



## Beyond Foxconn: Deplorable Working Conditions Characterize Apple's Entire Supply Chain

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FOR IMMEDIATE RELEASE:

July 27, 2012 (New York), China Labor Watch released a new investigative report on an Apple Foxconn factory, as well as nine other factories in China that supply Apple, finding not only that labor rights violations are still common at Foxconn but also that these violations are rampant throughout Apple's supply chain. In fact, conditions can be even worse at other Apple suppliers, including at the Riteng factory in Shanghai.

### The report found the following problems to be common in the ten factories:

1. Excessive Overtime: The average overtime in most of the factories was between 100 and 130 hours per month, and between 150 and 180 hours per month during peak production season, well above China's legal limits.
2. In most factories, workers generally work 11 hours every day, including weekends and holidays during peak seasons. Normally they can only take a day off every month, or in the peak season may go several months without a day off.
3. Low wages compel workers to accept long overtime hours. Most of the factories pay a basic salary equal to the minimum wage stipulated by the local law (around \$200/month), so low that workers have to work long hours to support themselves.
4. Workers are exposed to a variety of dangerous working conditions. Workers in all the factories reported safety concerns such as metal dust and hazardous working environments.
5. All too often, workers find the food offered in the factory cafeterias unsanitary. Their housing conditions are frequently overcrowded, dirty, and lacking in facilities.
6. Most workers are not familiar with unions and their function. They have little ability to push for reasonable working conditions.
7. Some factories do not pay for workers' social insurance, work injury insurance, and other insurance required by law.

The Riteng factory stands out for its particularly poor working conditions, with these conditions even worse than they are at Foxconn. On average Riteng workers are on the job nearly 12 hours a day, compared to 10 hours a day at the Foxconn factory. The Riteng workers get only about one day of rest each month. Their overtime hours dwarf those of the Foxconn workers, which themselves are well above the legal limit set in China. For Riteng workers, the average hourly wage is 8.2 RMB or \$1.30, well below the still-meager average hourly wage of Foxconn workers of 10.2 RMB or \$1.62. Half of Riteng workers rated its safety and health as 'bad' compared to just 2% of workers giving this rating to the Foxconn factory.


### Serious problem of Labor Dispatching has been overlooked by Apple

Our research revealed that the biggest problem overlooked by Apple in their Social Responsibility Reports, is the prevalent use of dispatched labor in their supply chain. Except for Foxconn in Shenzhen which transferred all dispatched workers to direct-hire status in 2011, all other investigated factories overused dispatched labor, including Jabil in Shenzhen where dispatched labor made up almost 70% of the workforce [1]. Of note:

1. Factories can use dispatched labor to employ people short-term without having to pay severance compensation.
2. Factories can use dispatched labor to shift responsibility for worker injuries onto another party.
3. Factories can use dispatched labor to prevent workers from organizing into unions or establishing democratic management systems.
4. Factories can reduce other forms of worker compensation, and thus their labor costs, by hiring dispatched labor. For instance, when companies contribute to social insurance programs for dispatched workers, they pay a smaller percentage or sometimes do not sign up workers at all. Their labor costs can be reduced by 10% to 15% in this way.
5. Dispatched workers have no limitation on the amount of overtime that they work. Some have to work more than 150 hours of overtime every month.
6. Dispatched workers often have to pay sizable fees to the dispatching agency.

### Apple must reform

"The squeezing of factory workers exists throughout Apple's supply chain in China, and not just at Foxconn," said Li Qiang, executive director of China Labor Watch. "Apple has the responsibility, and the financial resources, to ensure that needed improvements for workers occur systematically and quickly."

The report, *Beyond Foxconn: Deplorable Working Conditions Characterize Apple's Entire Supply Chain*, is based on interviews of 620 workers in ten diverse factories making Apple products in China. The information was collected between January 2012 and April 2012, often despite obstacles presented by Chinese authorities. [The full 132-page report](#) 

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[1] Actually, the dispatched workers constitutes 70% of the workforce in Shenzhen, and 90% of the workforce in Suzhou, except for managers and technicians. They are estimated percentages based on this investigation.

**Relative Videos about the investigative report:**

Production Line in Catcher <http://youtu.be/UknhWoL6GWQ> 

Cafeteria and Break Room in Catcher [http://youtu.be/m3kK3FOn\\_40](http://youtu.be/m3kK3FOn_40) 

The Front Door and Living Area of Kenseisha <http://youtu.be/FB1mxj7ZsjM> 

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