

An Open Letter to Tim Cook for an End of Labour Abuses in Apple's Supply Chain

26 March 2012

Mr. Tim Cook
CEO, Apple
1 Infinite Loop
Cupertino, CA 95014
USA

Dear Mr. Cook,

We, the undersigned non-governmental organizations and labour unions, demand that Apple ensure decent working conditions at all its suppliers.

When confronted with escalating criticism of Apple's unethical labour practices, you responded, "We care about every worker in our worldwide supply chain. Any accident is deeply troubling, and any issue with working conditions is cause for concern." But promises without action are merely empty rhetoric. In fact, none of the workers whom Students & Scholars Against Corporate Misbehaviour (SACOM) interviewed reported feeling that Apple cares about them. In contrast, they describe their daily routine as work, eat and sleep. They described themselves as machines that repeated the same monotonous motion for thousands times a day. Apple's Code of Conduct clearly states, "Apple suppliers must uphold the human rights of workers, to treat them with dignity and respect as understood by the international community." But the investigative reports of SACOM reveal that Apple suppliers are not complying with this Code. In 2010-2011, SACOM issued five research reports¹ that documented labour rights violations at Apple suppliers in China, including Foxconn and Wintek. These violations are systemic problems, not isolated or unrelated incidents. We are frustrated with Apple's continued failure to implement institutional reforms to protect the rights of workers in its supply chain.

Poverty Wages

The size of Apple's bank account demonstrates the enormous greed and desire for profit of Apple and its executive. On 19 March 2012, Apple announced that it would finally share some of its \$100 billion in cash reserves with shareholders. It is regrettable that Apple did not show any intention to share the revenue with its production workers whose labour helped the company become one of the most profitable corporations in the world.

In early 2012, Bloomberg reported that Apple's profit margin was as high as 30%, while the profit margin of Foxconn, its main supplier, was a mere 1.5%.² Yet, the wages at Apple's suppliers are so low that the only way for workers to feed their families is through overtime,

¹ *Apple Owes Workers and Public a Response over the Poisonings* (May 2010); *Workers as Machines: Military Management in Foxconn* (Oct 2010); *More Workers are Poisoned by Apple* (Oct 2010); *Foxconn and Apple Fail to Fulfill Promises: Predicaments of Workers after the Suicides* (May 2011); and *iSlave behind the iPhone: Foxconn Workers in Central China* (Sep 2011). The reports are downloadable at Students & Scholars against Corporate Misbehaviour's website at www.sacom.hk.

² Tim Culpan, "Apple Profit Margins Rise at Foxconn's Expense: Chart of the Day", *Bloomberg*, 5 January 2012, <http://www.bloomberg.com/news/2012-01-04/apple-profit-margins-rise-at-foxconn-s-expense.html>.

often well in excess of the legal maximum. In 2011, the monthly basic salary of the workers who produced the iPhones and iPads in China was as low as CNY 850 (USD 134) and CNY 950 (USD 150), respectively. Although Foxconn subsequently implemented a minor wage increase, the company also eliminated subsidies for workers' food and housing, virtually cancelling any impact of the wage increase.

Excessive and Forced Overtime

Apple conceded in its Supplier Responsibility 2012 Progress Report that 62% of suppliers failed to meet the requirements for working hours. Given that Apple is using a much lower standard – Apple limits overtime to 86 hours per month, even though the legal maximum for overtime in China 36 hours per month – the real situation is much worse.

In 2011, a typical work shift for Foxconn workers was 10 hours per day, 6-7 days a week in the peak season. Therefore, overtime work could be as high as 100 hours per month, almost 3 times the legal standard. Sometimes, workers must skip their second meal break in order to reach the factory's production target. Workers reported that overtime work is mandatory and that if they fail to show up for one of the overtime shifts without the permission of the supervisor, it is considered a work stoppage. As punishment, the worker will not be given any overtime work for the following month. The implication of this is that the worker will only be able to earn the base salary, which is not enough for basic survival.

In the lead-up to the new iPad release in March 2012, some migrant Foxconn workers in Shenzhen complained that they were not able to go back to their hometown for the Chinese New Year holiday – often their only opportunity each year to visit family in their home villages. They were only permitted five days of vacation, barely enough for travel time alone, making it impossible to go home to see their families.

In addition, the majority of the worker must stand for the duration of their shift, and grow weary from the long hours. Some workers reported that they feel so exhausted at the end of their shifts that they don't even have the energy to talk or interact with their coworkers.

Use of Involuntary Labour

Owing to harsh management practices, the turnover rate at Foxconn is extremely high. To maintain the stability of the workforce and to meet production demands during the peak season, Foxconn hires, with the support of the local governments, tens of thousands of student workers.

Vocational school students majoring in subjects such as tourism, language and journalism often end up with “internships” at Foxconn for three to twelve months. According to the reports in *China Daily*, an English newspaper published in China, the Henan government recruited 100,000 students to work at Foxconn as “interns” in 2010.³ This year, the government intends to recruit 100,000 new workers for Foxconn and has contacted 100 vocational schools in order to do so.⁴ The so-called “internship” is a sham as it has no relevance to the students' academic studies. Furthermore, this program is not voluntary. Foxconn requests school teachers to be stationed at the factory compound to monitor students' attendance. Some students report that if they refuse the “internship” at Foxconn, they will be forced to drop out of school.⁵ It is evident

³ Hu Yinan and Wang Yu, “Foxconn mulls move northward”, *China Daily*, 29 June 2010.

⁴ Victoria Ruan, “City to aid in Foxconn's recruiting”, *China Daily Hong Kong Edition*, 26 December 2011.

⁵ Hu Yinan, “Students ‘forced’ to work at Foxconn”, *China Daily*, 26 June 2010.

that this use of student workers is a form of involuntary labour, which is supposedly prohibited by Apple. Disappointingly, in Apple's Supplier Responsibility Report, the use of student workers is not even mentioned.

Exposure to Hazardous Conditions

In 2009, nearly 140 workers at the Wintek factory in China were poisoned by n-hexane, a chemical used for cleaning the touchscreens of iPhones. Some of the victims were hospitalized for more than nine months due to nerve damage. When these individuals were discharged from the hospitals, they still suffered from weakness in their limbs. Apple eventually acknowledged the case in early 2011 in its Supplier Responsibility Report but ignored the demands of the victims to resolve the situation. The Wintek case reveals the threat of occupational injury that workers at Apple suppliers face. Furthermore, when SACOM conducted offsite interviews with Foxconn workers, nearly all the respondents had no knowledge of the types of chemicals they were using or what the potential harm to them might be. Some workers complained of skin allergies or headaches as a result of chemical exposure, but their only options were to endure the illness or resign.

Besides occupational illness, industrial injuries at Apple suppliers are equally appalling. In May 2011, a deadly explosion occurred in the polishing department at Foxconn's plant in Chengdu, killing four workers and injuring 18. Seven months later, another blast occurred at another Apple supplier, Riteng Computer Accessory in Shanghai. 59 workers were injured and several suffered facial disfigurement and broken bones as a result. Both explosions were triggered by the excessive build-up of combustible aluminium dust in the air on the shop floor. The explosion at Foxconn could have been prevented, as SACOM had publicly reported on the problem of aluminium dust two weeks before the tragedy. Yet, Apple ignored SACOM's warning. Tragically, Apple refused to take action following the first explosion, resulting in the accumulation of aluminium dust and subsequent explosion in Riteng.

Although Apple claims, "Suppliers must be committed to creating safe working conditions and a healthy work environment for all of their workers," the reality is that workers at Apple suppliers are constantly exposed to unsafe working environments, at risk of being poisoned or injured due to Apple's negligence in ensuring compliance with its own standards. Outrageously, Apple has never apologized to the victims for these gross labour rights violations nor has the company offered appropriate compensation to the workers for its failure to enforce basic safety standards.

Harsh Management Tactics

In 2010, at least 18 Foxconn workers attempted to commit suicide -- 14 of them died. In May 2010 alone, there were seven suicide attempts at Foxconn's factories in Shenzhen. Reports of these attempts led to public questions about the motivations for these workers to want to end their lives. Many Foxconn workers shared that they felt like machines and were continually insulted by management. Workers reported that they were sometimes required to write confession letters and to copy quotes from the CEO, Terry Gou as punishment. Workers at the new Foxconn factory in Chengdu were forced to undergo "military training,"⁶ which they believed was a means to indoctrinate them into a system of absolute obedience. Some supervisors yelled at the new workers, "If you cannot endure this little hardship, then you can leave Foxconn immediately!" Although Apple's Code of Conduct stresses that workers should

⁶ According to the interviewees, new workers have to line up and follow commands from the supervisors to turn right, turn left, and chant slogans. Workers have to stand all day outdoors during the training.

be treated with respect and dignity, this has not been the experience of employees at Foxconn's factories.

Company-Controlled Unions

In the aftermath of the suicides, Foxconn created a hotline and counseling service to assist workers who had thoughts of harming themselves or were suffering from mental anguish as a result of the harsh working conditions. Yet this is not a meaningful substitute for an independent union that could resolve labour disputes. Although there is an official trade union at Foxconn, most of the workers do not know about it. Those who have heard about the union do not trust it, because they perceive that the union serves the company rather than the workers. None of the workers know how the union was formed or how its representatives are selected. Apple states that it respects freedom of association, but the failure to ensure that the formation of unions at its suppliers is done in an independent and democratic manner is a major obstacle to freedom of association. If Apple is sincere in its professed respect for freedom of association, it must facilitate democratic elections in formation of unions at its suppliers. A democratic union is a prerequisite of collective bargaining which is a fundamental right recognized by the International Labour Organization. Without collectively bargaining, workers will never be able to negotiate with management for decent working conditions. More importantly, any factory inspection is not sustainable without a real union at the factory to defend labour rights.

We are greatly concerned about the inhumane working conditions at Apple suppliers. With all its success in the global marketplace, Apple undoubtedly has ability to rectify these problems. It is simply a matter of commitment. We strongly demand that Apple:

1. Provide a living wage for all workers so they do not have to work excessive overtime hours in order to support themselves and their families;
2. End the use of involuntary labour that occurs through the student worker intern program;
3. Conduct labour rights training for workers, including training on occupational health and safety;
4. Facilitate the formation of a genuine trade union through democratic election;
5. Compensate victims of non-compliance with the Apple code of conduct.

We look forward to a public statement by Apple in response to our demands as soon as possible.

Sincerely,

Alliance of Associations Polish Green Network, Poland

Alliance of Progressive Labor, Philippines

Asia Monitor Resource Centre, Hong Kong

Brandworkers International, United States of America

Bread for All, Switzerland

Center for Workers Education, New Delhi, India

Change to Win, United States of America

China Labor Watch, United States of America

China Labour Bulletin, Hong Kong

China Study Group, University of Massachusetts Amherst, United States of America

Christliche Initiative Romero, Germany

Clean Clothes Campaign

Committee for Asian Women

Computer Scientists for Peace and Social Responsibility (FIF e.V.), Germany

Consumers' Association of Penang, Malaysia

Democratic Socialists of America, United States of America
Ecumenical Institute for Labor Education and Research, Inc., Philippines
FAIR, Italy
Freedom Socialist Party, United States of America
Globalization Monitor, Hong Kong
GoodElectroincs
Hesperian Health Guides, United States of America
Hong Kong Confederation of Trade Unions, Hong Kong
INKOTA-netzwerk e.V., Germany
International Brotherhood of Teamsters, United States of America
International Metalworkers' Federation
Labour Action China, Hong Kong
makeITfair
Maquila Solidarity Network, Canada
Maquiladora Health & Safety Support Network, United States of America
National Coalition for the Protection of Workers' Rights-Southern Tagalog, Philippines
National Free Trade Union, Sri Lanka
National Union Confederation, Indonesia
Occupational and Environmental Health Network, India
People's Health Movement
Serve the People Association, Taiwan
Students & Scholars Against Corporate Misbehaviour, Hong Kong
Südwind Agentur, Austria
SumOfUs, United States of America
Thai Labour Campaign, Thailand
United Food Commercial Workers, British Columbia, Canada
United Students Against Sweatshops, United States of America
War on Want, United Kingdom
Women Workers Lead
Workers Assistance Center, Inc., Philippines
Youth Labour Union 95, Taiwan

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