



Nominated for the

Eyesore of the Year 2013



for its “cut and run” strategy!

The electronics producer Apple Inc. is headquartered in California/USA and had a turnover of 170 Billion USD in 2013 and is the number one of the The Financial Times Global 500 list. The huge profits of Apple are not at least due to irresponsible working conditions in their supply chain.

Apple Inc. has been publicly criticized for its Chinese supplier Foxconn. Consequently, Apple Inc. was forced to raise the labor and social standards from 16 to 25%.

In June 2013 Apple shifted parts of its production to the Taiwanese supplier Pegatron. Pegatron is also known for its violations of labor laws.

Apple has for long been known as a black sheep:

- In August 2006, the British newspaper Daily Mail wrote about the labor conditions in Apple's production and supply chain („the stark reality of iPod's Chinese factories“)
- In January 2009, the workers at United Win showed symptoms of a hexane poisoning. The dangerous chemical was used for the cleaning of Apple touchscreens.
- Symptoms of a hexane poisoning were also discovered at another supplier: Yun Heng Metal, Electrical and Mechanical

(YHM). The workers at YHM could not even demand compensation, as they didn't have any labor contracts.

- In March 2011, 2 United Win workers died, one of them after having worked 65 extra hours in this month, and the other one after having done night shifts and extra hours during the day. The alleged death cause was excessive labour.
- Foxconn hits the news in 2010, when 17 workers tried to commit suicide and another one collapsed and died after 34 hours of continuous work.
- Investigations performed at Foxconn made the inhuman working conditions public: salaries under the subsistence limit, 10 hours work per day and working 6-7 days per week, mandatory (but un-paid) extra hours for meetings, use of under-aged workers (school children and students), penalty systems, demotivation and discouraging of any forms of association or collective contract.
- On May 20th 2011, three people died after an explosion in Foxconn's Jonfujin Precision Electronics factory in Chengdu, while other 15 were wounded. The explosion was caused by a highly explosive mix of gases used for polishing the iPads.

And now Pegatron: China Labor Watch has found out that the workers must work 11 hours/day and 6-7 days/week, school children and students are used for unskilled work, and workers are disciplined in a military style. Extra hours are not paid, while each worker must take part in unpaid 20 minutes meetings every day.

The potential workers were under a contractual obligation to work 3 months for Pegatron on probation. In case they quit the job earlier, they must pay a penalty. China Labor Watch issued in October the case of 7 Pentagon workers who died, one of them being the 15 years old Shi Zhaokun. Pegatron is not willing to allow investigations which might elucidate the case.

Apple produces socially irresponsible for years. The production costs are cut as far as possible. Foxconn's margins stood between 0,9% and 3,7% from 2007 to 2012 while Apple had a profit of 39,3%.

The suppliers pass on the pressure to their workers. When all this is made public as in case of Foxconn, Apple use the "cut and run" strategy. When a supplier is not able to produce at competitive costs (e.g. because they have to raise up the salaries or put aside some more money for risk management to cover the risk of being exposed etc.), Apple contracts with another company.

Apple answered bluntly to our inquiry about the social irresponsibility in their supply chain:

„Apple does not comment on speculations or rumors of any kind“.

Apple describes itself quite differently in its sustainability report. The company prides itself to produce responsibly and explains: "Apple is committed to insure safe working conditions over the entire production and supply chain and treat all its employees with respect and dignity". They claim to implement their own "Code of Conduct" strictly. Apple joined the Fair Labor Association in 2012, thus committing itself to additional labor and social standards whose implementation is questionable. In 2012 Apple commissioned to FLA an audit on its supplier

Foxconn. Consequently, they even allowed salaries to be raised, but shortly afterwards they gave up Foxconn and transferred the orders to the cheaper competitor Pegatron.

NeSoVe finds it irresponsible that Apple Inc. places orders to suppliers, which produce under inhuman conditions. We cannot believe that Apple didn't know anything about the working conditions until today. The sustainability report gives a completely wrong picture about the working environment in Apple's supply chain.

Joining FLA is to be regarded just as a measure of risk management. If Apple wants to produce truly responsibly, its profits must be based on fair wages.

We demand Apple Inc. to stand for fair working conditions in its suppliers' factories. As a global number 1, the company has sufficient market power to enforce standards.

We urge policy makers to issue a blacklist of companies which manufacture under inhuman conditions (including their suppliers) and use it for imposing sanctions, for example in the form of import restrictions or exclusion from public procurement.

Furthermore, we call upon the public authorities to join the monitoring organization Electronics Watch. Together with several European organizations Südwind is currently building up the world's first monitoring organization that advocates the rights of workers in the electronics industry. Electronics Watch is the name of the independent organization, which is trying to use public procurement in Europe to force compliance with workers' rights in the global electronics industry. NGOs and trade unions from the South as well as European public purchasers and experts have equal rights in the leadership of the new organization. Public institutions are supplied with up-to-date information about their suppliers, the local working conditions are verified and procedures are set up respond to non-compliance.

Electronics Watch is scheduled to begin mid-2015 with a first group of 50 public buyers from all over Europe.

Via Electronic Watch public buyers will receive information about their suppliers, allow the

verification of working conditions and the set-up of procedures needed to respond to non-compliance and stayed informed about the developments and necessary changes in the electronics industry.



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