



Students & Scholars Against Corporate Misbehavior

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[Press Release] iSlave at 10 – 10 Years of iSlavery by Apple
Global Action demands Apple to stop labour right abuses immediately!

Hong Kong (3rd November, 2017)

Today (3rd November, 2017) is the releasing date of iPhone X. SACOM, an Hong Kong based NGO, and international activists from Philippines, USA, UK, France, Germany, Austria and other regions have come together and held the iSlave at 10 Global Action Day against Apple's labour abuses during the past 10 years of iPhone production. Activists protested in Apple Shops in their regions and demand Apple to make change immediately. In Hong Kong, SACOM, together with other labour right groups and university students staged a protest at 0830 in Apple Shop, Festival Walk, Kowloon Tong, Hong Kong.

According to the materials revealed by SACOM, the major labour abuses of Apple include:

1. **Corrupted Trade Union:** Trade union election in Apple's suppliers are found to be corrupted. Workers were forced to vote to assigned candidate with open ballot. The union also suppressed workers demand when labour disputes happens.
2. **Student Intern Abuses:** Apple's manufacturers are found to be massively using student interns as young as 16-old to replace regular workers. The students are mostly in irrelevant major and they are not allowed to graduate if they refuse to work.
3. **Extremely Low Wage:** Workers' basic wage have barely raised since 2012 while the inflation was rapid. Workers have no choice but to work excessive overtime for a living.

Based on these violations, we demand Apple to:

1. **Guarantee Full Trade Union Right for All Workers**
2. **Stop Labour Flexibilization**
3. **Double the Basic Wage for Workers' Reasonable Living**

Please refer to the attached factsheets for more information

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Demand 1 : Guarantee Full Trade Union Right

While the Apple Supplier Code of Conduct highlights the workers' fundamental rights to freedom of association and collective bargaining, multiple reports published by SACOM have pointed out that trade unions in Apple's manufactures are unable to effectively represent workers and protect their rights. Even worse, numbers of Foxconn workers reported that voices of workers are always suppressed by the trade unions.

In 2010, 18 workers aged 17 to 25 years attempted suicide at Foxconn facilities across China; 14 resulted in death. In response to these tragedies, Foxconn's CEO Terry Gou promised to rebuild the union to make it more responsive to workers' needs. However, the trade union has been one without meaningful worker participation. Revealed in our "Betrayed: No Democratic Representative" report, only 16.9% of respondents (116 persons) had union membership. Also, 64.3% of workers did not know who the Chair of the Foxconn's trade union was.

SACOM's newly released workers interview videos also shows that Foxconn's trade union elections were corrupted and workers were forced to vote to assigned candidates:

"So many eyes (of managers) reading who are you vote for. Also on the ballot you have to write your real name. It's not a secret ballot at all."

"Workers vote for whoever we're told to vote for. All the union positions are given to three types of managers."

Two Foxconn workers

"How the trade union elections were manipulated?" by SACOM (Please search on YouTube)

In fact, the Chairman of Foxconn union has been taken by Chen Peng, Terry Gou's personal secretary from 2007 until now.

Without a democratic election, the union therefore failed to represent workers during labour disputes:

"The union seems to be an auxiliary body for the management. When there's a conflict it tries to pacify the employees, acting as a buffer and preventing them from doing anything too militant. But as soon as you run into anything big, for example if the workers in some department start protesting about some grievance, as soon as it comes to any collective issue, the union immediately takes the company's side."

A Foxconn Worker

"Workers' horror stories about their worst experiences with Foxconn's union" by SACOM
(Please search on YouTube)

Demand 2: Stop Labour Flexibilization – Stop Exploiting Student Interns

Since 2012, SACOM has been monitoring Apple's misbehavior of using student interns to replace regular workers. On 22th Sep 2017, we released the "Apple Watch 3 – Exploit Student Workers Further" report and disclosed the abuses of student interns found in Quanta Computer, Apple Watch's exclusive manufacturer. Relevant sections of Apple's "Supplier Responsibility Standards" and China's "Administrative Provisions of Internships for Vocational School Students" were quoted to show's Apple's violations. Our major findings are:

1. **Irrelevant Majors:** Majors of the student interns interviewed are totally irrelevant to electronics (such as fashion design, hotel management, accounting, and early education). Students are sent to the factory only in order to fulfill its need for labour.
2. **Absence of educational elements:** Students work as ordinary production line workers without any extra training or learning materials. They learn nothing from the "internship".
3. **Forced labour:** Students reported that they cannot graduate without performing the internship. Some also reported that their dining and accommodation subsidies would be cut if they refused to do the work assigned to them. Students have no choice because they face negative consequences if they refuse the internship.
4. **Unlawful shift arrangement:** It is very common for student interns at Quanta to work 12 hours a day and over-night shifts that violate local law.
5. **Unlawful Recruitment:** The factory is illegally using labour recruitment agencies and collecting deposit from student interns.

Although Apple denied its relationship with the factory after the releasing of SACOM's report on 22/9, various sources pointed out that Apple has set up the "Apple Business Department" in the F1 plant of Quanta Chongqing. Moreover, in October, SACOM also found student intern labour in three other Apple's manufacturers which are officially on Apple's Suppliers List 2017 including

- 1) Wistron Corp. (located in Kunshan, Jiangsu, China)
- 2) Pegatron Corp. (Located in Kunshan, Jiangsu, China)
- 3) Zhengzhou Foxconn Airport Factory (Located in Zhengzhou, China)

(Search our animation "Apple: Student Interns or Disposable Labour?" on YouTube to know more)

Demand 3: Double the Basic Wage of Workers for a Reasonable Living

In recent years, Apple has been stressing its effort to control workers' overtime working hours in its CSR progress report. However, Apple has been avoiding addressing the fundamental problem that causes the excessive working hours – the extremely low basic wage of workers. The basic wage of workers in Apple's manufacturers are so low that they have no choice but to work up to 15 hours a day for the overtime compensation.

According to iSuppli, the direct cost of an 32GB iPhone 7 is US\$ 224.8 and the assembly cost (factory labour cost) only occupies US\$ 5 in that. Considering the official price of the iPhone 7 (US\$ 549), Apple only allocated 0.9% (\$5 out of \$549) of its revenue to its factory workers.

With this extremely slim budget for assembly, a worker working in Foxconn's Shenzhen plant (which is already offering the best wage among China) gets only US\$ 370 for his/her basic wage. Many workers reported that they have to work up to 12 hours a day and get no day off for up to two weeks at the peak season to earn enough for a living.

Even worse, the basic wage of Foxconn's Shenzhen plant has barely raised since 2012, while Shenzhen has been experiencing a rapid inflation in recent years. As a result of the development of railway in surrounding area, the food and accommodation cost have been doubled since 2012.

Year	Basic Wage of a Shenzhen Foxconn Worker (USD)	Apple's Revenue (In Billion USD)	Average Housing Price in Shenzhen in (Square Meter) (RMB)
2012	\$348	\$157	\$2,835
2013	\$348	\$171	\$3,240
2014	\$348	\$183	\$3,596
2015	\$360	\$234	\$5,014
2016	\$365	\$216	\$8,018

Table 1: Statistic of Living Standard in Shenzhen from 2012 to 2016

(Search our "How much is it worth?" Foxconn interview clips and our animation "Why "iPhone girl" is struggling?" to know more