



**iPhone 11 Illegally Produced in China**  
***Apple Allows Supplier Factory Foxconn to Violate Labor Laws***

**September 8, 2019**



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## Executive Summary

Over the years, China Labor Watch has monitored the working conditions at several Foxconn facilities and investigations have revealed a string of labor rights violations. In this year's report, several investigators were employed at the Zhengzhou Foxconn factory, and one of the investigators worked there for over four years. Because of the long investigation period, this report reveals many details about the working and living conditions at the Foxconn factory.

Dubbed Apple's "iPhone City", Zhengzhou Foxconn is the largest iPhone factory in the world. Spanning 1.4 million square meters, it is here that workers toil daily to produce half of the iPhones sold worldwide. The working conditions have remained relatively the same over the years the investigators were employed at the factory. The base wage remained at 2100 RMB (\$295 USD), insufficient to sustain the livelihood for a family living in Zhengzhou city. Although social insurance contributions have increased from 2015 to 2018, this still falls short of the legal requirements. Pre-job safety training was shortened from two days to one day in 2017.

To manage the influx of orders during peak season, Foxconn employs student workers and dispatch workers. Student workers have been forced to work overtime hours, completing internships at the factory that are unrelated to their degree. Foxconn outsources hiring to dispatch companies and to attract workers, these companies offered bonuses for workers who are employed for a certain period of time. The bonuses fluctuate according to the demand for workers at the factory. However, many workers have reported never been paid their bonus. The factory's internal references program is another tactic used to hire more workers during peak season. Workers are given referral quotas to meet, and the factory takes away the overtime hours of those who do not fulfill the quota as a form of punishment.

Chinese labor law stipulates "dispatch workers shall not exceed 10% of the total employed workers." and "the monthly overtime work hours shall not exceed 36 hours." Although Apple and its supplier Foxconn are aware of these restrictions on dispatch workers and overtime work hours, they do not implement these regulations. The Chinese government does not properly enforce laws, especially laws regarding labor rights. Multinational corporations helped drive economic development in China but they have also exploited loopholes in Chinese labor laws.

Apple has removed more than 25,000 applications from its app store because of China's Law and Internet regulations, and moved the iCloud accounts of Chinese users to a local data center. Facing pressure from the Chinese government, Apple must follow these rules and regulations. On the other hand, Apple has done very little to improve the rights of workers in their supplier factories. Apple claimed they care about every worker on the production line, but in fact, workers are paid wages that are close to or equivalent to the local minimum wage. It is difficult for workers to sustain their livelihood on the minimum wage. Workers see overtime as a "benefit", as they can earn more and receive a decent paycheck every month. Workers put in more than 10 hours a day and these long working hours attracts workers to apply for work at Apple's supplier factories.

Prior to 2016, Foxconn rarely recruited dispatch workers. However, the percentage of dispatch workers at the factory now makes up 50% or more of the workforce. Recruiting dispatch workers helps fulfill Foxconn's labor shortage during the peak production season for Apple's products. Foxconn can recruit a large number of short-term workers (dispatch workers) in a short amount of time. The wages of dispatch workers are higher than regular workers, but dispatch workers are short-term workers and the factory does not need to increase the wages for all regular workers in the long-term. Hence, the cost of employing dispatch workers is lower than recruiting more regular workers.

Over the past 10 years, China Labor Watch has conducted dozens of factory investigations and provided workers with knowledge on human rights and labor rights. The organization has received several complaints from workers on Apple's production line. Workers have said they are exposed to toxic chemicals every day, but do not receive sufficient personal protective equipment; when they are sick they are still forced to work overtime; managers verbally abuse workers on a regular basis and sometimes punish workers by asking them to stand. Some female workers have even experienced sexual harassment while working on the production lines. We are trying to promote human rights and values from Western countries, but the manufacturing process of these products from Western companies is a process of violating human rights and is even produced by exploited workers.

Apple releases a supplier responsibility report every year, and has its own supplier code of conduct to ensure its suppliers "provide safe working conditions, treat workers with dignity and respect, act fairly and ethically...". However, our recent findings on working conditions at Zhengzhou Foxconn highlights several issues which are in violation of Apple's own code of conduct. Apple has the responsibility and capacity to make fundamental improvements to the working conditions along its supply chain, however, Apple is now transferring costs from the trade war through their suppliers to workers and profiting from the exploitation of Chinese workers.

Tim Cook, the CEO of Apple, recently said that Apple must adhere to corporate social responsibility standards. Although it might be far away from reaching international standards, Apple can start with pressuring its suppliers to follow Chinese labor laws. The Chinese government does not allow freedom of association for workers; however, Apple should not take advantage of this and violate workers' legal rights. To start with, Apple should urge their suppliers to abide by relevant laws regarding the number of dispatch workers recruited, in addition to the overtime hours workers put in. These are rights stipulated by Chinese labor law.

#### Summary of rights violations at Zhengzhou Foxconn:

- New workers have a probationary period of three months and if they wish to resign during this time, they must apply three days in advance.
- During peak season, regular workers' resignations won't be approved.
- After completing resignation procedures, factories will pay workers in around two weeks with no pay stub provided that month.
- Some dispatch workers failed to receive their promised bonuses from the dispatch company.
- The factory does not pay social insurance for the dispatched workers.
- In 2018, dispatch workers made up 55% of the workforce. Chinese labor law stipulates that dispatch workers must not exceed 10% of the workforce. In August 2019, around 50% of the workforce were dispatch workers.
- During peak production season, student workers must work overtime. However, according to regulations on student internships, students are not to work overtime or night shifts.
- Chinese labor law mandates that workers must not work more than 36 overtime hours a month. However, during the peak production seasons, workers at Zhengzhou Foxconn put in at least 100 overtime hours a month. There have been periods where workers have one rest day for every 13 days worked or even have only one rest day for a month.
- Workers have to receive approval not to work overtime. If workers do not receive approval and choose not to work overtime anyway, they will be admonished by the line manager and will not be working overtime in the future.
- If work is not completed by the time the shift ends, workers must work overtime and workers are not paid for this. If there are abnormalities at work, they must work overtime until the issue has been addressed, and work done during this time is also unpaid.
- Workers sometimes have to stay back for night meetings at work, and this time is unpaid.



- The factory does not provide workers with adequate personal protective equipment and workers do not receive any occupational health and safety training.
- The factory does not provide a single training class on fire safety and other relevant knowledge.
- The chairman of the labor union is always appointed by the factory, not elected by the workers, and the chairman is always the department leader or manager.
- The factory does not report work injuries
- Verbal abuse is common at the factory.
- The factory recruits student workers through dispatch companies, as student workers sent by schools are subject to many restrictions.
- The factory violates the “The Administrative Provisions on the Internships of Vocational School Students” which stipulates that student workers cannot be recruited by agencies or dispatch companies but only schools.

## Zhengzhou Foxconn Report

### Background

Hon Hai Precision Industry Co., Ltd., also known as Foxconn has three subsidiaries in Zhengzhou, Henan and is registered under three different names: Hongfujin Precision Electronics (Zhengzhou) Co., Ltd., Futaihua Precision Electronics (Zhengzhou) Co., Ltd. and Fuding Precision Industry (Zhengzhou) Co., Ltd.

Hongfujin Precision Electronics (Zhengzhou) Co., Ltd. (hereinafter, Hongfujin), located in an export processing zone in Zhengzhou Airport Economic zone, is the largest of the three and was founded by Bo Xue in July 23rd, 2010. The iPhone 4 series to the iPhone XS series, are all processed and assembled here at Hongfujin, and shipped in cartons to Apple users around the world.

This investigative report is based on the labor conditions inside Hongfujin Precision Electronics (Zhengzhou) Co., Ltd. (hereinafter, “the factory”).



(Outside of the front gate of Zhengzhou Foxconn factory)



(Inside of the factory)

The factory covers about 1.4 million square meters and by the end of 2011, construction for supporting facilities in and around the factory was completed. The factory has developed production lines manufacturing casings, motherboards in addition to product assembly and after-sales maintenance. It has become the largest iPhone manufacturing factory in the world. People even call the Airport Economic Zone, where the factory is located, the “iPhone City”. During peak season in 2017 and 2018 (usually from August to November), the factory employed over 300,000 workers. The factory had around 60,000 workers in 2018 during off-peak season. In 2019, the factory is recruiting a large number of workers, and in August there were over 150,000 workers. The investigator estimates that the ratio of male to female workers is 4:3 in the workshop and the ratio of male to female technicians is 5:1. Among line leaders and team leaders in the workshop, the male to female ratio is 10:1 and 30:1 or even higher at the managerial level and above. The majority of the workers are from towns and counties in Henan province and there are rarely workers from other provinces.

### Company Structure

The factory is formed by two business groups: iDPBG (Integrated Digital Product Business Group) and SHZBG (Super Precision Mechanical Business Group). The former is mainly responsible for the manufacturing of Apple mobile phone motherboards and the assembly of finished products, which requires more labor. The SHZBG business group is predominantly responsible for the production of mobile phone back cases. Because the back cases are mostly cut by hi-tech machines, there is not much manual labor

involved. In 2015, Foxconn Zhengzhou Factory restructured the subsidiary companies and named “CAA-iDPBG-Zhengzhou” subsidiary group to be in charge of the iDPBG business group and SHZBG business group in the Zhengzhou area.

The two business groups are then divided into smaller factory zones based on their geographic location for management purposes. These zones are named alphabetically from A to N (except I). Zones H, M, J were planned to be used as factories but have yet to be built. The administrative structure of Foxconn Zhengzhou from bottom to the top are: Production Lines, Sections, Departments, Business Units, Business Divisions, Business Groups, and Foxconn Group.



(Map of the factory)

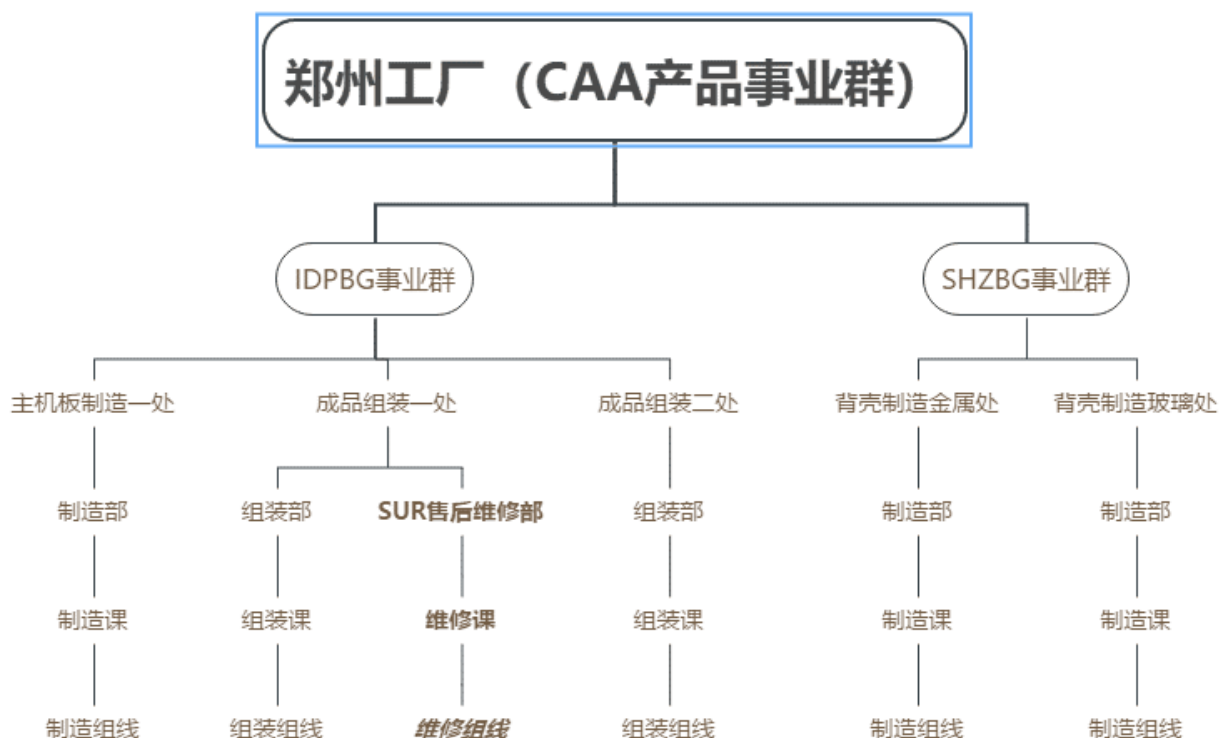
Integrated Digital Product Business Group (iDPBG) involves fashionable telecommunication terminal equipment, development and production of audio and video digital products. Its R&D and manufacturing teams have the efficiency and capacity to handle the large number of orders following the release of new iPhones every year.

iDPBG business groups can be divided into three divisions, these divisions also have their own departments. The three divisions are: the motherboard manufacturing division that produces the iPhone's internal motherboard; the product assembly division that assembles various materials provided by the downstream supply chain into the finished iPhone; the maintenance division located in zone N that is responsible for the after-sales maintenance of the iPhone returned by the customer.

The second business group is the Super Precision Mechanical Business Group (SHZBG) that involves the production of precision molds, 3C products, automation equipment, automated robots, precision tools, and optical products. Both zone A and B belong to SHZBG that produces the metal back shell of the iPhone.



The rest of the zones in the factory belong to iDPBG, and is responsible for assembling the iPhone from the materials provided by the downstream supply chain.



(Company structure)

## Section 1: Recruitment and Resignation

### Hiring Requirement

As jobs at the factory are generally repetitive work, there are minimal requirements for line workers. Workers are required to be over 18 years old and under 45 and healthy to apply for the position. The factory relaxes the age requirement when they are rushing to complete orders. Applicants do not need a technical certification and the factory does not discriminate against those from a particular ethnicity or region. The only document required is a valid ID card.

To reflect they are socially responsible, the factory claims that disabled people can apply, but does not actually accept applicants all year round. The factory mainly recruits disabled workers during the off-peak season. The basic requirements for disabled applicants are to have well-functioning hands, be able to take

care of themselves, and can communicate in sign language or written words if candidates are deaf. If hired, the manager usually assigns them to relatively easy tasks.

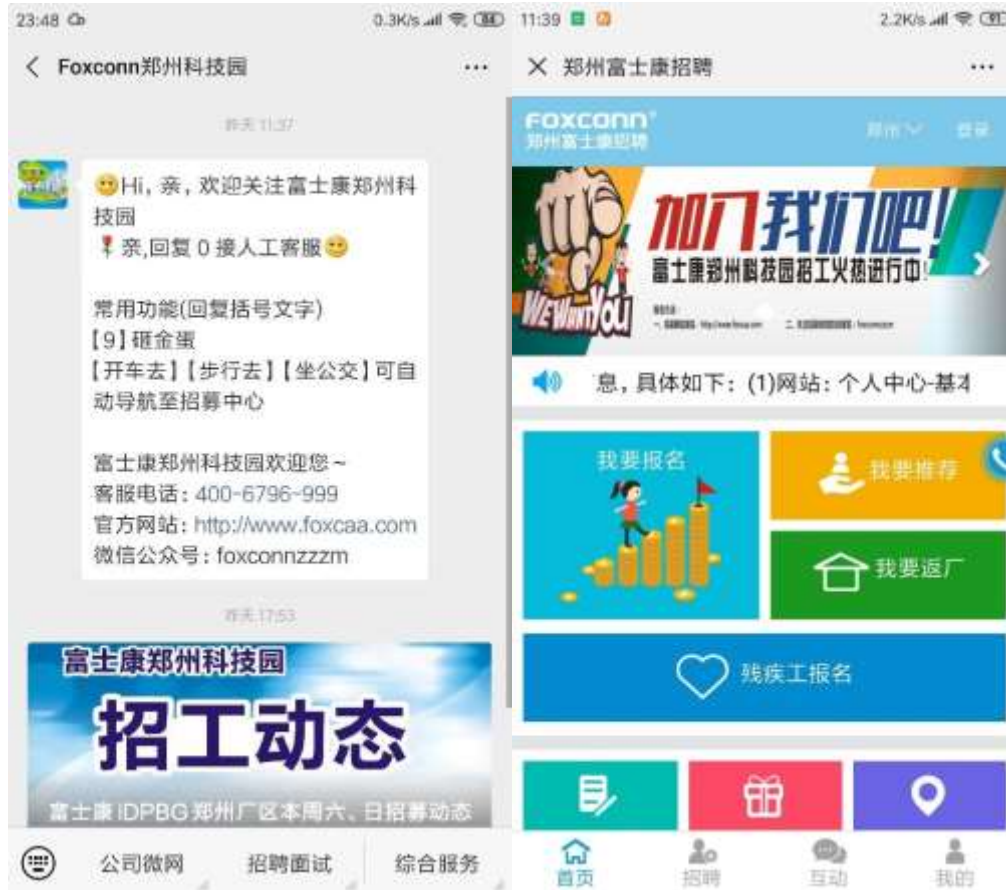
There is no recruitment fee for applying for a job at the factory. The factory mainly recruits through their internal channels and through a dispatch company. There are three internal channels: “Wechat public account”, “Internal References Program” and “Re-employment Program”.

### Method of Entry

#### WeChat Public Account

The factory created a WeChat public account called *Zhengzhou Foxconn Recruitment Center* for individuals who are looking for an entry-level production line job. Applicants can register with their basic information (name, ID number, phone number), and schedule an appointment for the interview. After the initial background check by the Foxconn registration system is completed, the factory will send the applicant a date for an interview and provide other related information. If you previously worked at the same factory or other Foxconn factories in a different location and you left the job in the recent 90 days or you are on the company’s blacklist, then you are automatically unqualified to apply for a position.

However, most applicants do not apply through the WeChat public account. The bonus is much lower if applicants apply through the WeChat public account when compared to other internal application channels. The factory has also developed its mobile application, Aikoudai, for internal use. Workers can check their paychecks, overtime work hours, and holidays, etc and can apply for jobs through this app.



(Left: Foxconn Zhengzhou Wechat account Right: Recruitment page on Foxconn Wechat account)

### Internal References Program

Another way to apply for a job is to be referred by friends or family members who work at the factory. Both the referring person and the individual referred to the factory will receive a bonus at the end of the probationary period.

× Foxconn郑州科技园

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**内部推荐 火热开招啦**  
推荐人400元 被推荐人200元

**奖金政策**  
推荐人奖励400元/人，被推荐人奖励200元/人

奖励项目	被推荐人入职		小计	备注
	满1个月	满2个月		
推荐人奖金	200元	200元	400元	1. 推荐人奖金：必须推荐人入职满1个月为条件。 2. 推荐人奖金：必须推荐人入职满2个月为条件。 3. 被推荐人入职满1个月，奖金发放到推荐人。 4. 被推荐人入职满2个月，奖金发放到推荐人。
被推荐人奖金	200元	0	200元	

**适用范围**  
CAA-IDPBG郑州厂区

**适用时间**  
自2019/4/17起(结束时间以人事公告为准)

**报名方式**  
我要聘APP (推荐使用)



**报到地点**  
F区北门二线岗外白色候车棚下内部推荐集合点

**特别提醒**  
我要聘报名成功且收到面试短信通知后，请推荐人协助亲友及时至集合点报到，途中勿相信他人，谨防上当受骗

(Internal references program)

When the factory is in urgent need of workers, referring others to work at the factory is mandatory. Every department in the factory has its own referral quotas that are allotted to every worker. The supervisors of these departments will evaluate workers' grade based on the referral quotas. If a worker refuses to refer others to work at the factory, they will receive fewer overtime working hours in the following weeks. Fewer overtime hours is seen as a punishment for many workers, as the base wage is pittance. When the program first started in 2015, there was no requirement for workers to refer others to the factory. However, from 2016 onwards, the factory now gives out quotas, and each line is now required to refer six or seven individuals into the factory. Referral quotas increase when there are more workers on the production line.

For production lines where workers do not refer enough individuals into the factory, the monthly bonus for the line leader will be reduced. Hence line leaders will usually threaten workers with cancelling their overtime work hours to force them to refer friends or families to join the factory. Workers are paid 1.5 times the hourly rate for overtime on weekdays, so a lot of workers would rather work overtime than leave early.



Workers who meet the internal references quota will have the chance to work overtime. Some workers would go to the extreme and pay others to be hired into the factory in order to meet the quotas so that they can work overtime. (Workers will receive a work ID within three days of being hired into the factory, and their employment status will also be registered in the factory's HR management system). After workers who have been referred to the factory receive their work IDs, they can resign and the referrer can still meet their quotas.

You can fill in the information of referrers and referees on the factory mobile app or fill in a paper form from the department. You will be notified by a text message about a follow-up interview after you pass the initial background check from the human resources department. In terms of the reference bonus, it comes with workers' salaries every month and is divided into two months. Both referrers and referees must be currently working at the factory to receive the full amount. The bonus varies and has a lot to do with the demand for labor in the factory. In 2015, the referral bonus was 100 RMB (\$14) for each person you recommended with a maximum of 1,000 RMB (\$144). In 2018, the bonus reached 3,000 RMB (\$434).

During peak season, it is difficult to refer others into the company, as people prefer to be employed via the dispatch company where the bonus is higher. People who are hired by the internal recommendation program go through the same training and orientation as other new workers.

The bottom line is to complete the production goal and when the factory has orders, the internal references quota is not very important. Although the factory says that workers will not be able to work overtime if they do not fulfill the internal references quota, the production quota takes precedence. Overtime work will generally be given to those who met the internal references quota first.

### Re-employment Program

The "Re-employment Program" is a policy that allows workers who previously worked at the factories to rejoin the company. These workers do not have a probation period, however, they need to attend the orientation and training before they start work. Without the probation period, re-employed workers start with a base wage of 2,100 RMB (\$303)/month instead of 1,900 RMB (\$275)/m. Their accommodation fee is also waived for 4 months during the peak season every year when they stay in the factory dormitories. Re-employed workers also receive a reward, and the amount is the same as the bonus for referred workers at any given time. In 2018, the bonus reached 3,000 RMB (\$434) per person.

### Recruitment Process

According to the information from investigators, the recruitment situation from each channel is different every year. Prior to 2016, most of the new workers were recruited directly by the factory. Currently, the majority of workers are sent by dispatch companies.

中国移动 17:57 100%

X ZZFATPMFG01

**加入合伙人计划**  
**35天有钱拿**  
适用时间：自2019/8/20起至8/31止

奖励项目	申请条件	小计	备注
介绍人奖金	满1个月	500元	1. 介绍人奖金：以入职新员工入职时间为准，入职新员工入职满1个月，介绍人可获得500元奖金。
推荐者奖金	有做出勤满35天	6000元	2. 推荐者奖金：以入职新员工入职时间为准，入职新员工入职满35天，推荐者可获得6000元奖金。

**适用范围：** CAA-IDPBG郑州厂区  
**适用时间：** 自2019/8/20(含)面试起(结束时间以公告为准)  
**报到地点：** F区北门二号线外白色候车棚下IDPBG人力招募接待中心  
**报名方式：** 我要聘APP-合伙人

应聘流程：  
1. 我要聘APP-合伙人  
2. 我要聘APP-合伙人  
3. 我要聘APP-合伙人  
4. 我要聘APP-合伙人

扫描二维码，快速下载我要聘APP  
（微信号：idpbgz）

(2019 Foxconn recruitment notice. The notice states that referrers receive a bonus of 500 RMB/person after a month and referees will receive a bonus of 6000 RMB if they record full attendance for 35 days at the factory.)

In 2019, our investigator saw the recruitment information published online by a dispatch company. After contacting them for more information, he decided to take the train to Zhengzhou the next day. The dispatch company is located near the Two-Seven Square in Zhengzhou, and the investigator was picked up by a staff member from the company. Around 2 PM that day, they finally arrived at the dispatch agency. There were a number of applicants waiting for an interview in the agency. After gathering a certain amount of people, a staff member started to explain the interview requirements and process briefly, and teach applicants some interview skills and how to talk with the interviewers, etc.



(Outside of the dispatching company)

Afterwards, everyone was handed an ‘interview registration form’, where they filled in their name, including name, gender, identification number, phone number, education level, and previous job experiences. Under the education level category, the investigator was told to write they graduated from junior high school or high school as the factory does not accept college graduates. Workers were also told to write that they were applying for a position as a regular worker, although workers could choose to apply to be a regular worker, forklift worker, or work in production management and service logistics etc.

After workers have completed the interview application form, they were led to the second floor for an interview.

### Interview

Our investigator was asked the following questions in the interview:

*Interviewer: How much do you know about the factory/Foxconn?*

*Investigator: Not much, this is my first time applying.*

*Interviewer: Why do you want to work at Foxconn?*

*Investigator: I don't have a job right now, and I want to make some money.*

*Interviewer: Tell me more about the two previous jobs you had.*

*Investigator: I used to work at a hotel, I have never done any other types of jobs.*

Then the interviewer showed our investigator an alphabet chart, and pointed randomly at a few letters for the investigator to read aloud. If you can read English letters, you'll pass the interview. Our investigator was told that workers are not tested on the alphabet during peak season when the factory requires more workers. After the test, the interviewer will pick up the seal in front of him, and stamp a "Pass" on the technical work interview form and the applicant will then be able to move onto the next stage of the interview process.

The next part of the interview is a physical examination. An inspector will check if applicants have any tattoos or scars on their bodies. Generally, workers will not be hired if their tattoos or scars are conspicuous. However, when the factory needs more workers during peak season, they will still hire the workers anyway. The interviewees will be asked to show their hands and fingers, and this step is to check that the workers have well-functioning hands and fingers. Workers will then need to do a few jumps and squats. For people who passed the physical test, the inspector will stamp the application form, which means that they've passed the interview. Afterwards, workers are required to take a photo, scan their fingerprints and receive a factory ID card. Applicants also need to enter their personal information into the management system of the factory and are required to pay a medical examination fee of 50 RMB (\$7). They are told that the medical test fee will be reimbursed in the first month's salary. Workers then go to the first floor for a medical test.

The factory works with multiple local hospitals to carry out a medical test for major dispatch companies in the city, and hospitals will send medical teams to these dispatch companies. There are three main tests: 1. Liver function tests, which requires a blood test 2. Physical examination to see if there is any sign of pigeon chest or dysplasia. 3. X-ray examination. Later on, anyone who fails the medical examination will not be able to work at the factory. After everyone finished their medical test, the dispatch company gathered everyone to hand out factory ID cards and warned workers not to lose it. The whole process from the medical exam to the factory ID card distribution only took three hours, and some people call it "Foxconn speed".

In August 2019, one of our investigators contacted a dispatch company on WeChat. According to the dispatch company, Foxconn currently rarely recruits regular workers, and most of the workers are recruited by dispatch companies. Applicants must be aged between 16 to 35. Workers who work at Foxconn for more than 70 days can receive a 5000 RMB (\$697) bonus from the dispatch company. Workers cannot take leave, need to work overtime, cannot be absent during the employment period, and workers will sign their contracts with the dispatch company and not Foxconn. The bonus is not listed on the contract. The investigator contacted several companies who called themselves "Direct Recruitment Center of Foxconn" but they were actually dispatch companies. There were around 500 new workers joining the factory at the same time as the investigator and they were all recruited by dispatch companies.

### Training

The training started at 8 AM. The instructor introduced some public security information in the morning. For example, what to do if there is a fire in the factory, and how to use a fire extinguisher, etc. In the afternoon, every new worker received a psychological questionnaire, which had roughly a dozen questions. Such as "Do you often see things other people can't see?", "Do you often have sexual fantasies about the opposite gender?", "If you have concerns, do you choose to talk to other people or choose to harm yourself?"



etc. and the answers are “never”, “occasionally”, “often” and “always”. New workers need to sign their names and write their ID numbers on the sheet after they finished. Those who score too low are unable to work at the factory. After the psychological test, the remaining new workers sign their contract with the factory and will receive a copy of their own. Although in the 2016 training session, workers are told they will have a three-day training, in reality, the training only lasts two days, and on the third day, workers are assigned to departments and positions. From 2017, the training program was shortened to one day and workers are assigned their work positions and departments on the second day. In 2019, the training program is also only one day.

For people who work on the assembly lines, they need to read the operation instruction during the mass production period. For workers assigned to key positions, they need to be certified before starting their jobs. However, line leaders will still let illiterate workers pass the test since most of the work on the assembly line is easy and repetitive. For workers who join the factory during peak season, they can start working after being taught by senior workers for a few minutes.

### Position assignment

The factory gathers all new workers at a place called the “assignment hall”. Usually, there are several hundreds of workers and during peak season, there are two to three thousand workers. Staff from other supporting departments come to select workers. They select some good-looking females to do regular paperwork. Some also prefer people who have served in the military. Everyone wants to be selected because they all know the work in those departments is much better than working on the assembly lines. Those who are not selected would wait in the queue and receive a number that represents a department.

In general, position assignments are rather random. The result really depends on your luck. Pretty girls are very popular, which is obviously gender discrimination because they are the preferred targets of all the departments. If you know someone who has a higher rank than the group managers (or the line managers in some circumstances), you can also be assigned to a better work position. Therefore, favoritism plays a big role in the factory. After training, normal workers will be allocated to different departments, which very much determines your work environment in the future. It is very difficult to change to another department. If you wish to do so, you have to first find a department that is willing to accept you and you will have to receive permission from your current department supervisor as well. If the worker is willing to spend some money or he/she knows high-level managers, it will be much easier for him/her to change to another department.

### Work officially begins

After receiving a number, workers line up again and pass the number to factory staff who will then allow workers to swipe into work. By that time, the worker’s personal information has already been recorded into the factory system. After swiping into work, workers then pick up a factory T-shirt, a canvas belt, a lanyard and a pair of black static shoes for free. Afterward, department staff led workers to a hall located in the E section of the factory and workers are allocated to the day or night shift and given a free anti-static coat for

work. Workers then return to the Yukang North Dormitories, and as they have already been allocated to their respective departments, they are not allowed to live in Yukang North anymore. Workers must move to another dormitory, and the factory provides a bus for transportation. After workers collect their luggage, they moved into the long-term “Yukang South District” dormitory.

Workers begin to work the next day and after gathering at the entrance of the workshop, line leaders from the workshops then select workers for their line. Worker’s factory ID cards have been authorized to enter the factory the day before. They follow the instruction of line leaders and begin working in the workshop.



(Workers switching shifts in the morning)

### Resignation

New workers have a probationary period of three months and if they wish to resign during this time, they must apply three days in advance. Regular workers must apply for resignation a month in advance. During

peak seasons, resignations won't be approved and workers can only break the contract through absenteeism (factories would deem workers who are absent for more than three days as having automatically resigned). After resigning, the factory system will notify the worker via a text message that they are to undergo resignation procedures at the service centre (Prior to 2018, this was called the "One stop service centre"). Workers also need to return the labor protective equipment, anti-static coat, and static shoes to the factory. After completing resignation procedures, workers will receive their wages within a month, though they usually would receive wages in two weeks. Workers do not receive a pay stub that month.

Whether the workers resign or are dismissed, factories would still see workers as having quit their position.

### Labor Contract

Workers sign a contract after the pre-job training. The contract is written on a yellow, A3 sheet of paper. The contract has various terms that are stated very clearly. The contract period is three years and the start date is the day of the interview. If the three-year contract expires, the factory will propose to renew the contract indefinitely.

The contract states that the probationary period is three months and wages are 1900 RMB (\$275) during this period. After workers pass the probation, wages will increase to 2100 RMB (\$303). The factory has already filled in the required terms on the contract. Factory staff then display a template on the screen, and workers are asked to fill in their personal information accordingly. Staff then take a copy of the contract, and workers themselves retain a copy.

Dispatch workers sign their contracts with dispatch companies and their wages will be calculated based on the days they work.

## **Section 2: Types of Workers**

### Dispatch workers

The factory has consistently used dispatch companies to recruit workers. Before 2015, the factory rarely recruited "dispatch workers" or paid "bonuses" to dispatch workers. Since the start of 2016, dispatch companies have been sending "dispatch workers" to the factories to work. Although they are hired dispatch companies, they work at the factory. Dispatch workers do not have an employment relationship with the factory. After dispatch workers work for three months at the factory, they sign a contract with the factory and become official workers. Dispatch workers have a green factory ID card, which has "Export Processing Zone Work Permit" written on it along with their work number and surname. Dispatch workers' work numbers start with a capital "P". Official workers have a blue factory ID card, which has "Foxconn Technology Group" written on it, and their work number starts with a capital "H".

When the factory requires workers, to hire a large number of workers in a short amount of time, they usually pay dispatch companies large sums of money. Dispatch companies use the money they received from the factory to attract workers by offering "bonuses". The bonus is a one-off amount, and regular workers do

not receive a bonus. Workers must adhere to rules established by the dispatch company and factory before they are able to receive the bonus. Workers receive different bonus amounts for working 30, 45, 55 or 70 days. Bonus amounts will fluctuate according to the demand from factories for workers and also the number of dispatch companies which are in the market supplying labor. The bonus can increase or decrease a few times a week.

In 2016, to hire workers, dispatch companies advertised a 200 RMB (\$289) “bonus” for workers who are employed at the factory for a month. Additionally, the factory was manufacturing the iPhone X in 2017 and hired a large number of workers and the “bonus” also increased from around 8000 (\$1157) to 9000 RMB (\$1260). To receive the bonus, many workers choose to apply to work at the factory through the dispatch company. Although the bonus is quite high, many workers are cheated out of their bonuses and do not receive it.

Dispatch workers’ wages are paid by the dispatch company, and they do not receive social insurance. In 2017, dispatch workers’ wages were distributed in the same manner as regular workers. That is, their wages were also paid by the factory on the 7th of every month.

On January 6, 2018, a dispatch worker jumped to his death from Zhengzhou Foxconn’s Fu Hang Apartment complex. It was suspected that the worker committed suicide because he had not received his bonus. The factory reasoned that the worker owed large amounts of debt that he was unable to repay and began having suicidal thoughts which led to his suicide.



(A worker jumped to his death from Fu Hang building)



In 2018, the bonus increased to between 8500 - 9000 RMB (\$1190~\$1260) which attracted many workers. The highest bonus offered was in October 2018, when dispatch companies offered a bonus of 9000 RMB for 55 days of employment. In Zhengzhou Airport Economic Zone, on 8th street, there is another Foxconn factory that predominantly manufactures iPhone casings. On December 13, 2018, at around 7:00 AM, close to 200 workers held a banner protesting unpaid bonuses from dispatch companies. The workers surrounded the factory's main entrance in the West. At 8:30 AM, the workers then blocked the road by standing in the middle of 8th Street for around two hours and at 10:30 AM, workers were notified by relevant factory staff to have a meeting in the afternoon at the factory.

Foxconn is saving money by hiring dispatch workers. If the factory were to simply increase wages to attract more workers during peak season, they would have to increase the wages of every worker in the factory. Hence they have dispatch companies hire dispatch workers, who offer worker bonuses. Dispatch workers are generally hired for the peak season and are working temporarily. When peak season is over, the factory does not have to lay off workers and pay them compensation as the contract for dispatch workers is only three months. Furthermore, many dispatch workers may choose to leave themselves as there are less overtime hours.

### Student Workers

Before 2017, few workers were under the age of 18. Most are students from vocational high schools who are arranged to work at the factory as an internship. Student workers do not work night shifts, do not work in any position requiring the use of industrial alcohol, such as the visual inspection workstations, and generally do not work overtime. However, during peak production season, they must work overtime. Students are provided a purple anti-static hat, while other workers wear a white anti-static hat and white uniform. Students workers work in the same positions as other workers. Student workers also have a probationary period of three months and receive the same wages as regular workers. During the probationary period, student workers earn 1900 RMB (\$266). However, since they usually only work at the factory for around two months, they leave the factory before their wages increase to 2100 RMB (\$294).

In September 2017, Apple released the iPhone X. The Foxconn factory in Zhengzhou received the most orders, and there was a huge labor shortage. Since October 2017, a number of vocational high schools in Henan province began a "School-Enterprise cooperation" with Zhengzhou Foxconn. A large number of student workers then began working at Zhengzhou Foxconn, and their working conditions were the same as regular workers. Student workers were also expected to work two to three hours of overtime.



(Notice of "School-Enterprise cooperation")

In 2019, most of the student workers are recruited by dispatch companies. Student workers who are hired through dispatch companies need to work overtime and night shifts like regular workers. During the investigation period in 2019, the investigation found a large number of student workers in the Foxconn factory. Some were arranged by their schools to come and some came to work at the factory themselves. Most of the student workers plan to leave the factory in September before the new semester starts.

### Section 3: Work Hours

	Shift A	Shift B	Shift C	Shift D
Day Shift	7:00-16:00 (One hour lunch break)	7:30 - 16:30	8:00 - 17:00	

Night Shift	19:00 - 4:00	19:30 - 4:30	20:00 - 5:00	20:30 - 5:30
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	Peak Season	Off-peak Season
Daily Working Hours	11 hours	8 hours
Days worked per week	6-7 days	5 days
Days worked per month	28-29 days	22-23 days

Workers on average work 21.75 days a month, five days a week, eight hours a day, and any time put in beyond this is counted as overtime. The factory has a two shift working system. Due to the large number of workers and the nature of the work, the shifts are 7:00 am, 7:30 am and 8:00 am. For the night shift, the shifts are 7:00 pm, 7:30 pm, 8:00 pm and 8:30 pm. During off-peak season, workers generally work five days a week and eight hours a day, and rarely work overtime. Some months, there is no overtime. During peak season, workers work six days a week and put in two hours of overtime a day. For overtime hours, workers receive 1.5 times the hourly wage on weekdays and twice the hourly wage on weekends. When there are a lot of orders, workers put in three hours of overtime a day, putting in at least 100 overtime hours a day and have one rest day for every 13 days worked. The factory's peak season is in August, September, October, and November. The most overtime working hours put in by the investigator was 130 hours in October 2018. Some workers put in over 150 overtime hours a month.

In October 2017, when the factory was manufacturing the iPhone, workers often put in over 130 overtime hours. In November, workers put in 100 overtime hours, and in December the factory decreased the number of lines and workers put in 70 overtime hours.

In October 2018, our investigator put in 130 overtime hours to manufacture the iPhone XS. Regardless of which iPhone series, October is the month with the most overtime hours. According to the different products, the overtime hours is also different. The factory also manufactures some older iPhone series, and in these workshops, there are fewer production lines, hence workers put in a lot of overtime hours. Different lines also have a different number of overtime hours despite being in the same workshop. Workers in the packaging line usually work 10 overtime hours more compared to workers in other lines.

In August 2019, the weekly work hour was around 60 hours, with workers putting in 10 hours a day.

If there are urgent orders to complete, the factory arranges for overtime every day, with only one rest day a month which is usually used for workers to switch day and night shifts. During peak season, workers must put in overtime. If workers do not put in overtime, this will affect the production output. Workers must explain to the line manager if they are unable to work overtime and also receive approval for this. If workers do not receive approval, they will be admonished by the line leader and won't be working overtime in the future. There was a worker who said they were busy on Friday and Saturday and did not wish to work overtime. Despite explaining to the line manager, the worker did not receive approval not to work overtime.

He did not work overtime anyway, however, when he arrived at work on Monday, the line leader only arranged for him to work eight hours a day, five days a week for the next two weeks.

Workers swipe their factory cards to record attendance. Since April 2017, workers also have to record their fingerprints. If workers forget to swipe in, or have lost their factory ID-cards, they can speak to factory staff to make corrections to their attendance. The workshop entrance has a security guard, and workers aren't able to leave the workshop as they wish during work hours. If they'd like to exit the workshop outside of meal times, they must be led out by the line leader.

Lunch break is an hour and as the production line does not stop, workers go to lunch in two batches. As workers need to go to and from the shoe cabinet to change clothing, they have to return to the workshop a few minutes in advance so that other workers can have lunch. As such, the lunch break is less than an hour. When workers go to lunch at 11:00 AM, they must be on the production line at noon sharp to begin work. If they are late, they will be scolded by the technician.

Sometimes, the factory will close the production line every day at 10:00 AM and 3:00 PM for workers to rest for 10 minutes. However, as the line leader has a production quota to complete, they rarely close the production line.

For some positions, workers are required to come to work earlier to prepare or to do an inventory when they finish work. If they do not do inventory properly, they are not allowed to leave. If there are any abnormalities at work, they must work overtime until the issue is addressed and this is unpaid. For some production lines, the technician would hold meetings for workers in the morning or at night. For morning meetings, workers must come to work 10 minutes earlier. If they meet the production quota, the night meeting will begin five to ten minutes earlier, and if the meeting is long, workers are to stay back after their shift ends and this is unpaid. If work is not completed before the shift ends, then workers must work overtime and this is also unpaid.





(Day shift workers go to work)

In 2015, the factory received many orders and the iPhone 6 was selling well. Workers in several workshops in the F department were working 30 days and only had one day off a month. In the second half of the year, orders for the iPhone 6s were also stable and it was only until December 2015 when overtime was reduced and workers were resigning from the factory. Many workers mentioned that 2017 was not a good year for the factory, and workers generally did not work overtime in the first half of the year. Usually, peak season begins in August, however, in August 2017, workers were generally putting in around 20 overtime hours a month or less. Workers were complaining that the factory wasn't giving them overtime work, and according to some line leaders, there were some issues encountered when manufacturing the "iPhone X", hence there was a delay in the production of the device. This led to many workers choosing to resign.

To utilize the workforce more effectively, the factory would allow many workers to provide support at other factories. Some went to Yantai Foxconn and some went to Langfang Foxconn. Workers eagerly signed up to assist in order to work more overtime and to earn more wages. In September, production improved somewhat, and workers were putting in around 70 overtime hours a month. However, workers who were manufacturing the "iPhone X" still had little overtime work, and as such, many workers resigned. For the iPhone X production, workers officially started working overtime in October 2017. But because there were too many workshops, by New Year's Day in 2018, many of the production lines were closed. This year, there were also no incentives to stay and work at the factory. The workshop manufacturing the iPhone X was closed for the Spring Festival for 15 days. This was the longest holiday taken since the factory opened in Zhengzhou. From January till March 2018, there was no overtime work at the factory. Before May 2019,

there was little overtime work, and from June, workers started to have more overtime work. In August, workers needed to work around 10 hours a day including overtime work and sometimes the work hours were even longer.

### Production Quota

There is a production quota every day. During the busiest time in peak season, the maximum number of phones that can be produced is 12,000. But on average, each workshop and each shift (day and night shift) produces 11,000 iPhones. In off-peak season, workers produce around 3,000 iPhones, and despite the production quota being much lower than in peak season, there are also fewer workers. As such, workers may have to work harder. If the production quota is not completed, workers will be reprimanded.

Generally, workers are able to complete the production quota. If a number of workers take leave or are absent from work, there are issues with the production materials, or the production equipment is defective, workers may not be able to fulfill the quota.

Work positions have a guidebook which is an instruction manual and mentions the number of workers required for each workstation. However, in most work positions, there aren't enough workers, hence one worker sometimes has to juggle the work of two or three people.

## **Section 4: Wages and Benefits**

Workers have 11 days of statutory holidays every year. Wages are distributed on the 7th of every month, and if it is a holiday, wages may be paid one or two days later. During the off-peak season when there is no overtime, workers earn around 2000 RMB (\$280) on average and around 3,500 RMB (\$490) in peak season. Since August 2015, there have been no changes to the base wage.

Workers are paid according to an hourly standard. Regular workers earn 12 RMB (\$1.68)/hour. The factory has an internal app, and workers are able to check the details of their wages. Worker's wages include:

### Base wage:

New workers receive a base wage of 1,900 RMB (\$266) and have a three-month probationary period. After the probationary period, new workers then become regular workers and the base wage then increases to 2,100 RMB (\$294).

In September 2018, the factory officially announced that new worker's probationary period would be shortened to one month, and following this period, they would become regular workers. During the probationary period, workers will receive a 200 RMB (\$28) "new employee" bonus. Currently, the factory has a one-month probationary period.

### Overtime pay:

The factory pays an overtime rate of 18 RMB (\$2.52)/hour for overtime hours on regular work days, 24 RMB (\$3.36)/hour for overtime hours on weekends and 36 RMB (\$5)/hour for overtime hours on holidays.

#### Key Position Allowance:

The key positions are work positions that have the greatest impact on the production quota and quality of the product and are generally more complex. Key positions have three standards. K positions earn 80 RMB (\$11.2)/month, K+ positions earn 120 RMB (\$16.8)/month and K++ positions earn 200 RMB (\$28)/month. The key position allowance is paid by the day. For example, workers in K positions earn 3.7 RMB (\$0.52)/day (80 RMB (\$11.2)/21.75 work days). However, workers only earn the allowance on Mondays through Fridays, and do not receive the allowance for overtime on weekends.

#### Special Position Allowance:

The special positions are workstations that may cause health hazards or where workers are at risk of occupational diseases. Special position allowance has two different levels based on which workstations workers are assigned to. For any work position that has ionization radiation, workers receive an allowance of 200 RMB (\$28)/month. For positions where workers are exposed to chemical primers and industrial alcohol, workers receive an allowance of 70 RMB (\$9.8)/month. However, only 4 or 5 workers in X-ray workshops and workers who are directly involved in canning and managing the alcohol primer receive a special position allowance. Workers who use alcohol wipes for cleaning assembled parts on the assembly line, will not receive the allowance.

#### Night shift allowance:

The night shift allowance is 8 RMB (\$1.12)/night shift, and is paid regardless of whether it is a weekday or a weekend.

#### Management allowance:

The management allowance is for anyone who is employed in a management position. Workers and engineers at the factory earn different wages. Engineers earn more wages than regular workers and is divided from level 1 to level 16. The “worker” payroll is divided into three levels. Regular workers are level 1 (base wage of 2,100 RMB \$303/month), Technicians are level 2 (2,200 RMB \$318/month) and line leaders are level 3 (2,300 RMB \$332/month). For example, technicians earn the management allowance of 300 RMB (\$42)/month, and line leaders earn 600 RMB (\$84)/month. The management allowance is included in the base wages every month, which means the management level also has a much higher overtime rate compared to regular workers.

#### Stay-put Policy:

The Stay-put Policy is for anyone who returns to work early during the Spring Festival, usually starting on the fifth day after the Chinese lunar new year. The factory started to produce the iPhone 5se around January 2016 and introduced a “Stay-put” policy before the lunar new year. Under the policy, if workers come back

to work on the fifth day of the lunar new year, they would receive a 1,050 RMB (\$147) bonus (including a 50 RMB (\$7) new year red packet which all workers can receive as long as they come back on the eighth day of the lunar new year).

The factory again implemented the “Stay-put Bonus” at the end of 2016. The policy regulated that if workers came back to work on the fifth day of the lunar new year after a five-day holiday in 2017, they would receive a 1,150 RMB (\$161) bonus (including a 50 RMB (\$7) new year red packet which all workers could get as long as they came back on the eighth day of the lunar new year).

#### Continuous Growth Bonus:

Since the factory was built in 2011, full-time workers receive a monthly bonus named “continuous growth bonus”. After the three-month probation period, new workers become full-time employees and can receive a 50 RMB (\$7) monthly bonus after one-month of work. And the bonus increases by 50 RMB (\$7) every month until it increases to 300 RMB (\$42). In other words, full-time employees can receive a monthly bonus of 300 RMB (\$42) every month after working six months at the factory. The Continuous Growth Bonus was officially canceled by the factory in 2017.

#### Peak Season Allowance:

The peak season allowance is for anyone working during peak season. In August 2016, the factory implemented for the first time a “peak season allowance” policy that if workers had full attendance during the peak season (August, September, October) when the factory mainly produced iPhone 7 series then the workers would receive a monthly bonus of 300 RMB (\$42) and a paid day-off. Workers receive a 200 RMB (\$28) bonus without any paid leave if they do not have full attendance. There was no overtime in November 2016. But workers in the F area who produced the iPhone 7 Plus still worked overtime regularly.

←
公告详情



## iDPBG2017年郑州厂区 员级员工高峰期激励公告

一、方案说明：取消现有持续成长奖金变更为高峰期激励奖金，集中于2017年高峰期提前发放

二、激励对象：郑州厂区之陆籍员级员工  
正式工/派遣工/支援人员/大专实习生均享有，实习生/借调工除外

三、激励时间：2017年7月1日-2017年11月30日，激励周期5个月

四、激励奖金标准：

项目	7月	8月	9月	10月	11月	小计
2017/1/1前入职员工	激励标准	500	600	600	500	2,500
	激励标准	薪资作罢，逐月发放，每月激励奖金按当月薪资发放				
2017/1/1后入职员工	激励标准	400	400	400	400	2,000
	激励标准	薪资作罢，入职当月即可享受，当月激励奖金按当月薪资发放				

五、作业细则：

5.1 员工当月入职，当月开始享有激励奖金：  
如某员工7/1日入职，自7月起享有高峰期激励奖金，依7月实际出勤天数随8月薪资发放；

5.2 当月激励奖金应发额度=奖金额度/当月正常工作日出勤天数\*实际出勤天数：  
a. 实际出勤天数=正常工作日出勤天数-正常工作日缺勤天数；  
b. 正常工作日缺勤天数=当天未正常出勤天数，即含迟到、早退、调休、有薪假等；

5.3 有以下情况者，当月高峰期激励奖金不予发放：  
a. 薪资发放日前离职者；  
b. 当月有旷工记录者；  
c. 当月申请无薪假(事假、特殊事假、专案事假)大于16H者；

5.4 高峰期激励奖金不计入加班费核算基数；

5.5 2018年视实际生产状况调整方案。

六、承办窗口：  
iDPBG郑州人资 叶贝贝 Ext: 579-82198  
Notes: idpbg-zz-hr-ot01@mail.foxconn.com

(Notice of Peak Season allowance in 2017)

In July 2017, the factory cancelled the “continuous growth allowance” policy and combined it with the “peak season allowance”. Employees who came before January 1st, 2017 can receive a monthly bonus of 500 RMB (\$70) for five months, that is, workers can receive 2,500 RMB (\$350) from July to November. Employees who came after January 1st, 2017 can receive a monthly bonus at 400 RMB (\$56) for five months, 2,000 RMB (\$280) in total.

In 2018, the peak season is only 4 months from July to October. Employees who joined the factory after January 1st, 2018 can receive a monthly bonus of 400 RMB (\$56) for four months during the peak season. Employees who came before January 1st, 2018 can receive a monthly bonus of 500 RMB (\$70) as a peak season allowance. Technicians, line leaders or anyone in a leadership role can receive a monthly bonus of 600 RMB(\$84). However, if worker skipped his/her shifts or take leave for more than two days or for more than 16 hours, or left the factory before the pay day, then he/she won't be receiving the peak season



allowance. If workers are late, leave early or take paid leave such as sick leave, bereavement leave, etc. their peak season allowance will be deducted according to the number of days absent.

#### Technical allowance:

In May 2018, the factory introduced an adjustment plan that applicable to all mainland Foxconn workers in Zhengzhou factory. According to the second article of the adjustment plan, workers can receive a “technical bonus” if they meet the following two requirements: 1. The worker has worked at the factory for more than one year. 2. The worker’s year-end performance review in 2017 has to be rated by the line leader as B and above. Level B performance gets 100 RMB (\$14) bonus, and level A and A+ get 200 RMB (\$28) by the end of the year. Workers who are rated as C or D will not receive any bonus.

公告详情

CAA-iDPBG郑州&太原厂区员级员工薪资结构调整公告

CAA-iDPBG郑州&太原厂区

员级员工  
薪资结构调整  
公告



一、背景说明

为促进CAA各厂区薪资项目结构合理、统一，对员级员工薪资项目进行整合、优化。

二、适用范围

CAA-iDPBG郑州&太原厂区签订富士康正式劳动合同之员级员工

### 三、调整方案

#### NO.1 试用期及入职激励奖金

- ①试用期：由3个月调整为1个月
- ②入职激励奖金：试用期内增加入职激励奖金200元  
(依入职自然天数折算)
- ③作业细则：
- A.15号(含)前入职：入职激励奖金随当月薪资发放；  
试用期满薪资调整生效为次月；
- B.15号后入职：第1个月入职激励奖金随次月薪资发放；  
试用期满薪资调整生效为次次月；
- C.入职激励奖金不作为加班费及五险一金基数；  
比照试用期满入职或试用期满薪资已调整之员工不再享有。
- ④举例说明：



入职日期	第1个月薪资标准		第2个月薪资标准		第3个月薪资标准	
	正常工作 时间工资	入职 激励奖金	正常工作 时间工资	入职 激励奖金	正常工作 时间工资	入职 激励奖金
15号(含)前	1,900元	200元	2,100元	/	2,100元	/
15号后	1,900元	200元(次月发放)	1,900元	200元+第1个月奖金	2,100元	/

注：以上说明为标准薪资举例，当月不足整月部分，需按天折算。

#### NO.2 技术津贴

- ①1年以上(2017/4/30(含)前入职)员工享有，依2017年  
绩效核给，甲(含)以上200元，乙100元。
- ②作业细则：
- A.不并入基本薪资，不作为加班费及五险一金基数
- B.非全薪假(事假、病假、旷工、医疗期等)部分，  
依出勤天数扣减

#### NO.3 薪资结构优化

- ①考核岗位津贴并入基本薪资
- ②作业细则：B/C类职系取消薪资级距差异，统一按现有  
作业员标准执行
- ③举例说明(以员1为例)



举例	目前标准薪资		调整后标准薪资	
	正常工作 时间工资	考核岗位津贴	正常工作 时间工资	考核岗位津贴
李员	1,900元	200元	2,100元	/

### 四、其他说明

- ①以上项目随在职薪资作业，离职员工不享有
- ②生效日期：2018年5月1日
- ③咨询窗口：
- ZZ：人事管理部-薪酬福利课 579+82084
- TY：人力资源部-人事行政课 565+68701

iDPBG人力资源管理处 宣

(Notice of adjustment plan for technical bonus)

There are also various deductions included in the monthly payroll.

Social insurance:

The social insurance contribution rate has been increasing steadily every year. 190 RMB (\$26.6) was deducted every month from workers' wages in 2015. The amount increased to 220 RMB (\$30.8) in 2016 and 250 RMB (\$35) in 2017 and 290 RMB (\$40.6) in July 2018. The factory also purchased social insurance for workers on probation according to a base wage of 1,900 RMB (\$266). The social insurance contribution rate is shown as follows:

Pension: Payment rate of employees are 8% per month and payment rate of the factory is 12% per month.

Medical Insurance: A) For the non-urban hukou employee medical insurance: All payment is covered by the company. B) For the urban employee medical insurance: Payment rate of employees is 2% per month. Plus, an additional annual fee of 130 RMB (\$18.2)

Work-related Injury Insurance: Covered by the company

Maternity Insurance: Covered by the company

Unemployment Insurance: Payment rate of employees is 1% per month, and payment rate of the factory is 2% per month.

According to the investigator's interview with factory workers, most of the factory workers receive a gross wage of around 4000 RMB (US\$578)/month. However, after taxes and other mandatory fees, the workers actually receive around 3000 RMB (\$433)/month. The factory uses the wages that the workers actually receive as the contribution base to deduct workers' social insurance fees instead of using gross wages. As such, the factory has not made adequate contributions to workers' social insurance.

Housing Provident Fund: The housing provident fund contribution rate has not changed since 2015. The rate has remained at 10% of the base wage. The monthly base wage is 2,100 RMB (\$294) so workers and the factory pay 105 RMB (\$14.7) respectively every month. Workers can receive the provident fund back on the day they leave the factory. The factory also purchases the provident fund for workers on probation according to a base wage of 1,900 RMB (\$266), and workers and the factory pay 95 RMB (\$13.3) respectively every month.

According to Article 16 of *Regulation on the Administration of Housing Accumulation Funds*, the monthly contribution of the employee housing provident fund is the average monthly salary of the employee in the previous year multiplied by the proportion of the employee housing provident fund. However, the factory uses the base wages instead of the average monthly salary from the previous year to calculate workers' housing provident fund contribution.

Accommodation Fee:

The factory provides dormitories but not for free. There is a 150 RMB (\$21) accommodation fee if workers wish to live in the factory's dormitories. They can also rent a place outside the factory. But the factory will neither charge any fee nor provide any subsidy for this.

#### Dining Fee:

The factory card has a 400 RMB (\$56) expense limit every month and 20 RMB (\$2.8) every day for meals. The expenses will be deducted from the workers' following month's wages.

Wages will be deducted according to the actual time they are absent if workers are late for more than 15 minutes. But workers will lose the whole hour's salary if they leave early even for one minute.

Some jobs are significant to the factory's production and thus the factory will provide daily allowances for workers in these positions. But many line managers only apply for an allowance for workers who have personal relationships with them. Truly hard working people receive nothing in comparison.

#### Leave Policy:

According to the factory's policy, a worker has up to 15 days of sick leave and casual leave. During sick leave, workers receive 70% of their wages. Workers also have other paid holidays such as marital leave and bereavement leave, but workers must provide proof. For example, sick leaves require formal proof of diagnoses as well as invoices or else workers will not be paid during the time. After working at the factory for a year, workers have five days paid leave from the second year onwards.

#### Recreational Facilities

The factory provides a laundry room for workers. There are also basketball courts, table tennis tables, and billiard tables. The stores nearby sometimes show several old movies to attract customers.

### **Section 5: Dining and Accommodation**

#### Dining Conditions

The factory provides meals and accommodation but not for free.

The dining hall has three floors, big enough for more than 2,000 workers to eat together. There are also a variety of dishes for workers to choose from. In 2015, a bowl of Lanzhou ramen costed 6 RMB (\$0.84). Many other main dishes such as rice noodles were also 6 RMB (\$0.84). Meals become more expensive since 2018. The dishes that used to be 6 RMB (\$0.84) increased to 7 or 8 RMB (\$0.98 or \$1.12). The factory provides an "economical meal" that offers three choices between several meat dishes and vegetable dishes, plus free rice and steamed buns. The meal is always sold at 6 RMB (\$0.84). Although it's cheap, it's getting more and more unappetizing.





(The dining hall)

Workers have to dine in batches because there is a multitude of people coming to the dining hall for lunch. The queue of people waiting to order food is extremely long every day. The meals currently are not cheap and even more expensive than the outside restaurants. Therefore, many workers do not eat anything or just eat some snacks during lunch time. They only have a meal after work. The sanitary condition of the dining hall is unsatisfactory. The tableware is public and has not been replaced for a long time. Some workers use their own chopsticks. Workers need to return the tableware to the tableware station after they finish their meal. In August 2019, the investigator found there was hardly any meat in the dishes.



(Workers getting food)



### Accommodation Conditions

If a worker wishes to live in the factory's dormitory, a 150 RMB (\$21) fee will be deducted from their monthly wages. A dormitory room can accommodate eight people and has bunk beds. Air conditioners and water heaters are installed in the dorms. There is also a bathroom and a small balcony where workers can hang clothes in the dorms. The water heaters on the sixth floor use solar power so there is never enough hot water. Tall dormitory buildings use an electric water heater and hot water is available 24 hours for workers to take a shower. Air conditioners are installed on the wall in each dorm but they can only be used at certain times and is controlled by the property management department. Workers cannot use it during spring and fall.



(Shared bathroom)

There are both day-shift and night-shift workers in one dorm but the ratio is random. In many dorms, there are six day-shift workers and two night-shift workers, which is not convenient. Washrooms can be very crowded in the morning. The factory has installed Wi-Fi which is supposed to be free but actually, it charges 30 RMB (\$4.2) monthly in 2017 and 18 RMB (\$2.52) in 2018. There is a water dispenser on each floor in the dormitory area which provides drinking water 24 hours a day. Workers who live in the factory's dormitories can benefit from the free laundry policy. Workers can use the laundry service for free after registering relevant information. But this policy ended on January 1st, 2018. From then on, workers have

to pay laundry fees themselves. There are sports facilities such as a basketball court, table tennis table, and billiards table in the dormitory areas.

Workers can live outside the factory and the factory neither charges an accommodation fee nor do they provide an accommodation subsidy. Most workers who choose to live outside live in an area northeast of the factory where there is a place called “Zhang Zhuang Zhen” which has apartment buildings. Each room is approximately a dozen square meters and has a separate bathroom. The monthly rent is around 300 RMB (\$42). The air-conditioned rooms are a little more expensive than normal rooms. Utilities are paid by tenants although water is free generally. Each room has an independent electric meter. The monthly utility fee totals approximately 100 RMB (\$14). Tenants can also cook in the room.



(Workers sitting outside of the dormitory)

The factory’s dormitory rooms will be full in peak season. The factory will thus introduce a policy that encourages workers to live outside the factory. If workers move out from the dorm in a certain period of time, they will be rewarded a 1,000 RMB (\$140) allowance, which comes in batches: 200 RMB (\$28) in the first month, 400 RMB (\$56) and 400 RMB (\$56) in the second and the third. During off-peak season, the factory will implement another policy that encourages workers to move back to the factory’s dorms but no allowance is provided.



(Inside of female dormitory)

## Section 6: Occupational Safety and Labor Protection

The work environment in the factory is a closed area. Workers have to go through the security gate when entering and exiting the factory. Workers have not been provided any occupational health and safety training. Although there are noises in the workshop, the factory never provides earplugs to workers. It is unclear whether this is in violation of relevant standards. Some work positions require workers to operate automated machines which can cause ionizing radiation. According to the investigator, work in the “run-in” room exposes workers to large amounts of ionizing radiation, this is a line mainly for testing and charging. Inside, there is an X-ray workstation that involves illuminating the iPhones with X-rays, which allows workers to see if the internal structure of each iPhone is up to standard and if it has missing materials. The workers in this position are exposed to ionizing radiation. Workers in those positions need to take pre- and post-job physical examinations. The workers at this station receive a 200 RMB special position allowance. According to the investigator’s observation there aren’t protection measures at this station. However, it seems that since 2018, workers are required to wear a “radiation monitoring device”. The “radiation monitoring device” is a tool for workers to wear which measure the amount of radiation they are exposed to.

There is also a CG adhesive work position that involves using primer and adhesive products to glue the phone screen parts before it is assembled. The primer used is a chemical product and workers are provided

with a cotton mask. Workers whose work involves industrial alcohol will receive a mask every day before work.

Work injuries seldom happen here because the machines in this factory are designed with fool-proofing functions. Workers need to press the buttons with both hands to operate the machines. On the contrary, work injuries caused by traffic accidents are relatively more frequent. All windows and doors including the emergency gates are closed to avoid thefts. The security gate is the only way to enter and exit workshops. Each workshop has a central air conditioning facility for ventilation and temperature control. Central air-conditioning is regularly checked and maintained by professional staff.

The low-level managers would not report work injury accidents for the workers. Instead, they often trick workers into hiding the truth because if it is reported, their bonus will be severely affected. It is rare to see workers who have been working at the factory for more than four years because most workers quit after a year or less. Some work for several months or days. Therefore, the investigator has never heard of any occupational disease incidents.

Workers who were under the risk of occupational hazards will receive a text from the factory that informs them to take a free post-job physical examination. But the workers would have returned home by then so in general no one really attends. Some workshops have a first-aid kit which includes basic supplies such as gauzes, iodophor, band-aids, and cotton swabs. But some workshops do not have one. Every floor in the dormitory building has one kit but many workers are not aware of its presence. The discarded labor protection equipment, such as finger cots, masks, dust-free cloth, scorpions, etc. are collected every day by certain staff and then sent to the factory's waste warehouse for disposal.

## **Section 7: Fire safety**

The dormitory areas and workshops all have emergency exits and direction signs. Emergency lights are also installed in crowded passages. Various fire equipment has been installed, including fire hydrants, extinguishers, etc. However, our investigator had never seen anyone check if the equipment can work or not.

The factory has a fire drill once every six months. The factory will reduce the production goal by the amount produced in an hour, and the hour is used for the fire drill. Workers line up and slowly step out of the security gate under the line managers' direction and gather downstairs. Then the fire safety staff of the factory will give a speech on fire safety knowledge. This is the fire drill.





(Workers practicing fire drill)

The factory requires the workers to pass the fire safety tests every year. Nevertheless, the factory does not provide a single training class on fire safety and other relevant knowledge besides a half-day training session during the new workers' orientation/training. There is a classroom inside the workshop, where the line managers will ask workers in two lines to exchange signatures to prove that they have been trained, although they have never participated in the training. Workers are unsure about where their credits come from. The regular workers' credits are completely fraudulent.

### Section 8: Rewards and Penalties

The factory has a brochure for workers, which has regulations for workers' daily activities. For penalties, there are warnings, minor demerits, major demerits, and dismissal. For rewards, there are minor merits, major merits, and honorary mentions. During peak seasons, the factory does not pay much attention to small problems such as spitting and littering. But in off-peak season, the factory starts to impose strict discipline on workers. For example, if workers fight during off-peak season, they will be dismissed and be recorded on the factory blacklist regardless of who starts the fight. However, if it happens in peak season and isn't



very serious, the workers involved may only be given one or two major demerits. If a regular worker wants to be rewarded, he or she can receive rewards for internal referrals. A worker can get an “honorary mention” for three referrals, “minor merit” for four to seven referrals, and “major merit” for eight or more referrals. Getting rewards is very beneficial for promotion. The factory has a rather strict policy for production safety. If a worker is found having taken out garbage that includes waste materials, he/she will be recorded a major demerit. Accidentally taking a glove out of the security gate will cause a minor demerit. If a worker has a demerit, this will affect their year-end bonus. If a worker gets a major demerit, 500 RMB will be deducted from the year-end bonus and if a worker has one major demerit in a calendar year, the year-end bonus will be based on the base wage of 2,100 RMB (\$294).

Workers may produce defective products occasionally. In that case, the line managers will summon the worker and have a talk. If there are too many defective products, or the worker damages important materials such as the iPhone's screen or motherboard, he/she will be asked to fill a major demerits penalty form (in most circumstances this will not take effect since the line managers themselves have joint responsibilities. They would want to avoid things that would implicate them). But if it is a serious mistake, then the penalty form will be reported and take effect. If there is still no improvement afterward, the managers will send the worker to another position. If the worker still produces defective products in the new position, the manager will try to send him/her home. The simplest way for the manager to get rid of workers is by not allowing workers to work overtime or take leave, or scolding them harshly so that the workers will resign themselves under pressure. If a worker makes a mistake one day, they will not be allowed to work overtime on the same day and asked to leave early.

## Section 9: Factory Structure

iPhone's various accessories and consumables are transported to Zhengzhou's material warehouse by downstream suppliers. Then, when the production line is opened every day, the workers of each line need to come to the material warehouse to collect the materials they need for today's production. The material warehouse is divided into two parts: front section (distributing materials to the workers) and rear section (disposing scrap materials and delivering the completed iPhone). During the peak season, an entire material warehouse has over 30 workers and about 10,000 iPhones will be delivered every day.

The materials received from the material warehouse also need to be further processed. For example, the motherboard needs to have two graphite sheets attached. This department is called the “pre-processing” department and is not like an assembly line. It is only made up of several rows of neatly arranged work tables. The assembly lines cannot start to produce the iPhones until the pre-processing department finishes processing the materials. There are more than 50 workers in the pre-processing department before 2018.

The materials that have been processed by the pre-processing department are then transferred to the main assembling team. There are three assembly lines in the factory: Front Screen Assembly Line (CG line); Back Case Assembly Line (HSG line); Finished Material Assembly Line (PRE line). Each one of them has two production lines.

**CG Line** is the front screen assembly line, which is in charge of putting parts like the home button, earpiece speaker together with the front screen of the iPhone. The production capacity is around 5,000 per day. CG has two production lines and each line has about 120 workers.

**HSG Line** is the back cover assembly line. For example, they install parts like taptic engine, mute and power button onto the back case of the iPhone. HSG line has more work positions.

**PRE Line** is also called the main assembly line. This line fastens together semi-finished products from the CG and HSG line, and puts the finishing touches on the iPhone.

**Testing Line** runs various tests on the finished iPhone products in order to confirm that the phones are up to standard. There are three testing lines and each one of them examines different parts of the phone. Every testing line has around 100 workers and has a production capacity of 10,000 phones/per day.

**Packaging Team** receives all qualified products for the last round of visual inspection before being put into boxes with user manuals, earphones, chargers etc. There are two packaging lines and each line has about 150 workers. The production capacity of packaging line is 10,000 phones/per day. After finished products are packaged, the rear section of the material warehouse would then transport them out of the factory.

**Repairing line** collects, separates, replaces and repairs all defective materials from the entire assembly procedure. There are also around 120 workers in this line during the peak season.

**Production Quality Control (PQC)** is responsible for improving the quality of the whole workshop. Workers' inappropriate operation and infraction are forbidden. Around 20 staff worked in the PQC during the peak seasons.

**Outgoing Quality Control (OQC)** has around 20 staff during the peak seasons, is also a part of PQC, but OQC is responsible for inspecting the defective products on the assembly lines.

**Production Engineering (PE)** is responsible for the routine maintenance and repairing of large equipment in the workshop. Over 40 staff worked in this division during peak season. The technological production department is responsible for the processing problems in the entire manufacturing process and finding out the root causes of defective products, improving the quality of the assembly lines.

## Section 10: Factory's production over the years

In September 2015, the factory produced the iPhone 6s. Each workshop has its responsibility and has two production managers to manage the workshop they are responsible for. In the peak seasons, the factory can produce around 10,000 iPhone 6s per day and produce about 4,000 - 5,000 iPhone 6s per day in off-peak season.

In January 2016, the factory could produce around 10,000 iPhones SE per day even though the number of workers who produce iPhone 5se is less than the iPhone 6s'. The manufacturing process for the iPhone 5se was simpler than iPhone 6s.

The factory started to produce the iPhone 7 in August 2016. The process of producing the iPhone 7 became even more efficient when the factory cut down the number of workers from approximately 120 to 50 in the pre-processing team. The factory gathered all the easy to process materials into one workshop and removed unnecessary workshops in the pre-processing line. Around 11,000 iPhones 7 could be produced per day in the factory.

iPhone 8 Plus and iPhone X were the factory's main productions in 2017. There was a high demand for workers because of the complexity of producing the iPhone X compared to the previous series'. Each HSC line needs around 220 workers and the PRE line needs around 240 workers while other lines remain the same. The factory produced 11,000 iPhones X per day.

iPhone XS and iPhone XR were released in 2018, iPhone XS required more workers than the iPhone X to produce while iPhone XR was easier to produce and did not require many workers correspondingly. The manpower required to manufacture each new generation iPhone has a lot to do with the structure of the iPhone. The more complex the structure, the more positions are required, and hence, more workers will be required.

The factory recruited the most workers in 2018. The product assembly department, the total number of workers reached 88,000 and there were around 49,000 dispatch workers who did not sign a contract. Dispatch workers made up 55% of the workforce. They can choose to sign the labor contract with the factory after they worked at the factory for 3 months and only some of them receive their bonuses from the dispatch company. Some of the workers did not receive their bonuses and protested. In March 2019, some dispatch workers complained they did not have a labor contract when they were recruited by the dispatch company. They only had a bonus agreement which listed the provisions of receiving the bonus.

In August 2019, dispatch workers made up around 50% of the workforce. At the end of August, a large number of student workers returned to school. On the first week of September, the number of dispatch workers decreased, however, the factory is still recruiting a large number dispatch workers.

## Section 11: Other

### Factory management

The assembly lines that have the most workers are 120 meters long. One group leader can manage two lines or even more. Every line has a line manager and several technicians or even more than ten technicians. Each technician takes charge of a part of the line (namely three to four workstations).

Workers generally can talk to each other if they are not busy, as long as they are not too loud. But actually chatting is not allowed in the factory during work hours and there are staff who check the work on the lines now and then. If workers are caught, they may not be able to do overtime work as a punishment. Workers have to be careful when they chat during work. They are not allowed to chat too obviously.

Workers are not allowed to leave without permission. If they need to use the restroom, they need to inform the technicians and they cannot leave their work positions for more than 15 minutes or else they will be reported as being absent. There are also limitations for the number of times they can use the restroom. Workers can only leave twice during the morning. If they exceed the limitation, the technicians will punish them by arranging them to the most tiring work stations or not allow them to work overtime.

If workers are not obedient, they will be switched to a more tiring position. If they still not obedient, they are switched to a different line. If other line leaders don't want the worker working on their line either, then the worker will be made to work 8 hours a day, 5 days a week with no overtime.

Some line leaders are terrible and even if you came to work, they wouldn't arrange anything for you to do, and ask you to stand away from the line and will also report that you were "absent".

The assembly line usually runs really fast. If a worker leaves their post for a while, this can cause a significant increase in the workload for others on the same line. Sometimes the assembly line runs too fast for the workers to even pick up the products, not to mention even processing them. This often results in accumulation, which severely affects the hourly production capacity.

Quite often there are production control staff checking whether workers are doing their duties or they are chatting or yawning. There are also quality control staff who check the products' quality and production safety, namely the placement of the machine and the work techniques and such. These checks are more comprehensive and frequent during the day shift. If workers are caught for any violations, they will be not be allowed to do overtime and they will have to write a "rectification report". Hence, their work pressure is overwhelming.

There is a production goal every day in the factory. The production goal of the busiest time during peak season is 12,000 iPhones per shift, which requires workers to spare no effort to achieve. Every workstation has its own production goal according to the number of workers. If workers are working too slow and cannot meet the goal, the technician will scold them very harshly or even curse at the workers, such as "Are you a goddamn loser? Don't you see how much work others have done and how much you've done? Are you short of a leg or an arm compared to others? If you can't do the work, just leave? You should be ashamed of yourself, other people can do the work, why can't you?" If the workers don't rebut this, the line manager will just curse for a short while and leave. But if the worker refutes the criticism or if the worker still cannot meet the goal afterwards, the group manager and line manager will send the worker to other positions. Verbal abuse is fairly common at the production site. Once there was a worker who felt sick and

couldn't do his work well, so he failed to meet his production goal. The line manager said: "are you able to do this? If not, just go home! Foxconn never lacks assembly line workers. If you don't take it seriously and cannot meet the production goal, just quit and bugger off. Don't be such a dog in the manger. !" This is exactly what the line manager said. Later the line manager asked the worker to have a day off.

Many senior workers who have worked for the factory for three to four years or even five to six years, still receive a C or D for their performance review, which means they cannot get a technical allowance. Workers' performance review process is not transparent and their evaluation scores by their line leaders are not open to workers. So it is basically all up to the line managers' personal preferences. Some of them evaluate workers only based on his or her own preference. Plus, there is a quota to each grade which means there has to be someone in the workstation that receives a C or D for their performance no matter how good they are at their work. Therefore, many workers consider it unfair and a lot of senior workers are furious about it. Because it will not only result in a decrease in the year-end bonus but also affect their salary for the following year. So back then many workers sought help from the Staff Care Center and labor union. All these departments gave the same answer that it was the factory's policy and they could not do anything with it. They promised to forward the request to the leaders but they said it would take time. So they suggested to workers that they go back to work and wait for their responses, which never came.

### Labor Union

The factory has worker representatives as well as a labor union. However, few workers are aware of how the union functions, who the representatives are, how the representatives are selected, let alone whether there is a regular meeting or not. The workers say the representatives are chosen by the factory since the chairman of the labor union is always the department leader.

### Staff Care

Aside from the labor union, the factory also has a "Staff Care Center" and an internal "Staff Care Hotline" (78585). However, oftentimes most workers are either unaware of the hotline or don't use it. The line managers often do not mention anything about the Hotline since they do not want the worker complains about them. Even if the workers know about the hotline and try to report their supervisors the problems seldom get resolved. The complaints will be ignored by the Staff Care Center and workers will be told that their supervisor has done nothing wrong. "Some supervisors said the reason why there is a Staff Care Center in the factory is to ensure productivity is high during peak season. Factories are not running charities here. Your job is replaceable at any time. You have to do better than others to get promoted."

Once there was a worker who felt sick and asked the line leader for a day off for the following day. The line manager insisted that worker had to submit the request the next morning. Having no choice, the worker came back the next morning. But the line manager refused to give him an approval. The worker then turned to the staff care center, where the staff there talked nonsense and persuaded the worker to get back to work. They never tried to solve the problem. The worker had to take leave for a day without any approval. When he got back to work, the line manager didn't assign him with overtime and told him that leaving without permission should be marked as major demerit. Therefore, the worker turned to the staff care center again.



It worked this time but the staff told him that he should be given a demerit due to the absence, which he was later given. However, the record did not take effect after the line manager reported it.

### Promotion

If a regular entry-level worker wants to be promoted in the factory, it usually takes more than two years to become a technician, and three to five years to be a line manager. And of course not everyone can be promoted. Some technicians have been working for seven or eight years and assume the responsibility of a line leader but they only receive the same wages as a technician.

### Workers' satisfaction



(Wires above factory fences)

The investigator asked the workers why they choose to work here. “Life is hard. At least this factory can guarantee to pay us on time. The only bad thing is the long off-peak season where we can only earn 3,000 RMB (\$420) per month without overtime work.”

“We are satisfied if the monthly wage reaches 3,000 RMB (\$420). The work is grueling but we still hope to do overtime work because that’s the only way we can earn more than 3,000 RMB (\$420) per month. Whoever wants to live an exhausting life? What pushes us to work overtime is not the factory but life itself.”

“The factory has been very cruel to us: they put so much effort to recruit workers in various ways when the factory is understaffed. If you don’t refer others to work at the factory, you won’t be able to do overtime work. But when the off-peak seasons come, the factory soon engages in the so-called “rectify movement”, which includes internal self-reflection and inspection of workers’ behavior, in order to create tension between workers. The factory is not allowing us to do any overtime work so that workers would have no choice but to leave their jobs.”

“Our future is stranded; we do not know what to do if we lose this job. The factory is like an unpromising cage where you will learn nothing here and waste your life. We cannot do anything but accept reality.”

## Investigator Diary

November 12, 2018

Since I have been working at the factory, I’ve seen how the factory has used various tactics to try and recruit workers whenever it’s busy. They even implemented this “internal references” program, where workers are to refer family and friends into the factory, and they hand out quotas for each assembly line to fulfill. If you don’t refer others to work at the factory, you won’t be able to do overtime work in the off-peak season, a common form of punishment at the factory. Most workers want to work overtime hour. Without overtime, they’ll only earn around 2000 RMB per month.

Last week, we were dispatched to the workshop where manufacturing the iPhone XR. For us, this is good news. Even though I haven’t had an overtime work for the past 10 days, now I can work three hours overtime almost every day, I am so glad, because they’d been shutting down lines for the iPhone XS and my hours had also been cut. Now we can finally work overtime and earn a bit more this month.

I also saw someone on the same production line today who looked very ill and wasn’t able to complete the production goal for today. The line manager went up to him and said: “Are you able to do this? If not, just go home! Foxconn never lacks assembly line workers. If you don’t take it seriously and cannot meet the production goal, just quit and bugger off. Don’t be such a dog in the manger. ! ” I sighed. This sort of verbal abuse happens quite often. If you rebut, the line manager may send you to the most tiring position to work. Or they’ll get rid of your overtime hours for the day.

I walked past a room called the “run-in room” and asked a worker what was inside. He told me that workers who work in the “run-in” room use x-rays to illuminate the inside of the iPhone to make sure there aren’t any missing parts. Workers here are exposed to ionizing radiation and have to take a pre-job and post-job physical examination. I didn’t see any protective measures at this work position.

Our line didn’t complete the production quota of 12,000 iPhones by the time our shift ended, so we continued to work overtime voluntarily. After the shift ended, I was ready to head back to the dormitory when we were told there would be a night meeting. This lasted around 10 minutes. I was already falling asleep whilst standing up. I had been working the whole day basically and couldn’t wait to get back to the dormitories.

Most of the workers here left after a few months after peak season when there was no overtime for them to do. They say the good thing is that the factory always pays workers on time. Today, I asked a worker why he decided to come and work here. His words have stuck with me. He said: “Our future is stranded;

we do not know what to do if we lose this job. The factory is like an unpromising cage where you will learn nothing here and waste your life. We cannot do anything but accept reality.”

After witnessing and hearing their different thoughts, I wrote a poem late at night:

*No Title*

*Relaxing but repetitive. Where's my courage, where's my will.*

*Confused and struggling. Just take it, just embrace it.*

*Leave or stay, gain but loss*

*Present and future. Hahaha, Hahaha.*

### **Cost Calculation**

A total of 2080 workers in one shift during the peak season. (Material Warehouse 30ppl, Pre-processing Line 50ppl, CG line 240 people, HSG line 440 people, PRE line 480 people, testing line 300 people, packaging line 300 people, repairing line 120 people, others 120 people)

During peak season every year, workers can produce 11,000 iPhone in one shift (including 3 hours overtime). The majority of the workers in the factory are regular entry-level workers. A worker's one-day-earning on a day shift is 168.4 RMB (\$23.75), which includes base wages of 96 RMB per day, overtime payment of 54 RMB for 3 hours, peak season allowance of 18.4 RMB.

Peak season allowance calculation, given worker was employed after 2018: 400 RMB / 21.75 days = 18.4 RMB per day. This calculation does not include any subsidies, allowances and is only calculated for workers who work the day shift.

2080 ppl x 168.4 RMB=350,272 RMB  
350,272/11,000 iPhones=31.84 RMB (US \$4.64)

Each iPhone requires \$4.64 in labor costs

## Announcement Regarding Dispatch Workers' Rewards

An announcement was posted in November after workers protested, as they had not received their promised bonuses. A translation is also provided below:

# 通 知

各位工友：

大家好，非常感谢各位在 2018 年到富士康工作，近期因系统问题造成出名单延迟，及借调公司亏损造成返费未及时支付，为此对各位工友造成的不便，公司深表歉意。

对以上问题港区管委会高度重视，并督促富士康、借调公司，整合各种资源，想尽一切办法解决对员工的返费问题。

为快速落实员工返费问题，在社区服务中心主导下，富士康、借调公司共同商议，决议如下：

- 1、8 月 26 日之前合格人员名单，12 月 14 日返费全部发放到员工；
- 2、8 月 26 日-31 日合格人员名单，12 月 19 日返费全部发放到员工；
- 3、9 月 1 日之后合格人员名单于 12 月 17 日发布；
- 4、员工干满约定期限已出名单的，无论在职与否，都将获得返费；
- 5、为避免个别代理出现不诚信举动，现决定由借调公司直接发放员工返费，以保障各位工友能够快速拿到返费；
- 6、在解决员工返费问题期间，借调公司将主动联系各位工友落实返费事宜，请给予配合。

郑州英联人力资源服务有限公司

(公司盖章)

2018 年 12 月 13 日

河南远安劳务服务有限公司

(公司盖章)

2018 年 12 月 13 日

周口市力众劳务服务有限公司

(公司盖章)

2018 年 12 月 13 日

### Announcement

Dear workers:

Thanks for working at Foxconn in 2018. Due to technical issues and financial losses, we were unable to release the list of dispatch workers who were supposed to receive bonuses, and were also unable to pay the bonuses on time. We apologize for any inconvenience caused.

The local administrative committee attaches great importance to this issue and urged Foxconn and the dispatch company to pay everyone's bonuses as soon as possible.

To reassure everyone can receive their bonuses, the administrative committee has negotiated with Foxconn and the dispatch companies and our final decisions and achievements are:

1. Workers who were eligible for a bonus before Aug 26th will receive their bonuses by Dec 14th.
2. Workers who were eligible for a bonus between Aug 26th-31th will receive their bonuses by Dec 19th.
3. The list of workers who were eligible for a bonus after Sep 1st will be released by Dec 17th.
4. Workers who completed their contracts whose names are on the list will receive their bonuses whether they are currently employed at the factory or not.
5. To prevent agents from acting in bad faith, the bonuses will be directly distributed by dispatch companies to ensure everyone can receive their bonuses as soon as possible.
6. As the dispatch companies address the issue with bonuses during this period, they will contact all workers. Thank you for your cooperation.

Zhengzhou Yinglian Human Resources Co., Ltd.

Henan Yuanan Labor Services Co., Ltd.

Zhoukou Lizhong Labor Services Co., Ltd.



## Worker Stories

### Worker Story 1

Xiao Zhang is 21 years old and started working at Zhengzhou Foxconn in August. He saw the recruitment notice for Foxconn online, which mentioned that workers who worked 55 days would receive a 5000 RMB bonus. At the start, he thought he would be directly recruited by Foxconn. However, after he arrived at Zhengzhou Foxconn, he realized that he would be recruited by a dispatch company, and would be signing a contract with the dispatch company. The dispatch company said that if he worked for 55 days, he would receive a 5000 RMB bonus. After signing the contract, the dispatch company arranged for Xiao Zhang to work at Foxconn. He participated in a half-day training session and in the afternoon, was assigned to work in zone K. He moved into the dormitories at night. The dormitory room had seven workers. Three were working the day shift and four were working the night shift.

After Xiao Zhang started working at the factory, the workshop he was working in switched to a new line as they were preparing to produce the Apple iPhone 11. He was assigned to the production line with six other workers and they were all recruited by dispatch companies to work at the factory. Workers recruited by dispatch companies receive a higher bonus compared to those who are directly hired by the factory. There were around 30 workers on Xiao Zhang's shift and other than a few senior workers, the majority of them were recruited by dispatch companies like him. There were also around 10 student workers. These student workers were also recruited by dispatch companies to work at the factory, and had already been working on the production line for a little over a month. Xiao Zhang spoke with the student workers and found out they would be returning to school at the end of August.

Xiao Zheng works every day for 10 hours, and works 6 days a week. The work is very monotonous. He examines the phone casings every day and sometimes when he is examining them for a long time, his eyes start to hurt. Zhengzhou Foxconn is the third electronics factory he has worked at and although the work is tiring, he is used to it.

Because they had just started producing the new Apple iPhone, the factory wasn't able to increase the production goal. Workers only receive a half-hour lunch break and they must return to work as soon as they have finished their meal. The shift manager requires workers to come and do preparation work on the production line before work in the morning and afternoon. Because workers have to line up to swipe into work, this sometimes takes up a lot of time, and the majority of workers will come to work earlier. On Xiao Zhang's second day of work, he didn't come to the workshop before his shift started and the shift manager lambasted him. At that time, Xiao Zhang didn't have plans to work long term at Foxconn so he just endured it.

Xiao Zhang only wants to work for 55 days so he can receive the bonus. He doesn't see hope in life when working at Foxconn.

## Worker Story 2

After working at the factory for a year, I decided to leave the factory because there are two only two extremes: there are periods where there is a lot of work and periods where there is hardly any work. Every year during the peak season in the months of August, September, October, and November, there is a lot of overtime hours. The work is very tiring but workers receive around 4,500 RMB in wages. In other months, there are fewer workers and no overtime but the work is still very tiring because the workload allocated to each worker stays the same. At the same time, workers are frequently reassigned and production lines are relocated. During this time, workers receive less than 3,000 RMB in wages.

The corporate culture and management style here is very bureaucratic to me. Although I may be exaggerating, the management staff and the staff care center are to firstly guarantee the interests of the factory. Expanding production and maintaining production capacity is a prerequisite for managing the factory. There are many workers in the factory, and there is also a lot of management staff. Favoritism plays a big role in the factory. There is a small social ecosystem inside the factory that if a regular production line worker wants to be promoted, he/she needs at least three years of training to be promoted to the next job level -- line leader. Getting promoted in three years is considered extremely fast and the worker has to be very talented. The majority of the staff are promoted after five years or even longer. The head of line leaders is the team leader, and it is even harder for line leaders to be promoted to team leaders. 90% of the line leaders will never get the chance to be a team leader. The chances for promotion and salary increase is very small for regular workers.

Just like everyone else who left the factory without a second thought, we promise ourselves many times that we will never come back and work for this terrible factory. However, every year during peak season, in order to recruit a large number of workers, the factory offers rewards of up to 6,500 RMB if the worker is employed for 36 days. The promises we made before becomes fragile as the thought of more money seems so attractive. Many of us choose to come back again, three times, five times, or even a dozen times. This makes me think that maybe I am the next one to go back to the factory one day.