

Chinese workers exploited by U.S.-owned iPhone supplier

An investigation of labor conditions at Jabil
Green Point in Wuxi, China

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5



中国劳工观察
CHINA LABOR WATCH

It seems that wherever Apple products are made, labor rights are infringed upon, even if the supplier factory is owned by a U.S.-based company.

Ting, a female worker at the Jabil factory in Wuxi, China, is rushing to finish her lunch. With only five minutes to eat, she has to hurry back to the production facility, where her coworker Han is currently filling in for Ting. Han is waiting to be replaced so that she can have her lunch. Although Jabil workers are technically given a 30-minute lunch break, the amount of time in which they can actually eat their meals is far less.

When Ting leaves for her lunch break, she first needs to pass through security. In a production facility with 300 workers, Ting has to wait in line for three minutes before getting to the check point. After passing security, Ting rushes to the factory cafeteria, which is on the third floor of another building. When she arrives at the cafeteria eight minutes later, she waits another three minutes to get her food. When Ting finally takes a seat to eat her lunch, she has just five minutes to eat before she needs to head back to the production floor in time to replace Han.

This is lunchtime for a worker at Jabil, a publicly-traded U.S.-owned company. There are approximately 30,000 workers at the Jabil factory in Wuxi, China, but the complex only has one cafeteria. Overcrowding, short breaks, and distance between facilities has led to workers' five-minute meals.

From investigations on the suicides at Foxconn, to the 86 labor rights violations found at Pegatron, to this current report on the infringements of workers' rights at Jabil, China Labor Watch (CLW) has documented and reported on numerous extensive ethical and legal violations at Apple manufacturing facilities. Apple's products are manufactured at the expense of Chinese workers, laboring in factories owned by Taiwanese, Hong Kong, and, in the case of Jabil, U.S.-owned companies.

The Jabil Green Point factory in Wuxi ("Jabil Wuxi") is owned by Jabil Circuit Inc., a U.S.-based company headquartered in St. Petersburg, Florida with revenue of \$17.2 billion in 2012. This factory produces the rear plastic covers of Apple's so-called cheap iPhone. CLW's undercover investigation at Jabil exposed a series of violations of Chinese law as well as Apple's code of conduct. For example, workers at Jabil stand for 11 and a half hours of work per day, accumulating more than 100 overtime hours per month, three times that permissible by Chinese legal limits. In fact, Jabil forces workers to accept overtime hours, at the same time requiring newly hired workers to sign an agreement indicating that their overtime will be considered voluntary. The company also hires dispatch workers in excess of statutory limits and forces female applicants to accept pregnancy tests.

On its website, Apple claims that 99 percent of its manufacturers comply with Apple's standard of no more than 60 hours per week, a standard in excess of the Chinese legal limit of 49 hours. However, among the 80 workers CLW interviewed at Jabil Wuxi, more

than 80 percent said that they work more than 60 hours per week and 100 overtime hours per month. Actual pay stubs of workers also revealed that Jabil workers labor more than 100 hours of overtime a month, not including an additional 11 hours of unpaid overtime.

At Apple's supplier factories, workers' base wages are barely enough to meet subsistence-level needs, forcing workers to rely on overtime wages. At Jabil Wuxi, the typical monthly base wage for a worker is 1,500 RMB (\$245), while the average monthly income in Wuxi is 2,890 RMB (\$472) for private industry employees and 4,615 RMB (\$753) for non-private industry employees in 2012.¹ The combined base wages for two adults working at Jabil (3,000 RMB or \$490 per month) is insufficient to raise a child in Wuxi, with basic expenses for such a family amounting to 4,110 RMB (\$671) per month.

Given this economic reality, workers rely on overtime wages, something that the factory exploits even further by not paying them for some overtime work. CLW's investigation reveal that Jabil worker are required to accept 11 hours of unpaid overtime work every month, including participating in morning and evening meetings that are not calculated into working hours. This calculates to workers losing out on 142 RMB (\$23) per worker per month. With 30,000 workers at the Jabil factory in Wuxi, Jabil is effectively stealing 51 million RMB (\$8.3 million) per year from workers' unpaid overtime hours. As a publicly-traded American company, the gains Jabil makes off this wage theft indirectly benefit Jabil investors.

These are just some of the legal and ethical violations uncovered in this CLW report, which also include illegally inadequate and perfunctory training even on essential health and safety issues; crowded and difficult dorm conditions; excessively intense production schedules; and a lack of effective grievance channels through which workers can rectify these violations.

The Responsibility to Workers

CLW's July 2013 [report](#) on a group of factories belonging to Pegatron Group, a major Apple supplier, revealed that labor conditions in these factories clearly violated Apple's code of conduct. CLW's investigation of Jabil Wuxi further demonstrates the systemic nature of the labor rights violations occurring within Apple's manufacturing supply chain and runs counter to Apple's Code of Conduct and their self-reporting of conditions at these facilities.

Jabil also publishes its [commitments](#) to ethical business conduct, including compliance with the Electronics Industry Business Coalition (EICC) code. This code includes limiting work to 60 hours per week, compensating for overtime, voluntary labor, non-discrimination, and ongoing safety training. CLW's investigation finds that Jabil has

¹ Based on statistics provided by the Wuxi City government (Chinese):
<http://jswx.hrss.gov.cn/BA11/B/06/01/6413476.shtml>

largely disregarded these regulations in its Wuxi plant.

The treatment of workers at Jabil Wuxi also violates a number of Chinese laws. The government has inadequately enforced labor law, in part as a result of local government officials prioritizing business interests over worker interests. The Chinese government must take responsibility for lax law enforcement. At the same time, this is not a justification for Apple and Jabil to exploit workers subject to this environment.

The U.S. government also shares in the responsibility for labor abuses committed by U.S. companies manufacturing in China. It is the duty of national governments to regulate the conduct of their companies abroad. This notion is articulated in the United Nations' Guiding Principles on Business and Human Rights, which was unanimously endorsed in 2011 by the UN Human Rights Council, including the U.S. government. When, for instance, Jabil Circuit does not pay its Chinese production workers for overtime, the U.S. has the obligation to stop it. Rather, the U.S. currently profits through the capital gains tax on earnings Jabil acquires through wage theft of its workers in Wuxi.

Investigative Report of Jabil Green Point Technology (Wuxi)

Primary legal and ethical violations at Jabil Green Point

- Heavy use of dispatch workers beyond statutory limits.
- Dispatch workers charged fees by dispatch companies and employment agencies.
- Hiring discrimination (age 18-35, tattoos).
- Potential hiring discrimination against pregnant women.
- Workers made to sign a number of hiring documents which are meant to free Jabil from liability, but workers are not given time to understand the documents they sign and are not given a copy of the documents.
- Training is only two hours.
- Training is perfunctory, exam answers are given by trainer to be copied
- Training lacks information on safety despite a number of positions in the factory that involve regular contact with harmful chemicals, loud noises, or other hazards, leading to workers using protective equipment in incorrect ways.
- 110 hours of overtime per month is common, which is in excess of Apple's own code and even further in excess of Chinese statutory regulations on overtime hours.
- 11.5 hours of standing work per day.
- Despite work intensity and continual standing, workers are given no breaks outside of meal breaks during a 12-hour shift.
- Each worker is forced to work 11 hours of unpaid overtime every month.
- Overtime is usually mandatory.
- Potential audit fraud--daily factory attendance records display workers' working hours as an hour less than their real working hours.
- Some overtime hours are paid at rates less than that required by labor laws
- Crowded dorms have eight people per room.
- Night- and day-shift workers are assigned the same rooms, leading to workers' sleep being interrupted by one another.
- Short breaks only provide many workers with just minutes to eat.
- In order to meet high production quotas for iPhone covers, Jabil workers have to violate Jabil's own standard operating procedures, and management tacitly consents to the violations.
- Fire escape routes in some production departments are not clear.
- There is a list of punishments at Jabil that workers must sign before working, but the workers are not given a copy of these punishments.
- Workers rely on overtime work to earn a living wage.
- Lack of effective grievance channels.

This investigation was conducted from March to April and from June to August 2013. CLW collected information by sending investigators undercover into the factory as workers as well as through worker interviews conducted by different investigators outside of the factory.

Factory profile

Established in 2005, Jabil Green Point Technology (Wuxi) Co., Ltd (hereinafter referred to as “Jabil” or “the factory”) is located at Xixie Road in the national high-tech industrial development zone of Wuxi, Jiangsu Province. The factory is a wholly-owned subsidiary of Jabil Circuit, one of the world’s three largest electronic manufacturing service (EMS) companies.

Jabil currently has eight factory buildings and more than 30,000 workers, among which more than 60 percent are female. Its production departments mainly include shaping (injection), polishing, washing, laser etching, spraying, adhesive dispensing, laser welding, and CNC. The factory is currently providing manufacturing services for Apple cell phones, including the iPhone and the soon-to-be-released “cheap iPhone.”

Recruitment

The factory does not directly recruit production workers but relies solely on labor dispatch companies for recruitment. There are 15 major labor dispatch companies currently recruiting for Jabil, namely Fuda, Chenggong, Anxin, Gongyou, Hongxin, Shouqianshou, Xindong, Yiyang, Zhisheng, Jinwang, Oukai, Huiji, Jiefu, Licheng, and Zhenghang. Aside from the labor dispatch companies, which directly recruit workers themselves, there are more than 100 employment agencies in Wuxi and its surrounding areas that provide recruiting services, charging each worker at least 80 RMB (\$13) as a service fee.

The factory is currently producing Apple’s cheap iPhone and is in need of a large amount of workers. As a result, the factory encourages its current employees to recruit new workers through internal referral. For each new worker hired through internal referral and working in the factory for at least three months, there is a 300 RMB (\$48.93) reward to her referrer. But those who are hired this way are still dispatch workers rather than direct hires.



A banner encourages Jabil workers to recommend a friend for hire.

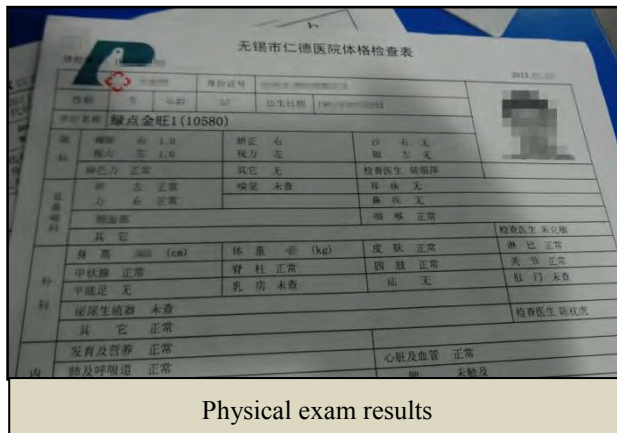
Due to common unfair and unequal treatment of dispatch workers, Chinese law has clear

restrictions on the proportion of dispatch workers that can constitute any given company's workforce. In Jiangsu Province, this proportion is 30 percent. And according a draft bill out of China's Human Resources and Social Insurance Bureau, the national limit will be 10 percent in the near future.

Lacking sufficient space to conduct job interviews for the large number of workers sent by so many employment agencies, labor dispatch companies usually conduct job interviews at the medical center of the hospital responsible for carrying out physical examinations. (Since physical examinations usually take place in the morning, the space is available for labor dispatch companies to hold job interviews in the afternoon.) The interviewers are from Jabil. They do a simple ID check—job applicants must be 18 to 35 years of age—examine the applicants' bodies for tattoos or cigarette burns, and ask whether the applicant can accept the two-shift system and the requirement to wear dust-free clothing. A job applicant is almost sure to pass the interview as long as she meets all the above requirements.

Job applicants who past the interview will head straight to labor dispatch companies to sign

labor contracts and other hiring documents as well as submit a fee of 5 RMB (\$0.82) to cover the ID copying expense and another fee of 10 RMB (\$1.63) per person for the service of opening an account for wage deposits at the bank.



无锡市仁德医院体格检查表

姓名: 性别: 年龄: 身份证号: 出生日期: 1990/08/08

体检类别: 绿点金旺1 (10580)

视力	矫正 右 1.0 左 1.0	辨色力	正常	听力	正常	心电图	正常
血压	110/70 mmHg	脉搏	72次/分	呼吸	16次/分	胸片	正常
身高	165 cm	体重	55 kg	皮肤	正常	泌尿生殖	正常
颈椎	正常	腰椎	正常	四肢	正常	其他	正常
乳腺	正常	乳房	正常	指甲	正常	发育及营养	正常
口腔	正常	咽喉	正常	心脏及血管	正常	肺及呼吸	正常

Physical exam results

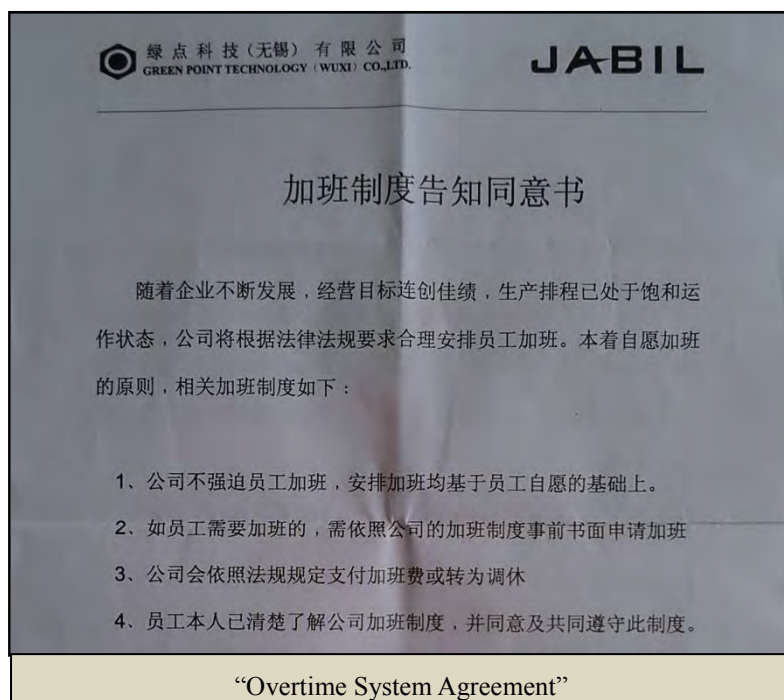
The next morning, job applicants go to the hospital to receive physical exams on an empty stomach, for which they pay a fee of 50 RMB

(\$8.16) per person in addition to the 80 RMB (\$13.05) service fee they pay the employment agencies or labor dispatch companies.

The exam includes vision, hearing, blood pressure, blood, urine, ECG, and chest X-ray tests and procedures.

There was also a pregnancy test for female applicants.

Although CLW interviewed 13 female workers, none of them were pregnant and we were not able to confirm that the factory refuses to hire



绿点科技(无锡)有限公司
GREEN POINT TECHNOLOGY (WUXI) CO., LTD.

JABIL

加班制度告知同意书

随着企业不断发展, 经营目标连创佳绩, 生产排程已处于饱和运作状态, 公司将根据法律法规要求合理安排员工加班。本着自愿加班的原则, 相关加班制度如下:

- 1、公司不强迫员工加班, 安排加班均基于员工自愿的基础上。
- 2、如员工需要加班的, 需依照公司的加班制度事前书面申请加班
- 3、公司会依照法规规定支付加班费或转为调休
- 4、员工本人已清楚了解公司加班制度, 并同意及共同遵守此制度。

"Overtime System Agreement"

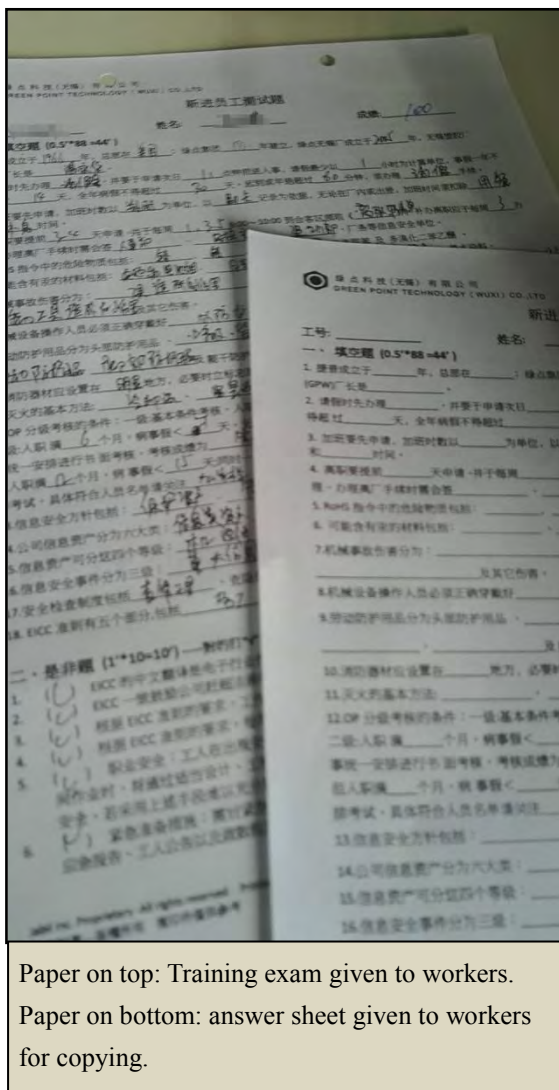
pregnant females.

Despite containing a great deal of private information, the exam results are taken directly by the labor dispatch companies from the hospital and are given to workers only on the morning of the third day, when workers register in the factory cafeteria.

Along with the exam results, workers receive a copy of their labor contract previously kept by the factories. They are asked to re-sign several documents which the factory has designed to avoid responsibility, including a "Notification" (a notification that the factory may check workers to protect its property), "Overtime System Agreement" (which states that the factory does not arrange forced overtime; all the overtime is voluntary, and the factory pays proper overtime wages), "Letter of Commitment" (which requires workers to keep all factory information confidential), "Pre-job Notification" (which informs workers on the requirement to wear protective gear, the factory's physical examination policy, positions that involve occupational safety issues, and potential safety hazards), "Agreement on Rules and Regulations" (a list of rewards and punishments that require workers' signature), and a "Notification of Commitment" (which states that the factory does not hire short-term student workers and requires workers' signature). These documents are means for the factory to

avoid responsibility as workers, required to sign quickly in a designated area, are neither given an explanation of the content of the documents nor sufficient time to read and understand the documents, let alone keep a copy for themselves. These documents were designed as and are used as evidence for government or client inspections.

Training did not start until the afternoon of the third day, on which factory personnel formally introduced factory policies for wages and benefits, working hours, time-off and vacation, security measures and resignation procedures. The training, taking place in the cafeteria, lasted for around two hours, during which trainees were required to sign a blank "Training Attendance Form" several times, and fill in a "New Employee Exam", which purportedly tests employees on company culture, occupational safety, moral obligations, laws and regulations, quality management, and information security. With the exception of laws and regulations, which had been covered partially during the training, all the other exam content was



Paper on top: Training exam given to workers.

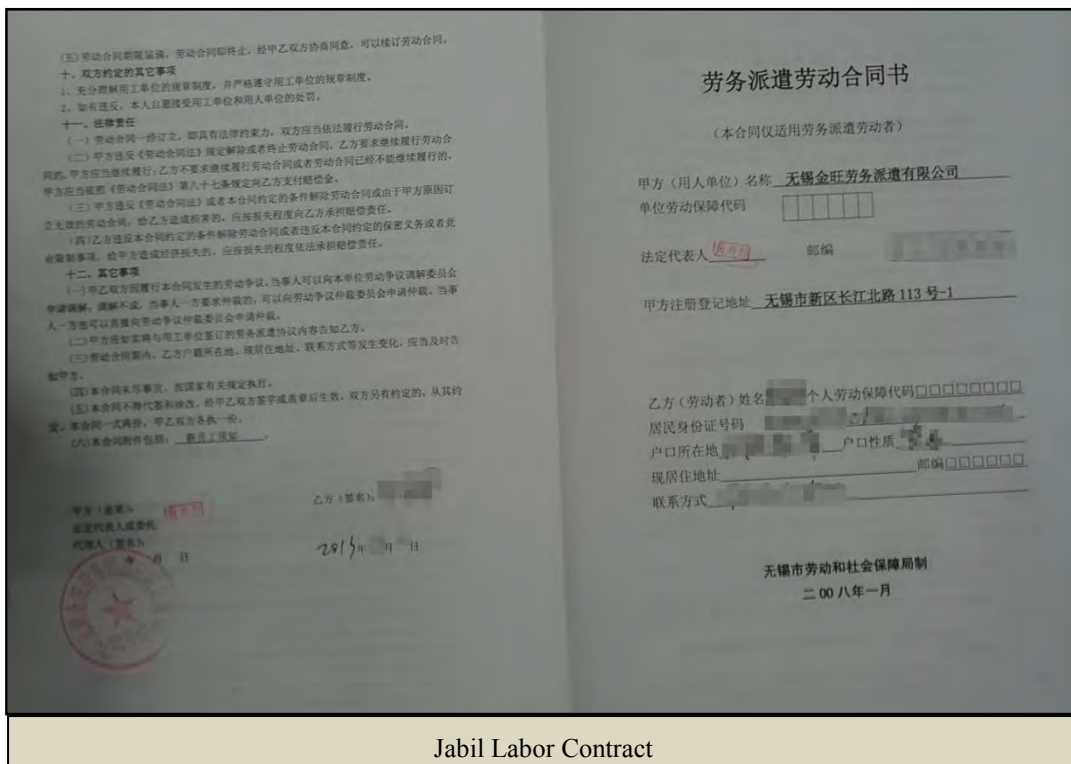
Paper on bottom: answer sheet given to workers for copying.

not mentioned during training, including content related to occupational safety and moral obligations. Since the workers did not receive the relevant training, they were given an answer sheet to the exam by training staff to be copied, making training a generally perfunctory exercise at Jabil.

Labor Contracts

The pre-printed “Labor Dispatch Contract” which employees sign at their labor dispatch company was a template contract, including 12 items, namely terms, working locations, working hours, leave and vacations, wages, social insurance, labor protection, contract revision and termination, compensation and responsibility, and more. Employees are only required to fill out their personal information, employment term, and base wage and to sign in the designated area. They hardly have time to read and understand the content, let alone negotiate terms of the contract with the labor dispatch company before they sign.

There are three copies of the contract: one each for the labor dispatch company, the factory, and the worker. The exact time workers receive their copy of contract varies across labor dispatch companies, with some labor dispatch companies signing the contract before they



劳务派遣劳动合同书

(本合同仅适用劳务派遣劳动者)

甲方(用人单位)名称 无锡金旺劳务派遣有限公司

单位劳动保障代码

法定代表人 顾方明 邮编

甲方注册登记地址 无锡市新区长江北路113号-1

乙方(劳动者)姓名 个人劳动保障代码

居民身份证号码

户口所在地 户口性质

现居住地址 邮编

联系方式

无锡市劳动和社会保障局制
二〇〇八年一月

甲方(盖章) 乙方(盖章)

法定代表人或委托代理人 日期 2014年11月11日

Jabil Labor Contract

bring it to the worker so that the worker can keep her copy of the contract right after signing it, while other labor dispatch companies take the contract back after workers sign it to put the company stamp on it, returning it to workers later. But almost all workers receive their copy of the contract within a month.

Term of contract is usually two years without a probationary period. Therefore workers are legally bonded by the two-year term right after they sign it. A worker who is dissatisfied with her job or has problems getting used to the job will risk violating the contract should they

choose to leave the company.

The second clause of the 12th provision of the contract states explicitly that labor dispatch companies have the obligation to inform workers on the true content of the labor dispatch contract. But CLW randomly interviewed 69 workers and none of them expressed that their respective labor dispatch company had informed them in any way on any part of contract.

Working hours and leave

All the production departments have a day and night shift system and will switch between these shifts once a month. According to factory regulations, regular working hours are five days a week, eight hours a day, and any work done outside this time will be calculated as overtime. Workers take at least one day off each week and get at least one day off when switching shifts.

 绿点科技无锡有限公司		薪资单	
工号: [REDACTED]		月份: 201307	
部门: [REDACTED]		姓名: [REDACTED]	
主管: [REDACTED]			
-----		-----	
本月收入		本月扣款	
基本工资	1500.00	养老保险个人	183.92
加班费1#5	517.24	失业保险个人	22.99
加班费2#0	689.66	医疗保险个人	45.98
绿点全勤奖	100.00		
替台津贴	336.21		
PAC 奖金1	116.67		
级别津贴	190.00		
环境津贴	150.00		
夜班津贴	16.00		
大夜班津贴	160.00		
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本月收入合计3775.76		本月扣项合计252.89	
银行转账	3522.89		
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考勤			
1#5倍加班时数40.00		替台次数	52.00
2倍加班时数 40.00		基本工资基数	1500.00
夜班次数 2.00			
大夜班次数 16.00			

公司全体员工实行薪资保密 一经发现进行处罚!!!!			
打印时间:08月03日 14:15			

Pay stub of Jabil worker. This worker did 106 hours of overtime work in the given pay period.

项目	金额	扣款	公司扣款	考勤记录
基本工资	1500.00	0.00	541.20	出勤天数: 20.00
加班费1#5	100.00	0.00	0.00	加班时数: 40.00
加班费2#0	100.00	0.00	0.00	加班时数: 40.00
绿点全勤奖	100.00	0.00	0.00	出勤天数: 20.00
替台津贴	336.21	0.00	0.00	出勤天数: 20.00
PAC 奖金1	116.67	0.00	0.00	出勤天数: 20.00
级别津贴	190.00	0.00	0.00	出勤天数: 20.00
环境津贴	150.00	0.00	0.00	出勤天数: 20.00
夜班津贴	16.00	0.00	0.00	出勤天数: 20.00
大夜班津贴	160.00	0.00	0.00	出勤天数: 20.00
养老保险	183.92	0.00	0.00	出勤天数: 20.00
失业保险	22.99	0.00	0.00	出勤天数: 20.00
医疗保险	45.98	0.00	0.00	出勤天数: 20.00
住房公积金	0.00	0.00	0.00	出勤天数: 20.00
其他扣款	0.00	0.00	0.00	出勤天数: 20.00
合计	3775.76	252.89	541.20	出勤天数: 20.00

Pay stub of Jabil worker. This worker did 104 hours of overtime work in the given pay period.

Workers' off-days vary and are not necessarily on the weekend. Each team is assigned a different off-day so that the teams are taking turns having a day off. For example, one team's off day is fixed on Wednesday and their work on Tuesday is calculated as overtime.

Workers attendance is checked by both a card clock-in system and a roll-call. There are three batches of workers in each 12-hour shift, with the first, second, and third batches of workers beginning their shifts at 7, 8, or 9 a.m., respectively, and ending their shifts 12 hours later at 7, 8, or 9 p.m., respectively. During each shift, there are two meal breaks, and according to factory regulations, each break lasts for an hour. But in reality, meal breaks for 30 percent of workers in production departments are only 30 minutes long, with the other 30 minutes considered a "post replacement", for which workers receive a "post replacement subsidy". This will be further detailed in the "Wages" section of this report. The significance for working hours is

本月收入			本月扣款		其他资料	
基本工资	174.00小时	1500.00	养老保险员工实交	162.00	住房公积金	
加班费1.5	40.00小时	517.00	医疗保险员工实交	40.00	社保号码	
加班费2.0	24.00小时	413.00	失业保险员工实交	20.00	银行账号	
加班费3.0	6.00小时	155.00			基本工资	1500.00
大夜班津贴	18.00班	180.00			本月基本工时	174 小时
绿点全勤奖		100.00				
替台津贴	46.00次	297.00				
级别津贴		120.00				
PAC 奖金1		100.00				

Pay stub of Jabil worker. This worker did 93 hours of overtime work in the given pay period.

that workers actually do 11 hours of work each day. Workers that operate machines in their posts take turns having meal breaks. In each two-worker unit, one worker usually takes a meal break while the other has to do two people's work, and then they switch places. Although work never stops during meal time, workers do not receive normal compensation for the time worked. These types of posts, including CNC, polishing, refining, and molding, have a production quota set by the processing speed of machines.

In addition, Jabil workers are required to attend meetings at their respective production facilities 10 minutes before and after the shifts end. On the way into the production facilities, workers must line up and pass through a security checkpoint. These 30 minutes of time every day are not calculated into wages.

Including all paid and unpaid working hours, Jabil employees work approximately 11 and a half hours per day, 26 days a month, which adds up to approximately 280 hours of work a month per worker. But the attendance record only shows 10 hours of work per working day, among which two hours are calculated as overtime.

Workers get no breaks from work outside of meal times. The dormitories are relatively far from the factory, with the nearest dormitory located five kilometers (about three miles) away from the factory. There is a shuttle bus that will take workers back and forth, but workers have to wait for the bus at designated waiting area at least an hour before work begins because of the mandatory pre-shift meeting. After post-shift meetings, workers return to the parking lot to catch the shuttle bus back to their dormitories. Assuming an hour each to and from work, there are 14 hours between the time workers leave and return to their dormitories from the factory, leaving them with only 10 hours of rest on work days.



Overtime at Jabil is usually mandatory. Those who do not wish to work outside the regular 8-hour schedule need to ask their team leader for approval and provide a reason. Approval is not granted to those who avoid overtime work frequently and who cannot provide a "reasonable" excuse for not working overtime.

According to factory regulations, workers have marriage leave, funeral leave, maternity leave, and annual leave. To apply for maternity leave, a worker needs to provide a marriage license, birth permission document, and birth certificate to provide that the birth conforms to China's family planning policies. Workers who have been at Jabil for at least a year can get a five-day period of paid annual leave each year.

Wages

The pay cycle starts on the 26th day of each month and ends on the 25th day of the next month. Wages are distributed to workers' bank accounts before the 10th day of the next month. Workers also receive a pay stub. If a worker detects an error in her wage calculation, she can write it down on their pay stub and bring it up. The mistake is usually corrected. If the error causes a worker to receive less than her owed wage, the rest will be given to workers on the next pay day.

CLW was only able to obtain three worker pay stubs because Jabil prohibits workers from sharing their pay stubs or from asking to see other's paystub. This rule is largely intended to cover-up the working hour and wage violations occurring at the factory.

A worker's wage is composed of a base wage of 1,500 RMB (\$245), overtime wages, which is calculated at 150, 200, or 300 percent of the base wage depending on the particular type of overtime, a night shift subsidy of 10 RMB (\$1.63) per night, and a 100 RMB (\$16) attendance bonus should the worker achieve full attendance during the given pay period. A worker with less than a year of seniority might earn about 2,800 RMB (\$457) per month.

There is also a performance bonus of between 100 RMB (\$16) and 130 RMB (\$21) given to workers without major disciplinary offenses. The majority of workers receive 100 RMB (\$16), with around 10 percent of the workers receiving 130 RMB (\$21). Absenteeism and other disciplinary offenses may only moderately lower the offender's performance bonus. A worker will receive their performance bonus until her second month in the factory. Those working in production facilities which require operators to wear dust-free clothing will receive a monthly 100 RMB (\$16) dust-free subsidy.

After three months, six months, or one year in the factory, workers can receive an assessment for rank 1, rank 2, or rank 3, respectively. Those who pass their assessments will receive a rank wage of 120 RMB (\$20), 190 RMB (\$31) or 290 RMB (\$47), respectively. To qualify for the rank assessment, workers cannot be absent for more than three days, take more than 7.5 sick days, or take more than 15 personal days. With each additional year in the factory, workers receive an extra seniority allowance of 30 RMB (\$4.89) per month. Workers' seniority allowance reaches a maximum of 120 RMB (\$20) after four years in the factory.

Section four mentioned post replacement during meal breaks. Workers receive a "post replacement subsidy" each time they fill in for other workers on break. The subsidy is around 6.465 RMB (\$1.05) for each 30-minute break, which is equal to overtime wages on work days. But this same amount is even paid during weekend overtime, which should be paid at 8.62 RMB (\$1.41) per half hour, or legal holiday overtime, 12.93 RMB (\$2.11) per half hour. This is

a disguised way in which to reduce workers' wage.

To reduce costs, the factory pays night-shift workers 150 percent or 200 percent of the base wage on legal holidays, less than the 300 percent that should be paid for overtime on legal holidays. For example, night shift workers were made to do overtime on May 1, 2013, a legal holiday. The night shift on that day ran from 20:00 on May 1 to 8:00 on May 2. Apart from a total of one hour for meal breaks, employees did 11 hours of work for which they should receive 300% of the base wage. But since May 2 is a regular work day, the factory only paid workers base wages or 150 percent of wages (i.e., normal overtime wages) for work done after midnight. Additionally, night shift workers who started their shifts on April 30, 2013 only received regular wages for the four hours before midnight. Among the other eight hours of that shift, only six were calculated as holiday overtime, or 300 percent the base wage. The two half-hour post replacement periods, during which workers filled in for their colleagues, were also only counted as regular overtime, or 150 percent of the base wage.

During low seasons, some employees work four days a week and take three days off each week. As a result, their regular work schedule sometimes does not include 22 days a month. Under these circumstances, the factory will replace the regular eight hours of work with overtime outside this eight hours.

During the Spring Festival of 2013, the factory had an 11-day holiday, but only three of those days were legal holidays. So factories made workers "pay back" the rest of the work days by working overtime on off-days.

On each work day, workers have to spend 10 minutes attending pre-work meetings and another 20 minutes receiving two security checks before and after shifts. This adds up to 30 minutes of unpaid time each day.

Based on production needs, the factory sometimes gives out short-term bonuses. For example, for those who achieve full attendance (i.e., did not take leave or have an absence) in November 2012, December 2012, and January 2013, there was a one-time bonus of 600 RMB (\$97.8) in addition to the regular full attendance bonus of 100 RMB (\$16.3) per month.

Workers have retirement insurance, medical insurance, unemployment insurance and work injury insurance at Jabil. Apart from work-injury insurance, for which workers do not need to pay, the other three types of insurance require workers to pay a certain proportion: 162 RMB (\$26) for retirement insurance, 40.5 RMB (\$6.60) for medical , and 20.25 RMB (\$3.30) for unemployment insurance. The factory only pays into a housing fund for formal workers. But CLW failed to find a formal worker at Jabil from whom he could learn about housing fund (as the majority of workers are dispatch workers).

Living conditions

The factory has a staff cafeteria which provides free meals, usually valued at 7.5 RMB (\$1.22) per meal, to workers. Several food service companies provide dozens of types of food, including dessert, wheat-based foods, rice, and specialty snacks. Food sometimes comes with fruit and beverages. Workers swipe their factory ID card to get food at one of multiple windows inside the cafeteria.



The cafeteria has central air conditioning, vending machines that sell drinks (workers need to pay for the drink), and enough tables and chairs for thousands of workers to eat at the same time. There is no lack of seats since workers take meals in batches. The line to get one's food is not long because there are plenty of windows. Janitors are hired to keep the cafeteria clean.

Due to the multiple types of food served by the food service companies, the workers interviewed were generally happy about the quality and quantity of food. After meals, workers put their dishes at the designated dishes disposal area.

Despite the quality of the food, many workers are provided with little time to enjoy it. The cafeteria is on the third floor of a building that is separate from the production facilities (reference the map below). 30 percent of Jabil workers have daily post replacement in which they rotate working a post with a co-worker during meal breaks. A worker in this position usually only takes 30 minutes for lunch because she must rotate her lunch break with another worker, and the two rotating workers must have equal break periods. If both workers take breaks longer than 30 minutes, they will not reach daily production quotas. Given a 30-minute break, after accounting for the security check, a 15 to 20-minute roundtrip to the cafeteria, and time spent in line for food, a worker is only left with a few minutes to eat her food.

Factories provide dorms for workers at multiple locations, such as Wantong Apartments, Kaili Apartments, and Bosheng Apartments. Workers may choose to live in a dorm or outside the factory. Factory shuttles buses travel back and forth between the factory and different dormitories and major residential communities in the area, covering more than 20 routes. Workers take the shuttle bus for free.

In order to get into a dorm, a worker needs to first get a dorm registration form from the factory, register with the dormitory management listed on the registration form, and pay a one-time fee of 20 RMB (\$3.26) per person. The dorm room rent is 30 RMB (\$4.89) per person per month, and utilities expenses are shared equally among each room's residents. Altogether, a worker usually pays around 70 RMB (\$11) per person per month to live in a dorm room.

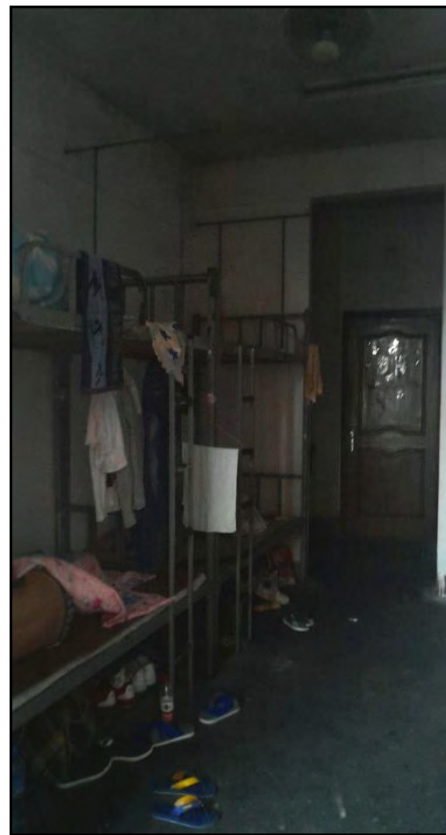
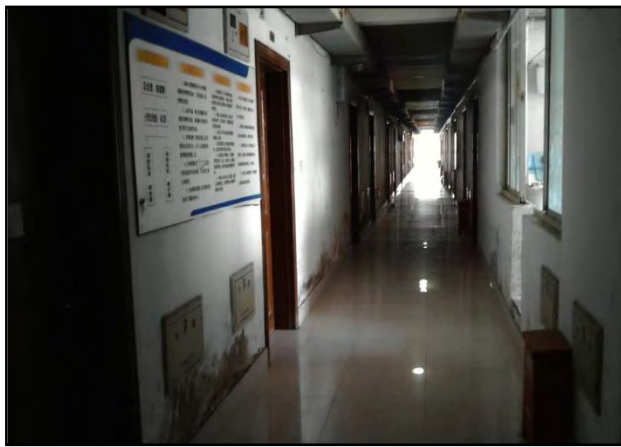


It may take a worker up to 20 minutes roundtrip to walk between the production facilities and the cafeteria (designated by the red diamond).

A room in Bosheng Apartments has simple facilities and accommodates eight workers with four bunk beds. Each resident has his own locker but needs to purchase a lock to keep his property safe. There is a balcony on which workers can hang up their laundry. Each dorm room has one restroom, two basins, a ceiling fan, four power outlets, and air-conditioning, for which residents have to pay dorm management a deposit of 50 RMB (\$8.16) to get the remote control. These are all the facilities inside the dorm room. There are restaurants, grocery stores, and an internet café right outside the building.

When assigning dorms, the factory does not take into consideration whether the residents work day or night shifts. As a result, day shift and night shift workers are assigned to the same dorm rooms despite having different work schedules, resulting in people begin interrupted during sleep by roommates who work a different shift. Additionally, because there is almost always at least one person in the room at any given time, the air-conditioning is on all the time. This is not an efficient way to use energy and it raises costs for the residents.

Below: images of Bosheng Apartments, a Jabil dormitory.



Working conditions

Unless otherwise specified, working conditions described in the following paragraphs apply to the polishing department that produces Apple's cheap cell phone.

Different production facilities have varying dress requirements. In dust-free production facilities, workers are required to wear dust-free clothing and special shoes, while in other facilities workers still need to have a pair of slippers used exclusively while in the production facility or buy their own shoe slips which they are required to wrap around their shoes before they enter the production facilities.

The area between the entrance of each floor and the production facility is the "bare-foot" area where workers' shoe cabinet and the security gate are located. Workers need to take off their shoes at the entrance of each floor and put on their slipper or shoe slips. Afterwards, they hold their shoes and get in line to undergo the security check. All metallic items have to be taken out during the security check. Security guards check workers one by one using electric equipment. Items such as cameras, watches, accessories, cell phones with cameras, and other electronic storage devices are strictly forbidden from being brought into the production facilities except by managers and technical personnel who are authorized to use electronic communication devices in these facilities. There are around 400 workers in the polishing department, but there is only one security gate and two security personnel. This creates a situation in which workers getting off and those getting on their shifts are undergoing security checks at the same time, leading to a 10-minute wait in line.

The small "bare foot" area is overcrowded during shift changes with all the workers opening their shoe cabinets, waiting in line to go through security, and going to the bathroom. Since workers are all bare-foot inside this poorly ventilated area, it is filled with pungent foot odor.

After passing through the security gate and entering the production facilities, workers put on their shoes, factory hat, and rubber finger guards on every finger to keep the products clean. Workers arrive at their posts and start working after roll-call is completed during the team meeting.

Different posts have different levels of intensity. In one production facility that CLW investigated, around 70 percent of the posts requires workers to stand while they are working and chairs are not provided. Apart from meal time, workers take no break on their shifts.

Workers in the "refining" position polish the four sides of the rear cover of Apple's cheap cell phone to get rid of the watermarks and molding marks left during the molding process. A worker needs to first open the machine gate, put the cell phone cover in the designated position inside a clamp and turn on the pressure lock to stabilize the cell phone cover, close the machine gate, and turn on the machine. It will take around 32 seconds for the machine to process the cover. Afterwards, the worker opens the machine gate, shuts off the pressure lock, takes out the cell phone cover, wipes the water off with a piece of dust-free cloth, and puts the cover in a tray behind her. Then the worker picks up another cell phone cover and repeats the previous cycle before she closes the machine gate and turns on the machine. This process will take about 10 seconds, plus the 32 seconds for the machine to process. It will therefore take at

least 42 seconds to refine one cell phone cover. The factory has a production quota of 90 pieces per hour per machine. But the number of pieces workers can finish in an hour is only 85 pieces (60 seconds times 60 minutes divided by 42 seconds equals 85.7), less than the required amount. So workers have no choice but to pick up the next unprocessed cell phone cover while waiting for the machine. Once the machine has finished processing, workers quickly take out the finished piece with one hand while simultaneously putting the unfinished piece inside the machine with the other hand so as to reduce the loading time. But this practice is against the Jabil's standard operation procedures. Though the factory has inspection personnel responsible for detecting such operation procedure violations, production departments tacitly consent to these violations in order to meet production quotas. So every time the inspection personnel arrive, workers will be reminded to operate under standard procedures. This has led to a popular saying in the factory: "Defend against fire, thievery, and inspection!", mocking the avoidance of procedure violations during inspections.

Workers need to record their productivity for each hour. When line leaders (on-site management personnel) find out that a worker does not meet her quota, they scold the worker harshly instead of trying to find the root of the problem. Although most of the on-site management personnel are friendly, some of them have abusive management styles. CLW's investigator once failed to meet the quota because technical personnel had been testing and adjusting the machine, but the line leader required the investigator to write down on his work record that he had met the quota (90 pieces per hour). The investigator refused because it meant that he had to produce extra pieces outside his quota in the following hours to meet this false record, otherwise the total number of pieces finished would be wrong at the end of the shift. It was impossible to finish any more pieces outside of the very high quota. For his refusal, the investigator was shouted at by his line leader. His supervisor was asked to sign a document which stated that this worker disobeyed his supervisors and should be sent back to his labor dispatch company. With the mediation of other on-site management, the investigator was finally transferred to another production area.

If a worker needs a drink of water or to go the restroom during working hours, she needs to get approval from her line leader. Her line leader will then arrange for other workers to fill in for her so that she can still meet the production quota. The restroom and water dispenser room are both located outside the production facility, next to the "bare-feet" area. So for a worker to leave her post, she has to take off her shoes and pass through security before she can leave. She then has to repeat the same process when she walks back in. CLW did not find any place to put a water bottle in the tea room. Since the cafeteria is right upstairs, workers who want to have some water but do not have their own bottles will go directly to the cafeteria vending machine to buy something to drink. A veteran worker said that this production facility opened quite recently for the manufacturing of Apple's cheap cell phone and was lacking many supporting facilities. For example, two workers need to share one shoe cabinet because there are not enough cabinets.

In the polishing department—after being refined, Apple's cheap iPhone covers will be machine polished—since the polishing process is done by robot arms, all workers have to do is to place unprocessed cellphone covers on the machines and take out the processed ones. The production quota is 36 pieces per hour. Since the department is new, some machines have

never been adjusted, and processing times vary across machines, with some able to process 60 pieces per hour while other can only process 20 per hour.

Occupational safety

As is introduced in the “recruitment” section of the report, the approximately two-hour new worker training does not cover any occupational safety issues. Some occupational safety-related questions are asked in the training tests. But workers are encouraged to copy the answers from the trainers and do not actually understand the information.

Safety hazards exist in many of the positions at Jabil, such as the noise and wax powder in the polishing department, exposure to wax solvent in the washing department, the noise inside the CNC and refining department, exposure to chemicals like formaldehyde and benzene in such posts as paint mixing, spraying, and dispensing, and the lasers in the welding department which could injure workers’ eyes.

The factory provides protective equipment, but some workers either fail to receive it or use it in the wrong way due to a lack of risk awareness and monitoring. Despite this, the mechanisms for protecting important information related to products and the company is mature and well-developed, receiving a lot of attention from management. CLW’s investigator worked in some posts with safety hazards for more than a week without receiving protective equipment. Even for workers who had received such equipment, they did not wear it at all or did not wear it properly.

The production facility is designed to have enough emergency exits and escape stairs, but safety hazards still remain in the exit passageways of the production facility. For example, inside the grinding department, different production areas are separated by glass or plastic panels. Inside the CNC, washing, and polishing departments, the passageways are blocked, especially inside the polishing department, where the production facility is filled with several polishing machines, robotic arm control panels as well as high-pressure pipes and wires. Workers cannot even walk around unobstructed in normal situations, not to mention that the passageway outside the production facility is usually occupied or blocked by product boxes or shelves.



Above: machines and other items create potential fire escape hazards.

Rewards and punishments

The factory does not provide workers a manual from which to learn about factory regulations. Before beginning work, workers are required to sign an “Agreement on Rules and Regulations”, which states clearly the factory’s rewards and punishments, but workers are not given enough time to read and understand it, nor can they keep a copy of the agreement. This situation is introduced in more detail in the “recruitment” section of this report.

There are three types of rewards: praise, minor achievements, and major achievements. These are granted to workers under eight different circumstances. There are also five types of punishments, namely warnings, minor demerits, a single major demerit, two major demerits, and dismissal, which are applied to workers under 86 different circumstances. Photos taken by CLW show more details of the systems of reward and punishment.



Left: workers are not given enough time to understand a long list of rules and punishments before being made to sign it.

Lack of a Living Wage

The average monthly wages of working people in the city of Wuxi, in which Jabil is located, was 2,890 RMB (\$472) for private industry employees and 4,615 RMB (\$753) for non-private industry employees in 2012. But a worker at Jabil only earns a base wage of 1,500 RMB (\$245) per month, slightly above the local minimum wage of 1,480 RMB (\$241). Only after working over 100 hours of overtime per month can a Jabil worker earn about 2,800 RMB (\$457) per month, still far short of the average for all workers in Wuxi. In order to make such a small income, workers have to work six days per week in 12-hour shifts, not including transportation time.

In the case of two married workers without children, basic living needs in the Jabil

factory area in Wuxi require about 2,500 RMB (\$408) per month. With children, costs would rise and income would almost certainly decline as the working class parents cannot raise a child while both are out of the home for more than 12 hours per day. This is one reason that many married workers have no choice but to leave their children in their rural homes with grandparents.

Supposing that the couple tried to raise a child on Jabil base wages, it would look something like this. The rent (including utilities) is 1,000 RMB (\$163) for a 40 square meter (430 square foot) one-bedroom apartment that is no more than five kilometers (3.1 miles) away from the factory. Breakfast costs 5 RMB (\$0.82) while lunches and suppers are provided by the factory free of charge. If working overtime in the evenings, the couple would need to pay another 10 RMB (\$1.63) for late night meals. It would thus cost the couple 390 RMB (\$63) to have breakfasts and late night meals outside for 26 days a month.

The other four days, the couple cooks at home, eating larger and better-quality meals. The cost for this would be around 320 RMB (\$52). As migrant workers, the couple is charged another 1,200 RMB (\$196) per month fee if their child attends a local elementary school. We can add in an additional 600 RMB (\$98) for miscellaneous expenses and 200 RMB (\$32) for clothing. Finally, the husband and wife each give 200 RMB (\$32) to their parents because few senior citizens in the rural areas have social security. This family's total monthly expenditures equal 4,110 RMB (\$671). As Jabil workers, their combined monthly base wages are only 3,000 RMB (\$490), far short of what the family requires to support itself. As a result, the couple would have no choice but to do significant overtime work in order to meet their needs.

Grievance Channels

Jabil has basic grievance channels, but workers rarely use them because they do not trust the effectiveness of these channels. Factory regulations indicate that the company has two grievance channels that workers can utilize: verbal and phone. Verbal complaints include explaining the issue directly to a management or office personnel. Phone complaints can be made to multiple departments, including administration, production, the union, or the HR department.

Information on these grievance channels are displayed on the cafeteria bulletin board and in the new worker manuals. But of the 12 workers with whom CLW discussed grievance channels, none had ever used the channels and nine expressed that they will not use the channels because they do not believe that these can solve real grievances.

A day in the life of a Jabil worker

Today is my fourth day of work at Jabil in Wuxi, but I have not yet adapted to the factory's intense work. When I got out of bed at 6 p.m. for my evening shift, my legs seemed to be loaded with lead; it felt like I was unable to move or control them. This was because I stand for so long during work. In the dorm room, some of my coworkers were taking a day off, always making noise, but I didn't know what they were doing. I fell asleep at around 11 a.m., but it was not a good sleep at all. Because I did not get much sleep, my eyes were red and swollen when I woke up.

I hurried to wash my face and brush my teeth after getting up. Luckily, only another three coworkers in my dorm room also had the 8 p.m. evening shift, so there was no need to wait to use the sink. Then I had some noodles at a restaurant downstairs. But it was so hot, the temperature outside reaching over 38 °C. The hot weather and my poor sleep last night didn't do much for my appetite, so I finished less than a third of the noodles before going out to the street to wait for the factory shuttle buses. At around 6:50, I got on the bus. The temperature in the bus wasn't low, but compared with the restaurant it was comfortable. Since my sleep in the daytime was not very good, I really needed to get as much sleep as possible on the bus, otherwise I would not be able to stand up for the entire 12-hour shift this night.

It was almost 7:25 when the shuttle arrived at the factory. Because it was during the peak period for workers' shift changes, there were many buses in the intersections and workers in the hallways. It took me ten minutes to get to the place where I had to clock-in. Luckily, not many people were waiting in line. Since I had not yet bought slippers for use in the production facility, I just needed to put on shoe covers in the workshop "bare foot" area after clocking in. Before waiting in line to pass the security check, new workers must have their personal ID information registered and signed by supervisors. I entered the workshop and joined the morning meeting at exactly 7:45. Fortunately, I wasn't late.

I was really rushing before the meeting and forgot to grab finger covers at the entrance to the production facility. The factory required all workers to wear finger covers while working because it worried that workers would leave their finger prints on products. After the meeting I took off my shoes and went to get the finger covers. When I got back to the machine that I operated, the line supervisor reminded me to start working quickly, or else I may not meet the production quota.

My job was to put the cheap iPhone covers, which had already gone through injection molding, into engraving machines to undergo polishing. It seems simple, but it had to be repeated over and over again. Also because of my lack of sleep in the morning, I kept drifting off and had to continually remind myself to concentrate.

The first hour was not bad. I was only three units short of the 90-unit-per-hour quota. But I started to feel drowsy in the second hour. Technicians found some faults in products processed by the machine, so they frequently came to adjust the machine, which gave me a little time to talk with them. Although we just had two to three minutes each time, I

finally had someone to talk to. Due to these machine issues, I was unable to meet the production quota. The production report was recorded once every hour. Although the technicians had adjusted the machine, they were unwilling to note this in the report. If machines were adjusted a number of times, productivity would be affected. If technicians noted the machine problems and the fact that they adjusted the machines, they may have been criticized by their supervisors, a major reason that technicians were reluctant to note the problem in production reports. But I could only record the number of units that I actually finished. In the second hour, I only produced 75 units, 15 fewer than the quota.

In the next few hours, the machine was working normally. Because I was behind on the production quota, I was highly focused and made every effort to catch up. But at most I could only produce about 93 units per hour. During meal times, I took turns working and going to eat with another coworker, as is required by the factory, and my productivity certainly dropped as I was operating two machines at the same time.

After several hours of standing work, once I sat down for a meal, I really didn't feel like standing up again. At the moment, I felt so good about having a stool to sit on. I did not even want to wait in line to get the food. What I wanted was only to sit for a while longer, even if only for one more minute.

At 2 a.m., the line supervisor came to check production reports. When he saw that I only finished 75 units in the second hour, he asked me why I didn't meet the 90-unit quota. I explained that it was because of machine adjustment. But because the technicians did not sign the report, the line supervisor didn't accept my reason and forced me change the number on the report into 90 units. But when the reported numbers are higher than my actual production, I would have to make up the difference in later hours, and I certainly could not meet the 12-hour quota today. I believed that I was factually recording my production results. If the line supervisor demanded the change and I did not ultimately meet the total quota, I would not be able to explain myself and the situation would become much worse. The line supervisor was very rude, yelling at me. After negotiation with the line supervisor bared no fruit, I just refused to record the reports. Shortly after this the shift leader came by and asked me to admit my faults. I refused to do so because I believed I had made no mistake. My team leader then adopted a policy of sticks and carrots, insulting me in order to insult the line supervisor. He even threatened to send me back to my dispatch company. While we were arguing, another line supervisor came over to mediate, sending me to operate polishing machines.

The attitudes of the shift leader and line supervisor in the polishing department were much better than the former ones. The work intensity was lower, too. Although the hourly quota was 36 units, we could sit while working, so it was less tiring. Apart from the anger of being scolded by the engraving department's line supervisor, the novelty of the new position made me forget time. The work day would be over soon.

Before leaving work at 8 a.m., we needed to clean up and waited for workers taking the day shift. Then, just as when we came to work, we were called together for a meeting and to wait in line for the security check. It was 8:13 in the morning when I went downstairs to clock out. The sun had risen high up in the sky, and the temperature was also high.

Under the summer sun, we got on the factory shuttle bus at almost 8:30. I didn't feel really sleepy and dose off until the bus started moving. It wasn't until the bus arrived at the dormitory that I was awoken by people getting off.

Once I got back to my room, I didn't feel like moving once I hit the bed. I finished my shower as quickly as possible, and leaving all the laundry to do during the weekend. The most important thing to me was to get sleep. Otherwise, I would have broken down.