

Executive summary – Throw Away the Bad Apple – Investigation of Lens Technology

SACOM has started Apple campaign since 2010. Over the years, mobile gadgets have dominated our daily lives. SACOM believes that humanity could go hand in hand with technology innovation. Through our endless investigation in mainland China, we aim to disclose the working condition in Apple supply chain to consumers and the general public.

In Q1 2015, Apple took 92 per cent of profits in the world's smartphone industry. The company remains the most valuable company in the world. Lens Technology, one of the biggest glass supplier to Apple is growing explosively. Its president Zhou Qunfei became China's richest woman after Lens listed on the Shenzhen Stock Exchange. Zhou is also the world's richest woman in tech world. SACOM is concern with labour condition behind this fast-growing successes. Therefore, we investigated three plants of Lens - Lens One Technology (Shenzhen) Co., Ltd. in Shenzhen, Guangdong province; Lens Technology (Changsha) Co., Ltd., Langli Plant in Langli, Hunan province, and Lens Technology Co., Ltd., in Liuyang, Hunan province from January to June 2015.

Here are the key findings from this investigation to be tackle immediately:

1. Work contract with suspicious details

On the work contract, basic wage was marked as RMB 1,250 (the minimum wage of Liuyang region) and RMB1,390 (the minimum wage of Langli region), instead of RMB1,800 as stated in the job advertisement and the actual wage base paid to workers. This suspicious move might make workers vulnerable for compensation for possible work injury, occupational diseases or factory relocation.

2. Excessive overtime hours

During the peak season from last November to this March, workers only had one rest day every two weeks and they had to work three hours as overtime every day. A worker from Shenzhen Lens One told us he worked 110 hours for overtime in a month. Based on Article 41 of the Chinese Labour Law, the monthly overtime hour should not exceed 36 hours; and according to Apple's code of conduct, "a workweek shall be restricted to 60 hours, including overtime".

3. Wages are withheld for 20 days before payment

Lens withholds workers' wages for 15 to 30 days, bringing workers hardship to maintain their living before the payment date. According to Article 11 of the *Regulations of the Shenzhen Municipality on the Wage Payment to Employees* says employer should pay workers' wages within seven days of the next month. In Hunan province, Article 7 of the Provisions of Hunan province for the Administration of Wage Payment, the payment arrangement should be through the negotiation between employer and employee meeting or general meeting of employee representatives or any other ways in a democratic manner and have open announcement of the result to other staff members.

Referring to Apple's Code of Conduct, "Supplier shall communicate pay structure and pay periods to all workers," yet, the worker's contract only says wages would be paid on a monthly basis and workers interviewed have not engaged in any administration policy negotiation in the factory.

4. Use of carcinogen in shopfloor

Benzene is used in the form of solvents and paints in the printing department. According to the World Health Organisation (WHO), "Human exposure to benzene has been associated with a range of acute and long term adverse health effects and diseases, including cancer and aplastic anaemia¹."

Leukemia is often seen as one of the diseases caused by this chemical in the electronic industry. In August 2014, Apple announced the ban of benzene and another toxic chemical n-hexane in their final assembly facilities; regrettably the ban has not reached suppliers downstream to protect workers from risks.

5. Unrepresentative trade union

Trade union is not popular to Lens workers. Despite some of them lack the knowledge and understanding of the body.

SACOM's demand to Apple:

1. review and restructure Apple's zero inventory policy to give appropriate production time to suppliers and control work hours as required by Chinese Labour Law;
2. increase higher and reasonable pay to suppliers, tackling problems from root causes and allowing more space to suppliers to improve working conditions;

SACOM's demand to Lens:

3. provide contract with full and genuine details to respect the mutual agreement made with workers;
4. respect local law and handle resignation abide with the law;
5. provide at least one rest day every week for workers and limit the maximum overtime work to 36 hours a month;
6. provide adequate training, protection and health examination to workers on occupational health and safety, immediate improvement in shopfloor ventilation;
7. pay for workers' health check fees;
8. enable workers to select their representative in accordance with the Trade Union Law.

¹ International Programme on Chemical Safety, Benzene,
http://www.who.int/ipcs/assessment/public_health/benzene/en/