periods, overtime will reach to 4 to 5 hours per day. During these long shifts, most of workers laboring in the workshops making Samsung and Lenovo products are working on their feet.



Workers who just got off the night shift are waiting for shuttles back to dorms.

Wages and Benefits

The factory usually distributes the wage of the previous month on 20th day of each month. Workers will receive a paystub, which includes a basic wage, overtime wages, social insurance items, seniority wage, full attendance bonus, etc. A typical worker makes around 3,000 RMB (\$488) per month, out of which 200 RMB (\$33) will be deducted for social insurance. The wages are deposited directly to the bank account of workers.

The monthly base wage during the probation period is 1,300RMB (\$211). After the probation period, it increases to 1,400RMB (\$228). Overtime wages are calculated according to the regulations of the Chinese labor law.

There is a full attendance award of 100 RMB (\$16.25) per month and performance award varying between 100 RMB (\$16.25) and 400 RMB (\$65). The full attendance award is

connected to the workers attendance at work. If a worker comes in late or leaves earlier, each time 30 RMB (\$4.87) are going to be deducted from the attendance award. If a worker comes late or leaves earlier more than three times, the full award for the month will be lost.

If a worker is one day absent without applying for leave, two days' wages are deducted. Three days of absence count as immediate resignation. The performance award is connected to the worker's productivity. Only a few people are able to receive this full award. Workers attending the night shift have a daily subsidy of 7 RMB (\$1.14). Different departments might also implement other small bonus systems depending on the time of year and length of service.

The factory only provides social insurance for workers at the factory for one full month. This insurance includes the pension, medical insurance, unemployment insurance, occupational injury insurance, and maternity insurance. For workers under 30 years old, a total amount of 181.2 RMB (\$30) will be deducted from the monthly wages for insurance payments. For workers above 30, that amount increases to 229.9 RMB (\$37.19) per month.

HEG stipulates normal holidays for workers, including three days for the Spring Festival and the National Day, and one day for Tomb Sweeping Day, Labor Day, Dragon Boat Festival, Mid-Autumn Festival, and New Year's Day. HEG also supposedly offers workers marriage holidays, maternity leave, and annual leave; however, only few workers actually enjoy these because the application process is complicated. As a result, if a worker wants leave, he or she usually quits HEG and returns home.

Housing and Meals

The factory provides three meals per day, and workers receive 150 RMB (\$24) from the company every month to use toward meals. After 150 RMB, workers must pay themselves. Breakfast includes steamed buns, porridge, noodle, and fried rice. For lunch and dinner, workers can choose three dishes and one soup, including two meat dishes and one vegetable dish. People working in kitchens do not wear mouth masks and sometimes cut food on the ground. Some told CLW that there are insects and other foreign matter in the food.

Among the four dormitories provided by the factory, only one of them, Xinchang Dorm, is located in the factory premises and only houses female workers. The other two dormitories, Xiechang and Hongchanglida Dorms, are far away from the factory. Workers have to take motorcycle taxi or shuttles go to and from work. Eight workers share one room, and they need to pay utilities every month. In the dorm, there are fans and a hot water dispenser.

食堂就餐分批方案²⁰¹³⁰⁹

附注：为了避免就餐拥挤，现对各部门分批就餐事宜的具体安排公布如下，请各部门配合执行

餐别	时间	就餐部门	分餐地点
早餐	07:00-08:00	各部门人员，不分批次	08:45
	08:00	三星事业部：营业部、制一SMT、总装、工程（夜班）	
	08:10	三星事业部：制二课全体（夜班）	
	08:20	三星事业部：制三课全体（夜班）	
中餐	08:10	第三事业部全体（夜班）	13:30
	11:30	三星事业部：营业部全体、制一课SMT第一组、SMT品质	
	11:40	三星事业部：制三课SUB、IHIP工程、IHIP品质	
	11:50	三星事业部：制三课MAIN	
	12:00	管理本部全体、三星外驻	
	12:10	三星事业部：制二课PBA	
	12:20	三星事业部：制二课MAIN	
	12:30	三星事业部：制二课SUB、制一课SMT第二组	
	12:40	第三事业部：制一课第一批、制二课第一批、SMT品质、工程科、营业科	
	12:50	第三事业部：制三课（组装）第一批	
	13:10	第三事业部：制三课（组装）第二批、制一课第二批、制二课第二批	
晚餐	13:10	CCM事业部全体、零星就餐人员	19:30
	16:50	行政科接待车辆的保安人员	
	17:00	管理本部全体、三星外驻	
	17:10	三星事业部：营业部全体、SMT品质	
	17:20	三星事业部：制三课SUB、IHIP工程、IHIP品质、制一课SMT第一组	
	17:30	三星事业部：制三课MAIN	
	17:40	三星事业部：制二课PBA	
	17:50	三星事业部：制二课MAIN	
	18:00	三星事业部：制二课SUB、制一课SMT第二组	
	18:10	第三事业部：制一课第一批、制二课第一批、SMT品质、工程科、营业科	
	18:20	第三事业部：制三课（组装）第一批	
18:40	第三事业部：制三课（组装）第二批、制一课第二批、制二课第二批		
18:40	CCM事业部全体、零星就餐人员		
18:40-19:20	各部门上级管理人员及零星人员		
晚餐（加班）	00:00	三星事业部：营业部、制一SMT、总装、工程	01:40
	00:10	三星事业部：制三课SUB、IHIP工程、IHIP品质	
	00:20	三星事业部：制三课MAIN	
	00:30	三星事业部：制二课PBA	
	00:40	三星事业部：制二课MAIN	
	00:50	三星事业部：制二课SUB、制一课SMT第二组	
	01:00	第三事业部：制一课第一批、制二课第一批、SMT品质、工程科、营业科	
	01:10	第三事业部：制三课（组装）（暂无夜班）	
晚餐二	01:30	第三事业部：制三课第二批（暂无夜班）、制一课第二批、制二课第二批	06:10
	01:20	零星人员、CCM事业部后续新增夜班人员	
	05:00	三星事业部：营业部、制一SMT、总装、工程	
	05:10	三星事业部：制三课SUB、制三课MAIN、IHIP工程、IHIP品质	
	05:20	三星事业部：制二课PBA、制二课SUB	
05:30	三星事业部：制二课MAIN		
05:40	第三事业部 全体（第三事业部制一课、制二课第一批可酌情提前）		
05:50	三星事业部-SMT总装-零星人员、轮岗人员等		

备注：1. 因员工餐厅座位有限，一次暂时最多只能容纳360人，请各部门务必按规定时间放本部门员工下班就餐。
2. 未到本部门就餐时段，请勿保安和食堂工作人员，有权拒绝为该部门员工分餐，并向公司高层汇报。
3. 为避员工就餐时排队长等现象，敬请各部门主管、经理全力配合，本安排从2013年9月1日起正式执行。
编制：[Signature] 各事业部会议：[Signature] 批准：[Signature]

A schedule that displays the workers' meal times.

Working Conditions

Workers are required to wear uniforms when they walk into the factory, including clothing, shoes, and hats. Even though workers do not need to pay for the uniform, they must return them before resigning. If they fail to do so, 200 RMB (\$33) will be deducted from their final wages. Workers usually stand while working, usually receiving a 10 minute break every two hours. However, in the department producing for Samsung, the 10 minute break has been canceled. If workers drink water while laboring, they will be scolded by supervisors. If someone wants to go to restroom, they must obtain a pass; otherwise, they cannot use the bathroom. Workers are not allowed to bring their cell phones into the factory, and factory security may take away workers' phones.

Workers were not trained on occupational health or safety concerns imbued in their jobs, including the use of chemical products or other hazards.

Student Workers

CLW's investigation found student workers producing for Samsung and Lenovo. In the department producing for Samsung, management are pressured to meet production demands and thus have hired a large number of student workers via a labor dispatch company.

The students at HEG come from Hubei Province, Hunan Province, and Guizhou Province. CLW interviewed workers from Hubei Jingmen Technical School. There were 117 students from this school that signed three-month labor contracts with the dispatch company and were subsequently sent to work at HEG on July 3. They were not trained before beginning work. They paid for transportation to the factory by themselves. The labor dispatch company paid them 8.5 RMB per hour and did not pay for overtime or a subsidy for night shift. Based on the attendance record provided to CLW by one of these student workers, the students worked up to 4.5 hours per day, the total working hours for a day reaching 12.5 hours. Student workers did not need to pay for meals and housing. These student workers were either freshmen or junior students in college.

Students said the work was difficult. 39 students resigned in late July because they could not tolerate the harsh conditions, but they did not receive their unpaid wages. On August 22, the remaining 78 student workers collectively to quit their jobs; however, the supervisor did not allow them to leave. Only when CLW wrote a letter to Samsung informing them of the situation were the students able to quit HEG on the 23rd. However, they also are having trouble receiving their full wages because the factory pays the wages on 20th day of every month. Apart from their wages, the factory also failed to keep their promise to pay students' transportation fees. HEG managements said that if students want to get the reimbursement, they cannot resign before September 10. CLW confirmed with one of the students that some of them were producing Samsung phone parts while working at the factory. As of the date of this report, these students have still not received their unpaid wages.



A student worker is waiting for the bus to leave the factory.

050767	海格-儲各部	員工	男	2014-7-7	2
050768	海格-儲各部	員工	男	2014-7-7	3
050769	海格-儲各部	員工	女	2014-7-7	4
050770	海格-儲各部	員工	女	2014-7-7	5
050771	海格-儲各部	員工	女	2014-7-7	6
050772	海格-儲各部	員工	女	2014-7-7	7
050773	海格-儲各部	員工	女	2014-7-7	8
050774	海格-儲各部	員工	女	2014-7-7	9
050775	海格-儲各部	員工	女	2014-7-7	10
050776	海格-儲各部	員工	女	2014-7-7	11
050777	海格-儲各部	員工	女	2014-7-7	12
050778	海格-儲各部	員工	女	2014-7-7	13
050779	海格-儲各部	員工	女	2014-7-7	14
050780	海格-儲各部	員工	女	2014-7-7	15
050781	海格-儲各部	員工	女	2014-7-7	16
050782	海格-儲各部	員工	女	2014-7-7	17
050783	海格-儲各部	員工	女	2014-7-7	18
050784	海格-儲各部	員工	女	2014-7-7	19
050785	海格-儲各部	員工	女	2014-7-7	20
050786	海格-儲各部	員工	女	2014-7-7	21
050787	海格-儲各部	員工	女	2014-7-7	22
050788	海格-儲各部	員工	女	2014-7-7	23
050789	海格-儲各部	員工	女	2014-7-7	24
050790	海格-儲各部	員工	女	2014-7-7	25
050791	海格-儲各部	員工	女	2014-7-7	26
050792	海格-儲各部	員工	女	2014-7-7	27
050793	海格-儲各部	員工	女	2014-7-7	28
050794	海格-儲各部	員工	女	2014-7-7	29
050795	海格-儲各部	員工	女	2014-7-7	30
050796	海格-儲各部	員工	男	2014-7-7	31
050797	海格-儲各部	員工	男	2014-7-7	32
050798	海格-儲各部	員工	男	2014-7-7	33
050799	海格-儲各部	員工	男	2014-7-7	34
050800	海格-儲各部	員工	男	2014-7-7	35
050801	海格-儲各部	員工	男	2014-7-7	36
050802	海格-儲各部	員工	男	2014-7-7	37
050803	海格-儲各部	員工	男	2014-7-7	38
050804	海格-儲各部	員工	男	2014-7-7	39

A list of student workers employed at HEG (Huizhou).



An attendance sheet of student workers at HEG (Huizhou).

Child Labor

During the investigation, CLW discovered more than 10 child workers (under 16) labor at HEG, including in Samsung Department Three. Some workers said that these child workers were also hired via a labor dispatch company. When the investigator asked them to provide their IDs, the young workers said their IDs were collected by the labor dispatch company. Factory security said that after the summer vacation, all the student workers were leaving and it was hard to find workers, so HEG relied on labor dispatch companies to recruit new workers. These children were not interviewed and did not receive physical examination before entry. If they want to resign, they have to quit without receiving owed wages. In this way neither the factory nor the labor dispatch company bear direct costs from the children quitting. Dorm management also supported the information shared by the guard.

CLW obtained a list of multiple child workers at HEG. Based on their ID (which contains their birth dates), one can observe that these workers were under 16 years old when hired at HEG, assuming they were hired in July 2014, which is the month in which CLW obtained the list.

序号	姓名	性别	身份证号	序号	姓名	性别	身份证号
41		女	199701271	199		男	219961116
42		女	19930627	100		男	19961210
43		女	19930829	101		男	19960327
44		女	19960308	102		男	19971125
45		女	19960607	103		男	19961014
46		女	19960312	104		男	19961213
47		女	199612287	105		男	19971009
48		女	199709177	106		男	19961106
49		女	199508297	107		男	19961002
50		女	199510187	108		男	19960286
51		女	199609151	109		男	19970304
52		男	19960922	170		女	19940628
53		女	199412161	171		女	19960701
54		女	199706022	172		男	19971123
55		女	199503163	173		女	19970422
56		男	19941020	174		女	19950211
57		男	19960102	175		女	19961017
58		男	19970510	176		男	19910206
59		男	199406151	177		女	199510010
60		男	199501181	178		女	19970320
61		男	199508161	179		男	19940802
62		女	199607082	180		女	19971016
63		男	199610197	181		男	19970719
64		男	199302203	182		男	19961012
65		男	199303033	183		女	19970228
66		男	19960526	184		女	19960929
67		男	19970411	185		男	19980109
68		女	199504152	186		男	19960316
69		女	199603175	187		男	19950406
70		男	199810102	188		女	19880302
71		男	199809102	189		男	19970328
72		男	199710222	190		女	19971106
73		男	19931218	191		男	19960117
74		男	19970605	192		女	19960306
75		男	19980623	193		男	19960605
76		男	19970815	194		女	19960327
77		男	19960617	195		男	19960906
78		男	19970718	196		女	19960324
79		男	19940205	197		女	19970925
80		女	19960716	198		女	19960929

A name list obtained by CLW reveals that workers recruited to work at HEG (Huizhou) included child workers. (1 of 2)

206		女	19970320
207		女	19970714
208		女	19940901
209		女	19951215
210		女	19960821
211		男	19970606
212		女	19980111
213		女	19970713
214		男	19961020
215		男	19971221
216		女	19960527
217		女	19970508
218		女	19980722
219		女	19980213
220		女	19910810
221		女	19980504
222		女	19970728
223		女	19990628
224		女	19970404
225		女	19990701
226		女	19970120
227		女	19960822
228		女	19940309
229		女	19980528
230		女	19981105

A name list obtained by CLW reveals that workers recruited to work at HEG (Huizhou) included child workers. (2 of 2)

31	047424		制二组装储 备组 (D3)	男	员工	2014-5-28
32	047423		制二组装储 备组 (D3)	男	员工	2014-5-28
33	047422		制二组装储 备组 (D3)	男	员工	2014-5-28
34	047421		制二组装储 备组 (D3)	男	员工	2014-5-28
35	047420		制二组装储 备组 (D3)	男	员工	2014-5-28
36	047419		制二组装储 备组 (D3)	男	员工	2014-5-28
37	047418		制二组装储 备组 (D3)	女	员工	2014-5-28
38	047417		制二组装储 备组 (D3)	男	员工	2014-5-28
39	047416		制二组装储 备组 (D3)	男	员工	2014-5-28
40	047415		制二组装储 备组 (D3)	男	员工	2014-5-28

Some of child labors used aliases while working in HEG's Third Assembly Group for Samsung products.

Resignation

A lot of workers told CLW that it was difficult to resign at HEG. Supervisors usually delay or reject the notice of resignation. If someone cannot wait for the management's response, they simply have to quit without passing through proper procedures. Since the factory usually distributes monthly wages on 20th of the following month, workers who quit the job informally will not receive 20 days of compensation.