Apple’s Failed CSR Audit

A Report on Catcher Technology Polluting the Environment and Harming the Health of Workers

January 16, 2018
Table of Contents

Executive Summary ........................................................................................................................................ 3
Section 1: Recruitment .................................................................................................................................. 11
Section 2: Labor Contract ............................................................................................................................ 22
Section 3: Working Hours ............................................................................................................................ 23
Section 4: Labor Remuneration and Benefits .............................................................................................. 26
Section 5: Food and Accommodation ........................................................................................................ 32
Section 6: Occupational Safety and Labor Protection ............................................................................... 36
Section 7: Environmental Pollution .......................................................................................................... 41
Section 8: Fire Safety ................................................................................................................................... 43
Section 9: Rewards and Penalties ................................................................................................................ 46
Section 10: Labor Union and Grievance Procedures .................................................................................. 47
Section 11: Other ........................................................................................................................................... 48
Investigator’s Diary ....................................................................................................................................... 50
Violations of Apple’s Supplier Responsibility Standards ........................................................................... 60
Results of the Investigation into the Unidentified Gas Discovered May 25th in the A6 Workshop of Catcher Technology (Suqian) Ltd. Co. .............................................................................................................. 62
Executive Summary

Catcher Technology (Suqian) Co Ltd. is a world leader in the light metal industry, specializing in notebook computers, digital cameras, and disc drives. Headquartered in Taiwan, the company has set up a number of mainland branches. Catcher manufactures products for Apple, IBM, Dell, HP, and Sony, amongst other well-known brand companies.

In 2014, China Labor Watch released an investigation report at Catcher Technology, which outlined a string of rights violations including discriminatory hiring policies, lack of safety training, long work hours, and low wages. From October 2017 to January 2018, China Labor Watch conducted another in-depth investigation into the working conditions of the Catcher factory based in Suqian.

CLW identified major issues at Catcher regarding occupational health and safety, pollution and work schedules. On the morning of May 25 2017, there was an incident of toxic gas poisoning at Catcher’s A6 workshop, which resulted in the hospitalization of 90 workers, with five workers admitted to intensive care. Shortly after, the Administrative Committee of the Suzhou-Suqian Industrial Park, located in Suqian city, Jiangsu Province, conducted an investigation and the results of the committee’s investigation can be found here.

During the investigation period, CLW discovered that the factory's wastewater had a lot of white foam, which was directly dispensed into the public sewage system. The wastewater originated from the factory area where Apple parts were being manufactured. CLW first consulted with related experts and testing companies on water quality testing procedures. On December 26, we then collected a 600ml sample of the factory's wastewater and tested for levels of Chemical Oxygen Demand (CODcr), Biochemical Oxygen Demand (BOD) and Suspended solids (SS) – three common measures for water quality - at Suzhou Kunhuan Detection Technology Co., Ltd. On January 4, we received the results of the tests, and discovered that the water had exceeded the CODcr, BOD and SS levels stipulated by the local government. The results showed that the water had CODcr levels of 278mg/L, well above Jiangsu's standard of 80 - 120mg/L. BOD levels were at 45.8mg/L which also exceeds the 20 - 30mg/L standard. Jiangsu government’s standards regarding water quality can be found here.

Test results of CODcr, BOD and SS on the factory’s wastewater
Factory wastewater bubbling up from underground sewer pipes. A water sample here was taken for testing.

A map of the location where the wastewater was collected for testing.
Wastewater with white foam overflowing onto the sidewalk where the test sample was collected

Everyday, from when the investigator first entered the factory on October 8th until the day the wastewater sample was collected on December 26th, there was new wastewater overflowing onto the sidewalk.

Factory’s wastewater flowing overflowing onto the sidewalk

The Catcher factory schedules Saturdays as overtime with workers being paid double time, and Sundays as days off. However, currently, the factory adopts a "seven shifts, six rotations" work schedule for one to two weeks of the month. From Monday to Friday, workers take turns in having a day off; which means that workers have their day off earlier in the week but then make up that day of work later on. Saturdays are used to make up and is therefore not paid double time, and Sundays are still counted as regular workdays. Workers affected by this schedule lose around 500 RMB ($76.57 USD) every month in overtime pay.
CLW brought up a number of issues regarding Catcher with Apple, however, Apple claimed that the factory had undertaken and passed over 50 audits.

Suqian Catcher’s working conditions include the following:

- Workers are responsible for paying for the physical examination. Workers do not undergo a physical examination after they resign and if workers contract an occupational disease, it would be difficult to determine whether this was a result of working at the factory.
- The factory requires training to be 24 hours long but actual training is not even an hour in length; workers are handed a questionnaire and staff read out answers. Workers are unaware of potential risk factors during the production process.
- Wages not settled day of resignation as legally required and are only distributed on the 5th of the following month.
- Resignation difficult for dispatch workers. Workers sent by the dispatch company who apply for resignation are rebuked by Catcher employees and the labor dispatch company will usually not agree to a worker’s request to resign.
- Catcher’s work regulation pamphlet specifies an eight hours a day, five days a week work schedule but working hours are generally 10 hours a day, six days a week.
- Base wage of 1950 RMB.
- There was a case in November 2017 when some workers were not able to receive their pay stubs allegedly because of a malfunctioning of the printer.
- Violations regarding social insurance. Workers applying through labor dispatch do not have social insurance during their probationary work periods; social insurance cards are only given out to workers after working for three months, if a worker falls ill within those three months, they must pay out of pocket to see a doctor.
- There have been cases where workers have discovered hair in their food, and many instances of workers who suffer a case of diarrhea after eating at the factory cafeteria.
- Bathrooms do not have enough hot water and many workers during the winter have to shower in cold water. Workers have fallen ill due to the lack of heating and shelter from the wind in the wide-open shower areas.
- Workers are not provided with substantial safety training.
- Excluding the workers who wear glasses, all other workers in the workshop operate machinery with no eye protection.
- Workers come in contact with toxic substances, and factory does not specify what the chemicals are and the potential hazards.
- Severe pollution at the factory. The investigator worked at the factory for four weeks before having to leave due to respiratory issues.
- Excessive amount of loud noise at the workshops of the CNC department, which can cause irreversible damage to workers’ hearing.
• Ground’s surface is covered in oil, resulting in workers slipping and falling.

• CNC machine operators come in contact with cutting fluid. Despite workers receiving a pair of gloves every day, the gloves quickly absorb a lot of chemical oil and fluids, which would erode the plastic gloves worn inside. Workers’ bare hands will then make direct contact with the cotton glove which has been soaked with cutting fluid, resulting in the skin around the hand becoming irritated and peeling off.

• The CNC workshop provides workers with cotton gloves which appear to be used, as the gloves are damp and have water stains.

• For workers who use pressure guns in the production process, the cutting oil splashes onto their heads. Paper face masks provided by the factory only protects the workers’ mouths and faces and the cutting fluid often splashes into the workers’ eyes, which can result the eyes becoming bloodshot, long-term. Workers are not informed of the potential harm cutting fluid may have on their bodies or of any relevant protection methods.

• Workshop’s main door only opens 30 cm wide which poses a safety hazard

• Dorms do not have emergency hallways or exits

• Lack of effective unions – workers are unaware of who their representative is, and if meetings have been held.

• Factory is polluting environment with wastewater

• Workers are not allowed to print out a copy of their attendance records

Worker cases

a. A young couple from Shaanxi, both of whom are workers in Catcher's B sector. In early November, the woman had a miscarriage. After she left the hospital, the two people brought the hospital's diagnosis report and her medical history to the resignation interview at the Care of Employees Center located at the West Gate of Catcher's B sector. They asked to fill out resignation forms so that they could return to their hometown. The human resources department signed off on the woman's resignation form but refused to approve of the man's resignation application. The man gave a full account of the events. Due to the wife's frail health, she was unable to sit by herself for ten or more hours on a long distance bus. She had to have someone accompany her. He was resigning so they could go back together and he could take care of his wife. The factory only approved her resignation. The human resource staff was firm and would not approve of her husband’s resignation as it was without reason and unjustified. Instead they asked him to talk with the intermediary that introduced him to work at the factory. He called the intermediary and the intermediary also did not approve, saying, "In any case, you can't leave", "Why don't you just miss work and quit?". At the time, the man was furious so he yelled into the phone: "My wife miscarried and had to be hospitalized after working here for two months. Miscarried! Do none of you have any humanity?". Hearing his tone of voice, it sounded like he was near tears. Afterwards, the woman called the intermediary and repeatedly pleaded for over half an hour before the intermediary finally approved of the man's resignation.

After talking with this couple, our investigator began to suspect the miscarriage was related to the workshop's oil smells, excess noise, standing for long periods of time without rest while working among other factors. Their contact information was not obtained.
b. A 26 year old male worker from Suining, Xuzhou had worked at Catcher for approximately three years. He worked in the molding workshop, which is very dusty. After working for a year, he was treated for rhinitis and continued working but in less than a year, the rhinitis returned. In the second half of 2017, the rhinitis returned two, three more times. He was deeply worried and suspected that he had pneumoconiosis. In the middle of December, he quietly missed work and left the factory.

This case was discovered after talking with the workers who lived in his dorm. The molding workshop produces large amounts of metal dust but the factory only provides a thin face mask that is poorly fitted, similar to the single use ones used in hospitals. The masks do not provide any protection and the accumulated dust workers inhale results in illness.

c. A 32 year old female worker from Henan was an operator in Vito's CNC department. She worked in the CNC workshop for around two months and her hearing suffered. Presently, she does not dare to remain in crowded areas as she will become dizzy and irritable. She was not used to the workshop's oil smells and often felt nauseated. She was transferred to different positions and other workshops many times.

CNC workshop produces excess noise and has a heavy oil smell. The personal protective equipment (earplugs, face masks) provided to the workers by the workshop provided only weak protection.

d. The investigator worked in Catcher's CNC production line and assembled/dissembled screws. They worked in the CNC workshop for around a month and their eyes were splashed with cutting fluid and metal particles multiple times, resulting in eye pain and a sensation of foreign substances in their eyes. Their vision also suffered. One month after they resigned, their eyes still remain bloodshot.

The workers in the CNC workshop are supposed to have safety goggles but the operating manual on the CNC machine does not specify this requirement and the workshop does not provide workers with safety goggles.
Catcher Technology (Suqian) Company Limited

Investigation Report

Factory Profile

Catcher Technology (Suqian) Co. Ltd. was established in 1984 with a registered capital of 1.415 billion RMB (~210 million USD) and a total investment of 12.53 billion RMB (~1.8 billion USD). There are approximately 60,000 employees. Headquartered in Taiwan, Catcher Technology has set up a number of mainland branches including Suzhou Topo (Kesheng), Suzhou Meeca (Keli), Taizhou Topo (Kesheng), Suqian Catcher, Suqian Vito (Kegong) and Suqian Arcadia (Kefa). The subjects of this investigation are the Catcher, Vito and Arcadia factories.

The total investment for the Catcher, Vito and Arcadia factories based in is 2 billion USD. The factories occupy 1,500 acres and are currently Suqian’s largest foreign investment project as well as a model project in the IT production industry. Official investment began in November 2010.

Catcher Technology Group is a world leader in the light metal industry and a Taiwan listed company. The company specializes in notebook computers, digital cameras, digital communication disc drives, and parts for 3C products (3C refers to computer, communication, and consumer electronics).
Factory Name: Catcher Technology (Suqian) Company Limited

Address: Gucheng Road No. 21 Industrial Park Suqian, Suqian, Jiangsu (Postal code: 223726)

Contact: Ceng Guoxian (0527-84675858)
**Products:** Catcher mainly produces the keyboard case of Macbooks; Vito mainly produces iPhone 8’s metal casings

**Primary Clients:** Apple, IBM, Dell, HP, Inventec, Motorola, HTC, Sony. This information came from the official website. The factory that CLW investigated was manufacturing primarily for Apple.

**Number of workers interviewed:** Around 50

**Male to female ratio of workers interviewed:** 15:1

---

*(Top case manufactured for Inventec)*

**Section 1: Recruitment**

**General Policy**

*Hiring Requirements:* In a small booklet labelled “Work Regulations” provided by Catcher to workers, the second article “Hiring” states: there are no gender restrictions; workers must be 16 years of age and
possess a legal, valid identification document; workers are required to record their fingerprints; bring the original copy of their ID card; a 3D image of the worker’s face will also be captured. Each worker also needs to hand in four photocopies of the back and front of their ID card as well as four copies of a registration photo.

Other hiring requirements include: good physical health, not color blind, no contagious diseases or bad habits and no prior criminal record.

One of the labor dispatch companies that send workers to Catcher states in their recruiting advertisement candidates must be between 18 to 43 years old and have at least a middle school education.
Apple’s Failed CSR Audit

(New workers hiring process: registration, physical exam, HR paper work, training)

(Notice on the company’s anti-discriminatory hiring practices)
Recruiting Channels:

A: Labor dispatch companies transport workers who have been dispatched by Human Resource companies. These workers are generally from Suzhou, Shanghai, Taizhou, and Dengzhou.

B: Employee referrals

C: Independent applicants, who apply at the hiring center by Catcher factory’s second west gate

Position Assignment: Management decides workers’ job positions and there are no clear regulations on how assignments are made. At any time, workers can be transferred to different positions, production lines, or even different workshops. They cannot choose their own position. If a worker wants to be switched to a different job position, they must apply and these requests are normally approved. There was a female worker who worked in the CNC workshop and due to the strong smells from the oil pollution said she felt nauseated and often wanted to throw up. Afterwards, this worker was transferred to a different workshop. There is no difference between the work done by male and female workers on the production line. Each production line has at least one female worker.
Underage Student Workers

No instances of child labor being employed were discovered during the investigation. After interviewing workers, the investigator learned that the factory will hire student workers during the summer. Currently, it is unknown if any of the summer workers are below 16 years of age.

Physical Examination

A physical examination is required upon entry. The fee is 70 RMB ($10.59 USD) and workers are responsible for paying. The physical examination includes drawing blood (routine blood test, checking liver function), urine test, electrocardiogram, blood pressure, routine check of all five senses, internal organs check, vision check (vision chart, color blindness), chest X-ray, and a hearing test.
Employees who are resigning do not undergo a physical examination. On the “resignation application form” there is an option for workers to select if they wish to participate in a post-employment physical exam. However, even if a worker agrees to participate in a post-employment physical exam, the factory does not schedule any physical exams during the resignation process. Workers also do not know they should schedule a post-employment physical exam.

(Option on the resignation form to have a post-employment physical exam)

Throughout the course of the interviews, the investigator learned of many female applicants, around the age of 45, who had been rejected by Catcher due to being “medically unfit”. They had previously worked
at Taizhou Topo and in mid-October, applied at Catcher’s hiring center. They went through the entire registration process and completed a physical examination but were ultimately rejected. When the women inquired with the medical examiners about which parts of their exam results had not been up to standard, the medical staff told them that there had been nothing wrong with their physical exam results.

**Training and Orientation**

![Training and Orientation](image)

(Inside the training room)

The training does not follow Catcher’s own established class syllabus as printed on the education cards that are passed out. According to the safety education card, there should be 24 hours of training, which should cover four hours of factory level training, four hours of workshop level education and 16 hours of group level education. For the factory level training, the eight items (1) environmental safety policy and regulations 2) company’s environmental safety rules and regulations, labor rules and regulations, structure of the production safety committee 3) workflow for each position, main equipment 4) information on production safety, safety hazards for each position, fire safety equipment, information on accidents and emergencies 5) at the scene treatment of work injuries, workplace hygiene, environmental conservation 6) examples of classic work accidents 7) workers’ rights and duties 8) transportation safety) listed on the class syllabus were not covered.
(Syllabus for factory, workshop and group level safety training)

(Syllabus for factory, workshop and group level safety training)

(Length of time for each training session, for a total of 24 hours)
The entire orientation is mostly spent giving an overview of Catcher. The information covered is directly taken from the “factory-level education and training questions” and afterwards, these questions are passed out to workers for them to fill out. While the instructor will read out loud the correct answer to each question, they will not offer any further explanations. The entire process of filling out the questions takes around ten minutes. Following that, the “employee safety responsibilities book” and “employee education and training registration form” will be passed out and applicants will be requested to sign their names.

Workshop level education and group level education are also not covered. Once the training is over and everyone leaves the training room, workshop staff members start to arrive to pick up new employees and assign workers to their positions. Staff members bring applicants to the workshop they were assigned to and then each person is given the “workshop level education training question” and the answers are read out loud. The entire process lasts for a total of 5 minutes. The material covered in the syllabus is not explained.
Excluding the hour for lunch, applicants receive a total of four hours of training in the training room, starting from when they enter the training room at 10 AM until they leave at 3 PM. However, these four hours are mostly spent passing out forms, retrieving forms, signing names, and filling out forms. The factory requires safety education to last for a total of 24 hours but in reality, the amount of time used for covering actual content does not even last for an hour. There was no discussion of the production safety committee, any emergency aid knowledge, or any information related to typical workplace accidents. Many new employees did not know that in May 2017, a toxic gas poisoned workers. Furthermore, workers do not know how to protect themselves from potential health hazards that occur during the production process.

**Probation**

According to the labor contract Catcher Group signs with workers, the probation period is three months.

**Resignation**

If resigning within the probationary period, workers must apply three days in advance to resign. If resigning within the contract period, operators must apply seven days in advance while other workers must apply one month in advance. For those who applied to Catcher by themselves, they follow the regular resignation process.
Wages are not settled at the time of resignation. No matter what date workers resign or leave, they will always receive their wages the 5th of the following month, which violates the ninth line of the Labor Department’s “Temporary provision for wage payment”, which states that “at the time of both parties legally releasing or terminating the labor contract, the employer must, at the time of release or termination of the labor contract, pay the laborer’s wages in full.”

(Poster listing the duties of the “Care for Employees” center: wages, attendance, social insurance, resignation)

Workers who went through the labor dispatch company to enter Catcher have a more difficult time resigning. At the “Care for Employees” center, a common sight is workers who were sent by the dispatch company applying for resignation and being rebuked by Catcher employees: “You think you can just leave when you want to? Don’t look for some excuse! It won’t be approved!” or “We will not approve of it! Go to your intermediary!” But the labor dispatch company will usually not agree to a worker’s request to resign. They will arbitrarily answer “You can’t leave” and when workers ask “Why can’t I leave? I have already worked for three months and don’t want to become a fulltime employee.” The intermediary usually replies “There’s no ‘why’ about it. You just can’t leave” or “Well, our side won’t approve of it so why don’t you just quit then!” The investigator commonly heard workers arguing with the intermediaries on the phone as they tried to resign or they would start begging the intermediary. If the resignation was not approved, they could only quit but if they do so they would not be able to receive their wages.
Apple’s Failed CSR Audit

(Reviews left on Kanzhun, a site where employees can review their workplace and report their wages. Workers report how difficult management made resigning.)

Section 2: Labor Contract

General Policy

The process of signing a contract includes: after applicants finish the physical examination, attendance is taken and documents, work ID numbers, and key cards are passed out. Workers then enter the “new employee registration room” and receive a personnel information form, a confidentiality agreement for standard workers, Catcher Group special job position health notice, and labor contract. A staff member will lead them in slowly filling out the forms and signing their names.

The factory and worker sign two copies of the labor contract. Once the factory confirms and stamps the contract, workers receive a copy of the contract the following day. Workers must follow the factory’s requirements and fill out the B party areas on the contract such as name, resident ID number, work ID number, contact information, household registration address and provide the name, phone number and address of an emergency contact.
Workers who are sent by the labor dispatch companies will also sign a labor contract with the factory. Some workers sign a labor contract and a commission fee agreement with the labor dispatch company, while others do not sign anything with the labor dispatch companies and only sign a contract with the Catcher factory. Workers sent by the labor dispatch companies cannot obtain a copy of the labor contract that they sign with the Catcher factory.

(Labor contract)

**Contract Terms**

The labor contract contains 13 items such as length of contract and length of probation, description of job responsibilities, work location, work hours and vacations, labor remuneration, social insurance and benefits, labor protections, labor conditions and prevention of occupational hazards, rules and regulations, penalties and rewards, changes to the labor contract, release and termination, responsibilities, liability clauses, regulation of software usage, bilateral agreement, labor disagreement and other. The labor contract stipulates that the probationary period is three months and the contract itself is valid for three years.

**Section 3: Working Hours**

In Catcher’s work regulation pamphlet, the ninth line of the fourth article specifies an eight hours a day, five days a week work schedule. However, generally working hours are 10 hours a day, six days a week with 70 minutes for lunch and 50 minutes for breakfast. Overtime is recorded to be two hours.
<table>
<thead>
<tr>
<th></th>
<th>Morning Work Hours</th>
<th>Afternoon Work Hours</th>
<th>Overtime</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Day Shift</strong></td>
<td>08:30-11:30</td>
<td>12:40-17:30</td>
<td>18:20-20:30</td>
</tr>
<tr>
<td><strong>Night Shift</strong></td>
<td>20:30-23:30</td>
<td>00:40-05:30</td>
<td>06:20-08:30</td>
</tr>
</tbody>
</table>

The contract stipulates employees who work overtime must personally fill out an “overtime application”. However, in practice most workshops do not pass out this application form. Workers have universally said they have never seen an overtime application form before, much less signed one. If day shift workers leave work at 5:30 PM or if night shift workers leave at 5:30 AM, they will be deemed as having “left work early” and would need to verbally notify their group leader to obtain their permission. Workers who secretly “leave work early” and do not obtain advance permission will not face a wage deduction but it will often result in a conflict with the group leadership. The workers may be transferred to a different position.

Under regular circumstances, there is a shift change once a month, with the day and night shift workers switching shifts. During the investigation, the investigator learned that in August and September some of the workshops in the Catcher factory worked continuously through the two months without switching shifts. It was only until October that the night shift workers were switched to the day shift.

At the Catcher factory, a regular workweek is Monday through Friday, as regulated by state law. The factory schedules Saturdays as overtime, with workers being paid double time and Sundays as days off. However, currently, the factory adopts a "seven shifts, six rotations" work schedule for one to two weeks of the month. From Monday to Friday, workers take turns in having a day off; which means that workers have their day off earlier in the week but then make up that day of work later on. Saturdays are used to make up work so Sundays are still counted as regular workdays. Therefore, work done on Saturday and Sunday would be considered regular workdays. Because of this, work done on Saturdays does not need to be paid double time. Workers affected by this schedule lose around 500 RMB ($76.57 USD) every month in overtime pay.

Catcher has 60,000 workers. For the approximately 20,000 affected workers (we cannot know for certain how many workers are affected and can only provide an estimate), for each month that the factory avoids paying them double time for their overtime work, they are being underpaid by around 10,000,000 RMB ($1,531,400 USD).

There is a production quota. One CNC production line has 38 machines. The production quota for one shift is 1,450 units. If there are many CNC machines running smoothly, it is easy to fulfil the quota. Once many of the CNC machines start malfunctioning, it becomes difficult to reach the quota.

Each workshop has an attendance machine installed at its entrance. The time period to swipe in for the morning shift is 8:15-8:30. Workers cannot swipe in early. If workers swipe in after 8:30, it will be recorded as arriving late. If workers swipe in after 8:40, it will be recorded as missing work. The shift ends at 20:30-20:45. Swiping out ten minutes before the shift ends will be recorded as leaving early. For every late arrival or early dismissal, a quarter of the attendance bonus will be deducted until there is no more bonus left. Workers do not need to swipe in for lunch and dinner. If a worker forgets to swipe in or swipes in incorrectly resulting in an incorrect attendance record, the worker must immediately report it to the group leader and apply for it to be amended. Due to the strict attendance management, the investigator did not witness any instances of workers arriving early or late for work. After work is over, there is no
need to present any documentation when entering and leaving the living area so there is still a basic level of freedom.

(Left: Turnstile with card reader and facial recognition machine; Right: Facial recognition machine)

Employees’ attendance record can only be checked via a phone call to the attendance department. Employees are not allowed to print out a copy of their attendance record.
Section 4: Labor Remuneration and Benefits

Wages

The factory pays their workers on a monthly basis. The monthly wage is 2030 RMB ($307 USD) and overtime wage of 1950 RMB ($294 USD). The categories that make up wages include a base wage of 1950 RMB ($294 USD), transportation stipend of 80 RMB ($12 USD), night shift allowance, environment allowance, and a perfect attendance bonus of 200 RMB ($30 USD). Wage deductions categories include accommodation fees, water and electric fees, and the portion of the social insurance the individual is responsible for paying. Workers who live in the factory dormitories must pay 50 RMB ($7.5 USD) a month to cover accommodation fees and the water and electricity bills are divided equally. If that month the worker had perfect attendance, they would receive on average 4000 RMB ($605 USD).

Overtime done during the weekday is calculated as 1.5 times regular pay. If there had been no makeup rest days scheduled, then overtime pay for overtime done on rest days will be calculated as 2 times regular pay. Overtime done during the holidays is calculated as 3 times regular pay.

The factory helps workers obtain a bank card. Wages are distributed on the 25th of every month. The paystub reflects the wages paid are for the period of work done between the 25th of the previous month and the 25th of the current month. Wages are transferred into the workers’ bank card by the bank on the 5th of the following month. Even if a worker were to start work on the first of the month, they would only be able to receive their wages on the 5th of the following month. The wages they would receive would be for the work done between the 1st of the previous month and the 25th of the previous month, while wages for the work done between the 25th of the previous month and the 5th of the current month would be calculated into the next month’s wages.

(Paystub of a worker who had perfect attendance, total month’s wage was 3949.98 RMB)
If a worker quits or is released from the labor contract, the factory does not immediately settle their wages but rather waits until the following month to distribute their owed wages.

Under regular circumstances, the factory will distribute paystubs. The actual amount which is deposited into workers’ bank accounts is the same as the amount written on the paystub. Employees cannot view their attendance record and can only call the attendance department to verify it. After October’s wages are distributed on November 5th, some workers said that they never received their paystubs and when they inquired with the human resource department, the reply was that the printer used to print out the paystubs was out of service.

Workers who went through the labor dispatch companies sign their wage agreement with the dispatch company. There are two kinds of wage systems: commission fee system and hourly system. For the hourly system, the dispatch company and worker signs a short term two month contract that dictates the worker will be paid 22-28 RMB ($3-$4) an hour and is usually 26 RMB ($4) an hour. Work done during regular work hours, overtime, or on weekends are not differentiated and are paid according to the same hourly standard. With 26 days to a month and 10 hours of work done each day, a worker’s average monthly wage would be around 6,500 RMB ($982 USD).

The commission fee system is when the labor dispatch organization signs a commission fee contract with the worker. When the worker has finished working the designated number of days, they receive not only the wages given to them by the factory but also receive a commission fee from the dispatch party that ranges from 1000-8000 RMB ($151-$1208 USD). A commission fee contract was generally valid for two months and longer contracts were valid for three months. However, the commission fee is very unstable. Workers that start working at Catcher factory in early October can receive a commission fee of 6000 RMB ($906 USD) and up; however, by mid-October, the commission fee decreases to only a few hundred RMB. Workers who sign a contract with a high commission can earn up to 15,000 RMB ($2266 USD) after completing the required two months of work. New employees often discuss among themselves how much each other’s commission fees are and to learn of which labor dispatch organization’s commission fee is the highest. During the course of the investigation, it was discovered many workers intentionally migrated between working at different large-scale factories in search for the highest commission fee at the time.
Sick Leave

Wages given during sick leave are at least 80% of the regular wage. The factory normally provides workers whose total monthly sick leave hours do not exceed eight hours with an attendance bonus. Workers who request sick leave must submit documentation from the hospital verifying a diagnosis as well as the original copy of the doctor’s advice.

The process of requesting sick leave: request sick leave → fill out the application for sick leave form → submit documentation from the clinic.

The management says: Workers must go to the workshop and request sick leave from the production line management, who must sign off on the sick leave request form. It is only under special circumstances that workers are able to ask for sick leave over the phone and make up the sick leave application form later.
The closest health center to the Catcher factory is the Cai Ji clinic. This clinic has a requirement that a patient must purchase a certain amount of medicine before they will write a diagnosis certificate. If a worker wants to receive sick leave verification for one day of work, they must purchase at least 30 RMB ($4.53 USD) of medicine. If they want to receive sick leave verification for two days of work, they must purchase at least 50 RMB ($7.55 USD) of medicine.

(Notice at the Caiji Hospital Clinic about requirements for receiving a diagnosis certificate)
On November 3rd the investigator’s request for sick leave was not approved and was recorded as missing work.

The general situation was as follows: Early that morning, when the investigator was on the way to work, he realized he felt unwell. He was sweating, shaking, and overall felt weak. Additionally, he felt that he was coming down with a bout of diarrhea. The investigator returned to the dorms and discovered he did have diarrhea so he called the group leader to request a sick day but their phone was off. After trying multiple times without success, the investigator called a co-worker and asked the co-worker to help him ask for sick day. Afterwards, the investigator went to the clinic of the Cai Ji hospital to pick up medicine and did not go to work.

The investigator rested until 4 PM when he started to feel somewhat better so he went to the factory workshop. He handed in the clinic’s diagnosis certificate and medicine receipts to the group leader. The group leader took the documentation but did not give the investigator a sick leave form and said that as the investigator did not ask him for a sick day, he had already been recorded as missing work.

November 8th the investigator called the attendance department and was informed that he had been marked down as missing work on November 3rd and would have 400 RMB ($60 USD) deducted from his wages.

**Vacation Time**

The sixth chapter of the “Work Regulations” stipulates workers are to receive paid annual leave, maternity leave, marital leave, and bereavement leave. The 13th article of the fourth chapter stipulates workers will be given days off for legal holidays and receive their regular wages during the holidays.

**Social Insurance**

The paystub lists the total amount the individual pays for social insurance. It does not specify whether or not the factory pays for social insurance or if they do pay, the amount they pay for insurance. Workers do not know if the factory pays the full amount for their social insurance or if it is paid in a timely fashion. The portion of the paystub that states how much the individual is paying for social insurance lists neither the types of insurance included nor the individual amount being paid for each type of insurance.

The contract claims that the factory follows the national laws and that social insurance fees are being paid to the relevant organization as designated by the local government. Additionally, the social insurance fees the individual is responsible for paying is withheld from the worker’s wages. Workers who applied through the labor dispatch company do not pay for social insurance during their probationary period. Workers who applied independently must pay for social insurance during their probationary period.

The secretary of Catcher’s worker hotline claims that workers can only receive their social insurance card three months after they start work. Only after they receive their social insurance card can they use it to pay their medical fees. During the three months without a social insurance card, if a worker falls ill, then they cannot use a social insurance card to pay their medical fees and have to pay out of pocket to see the doctor. However, when an inquiry regarding the paystubs was made to the human resource department, a human resources staff member whose last name was Yang said that the corresponding amount of money for social insurance fees was deducted from the first month’s wages. Therefore, as the workers have already paid their social insurance fees, if they fall ill within the first three months of starting work, there is no way for them to have their medical fees reimbursed.
Recreation and Facilities

There are very few entertainment facilities. The public housing in the courtyard area has a basketball court available for use. The basketball court is open for long periods but not many people use it. The main reason for that is that workers lack time to play basketball. They do not work weekends as they take care of domestic affairs, shower, and wash clothes. There are quite a few people who sunbathe in the downstairs area of the dorm as well as play on their phones. There is no library.

(Workers sitting outside, using their cellphones)
Section 5: Food and Accommodation

Food Conditions

There is a cafeteria in the factory that provides meals for the workers. The factory provides a 6 RMB ($0.91 USD) stipend for shift workers to cover their lunch. Night shift workers receive a 9 RMB ($1.36 USD) meal stipend (includes 6 RMB ($0.91 USD) for a post-dinner meal and 3 RMB ($0.45 USD) for breakfast). The meal stipend is only valid day of and for the corresponding meal. Remaining balances cannot be used for another day nor can they be exchanged for money. The food offered at the cafeteria is of acceptable quality but there is very little variety. Rice is free and there is no limit on rice servings. Workers do not have problems satisfying their hunger. Breakfast food provided at the cafeteria includes flat flour cakes, steamed twisted rolls, and millet porridge. Workers have previously discovered hair in their steamed twisted rolls and there have been many instances of workers who 90 minutes after eating their breakfast suffer a case of diarrhea. There is a store inside the factory cafeteria. Workers can use their meal stipends or their own money to purchase bottled drinks, bread, and instant noodles. All the products on sale are priced much higher than standard market price. The cafeteria and workshop entrances have vending machines that sell drinks but they are 0.5 RMB ($0.08 USD) more expensive than standard market price.

The factory does not permit workers to leave the factory area during lunchtime. Even if workers do not want to eat lunch at the cafeteria, they are unable to leave the factory area and purchase their own food.

Accommodation Conditions

The public housing in the courtyard area consists of five floors. Each floor has 22 rooms and each room has eight bed spaces, which are made up of bunkbeds. Each floor has a public shower area, which has sinks (14 faucets), public bathroom (8 stalls), one electric hot water dispenser, and one coin-operated washing machine. The showers do not provide sufficient amounts of hot water and because of this some people are forced to give up on taking a hot shower. During the winter, some people continue to use cold water to take a shower; others choose not to shower for many days; while others leave the dorm area to pay for a shower at a commercial bathhouse. As the weather turns colder, there have been many cases of workers falling ill and developing a cough due to the lack of heating and shelter from the wind in the wide open shower areas. The dorms do not have a smoking area and as the dorm rooms do not have smoke detectors installed, workers often smoke inside their dorm rooms, which presents a health and safety risk. The dorm hallways have surveillance cameras installed. The dorms have air conditioning, electric fans.
and storage lockers. The fire extinguisher boxes in the dorm hallways have a paper seal on them and there is often trash piled on top.

The Catcher factory is located on the west side of Suqian’s open economic zone and is surrounded mostly by factories and farmland. There is lack of entertainment and relaxation spots. The factory is somewhat far from the city and getting to the city requires taking a public bus for more than an hour; sometimes workers would need to transfer buses.
Apple’s Failed CSR Audit

(Dorm room interior)

(Left: Bathroom sinks; Right: Dorm hallway)
New employees often reflect on how subpar the dorm environments are. Some workers will voluntarily choose to rent a place near the factory but there is no housing stipend.

The public housing in the courtyard area is two kilometers away from the Catcher Technology entrance, which is a 25 minute walk. The 317 Road public buses go directly to the factory and there are also privately operated three-wheeled cars.

After work, workers are often exhausted from working 12 consecutive hours. As the public buses only come every 15 minutes and have limited available seating, many people choose to ride a three-wheeled car (2 RMB which is $0.30 USD per passenger). The three-wheeled cars are not registered and have no operational qualifications. On October 24th at around 8:50 AM, a car accident occurred at the intersection of West Xuanwu Lake Road and Qisha Mountain Road. A three-wheeled car ran into a Catcher Group worker. The windshield of the three-wheeled car was shattered and the worker fell to the ground, unconscious with blood coming from his mouth and ears.
Section 6: Occupational Safety and Labor Protection

Workers are not clear if there is an environment, health and safety committee.

The perfunctory training provided before starting work consists only of reading out loud the answers to the training questions and signing a few education training registration forms. Workers do not participate in any substantial safety training.

The factory provides each workshop worker with earplugs, face masks, gloves, and waterproof apron. Gloves are replaced on a daily basis. Earplugs are replaced on a weekly basis. Waterproof aprons are replaced on a monthly basis.

(Left: Factory issued earplugs; Right: Safety awareness poster)

Inside the workshop, there are posters that say “goggles must be worn” and “earmuffs must be worn”. The bulletin board inside the factory has promotional safety posters that emphasize the importance of wearing a face shield but in practice, the factory does not distribute goggles or face shields to workers. Excluding the workers who wear glasses, all the other workers in the workshops operate machinery with no eye protection, which presents a large safety risk.

During the manufacturing process, workers will come in contact with toxic substances but the investigator is unsure of the exact details. After the pre-employment physical examination is completed, the “safety notices and relevant reminders for Catcher Group’s special work positions” form is passed out but the form only briefly mentions chemical products and does not specify what chemicals they are or what could occur if a person were to come in contact with these chemicals. Workers commonly do not understand how to properly handle chemicals.

There is a foul odor present in the workshop but workers are unsure what object is producing the smell. Workers privately discuss how severe the pollution is at Catcher, and there were rumors that workers who worked at the workshop for a substantial amount of time might develop cancer. The investigator worked at the factory for four weeks before having to leave due to respiratory issues. Other workers have also left the factory because of similar health issues.
Workers do not know whether or not the workshops or dorms have emergency aid kits.

Every day workers have to stand for ten hours as there are no seats provided for production line workers, resulting in workers quickly becoming exhausted.

(Announcement stating 1) if a resigning worker hasn’t worked for 3 months, when and where to return work uniforms and 2) if a worker would like to see their pre-employment physical exam results, how to do so.)

Work uniforms: Factories request probationary workers pay for their uniform fees. However, online recruitment ads commonly state that the factory provides workers with free work uniforms: “The company provides free work uniforms (summer/winter uniforms, 2 sets). Replacements are issued on an annual basis.”

On the day of starting work, new employees must go to the training room to pick up their work uniforms: a short sleeved T-shirt (40 RMB each, $6 USD), a long-sleeved coat (40 RMB each, $6 USD), a pair of shoes (60 RMB per pair, $9 USD), and two pairs of pants (40 RMB per pair, $6 USD). Female workers are also issued two wireless bras (30 RMB each, $4.5 USD). At the start of November, workers are also issued a black vest (30 RMB each, $4.5 USD). The corresponding costs are deducted from workers’ wages.

The labor contract does not have any articles related to work uniforms. When work uniforms are issued, no one explains to the workers whether or not the uniforms cost money. It is only when workers resign
and receive the “resignation application form” do they see a clause written at the very bottom in miniscule font that states: “if a resigning worker has not worked for three months, please return cleaned, undamaged work uniforms to the human resource office after resignation.” It does not explain that the work uniforms cost money and it does not explain how much it costs. When returning the work uniforms, workers receive a “returning work uniform registration form” and on the bottom portion it specifies the price of the work uniform. As for work shoes, the factory will only take back shoes that have never been worn before and even if a pair of worn shoes had been cleaned, the factory would still not accept them and deduct 60 RMB ($9 USD) from the worker’s pay.

(Notice at the bottom of the resignation application stating workers who have not worked for 3 months must return their work uniforms)
Work Injury

On the morning of May 25, 2017, there was an incident of toxic gas poisoning workers in Catcher factory’s A6 workshop. According to interview with workers, the incident resulted in the hospitalization of 90 people, and five who were admitted to intensive care.

The CNC machines in the workshops produce an excessive amount of loud noise, at a level of around 80 decibels and above. Working under such excessively loud conditions for a long period of time causes irreversible damage to workers’ hearing. The ground’s surface is covered in oil, which results in people slipping and falling, creating the potential for a worker to break a bone. Throughout the course of the investigation, the investigator witnessed many instances of people slipping and falling near the workshop’s production line and in the bathroom.
The CNC machine operators will often have cutting fluid make contact with their hands. Workers receive a new pair of rubber gloves and a pair of cotton gloves every day which are worn together. The cotton gloves have water stains, and appear to have been used. During the course of the production process, as the rubber gloves are thin, they become soaked within 20 minutes and the cotton gloves then absorbs a large amount of oil, corroding away the gloves’ inner layer. Because of this, workers’ bare hands will make direct contact with the cotton glove that has become soaked with cutting fluid. In a short time, it will result in the skin around the hand becoming irritated and peeling off, and also cause workers’ fingernails to yellow.

![Cotton gloves and rubber gloves provided by the factory](image)

Workers use air pressure guns to wash the affixing part of the phone case, leading to cutting oil and metal dust flying onto the operators’ heads. Moreover, the protective equipment the factory provides is limited to single use paper face masks that only prevent cutting fluid from splashing onto workers’ mouths and faces. However, cutting fluid often splashes into workers’ eyes, resulting in painful, teary eyes along with the eyes becoming bloodshot, long-term. Despite this health risk, the operation manual does not have any relevant regulations relating to protecting operators’ eyes. Group leaders also do not inform employees of the potential harm cutting fluid may cause to workers’ bodies or the relevant protection methods. It is only during the 500 person training meeting does the factory management say, “CNC operators will have cutting fluid splash into their eyes, so what should they do? After work, they should go to the bathroom and use a large amount of clean water to wash out their eyes.”

![Masks provided by the factory](image)
Section 7: Environmental Pollution

During the investigation period, CLW discovered that the factory's wastewater had a lot of white foam, which was directly dispensed into the public sewage system. The wastewater originated from the factory area where Apple parts were being manufactured. CLW first consulted with related experts and testing companies on water quality testing procedures. On December 26, we collected a 600ml sample of the factory's wastewater and tested for levels of Chemical Oxygen Demand (CODcr), Biochemical Oxygen Demand (BOD) and Suspended solids (SS) – three common tests for water quality - at Suzhou Kunhuan Detection Technology Co., Ltd. On January 4, we received the results of the tests, and discovered that the water had exceeded the CODcr, BOD and SS levels stipulated by the local government. The results showed that the water had CODcr levels of 278mg/L, which is above Jiangsu's standard of 80mg/L. BOD levels were at 45.8mg/L which also exceeds the 20mg/L standard.

The issue regarding environmental pollution has been reported to the Suqian Environmental Protection Bureau. We are currently waiting for a response.

(Results of CODcr, BOD and SS tests on the factory’s wastewater)
(Wastewater with white foam, which was collected for testing, has flowed onto the public footpath)
Section 8 : Fire Safety

(Fire safety department)

The workshop’s emergency corridors and exits are clear of obstructions and are clearly labelled. However, emergency exits require exerting a large amount of force to open them. Most of the time when workers plan on leaving via the emergency exits, they find they cannot push open the door and give up on exiting that way. They instead switch to lining up to leave at the workshop’s main exit. The workshop’s main door can only be opened 30 centimeters and is only wide enough for a person to fit through if they turn their body sideways. Many times someone has tried to push the door open wider but they do not succeed. The door being set up in this way presents a very large safety hazard.
In the dorms, there are no emergency hallways or exits. The public housing in the courtyard area has a fire safety office. The fire equipment inspection form is filled out perfunctorily, sometimes even left blank. The following photo of the fire extinguisher checklist shows that, even though it was the second week of November at the time, the most recent equipment check occurred in the third week of October.
Workers commonly say they have never heard of a fire safety drill occurring. There is a specialized department responsible for managing the waste products storage area but the investigator did not obtain any information related to that department.
Section 9: Rewards and Penalties

The ninth chapter of the work regulation booklet discusses rewards and penalties. This portion is 10 or more pages long and makes up a third of the booklet.

Internal reference reward system notice that explains the different bonus amounts for a referred worker who is from Jiangsu and one who is not.

Internal reference reward system: the long distance bus fare of the person referred will be covered by the factory, the person referred and the referrer will both receive a bonus. The bonus for referring an operator is not the same as the bonus received when referring a technician. After the operator grade worker has worked for three months and if they are not from the Jiangsu Province, then the worker will receive a bonus of 300 RMB ($45 USD) and the referrer will receive a 1200 RMB ($180 USD) bonus. If the worker is from Jiangsu Province, then the worker will still receive a 300 RMB ($45 USD) bonus and the referrer will receive a 1000 RMB ($151 USD) bonus. After the technician grade worker has worked for three months, the referrer will receive a total bonus of 900 RMB ($136 USD) but the worker does not receive any bonus. Workers at the grade of team leader or skilled worker who have worked for three months will not receive a bonus but the referrer will receive a 1200 RMB ($180 USD) bonus. Workers at the grade of group leader, engineer, and technical expert who have worked for three months will receive no bonuses but the referrer will receive a total bonus of 1500 RMB ($226 USD).
The CNC workshop also has a reward system in place for reporting theft of workshop information and the spread of relevant product information.

Penalties are separated into six kinds: oral education, reprimand (15 articles), minor offense (15 articles), major offense (27 articles), release of labor contract (32 articles), and demotion. In one year, if a worker accumulates three reprimands it is the equivalent of one minor offense; three minor offenses is the equivalent of one major offense; three commendations is the equivalent of one minor achievement; three minor achievements is the equivalent of one major achievement.

**Section 10: Labor Union and Grievance Procedures**

**Labor Union**

At the lobby of Catcher’s second West gate, there is a small announcement claiming that the factory has established a worker representative union and have elected 200 worker representatives as well as established five labor negotiators. However, workers are not aware who their representative is, if meetings have ever been held, when the meetings occur and have not ever participated in the labor unions.
Grievance Procedures

The information cards that are passed out to workers have the number for the secretary of the worker hotline. Calls made to this number go through.

![Contact Information Card](image)

(Catcher Group contact information card)

Section 11: Other

Worker Treatment

Some male workers will take advantage of when female workers are busy doing something that involves both of their hands to touch their face or pat their head.

The investigator did not see or hear of any management personnel verbally abusing workers. Throughout the course of the investigation, many highly experienced workers said, “Even though the work hours here are long and working here is dirty and tiring, there is one good point. The management does not insult people nor do they use vulgar language.” After observing the management of a few workshops, the strongest language that the managers with a poor temper would use would generally be, “How many times have I gone over this but yet all of you still don’t seem to understand?”.

Client Visits and Audits

The investigator did not encounter any client visits or auditors.
Work Environment

The investigator did not learn of any labor strikes.

When workers enter and exit the factory, they must pass through a facial recognition gate. When they enter and exit the workshop, they must go through a metal detector. The security gate has a security guard watching over the security checks. If a worker brings their own coat and wants to bring their coat into the workshop, they are required to take off their coat and hand it to the security guard who will carefully check the coat’s pockets and hood to see if anything is being hidden in the clothing’s corners. If workers bring their own bottled water or liquid, it must be a transparent fluid and the bottle must have the worker’s name written on it. If the bottle has a colored label on it, it needs to be ripped off in order to ensure the security guard can quickly assess the contents of the bottle. Opaque liquids such as coffee, milk tea and coke cannot be brought through the security gate.

Workers entering the CNC workshop must line up to go through the security gate. The security gate has a metal detector installed and workers are not allowed to bring in any metal products or wear anything that contains metal. Items such as thermoses or cell phones cannot be brought into the workshops.

Worker satisfaction: New workers often comment that they only want to work for two months so they can receive the labor dispatch’s commission fee as they do not wish to transfer to formal employment. New workers commonly say they only chose to work at Catcher due to the labor dispatch company promising a high commission fee or because the factory’s hourly wage was comparatively high. They will often say, “if the commission fee wasn’t high, I would never be willing to come to Catcher.”
Apple’s Failed CSR Audit

Investigator’s Diary

By the time I woke up, it was 6:30 PM. My roommates were not up yet but I got up quickly because the dorms do not have individual bathrooms. The entire building only has one public bathroom and it only has eight squat toilets. Once it is 7 PM, the bathrooms became packed and a line starts forming. I took advantage of it still being early and rushed to the bathroom. Unfortunately, many of the spots were already occupied. I didn’t expect the bathroom to be packed so early. Luckily the spot furthest in was still available, solving my urgent need. By the time I got out, two people were already waiting to use my spot. Each floor has 22 dorm rooms with 8 people living in each one, for a total of 176 people. Yet there are only 8 bathroom stalls available for use. If people don’t schedule enough time to go to the bathroom, they would most likely end up painfully holding it in for a while.

Going back to the dorm, I picked up my cup along with my toothbrush and toothpaste and went to brush my teeth. The sink area is right next to the public bathroom. There are two rows of water faucets, one with 6 and the other with 8. There is often snot, phlegm, and unknown black substances floating around in the sink. Just the sight of it makes me feel disgusted. I had to finish up very quickly to avoid throwing up. Walking out of the sink area, I felt the bottom of my feet getting cold. I looked down and saw I had stepped into water. The water pipes under the sink are broken so whenever someone turned on the faucets, water would flow out from the break and a 1 cm layer of water would in a short while collect on the floor. I was wearing slippers and they became wet instantly. After getting back to the dorm, I took off my socks, dried my feet, and put on some dry socks. I told myself the next time I went to go brush my teeth and wash my face to definitely not wear slippers.

I changed into my work uniform and got ready to eat dinner before heading to work. It’s mid-October now and the weather is starting to get cold. The factory only gave out one long-sleeved work uniform. Every day in the workshop, large amounts of cutting oil and waste water would splash on it so in two or three days’ time, the uniform started emitting a foul odor. The sleeves and chest area would turn a dark color from all the accumulated layers of oil. The grey uniform had already been dyed black. While my entire body carried a pungent odor, I headed out.

(Factory dormitory)
It was already dark outside and the weather was windy and cold. I ran to the dorm cafeteria, drank a sweet and sour soup and ate two steamed buns. After a few minutes, my body warmed up and I felt energy was returning to my body so I walked to work. The dormitories are two kilometers from the factory, which is usually a 20 minute or so walk. At night, it’s very dark out and some parts of the street were not visible. It was raining a couple days ago so the recessed parts of the sidewalk had turned into mud puddles. In order to avoid the mud puddles, I had to walk slower and ended up walking for around 30 minutes.

After arriving at the factory area, I’d need to cross the street to get to Vito (Ke Gong) since I work at Vito’s E section. The road between Vito and Catcher can be somewhat dangerous during rush hour. Many Catcher employees ride electric scooters to work and they basically ignore the traffic lights and run rampant on the street. The day before yesterday when I was crossing the street, an electric scooter passed right in front of me. If I had taken a slightly bigger step, I might have been knocked down. There was also one morning when I saw a traffic police stop and issue a ticket to a Catcher employee who ran the light while riding an electric scooter. But there is no traffic police patrolling in the evenings so these people would then run red lights as usual. Today I came a little bit earlier and there were not as many vehicles at the intersection.

Arriving at the gate of Vito, I heard security officers shouting loudly to workers entering the factory: “Make sure your uniform is visible!”, “Hats! Hats off!”, “Your hair is in the way!” In order to enter, workers need to go through a facial recognition gate, swipe their attendance cards, and then stand in front of a camera and wait for the system to verify the worker. The gates open only after passing all these procedures. If the employee is wearing a hat, glasses, or there is hair blocking their forehead, the camera recognition will fail and they will not be allowed to enter.
After successfully passing the facial recognition, I entered the factory. I saw there was already a line forming in the area where workers were supposed to swipe in. Factory regulations state workers cannot swipe in before 8:15. Some workers who had arrived early had to wait until 8:15 so they sat on the curb by the factory while playing mobile games on their phones. When it was 8:15, they stored their phones in the staff lockers and lined up to swipe in.

After the check-in, it is necessary to pass a narrow door, which you could only walk through by turning your body sideways. Workers then pass through the security check at the entrance of the workshop. The factory rules state metal items cannot be brought into the workshop. There are three security guards in charge of inspection. Some people wear coats or down jackets into the workshop but the security guards require them to take the jackets off so they can check the inside of every pocket. They also pinch the corners of clothes to confirm nothing is being smuggled in, before letting the worker go through.

The security gate allegedly had a metal detector installed and from time to time, would beep. The security officer would then say to the worker, "There is something on your person. You cannot go in. Go back to the end of the line." The unlucky worker must go outside and rifle through their pockets to find what metal is inside. Some people check again and again but do not find anything. When they go through security again, the security guard says "give the face mask to me", and after this, they can successfully pass through the security gate. There is a very thin wire in the face mask. Sometimes a face mask in a person’s pocket will set off the alarm but sometimes not. I am not clear why.

After lining up to swipe in, lining up to go through a security check and then waiting to enter the workshop, it was already almost 8:25. I went to my place on the production line. The line leader brought
over a bag of face masks and gloves. Everyone took a set. After putting them on, we started work. Inside the workshop, there is a very strong smell of cutting fluid, which when smelled made people very uncomfortable and dizzy. Some workers who smelled it would get an upset stomach and want to throw up. They would immediately apply to be transferred to another department. Everyday we’d be given a single use face mask but it was not very effective as we’d still be able to smell the pungent odor.

The noise in the CNC workshop was especially loud and was harmful to workers’ hearing. Once a week, Catcher would give every operator ear plugs. With the earplugs in, the noise level noticeably decreased but workers would also be unable to hear conversations with their neighbors. Sometimes, if the machine ran into an issue or if there was some matter that needed to be reported to the line leader, workers could only take out their earplugs and then speak.

Vito E Sector’s CNC workshop mainly produced iPhone 8’s metal frame. My job was to disassemble jigs and remove screws, place work items, and then fasten screws. One tray held eight jigs. The trays were transported on a small push cart. Under regular circumstances, a CNC production line has 38 CNC machines with 4 workers operating them, 3 workers assembling/disassembling jigs, and 1 line leader scheduling fixes for the production line whenever it malfunctioned.

After the CNC machine finished cutting a metal frame, the operator would retrieve the finished product part and place the empty jig back into the tray. After filling up a tray, they push the cart to the screw removing sector and pass it along to us to begin the next step of the process. We use a pneumatic screwdriver to remove the screws from the empty jig and then use a high-pressure air gun to clean the jig, blowing off the waste water, cutting fluid, and metallic debris from the jig’s interior. Afterwards, we place the half-finished metal frame into the jig and then mount the screws so as to make sure the metal frame is firmly affixed to the jig. We then pass it along to the CNC machine to begin the preliminary cutting work.

When we clean the pre-disassembled jig, the dirty water and cutting fluid from inside the jig would often splash onto the ground, causing the ground to become slippery, and would also splash onto workers’ bodies. After a day or two of work, my work uniform has already become very unsightly. The factory stipulates operators should wear a waterproof apron but does not provide one to us new workers. An apron was not provided up until the 11th when I was switching shifts. Sometimes the cutting fluid would splash into our eyes, which was very painful and we’d have no choice but to go to the bathroom to use water to wash our eyes. The residual material on the jig would land on the ground, on our bodies, and sometimes even get on our eyes and face. It was very unsafe. It got to the point where when I used the high-pressure air gun to clean the jig, I was forced to close my eyes and someone mistook me as dozing off because I looked like I hadn’t fully woken up yet.

The entire screw removal and assembly process is done standing up and there are no seats to sit on. There are also few opportunities to move around. If the CNC machine transfer process is smooth and things begin to become busy, cart after cart of jigs are sent to the screw removal and assembly area without pause. We work without stopping, disassembling rigs, removing screws, assembling metal frames, and screwing in screws to fasten the rig. There is essentially no time to rest. We stand continuously for one or two hours; our legs fall asleep and the bottom of our feet hurt badly. We often have to repeatedly switch between standing on our toes or on the balls of our feet. Basically, we do what we can to make sure the flat of our feet does not rest on the ground. We use this method to reduce the pain on the arch of our feet.

When it was almost 11 PM, the line leader came over to tell me that I would be eating with the second group. In order to maximize production, CNC production line does not stop for even a second. Workers are scheduled into groups for meals. This is done to ensure the production line is constantly moving. At
Apple’s Failed CSR Audit

11 PM, half of the people went to eat and there were only 2 machine operators and 2 screw disassembly/assembly personnel. The empty rigs in the screw disassembly/assembly area began to build up and no matter how much we sped up we couldn’t keep up with the speed of the production line. This time was when screw disassembly/assembly workers were the busiest.

The workers in the first group to eat were usually line leaders, senior workers or local Suqian workers. The second group to eat usually consisted of new workers who weren’t from Suqian. Locals speak the Suqian dialect and non-natives speak Mandarin, leading to the formation of two different social circles. These two circles rarely communicate with each other and largely do not eat with one another.

Dinner time is regulated to be 60 minutes but, in reality, it is often extended to 70 minutes. Workshop managers move the scheduled 10 minutes of rest between 10 PM to 10:10 PM to mealtime so when it was 10 PM, there was no rest time. At 12:10 AM, the first group of workers to eat return to their work stations and then us workers who were scheduled to eat in the second group can finally have our meal. We take advantage of our mealtime to stretch our legs and feet and relieve some of the pain caused by standing for 3 hours. The factory area is approximately 300 meters from the cafeteria. After leaving the workshop to go eat, we also need to line up to go through a metal detector. Sometimes leftover bits and pieces of metal will get inside our pockets, collars or on our heads so when we pass through the metal detector, it would beep and we’d have to go back to the end of the line and line up again. As we were re-lining up, we’d rush to clean ourselves of metal dust.

When entering the cafeteria, there were not that many people in line. As I approached the cafeteria window and looked inside, it turned out they were already cleaning up and the food trays were almost empty. I rushed to swipe my card and get myself some food. The factory will top up workers’ key cards with 6 RMB for meal time, serving as a meal stipend.

A 6 RMB food stipend at some food service windows can purchase one serving of a meat dish, a half serving of a meat dish and half a serving of a vegetable dish along with one serving of a vegetable dish. At some windows you could also get a plate of a meat dish as well as a plate of a vegetable dish. There are no limits on rice. The meat dishes available at the cafeteria are typically these three kinds: fried fish, braised meat, meatballs. Commonly served vegetable dishes are: boiled eggplant, stir-fried lotus root slices, stir-fried potato slices, and stir-fried cucumber.
I am not sure if it is because the people in the first group eat too much or if the cafeteria does not prepare a sufficient amount of food but the workers in the second group are often left with not enough food. Some people when they see there is not enough food left will just go to the cafeteria’s shop and use their 6 RMB meal stipend to purchase instant noodles or a small bread to eat. However, I was somewhat hungry so small bread and instant noodles would not be enough to fill me. I decided it would be better if I ate the cafeteria food, even if there was only a small amount of food left and the little food available had already gotten cold. At least, there was enough rice.

After a few days of eating at the cafeteria, I very much missed eating green vegetables. Occasionally, I would see a window would have a tray of green leafy vegetables and my eyes would light up. I would definitely go to that window to get food. However, these kinds of opportunities were rare. The cafeteria did not provide sufficient green vegetables.
After we ate, many people would gather in the smoking area and start to smoke. Those who did not smoke would go to the worker lockers and take out their phones. They’d either play WeChat games or watch online TV shows. There were also some people who would take a nap on the chairs in the cafeteria. When it was almost 1:20, we would rush to put our phones back into the lockers, line up to pass security so as to enter the workshop and return to our workstations to resume work. The most difficult part of our day was beginning.

We would work from 1:20 AM to 5:50 AM, a total of 4 hours of work that is done standing up. There is practically no rest time. Our legs would fall asleep and our feet would hurt. The line leader would from time to time urge us and shout, “Attach the screws faster”. When it was 3:30 AM, my entire body felt like my spirit had left me. My head, legs and feet were devoid of sensation and only my hands kept moving, mechanically disassembling rigs, assembling metal frames, fastening rigs. It was as if I had transformed into a robot as I continuously performed the motions required in the manufacturing process. 10 minutes after this feeling passed, the pain returned to my legs and feet and it was more severe than before. At that time, every second was painful. I badly wished to lie down and prop my feet up to relieve them of some pain. I felt like each passing minute was passing by too slowly and it was as if time had stopped.

At that time, if the CNC machine on the production line ran into an issue, the entire line’s speed would reduce somewhat, which meant the amount of empty rigs sent to the screw disassembly/assembly area would reduce somewhat as well. I could slow down my hand movements or take advantage of the opportunity to go to the restroom and stretch out my legs. Catcher’s employee manual stipulates workers
must notify their line leader if they are leaving their workstation to go to the bathroom. Workers must then go to the “worker leaving workstation registration” and sign their name, write the time that they are leaving their workstation, the reason for why they’re leaving and then take a yellow vest that has the words “worker leaving workstation” printed on the back. Only then can workers go to the restroom.

The restroom in the workshop has a very slippery floor because everyone’s shoes are stained with cutting fluid and when they walk around, they track oil into the restroom. I witnessed a coworker slip and fall in the restroom. After returning from the bathroom and before heading back to the production line, workers have to return the vest and write what time they returned in the “worker leaving workstation registration” form. If the worker spends over 5 minutes away from their workstation, they will be reprimanded by their supervisor. After they return to their workstation, they must endure the pain and continue working until 5:50. On top of all that, I’m in the second group to eat but at least during meals, I can finally sit down and rest my feet.

The second meal during the night shift is 40 minutes long. As there was no rest time scheduled from 3 AM to 3:10 AM, the night shift’s second meal is 50 minutes long. The first group’s meal time is 5 AM to 5:50 AM. The second group’s meal time is 5:50 AM to 6:40 AM. The food stipend for this meal is only 3 RMB and only two windows are open in the cafeteria, resulting in long wait times. The cafeteria does not provide rice, stir-fried foods, only steamed buns, sesame cakes, pancakes and other flour-based foods. Moreover, the amount of food provided is not sufficient. Therefore, workers who are scheduled to eat in the second group are actually better off because when they realize they won’t be able to get food, they’ll just decide not to eat. They plan to use their own money to purchase breakfast after work and will use their 3 RMB meal stipend to go to the cafeteria’s shop to buy a can of cola or iced black tea. I also decided to eat after work and used my 3 RMB meal stipend to purchase a bottle of water. I sat on one of the cafeteria’s chairs as I slowly drank my water. After standing for a consecutive 4 and a half hours, finally being able to sit makes me feel much more relaxed. Around 6:30 AM, the cafeteria’s janitorial staff starts to pour water onto the ground in preparation for cleaning up. At this time, the cafeteria’s tiles are very slippery. When I first arrived, I didn’t notice so I slipped one time.

At 6:40 AM I returned to my workstation to resume work and it is counted as overtime. The period of time from 6:40 to 8:30 is much more relaxed in comparison to working 4 continuous hours in the middle of the night. Usually around 8:10, the line leader would order everyone to stop and to begin cleaning the metal dust on the areas under and near their respective workstations. Workers will use brooms to clean the cutting fluid on the floor near their workstations. After cleaning up, it will be almost 8:20 AM. At this time, the day shift’s line leader will come over and switch shifts with the night shift’s line leader. Night shift workers will start their before leaving work meeting.

The meeting happens next to the production line. However, as the noise in the workshop is very loud, people are forced to shout. The line leader asks workers to form a half circle while he stands in the middle. This time he talked about the following points: 1) No work on Sunday and work will start on the next Monday. Workers are not allowed to ask for leave on Monday as it will not be approved. Don’t think about not coming in on Monday and think that means you can have Sunday and Monday off as this is not allowed. If you ask for leave on Monday, it will be counted as missing work and you will be deducted 400 RMB. 2) Currently the factory is full and is looking for opportunities to fire some workers. Everyone must comply with all regulations. If a worker is late due to falling asleep during meal time, they will be fired. 3) Be careful on the way to and from work.

At the mention of being careful, one coworker asked the line leader: “Two days prior there was an instance of someone getting hit by a three wheeled car, how was that taken care of? Did the higher ups
have a meeting about it?” The line leader said, “We did not talk about it and we will not talk about it. What’s there to talk about? Even if they were killed, it wouldn’t be an issue.” When workers heard this, they were speechless. The line leader told everyone the meeting was over and to swipe out.

At 8:30, I swiped out of the workshop and then went to line up at Catcher’s main gate in order to go through the facial recognition gates. After walking through the main gate, it was already 8:45. I walked past the intersection between Catcher and Vito and saw a traffic officer give a ticket to a Catcher worker who was driving an electric scooter. As for the unlicensed three wheeled cars that caused the traffic accident a few days ago, they were still picking up customers like normal and the traffic officer was completely ignoring them.

(Traffic police station)

I walked back to the dorms with a coworker. I was walking quickly and was criticized, “Didn’t you say that your feet hurt? How come you’re still walking that fast? My feet also hurt so I can’t walk that fast.” I answered him: “It’s because my feet hurt that I’m walking fast. Right now it hurts every time I take a step but the slower I walk then the longer it hurts. If I walk faster and get to the dorm sooner, then the amount of time I’m in pain is shorter and I can even soak my feet.” He thought about it and realized there was some logic behind what I was saying and also started walking faster.
Upon returning to the dorms, I immediately took off my oily, bad-smelling work uniform and hung it up in a ventilated area. Afterwards, I went to the shower room and filled up a basin with hot water so I can soak my feet in the dorm room, which felt extremely soothing. I soaked for five minutes and started yawning repeatedly. I was quickly becoming more tired. I had originally planned to go to the dorm’s cafeteria after work to eat a meal but right now even though I’m hungry my tiredness was overwhelming my hunger so I climbed on to bed to sleep.
## Violations of Apple’s Supplier Responsibility Standards

<table>
<thead>
<tr>
<th>Apple’s Supplier Responsibility Standard</th>
<th>Actual working conditions at Catcher</th>
</tr>
</thead>
<tbody>
<tr>
<td>All overtime shall be voluntary</td>
<td>Workers who do not wish to work overtime must obtain permission from their group leader.</td>
</tr>
<tr>
<td>Supplier shall provide mandatory benefits as per applicable laws and regulations. Supplier shall provide workers with paid and unpaid leave, and public holidays</td>
<td>Workers who applied through the labor dispatch company do not pay for social insurance during their probationary period.</td>
</tr>
<tr>
<td>Supplier shall not charge workers for anything required by the supplier for the employee to effectively carry out their job duties</td>
<td>Factories request probationary workers pay for their uniform fees</td>
</tr>
<tr>
<td>Supplier shall have documented processes by which to have a dialogue with workers about concerns and address collective actions by workers</td>
<td>Workers are unaware of who their representatives are, if meetings have ever been held and when meetings occur.</td>
</tr>
<tr>
<td>Supplier shall provide workers with appropriate workplace health and safety training in their primary language</td>
<td>Workers do not participate in any substantial safety training.</td>
</tr>
<tr>
<td>Supplier shall communicate the risks of Hazardous Chemicals and subsequent control mechanisms to mitigate those risks to workers</td>
<td>Workers do not understand how to properly handle chemicals, and the factory does not specify the chemicals which workers will come into contact with.</td>
</tr>
<tr>
<td>Supplier shall establish an occupational health surveillance system to identify workers who are routinely exposed to occupational hazards, the workstations, the length of time which they have worked at the statins, their pre-task, on-the-job, post-task, and post-emergency medical surveillance records.</td>
<td>Workers who are resigning do not go through a physical examination.</td>
</tr>
<tr>
<td>Personal protective equipment: PPE shall be provided to all personnel at risk of exposure to occupational hazards within the worksite.</td>
<td>Workers operate machinery with no eye protection.</td>
</tr>
<tr>
<td>Supplier shall provide emergency response plan training to all workers</td>
<td>Workers do not participate in any substantial safety training.</td>
</tr>
<tr>
<td>Supplier shall conduct semiannual evacuation drills</td>
<td>The workers commonly say they have never heard of a fire safety drill happening.</td>
</tr>
<tr>
<td>Supplier shall provide both hot and cold pressurized water showers for the use of all occupants</td>
<td>Showers do not provide sufficient amounts of hot water.</td>
</tr>
<tr>
<td>Requirement</td>
<td>Non-Compliance</td>
</tr>
<tr>
<td>---------------------------------------------------------------------------</td>
<td>--------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>All dormitory sleeping rooms shall open to common areas or hallways that provide at least two clearly marked exits that are clear, free of obstructions, and available for emergency use at all times</td>
<td>In dorms, there are no emergency hallways or exits.</td>
</tr>
<tr>
<td>All food made available to workers shall be prepared, store, and served in a safe and sanitary manner in accordance with applicable laws and regulations</td>
<td>Many instances where workers suffer a case of diarrhea after eating food at the factory.</td>
</tr>
<tr>
<td>Supplier shall install and maintain appropriate process wastewater treatment systems that reduce the pollutant contribution of each of its facilities to levels compliant with applicable laws and regulations</td>
<td>Catcher is polluting the environment with wastewater.</td>
</tr>
</tbody>
</table>
Results of the Investigation into the Unidentified Gas Discovered May 25th in the A6 Workshop of Catcher Technology (Suqian) Ltd. Co.

The investigation revealed the accident in the A6 workshop of Catcher Technology (Suqian) Ltd. Co (hereafter referred to as Catcher Technology) was caused by the wearing of an air compressor screw leading to a secondary accident of the compressor mechanics malfunctioning. Due to the friction produced by the bearing block and screw locking up within the power air compressor, a large amount of thermal energy was generated and the screw split apart as a result of the lack of internal lubricant. The splitting led to the formation of small molecular hydrocarbons that contained sulfur, phosphorus and other compounds produced by the decomposition of additives, as well as the formation of irritant gases. The gas reached the workstations via the compressor pipe system and permeated throughout the entire workshop, triggering adverse reactions among operator personnel.

Currently, the city’s environmental protection agency and emergency response center as well as Jiangsu Innovative Safety Inspection Co., Ltd, a third-party organization, have continued inspecting the Catcher Technology A6 floor workshop. The inspections carried out in the factory’s surrounding environment and work grounds revealed all the monitored parameters were in accordance with national standards. No abnormalities were discovered. All personnel who suffered adverse reactions have already been released from the hospital.

We are already conducting an investigation into this accident to find all responsible parties. In accordance with the investigation results, the responsible parties and individuals will be dealt with according to the law.

Administrative Committee of the Suzhou-Suqian Industrial Park, located in Suqian city, Jiangsu Province

June 1, 2017

Link to the results of the investigation (Chinese): http://www.ssipac.gov.cn/News/8148Detail.shtml