

## APPENDIX I

## IMPLEMENTATION OF FOXCONN INTERNSHIP PROGRAM PLAN

REMEDIATION ACTIONS	STATUS AS OF JUNE 30, 2012
<p>1. Ensure that all internal policies, procedures and training reflect the national, provincial and city-level regulations that apply to interns.</p>	<p>Foxconn has created a database of all legal requirements for interns at the national, provincial and city levels. The human resources department is responsible for creating and updating this database.</p> <p>Foxconn's internal policies, procedures and training are consistent with updated regulations pertaining to interns. The existing policies have been revised and appropriate clauses have been incorporated. These include the ability to leave the facility prior to the completion of the program; freedom to choose housing accommodation within or outside the factory premises; no overtime for interns; review of personal accident and liability insurance receipts for the interns provided by their school prior to their joining the internship program; and development of new training modules for interns.</p> <p>Written policies and procedures were reviewed by the verification team and discussed in depth with factory management. The database was also reviewed.</p>
<p>2. Coordinate with the sending schools and colleges to ensure that the job relates to the intern's field of study.</p>	<p>Updated policies for hiring interns now clearly state that the hiring criteria for interns will be in alignment with their educational background.</p> <p>Updated Internship Management procedures include acquiring a clear understanding of the educational background of students; analysis of workstation skill requirements; and the number of internship vacancies available. Based on these procedures, the factory shall ensure that the appropriate number of interns is engaged and that their qualifications match the practical skill sets they will be acquiring during the tenure of the program.</p> <p>Written policies and procedures were reviewed by the verification team and discussed in depth with factory management. Random interviews with interns were also conducted at the Longhua facility to verify that the jobs assigned to interns were relevant to their fields of study.</p>
<p>3. Coordinate with the sending schools and colleges to measure the intern's skills before and after the internship in order to document the benefits of the training and experience gained.</p>	<p>Updated Internship Management procedures include development of a tool to measure intern skills before and after the internship. The tool to measure skills has already been developed, and was reviewed by the verification team as part of the review of written policies and procedures.</p> <p>Each Foxconn factory using interns has also designated a task force that will interact with teachers accompanying interns to obtain feedback on the benefits of the training and internship. Subsequently, an evaluation report shall be provided to the school. Teachers from technical colleges and vocational high schools are assigned to interns by the sending schools. However, for university students recruited directly from campuses by Foxconn, there are no teachers assigned by the university.</p> <p>During random interviews conducted with interns at Longhua, some interns appeared to be aware of the system, while others were not fully aware. We conclude that the system is in place; however, the information flow needs to improve.</p>

<p>4. Ensure that all interns continue to receive the same entry wage as other entry-level workers doing similar work and that such wages are always above the minimum wage for that area.</p>	<p>Foxconn's policy is that interns be compensated at the same entry-level wage as regular workers. These wage rates are higher than the applicable minimum wage rates.</p> <p>Payroll records were reviewed and verified through random interviews with interns present at Longhua.</p>
<p>5. The law requires that interns have personal accident and liability insurance before starting their internship. This should be the responsibility of the parents or the school. Foxconn should however verify that students are indeed covered and should consider the possibility of paying for such insurance if necessary.</p>	<p>Foxconn has a written policy in place to review the payment receipts for personal accident and liability insurance before the interns join the internship program. Additionally, Foxconn's updated tripartite internship agreement states that personal accident and liability insurance for interns should be paid by schools or the parents before the students enroll in the internship program.</p> <p>The interns at Longhua joined the internship program in March 2012; no new interns joined after that month. The updated internship management procedures, which include Foxconn's review of insurance receipts, will become applicable from the time the next batch of interns are enrolled. The verification team reviewed the policy and procedures. The draft of the notification from the schools that they have paid the insurance for the interns was also reviewed.</p>
<p>6. Continue to verify the intern's age and take care to place all young workers in appropriate positions.</p>	<p>Updated and enhanced procedures for hiring interns include using an ID card reader, which is linked to the police bureau, to verify age. Other procedures include picture ID, proof from schools and interviews of interns to verify age.</p> <p>If interns are juveniles (16-18 years of age), related procedures are applied to place the young interns in appropriate positions. Age verification is a critical hiring process for all employees and interns.</p> <p>Policies and procedures were reviewed by the verification team and discussed in-depth with factory management. There were no juvenile interns at Longhua at the time of the assessment, and this was verified through random interviews with interns and a review of the proof of age maintained on record.</p>
<p>7. Take measures to prevent interns from working more than eight hours per day, five days per week, pursuant to national law.</p>	<p>Foxconn has revised its policy to clearly state that overtime for interns is strictly prohibited and that interns shall not be required to work more than 5 days per week and 8 hours per day.</p> <p>At the Longhua facility, which had interns, factory has initiated training for supervisors; displayed notices on notice boards; and communicated information through newsletters and LED displays clearly advising that interns will not be permitted to work overtime.</p> <p>Additionally, a task force has been put in place that along with the teacher from the school, would regularly supervise these measures. During the internship program, interns will be interviewed at periodic intervals to verify that they are working no more than the regular working hours. The e-HR system has been enhanced to help manage interns' working hours.</p> <p>Verified via random interviews with interns at Longhua and through interviews with management representatives directly responsible for managing the internship program. The verification team also reviewed the e-HR system.</p>

<p>8. Enhance the counseling services available to interns, including a dedicated operator on the hotline. This is in addition to the teachers who accompany students to the factory.</p>	<p>Foxconn has set up a dedicated hotline for interns. Additionally, interns can also use the general hotline for employees.</p> <p>A task force has been designated to look after the incoming interns. Facility also has a dedicated window in the I-Care center for interns. The I-Care center in Foxconn is supervised by the trade union and there are more than 90 operators (counselors) who have received intensive training on dealing with workers' issues. Workers can walk-in, call and email the I-Care center for support. More than 25 doctors and counseling psychologists are on duty every day (day shift). Shenzhen Second Municipal Hospital (市二醫院) serves as a support to provide additional resources.</p> <p>Teachers assigned to the interns by the schools are also involved in addressing the issues the interns raise. Foxconn will ensure that the ratio of teachers to interns does not exceed 1:100. Foxconn will deliver orientation training to interns, advising them on several methods to seek help, if necessary.</p> <p>Random interviews conducted with interns at Longhua by the verification team confirmed that the interns were aware of the several methods available to them to seek help.</p>
<p>9. Include procedures for "resignation" in the agreements signed with schools and students so that interns do not ever feel that they are working against their will.</p>	<p>Updated tripartite internship agreement specifies that interns have the right to join and/or leave the program freely.</p> <p>Each factory engaging interns will deliver on-site training for students, in schools, explaining this particular clause, before they apply for the internship program at Foxconn.</p> <p>Verified through review of documents (tripartite agreement), random interviews with interns at Longhua, and interviews with management representatives directly responsible for managing the internship program.</p>
<p>10. Review the deductions made by Foxconn from interns' wages to ensure that they are fair. Also check on any payments interns may have to make to their school to ensure that they are justified.</p>	<p>According to the Internship Management policy and procedure, the factory pays wages directly to interns. Deductions are made only for board and lodging if the intern is residing in factory-provided accommodation. Schools are prohibited from charging interns any fee.</p> <p>Foxconn will provide orientation training to interns and will conduct interviews as well, so as to ensure that the practice of taking out deductions does not exist and take preventive/remedial action if instances are observed.</p> <p>Verified through review of payroll records, interviews with factory management and random interviews with interns at Longhua. It was observed that no unjustified deductions were being made from the earnings of the interns.</p>
<p>11. Conduct an annual evaluation of the internship scheme, including exit interviews and other surveys.</p>	<p>Annual evaluation of the program to be undertaken at the end of the calendar year, i.e., December 31, 2012.</p> <p>The aim of this annual assessment by Foxconn is to evaluate their internship program and continue to improve and enhance its management.</p>
<p>12. Issue an annual report on the Foxconn internship program and document the contribution internships make to the Chinese vocational training system.</p>	<p>Annual report on the program to be issued by June 30, 2013.</p>