



## Two Years of Broken Promises

**Investigative Report of Catcher  
Technology Co. Ltd (Suqian), an Apple  
Parts Manufacturer**

September 4, 2014



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Sections of this report have been translated from Chinese to English

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## Executive Summary

This report represents the findings of an investigator who worked at Catcher Technology in Suqian, China. The plant manufactures metal casings for a number of consumer electronics companies including Apple, Inc. While at the factory, the investigator worked on parts for the latest iPad<sup>1</sup>. Catcher Technology also produces iPhone 6 parts in its factories in Suqian and Taizhou. The investigator discovered extensive violations of Chinese labor laws, as well as violations of Catcher's policies and Apple's Supplier Code of Conduct, which details standards for worker rights and environmental sustainability for any company supplying to Apple. Many of the violations were similar to those found in a 2013 investigation of the same plant, the results of which were shared with Apple by China Labor Watch.

Since 2005, Apple Inc. has promoted a Supplier Code of Conduct that lists extensive labor, human rights, and environmental standards to which Apple's third-party suppliers should conform. Apple implements internal (first-party) and third-party verification systems to monitor compliance to its Code.

Inspection results are often accompanied by timetables for reform, or "corrective action plans," which often include steps such as reducing working hours, carrying out full payment of insurance, and strengthening hiring systems to prevent underage labor. In recent years, more of this information has been released to the public.

Apple's supplier responsibility standards, inspection reports, corrective action plans, and annual reports look good on paper. Without sufficient transparency regarding actual factory labor conditions, many in the public—including investors, policymakers, and consumers—may assume that Apple invests the resources necessary to carry out the corrective action plans, and ensure its supply-chain factories follow the Supplier Code of Conduct. After all, these are basic legal and human rights standards, and Apple—as the most profitable electronics company in history and the third most profitable company in the world—has the resources to uphold them.

Unfortunately, after the inspections are complete and the corrective action plans are handed down to factories from Apple, there are often no fundamental improvements in labor conditions and treatment of workers making Apple products. This report documents the lack of progress in a factory manufacturing components for Apple products, despite clear evidence of persistent violations of Chinese law and the Codes of Conduct of both Apple and its suppliers.

While Apple recently announced that it is banning benzene and n-hexane in its 18 final-assembly factories in China, which is an important step forward for the company, the violations documented

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<sup>1</sup> Apple has not officially named the latest iPad which is rumored to be announced later in 2015. News reports refer to it as the iPad 6, the iPad Air 2, or the iPad Pro. In this report, we refer to this device as an iPad generally. The investigator took photographic evidence of the iPad products he worked on but we have elected to omit them from this report to respect Apple's intellectual property.

in this report demonstrate that Apple has a long way to go to ensure workers are laboring under safe and fair conditions.

### **Apple Supplier Catcher Technology—16 months later, same poor conditions**



Workers assemble outside Catcher in Suqian before the morning

In 2013, China Labor Watch (CLW) conducted an undercover investigation of a factory called Catcher Technology Co., Ltd. in Suqian City, Jiangsu Province, China (hereafter “Catcher”). The probe uncovered serious labor rights and safety violations, including excessive overtime work, long work shifts while standing, insufficient social insurance, a lack of occupational safety training and heavy dust in the workplace, and a

lack of protective equipment—particularly by workers who handle potentially toxic chemicals.

CLW shared this information with Apple in April 2013. Apple then conducted a follow-up inspection, after which Apple said that Catcher would carry out reforms, especially those related to occupational safety.

However, the results of CLW’s subsequent undercover investigation of Catcher, carried out 16 months later in August 2014 and documented in this report, suggests that Apple and Catcher have done little to ensure that safety standards and other conditions have improved for Catcher’s workers. In fact, the investigator going into the factory in 2014 discovered numerous additional violations that weren’t found in 2013, as well as repeat violations from year to year, suggesting that conditions may actually be getting worse in the factory.

### **Methodology & Findings**

CLW sent an undercover investigator into Catcher’s Suqian factory, assuming the identity of a typical worker and gaining employment on an Apple production line through normal recruitment procedures. Through observation and more than 100 interviews with Catcher employees, CLW’s investigation has revealed 22 labor violations at Catcher, including:

#### **Hiring**

1. Discriminatory hiring policies, including an upper age limit of 40 and a refusal to hire people with tattoos.
2. Men are made to take off their shirts in public, exposing their upper body, in order to prove that they do not have tattoos.

3. Workers must wait up to two months after they begin working at Catcher to receive a copy of the factory's labor contract, violating Article 16 of China's Labor Contract Law and making it difficult for a worker to prove his/her working relationship with the company if s/he wants to initiate a dispute over labor conditions.

### **Environment, Health, and Occupational Safety**

4. Catcher makes workers fill out documents confirming that they participated in pre-employment training, including safety training, despite not actually receiving any safety training.

5. The pre-employment training is only 20 minutes long and does not include any safety information. Before beginning production, workers often do not receive any safety education, despite the use of toxic metal-cutting fluids and flammable metal alloy in the factory. Workers know neither the toxicity limits nor the concentration of these chemicals.

6. The labor contract includes rules related to occupational safety and working conditions that Catcher does not comply with in practice, as documented in this report.

7. Despite workers using toxic chemicals, they frequently do not receive protective equipment in a timely manner or at all. Catcher workers have as a result suffered skin and eye irritation (including itchy, swollen, and peeling skin), and are at risk for more serious health problems.

8. Fire exits and windows are locked shut, and some safety routes are blocked or too narrow, allowing only one person at a time to exit. If there were a fire or explosion, many workers would be trapped in the building.

9. Flammable aluminum-magnesium alloy dust and scraps are a byproduct of the production processes of iPad covers. Due to poor ventilation, the dust is dense in some workshops<sup>2</sup>, and small alloy scraps are scattered all over. Despite this, some workers smoke in the production facilities, and management does not organize fire drills for workers.

10. There are no first aid kits in the workshops or dormitories, and workers do not know that there is a kit in the workshop office.

11. Catcher engages in a number of environmental violations. Hazardous waste and general waste are not separated, and industrial waste, like cutting oils and some metal scraps, are poured into the sewage system and directly into a nearby river.

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<sup>2</sup> This report often makes reference to a "workshop", which is the room where a specialized type of production takes place. There are many workshops in a factory like Catcher, each responsible for a different step of the production process.

### **Working Hours**

12. Workers are made to labor for up to 100 hours of overtime per month, nearly three times the limit of 36 hours mandated by Chinese Labor Law.
13. Workers labor on their feet for over 10 hours per day, six days per week.
14. Overtime is mandatory.

### **Wages and Benefits**

15. Every month, workers must participate in more than six hours of unpaid overtime in meetings. With 20,000 workers, Catcher may be collectively underpaying its workers more than \$290,000 a month.
16. Catcher management does not pay legally mandated social insurance according to Chinese regulations, and workers are not told how much the company is contributing to their insurance.

### **Management**

17. Workers have difficulty resigning from Catcher because supervisors reject workers' resignation notifications. According to Chinese Labor Contract Law, an employee does not need permission to resign and must provide notification of resignation only one month in advance. Workers who wish to leave are forced to quit and cannot easily collect unpaid wages.
18. Factory management is often too harsh and punitive towards workers, with supervisors commonly yelling at workers. The company maintains a list of over 100 worker behaviors that can be punished by warning, demerit, demotion, or dismissal.

### **Student Labor**

19. Catcher employs many student workers (16-18 years old), but these young people labor for the same long hours and under the same intense working conditions as adult workers.

### **Worker Representation and Grievances**

20. There is no functional union at Catcher, and workers are discouraged from using the complaint line that is provided to them by the company.
21. The complaint line is not confidential, and workers may suffer retaliation for using it.

### **Living Conditions**

22. In factory dormitories, there are eight people to a room, and workers must pay for the use of showering and drinking water.

### Two Year Chart of Violations

It is important to note that all of the same problems at Catcher exposed by CLW 16 months ago still exist today, and some are worse. Moreover, CLW has uncovered many new violations in 2014. These violations include infringements of Chinese law, Apple’s Supplier Code of Conduct, and Catcher’s policies. It should be noted that both Apple and Catcher commit to compliance with applicable laws and regulations within their Code or policy. The chart below compares labor violations at Catcher between 2013 and 2014, including indicators of violations of law and corporate policies.

Violations	2013	2014
Discriminatory hiring practices †		√
Workers must wait up to 2 months to receive their labor contract *		√
Excessive working hours and overtime * †	√	√
Mandated overtime work * †		√
Unpaid overtime wages * †		√
Punitive wage deductions †		√
Long working hours while standing †	√	√
Lack of occupational health and safety training * † ©	√	√
Fraudulent training verification documents *		√
Protective equipment not given out in a timely manner (or at all) †	√	√
Dense metal dust in workshop (fire and explosion risk) † ©	√	√
Lack of safety signs		√
Fire exits and windows locked shut (emergency risk) † ©		√
No special protections for underage workers and student workers * †	√	√
Workers do not participate in fire drills †	√	√
Environmental pollution † ©		√
No functional union †		√
Workers need permission to resign *		√
Social insurance underpaid *	√	√
No functioning grievance channel †		√
Workers required to pay for drinking water and showers in dorms †	√	√
No worker health and safety committee †		√

\* Violation of **Chinese legal regulations**

† Violation of **Apple’s** Supplier Code of Conduct

© Violation of **Catcher’s** Environmental Safety and Health Policy or Corporate Social Responsibility Policy

The violations concerning worker health and safety, especially in regard to emergency preparedness, cannot be overstated. Electronics manufacturing, particularly metal cutting as is performed in Catcher, is very chemical intensive and creates significant fire hazards. To address the violations in the Catcher factory, it is imperative that workers receive safety training and protective equipment for

handling hazardous substances, and that the factory has controls in place to prevent disasters. Locked safety exits and the failure to conduct fire drills, especially when working with explosive dust (which frequently fills the air), put thousands of workers lives at risk in the case of an emergency. Additionally, Catcher must put procedures in place to handle and dispose of waste materials, including flammable shreddings and toxic cutting fluids.

The ongoing and serious labor violations at Catcher bring into question the credibility of Apple's Code of Conduct. Nearly 10 years have passed since Apple unveiled its list of human rights commitments, yet while Apple has earned hundreds of billions of dollars in profit over this period, the workers making Apple's valuable gadgets continue to suffer daily human rights and safety violations.

CLW and Green America call on Apple to commit the resources necessary to respect legal regulations and truly realize the labor, human rights, and environmental standards to which Apple committed itself in 2005.



## 2014 Investigation and Findings

### Company Profile

Catcher Technology Co., Ltd. in Suqian is invested in and operated by parent company Catcher Technology, based in Taiwan. Catcher Technology is a world-wide leading manufacturer of light metal products, which are used in tablet computers, smartphones, and laptops. Catcher produces the metal covers or “housing” for these devices, among other offerings. Customers of Catcher include Apple, Dell, Hewlett-Packard (HP), Lenovo, Sony, HTC, Motorola, and other well-known international brands. In August of 2014, Catcher Suqian was manufacturing parts for Apple’s upcoming iPad. During this time, several hundred workers were transferred from Catcher Suqian to Catcher’s facility in Taizhou to meet growing demand for iPhone 6 production.

Catcher Technology’s website touts its advanced manufacturing process, including those involving material integration, shaping, secondary processing, surface treatment, production capacity, research-and-development capabilities, as well as “world-class production technology and management.” The total investment in Catcher Technology’s Suzhou-Suqian Industrial Park facility, set up in 2008, amounts to 600 million USD and spans 462,200 square meters, or roughly 114 acres. The facility employs 20,000 people and is the biggest foreign investment firm in the city of Suqian. Catcher claims that it utilizes “people-oriented” management methods, including three levels of care for employees: economic, psychological, and self-fulfillment. Additionally, Catcher’s website boasts of its corporate social responsibility (CSR) and environmental health and safety (EHS) policies that, among other promises, comply with relevant laws.

**Factory address:** Gucheng Street No.21, Suzhou-Suqian Industrial Park, Suqian, Jiangsu Province, China

**Phone:** 0527-84675858

### Recruitment and Hiring



Catcher’s job advertisement banner

CLW’s investigation of Catcher Suqian took place during a peak production period, as this facility and another in the same park were producing the covers for Apple’s latest iPad and as well as parts for the iPhone 6. Student workers at Catcher were preparing to leave so they could continue their studies at school. In order to meet its urgent need for workers during this high production period, Catcher hired at least 200 people every day—sometimes hiring more than 800

per day.

In general, workers at Catcher are recruited in two ways: by other workers or staff members or through direct application. Applicants are hired immediately as long as they meet a few requirements: They must be between 16 and 40 years of age, literate, and free of tattoos. The upper age limit violates Chinese law. Workers who introduce others into the factory receive a reward of 200 RMB if the introduced worker stays for more than one month. Each new worker, no matter if introduced or hired directly, has to enter Catcher's recruitment hall at the second gate for application. There, a worker's ID is verified, they are checked for tattoos, and factory representatives confirm they have sufficient limb movement is confirmed and take their fingerprints.



New workers in the recruitment office

When Catcher verifies a worker's ID card, staff members check if it has a magnetic strip and if the photo is similar to the worker's picture. Next, the staff member checks the worker's body for tattoos. During the check, a worker must expose his or her arms completely. Male workers are sometimes made to take off their shirts to prove that they do not have tattoos. When checking the workers' limb movement, Catcher personnel have the workers run and move their arms and legs around to prove that their limbs are healthy.

Upon being hired, workers receive a hiring notice that contains their work number, name, the time of registration, and the registration form. Written on the form are the results of the hiring procedures and the seal of Catcher's HR department.

On the morning of the day after the recruitment and hiring process, workers take part in a physical examination.

Workers must pay 50 RMB (\$8.14) for the examination fee. The physical examination consists of a blood test, electrocardiogram, internal and external checks, testing of the five senses, urine test, and x-ray. After the x-ray, the results of the physical examination are transferred directly to the factory. Workers do not receive a copy and can only check the results through a government website 20 days after the exam. After the physical exam, workers have to fill out several forms, for which they need six copies of their ID card and four photos. These forms include a file record form for the HR department, labor contract, labor contract registration form for the Suzhou-Suqian Industrial Park, information on health and related matters for special job posts at Catcher, confidentiality agreement, commitment letter, and the application for the worker dormitory. After these forms are filled out, workers receive their uniform, workers' handbook, and work ID.



Workers made to sign a blank participation form for training

On the morning of the third day, workers take part in the orientation training before beginning work on the same day. The orientation training is only twenty minutes long. One staff member reads from notes, telling workers about the factory’s rules—when to swipe the cards before and after work, proper work attitudes, and rules for dormitories and meals. While she is talking, the line leaders start to choose workers. During the training, workers must sign a training participation list. The list includes the name of the program, time, and location of the training, participants, and organizer. All fields are left blank, and workers are made to sign their names on three lists: Recruitment Training, Environmental Security Training, and Harmful Position Control Training. The two latter training items do not actually occur, so workers do not receive necessary training to protect their health and safety, but must sign the participation form.

After the orientation training, line leaders from all departments assign workers to their posts. Workers are not assigned jobs based on their backgrounds or capabilities. They are not told the type of work they will perform on the production line. Workers do not know which product they will produce or how to do their tasks. The line leaders just pick workers at random. Workers then line up for registration with their name and work



Newly recruited workers led to their workshops

number and are led to their respective workshops.

### Labor Contracts

Workers sign the labor contract as part of the hiring process. One contract is issued twice for each worker. The worker's copy is taken away by a Catcher staff member and returned later with Catcher's seal on top. However, workers do not receive their copy of the contract back in a timely manner, with some workers waiting anywhere from two weeks to two months. If a worker wants to raise a dispute over labor conditions before she receives her contract, she will not have the contract as evidence of a labor relationship.

The contract is composed of a number of items, including contract period and probation period, position content and duties as well as the work location, working hours, breaks and leave, social insurance and social benefits, labor protection, working conditions and occupational injury protection, rule system, punishments and rewards, contract modifications, resignation and termination of the contract, regulations, rules for software use, agreements, labor disputes, and others.

According to the labor contract, the probation period lasts three months, and the duration of the contract is three years. The factory instructs workers to sign under "employee" with their name and ID card number, work number, phone number, household registration address, and emergency contact person with name, phone, and address.

The employer on the contract is written as either Catcher Technology or VITO Technology (also a Catcher Technology subsidiary). As written in clause 2.2 of the labor contract, the work location is the Suzhou-Suqian Industrial Park. But according to duties explained in detail in other parts of the contract, the employer is allowed to transfer the employee's location of work under reasonable circumstances. In reality, transfers are common at the factory. CLW's investigation revealed that workers are transferred from Catcher to VITO factory in Suqian or the other way around if there is





a lack of labor at one of the facilities. Recently, as the production demand for the forthcoming iPhone 6 increased, about 500 to 600 workers were sent from Catcher (Suqian) to the factories of VITO (Suzhou) and Catcher (Taizhou), which are 447 km (278 mi) and 281 km (175 mi) from Suqian, respectively. Catcher in Taizhou is currently producing parts for the new iPhone 6. Line leaders are also allowed to randomly transfer workers to other workstations for a limited period of time. In this way, workers at Catcher are treated like tools that can be borrowed and moved around.

The sixth clause of the labor contract, including statements 6.1, 6.2, and 6.3, describes rules for labor protection, working conditions, and occupational injury prevention, but in practice Catcher does not abide by these rules as is documented in the Environmental Health and Safety section of this report.

### **Working Hours and Conditions**

The factory implements a two-shift system. Workers in each shift work at least six days a week, ten or more hours per day. Shift times vary depending on the departments. Usually night and day shifts switch every two to three months. Workers have a 24-hour break during such a shift change. In the CNC (computer numerical control) department, where the investigator was assigned, workers operated machine tools that produced iPad covers based on computer-aided designs. In the CNC department, workers labored for 10 hours and 10 minutes each day, of which two hours and 10 minutes were overtime. During the high season, a typical worker will accumulate between 90 and 100 hours of overtime per month, including more than six hours of uncompensated overtime.

Workers have to fill in an overtime acceptance form every day, but only afterward will they be informed if they have to work overtime or not. Because the line leader urges workers to work overtime, he may even sign the form for them. The day shift sometimes includes two 10-minute breaks, from 10:00 to 10:10 and 15:00 to 15:10. However, in the CNC department, the breaks were often cancelled, and the time was calculated into the working hours. Even during the lunchtime, production did not halt, and workers were arranged into two groups to eat so that production could continue. Machines used for clocking work time require that cards not be swiped earlier than 15 minutes before work and no later than 15 minutes after work; otherwise the time will not be calculated.

<b><u>General working hours</u></b>			
Day shift:	08:30-12:00	13:00-17:30	18:20-20:30
Night shift:	20:30-00:00	01:00-05:30	06:20-08:30
<b>Total:</b> 10 hours and 10 minutes per day			
<b>Mandatory overtime:</b> 2 hours & 10 minutes			
Additional unpaid overtime for pre- and post-shift meetings not included			

Workers are not allowed to choose if they want to work overtime or not. If they do not want to work overtime, they will be scolded by the line leader. If they do not perform overtime labor, workers will be regarded as absent. Needless to say, if a worker asks the line leader to not perform overtime, the line leader will not grant permission.



Tired workers sleeping in the cafeteria and behind the machines in the workshop

The shift leader holds a meeting to take attendance 10 minutes before the shift actually begins. Workers must be in attendance and are not paid for the time in this meeting. Five to 10-minute post-shift meetings held by the shift leader are also unpaid.

Workers must meet production quotas every day. Only two people in a workshop may use the bathroom or leave to get a drink of water at any given time. If a worker leaves his or her post for longer than 10 minutes, the supervisor will yell at him or her.

In the CNC department, a machine can complete the processing of 12 iPad covers every hour, and one CNC worker is responsible for about 12 machines. In one hour, then, one worker must produce about 144 iPad covers. Every 25 seconds, the worker must complete five movements, including opening the CNC machine door, extracting the cover, inserting a new unit for processing, closing the door, and moving to the next machine. For more than 10 hours every day, a worker must continuously complete these five movements while standing on concrete. If a worker loses his focus, his supervisor will scold him. During meal times, the machines do not stop, and workers must take

turns eating. During this time, one worker becomes responsible for another worker's 12 machines, thus handling processing for 24 machines. The labor intensity leaves CNC workers covered in sweat every day. The CNC department is one of the most difficult positions for workers, and the turnover rate is very high.

### **Wages and Benefits**

A typical Catcher worker's base wage is 1,530 RMB (\$247) per month and his or her transport subsidy is 40 RMB (\$6.48) per month. Therefore, a worker's standard wage is 1,570 RMB (\$254) per month. A worker's overtime wage is calculated based on 1,570 RMB (\$254). On the fifth day of each month, the factory distributes wages for the previous month to workers. Wages are deposited directly to workers' bank cards. Workers' wages are composed of their standard wages, overtime wages (1.5 times normal hourly rate), night shift bonus (10 RMB/night, (\$1.62)), and monthly bonus (full attendance bonus (200 RMB/month (\$32.40)), position subsidy (100 RMB/month, (\$16.20)), and high-temperature subsidy (200 RMB/month, (\$32.40)). A high-temperature subsidy is by law provided to those workers whose workplace temperature surpasses 33°C (91°F). Deductions include social insurance, utilities, and housing. During the busy season, a typical Catcher worker's net wages can reach 3,200 RMB (\$520) to 3,300 RMB (\$536).

The factory purchases social insurance for workers in the first month they enter the factory. An amount of 246.4 RMB (\$40) is deducted from a worker's wages each month to pay for that worker's portion of the social insurance fee. According to the latest regulations of the Suqian local government, a company should pay 40.5% of the worker's net monthly income to the government as social insurance, of which 30% is provided by the company and 10.5% by the worker. The worker also needs to pay 5 RMB (\$0.81) each month as subsidy for medical treatment of serious illnesses. But in a recent worker paystub obtained by CLW, only 7.12% of the worker's net wages were deducted for social insurance. This is short of the 10.5% required by law. Moreover, the paystub does not even display the portion of social insurance paid by the company, and workers do not know if Catcher is paying their pension and other social insurance items according to the 30% legal requirement.

薪资信息栏:			
工作日加班时数	44.27	迟到次数	0.00
休息日加班时数	41.32	早退次数	0.00
法定假日加班时数	0.00	旷工时数	0.00
		事假时数	0.00
		病假时数	0.00
		无薪假时数	0.00
		返多假时数	0.00
标准工资	1570	其他应发	1890.55
本薪	1530	加班费	1310.55
交通津贴	40	全月奖金	200
		高温津贴	200
		夜班津贴	80
		环境津贴	100
		其他应扣	0
		请假扣款	0
		旷工扣款	0
		迟到早退扣款	0
		应发合计	3460.55
		代扣社会保险	246.4
		代扣个人所得税	0
		代扣劳务税	0
		水、电费	45.8
		住宿费	66.25
		实发合计	3102.1

A worker's paystub fails to list the portion of social insurance paid by the employer

### Housing and Meals

The dormitory and cafeteria at Catcher are outsourced to property management and catering companies. The dormitory area is outsourced to and managed by Youcheng Property Management Company. There is a basketball court, library, billiard room, and Internet cafe in the dormitory area. The basketball court and library are free for use, and there are some fees for using others facilities. A free movie is provided to workers in the dormitory area every day. Catcher held an annual evening party on the lawns in plant C in 2013, and it sometimes organizes karaoke competitions during the year.

There is only one cafeteria in the factory, and several catering companies within offer meals. The factory provides day-shift workers with a working lunch valued at 5 RMB (\$0.81) and night-shift workers with working dinner and breakfast valued at 8 RMB (\$1.29) each. If workers choose not to eat these meals, they will receive no other form of compensation. There is a store in the cafeteria. Workers can use a food subsidy credit on their factory-issued work card to buy snacks and water. The snacks and water sold by the store are usually more expensive than the same products sold in the outside markets. For example, it usually costs 1 RMB (\$0.16) to buy a bottle of Kangshi Boshan water, but the factory store sells it at 1.5 RMB (\$0.24). Uni-President's red tea, green tea, and instant noodles are all sold 0.5 (\$0.08) RMB higher than in stores outside the plant.

On the day that they attended orientation training, workers had to purchase the 5 RMB (\$0.81) meal offered by the factory. If workers refused to buy it, they were not allowed to leave the factory to buy other food.

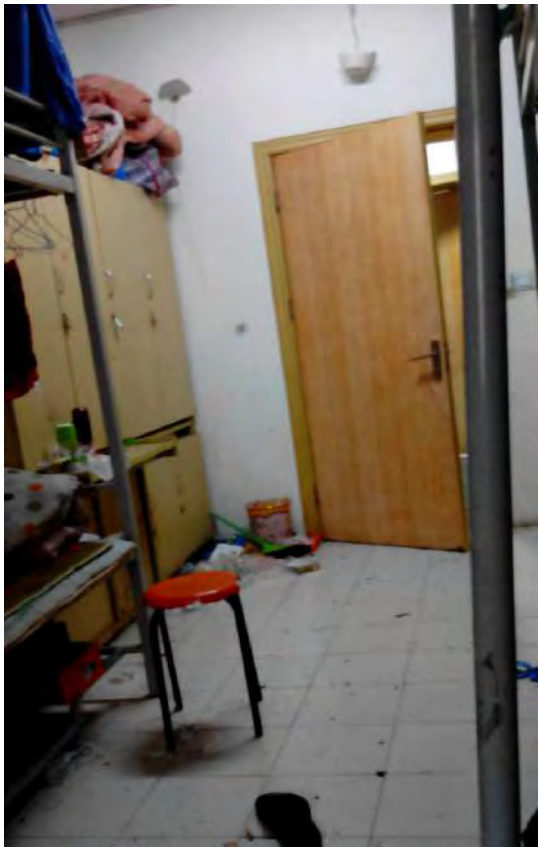


The cafeteria provides buns, steamed rolls, noodles, and rice for breakfast, and two meat dishes and one vegetable dish for lunch and dinner. The food is low quality, and workers complain it is expensive and not filling. Workers need to pay in cash in the cafeteria and store if they use up their food subsidy on their work cards.

The dormitory in which Catcher and VITO (Suqian) workers reside is situated about five kilometers (3.1 miles) away from the factory complex. The factory deducts 60 RMB (\$9.72) every 30 days from



Workers eating and resting in the cafeteria



Inside of a dorm room

workers' wages for housing costs. The separate water and electricity bills are shared with their roommates and cost about 45 RMB (\$7.31) per person per month. Eight workers share a room. In each room, there are wardrobes and a balcony. On each floor, there is a restroom and a bathroom. The public water in the bathroom sinks can only be used for washing one's face, brushing teeth, and washing clothing, but cannot be used for drinking or showering. To obtain hot or cold water for showering or drinking water, workers must pay. Workers need to buy another card and add value to it in order to pay to use the shower and obtain drinking water.

The factory does not provide transportation for workers to and from dormitories. Workers have to take public buses to commute to the plant. However, only bus #805 goes to the gate of Catcher's plant, so the bus is crowded every day. There are a large number of motorcycle taxis outside the dormitory and the plant. They charge 5 RMB (\$0.81) per ride from the dormitory to the plant.

### Environmental Health and Safety

The factory arranges for workers to undergo a physical exam upon hiring as well as during their employment, but workers do not undergo an exam upon resignation, which means that a worker may not know about an occupational disease upon resignation that could have been detected by a physical exam. Workers do not receive a copy of the exam they receive at hiring and can only check the results through a government website 20 days after the exam. The factory requires that workers sign and confirm that they have received safety trainings, even if workers have not received these trainings. When asked by CLW's investigator, workers did not know whether there was an occupational safety committee in the factory. Team leaders certify that workers have passed the training and signed the safety training form, without those workers having actually received such training.



Metal shavings created during the production process of Apple product covers

The factory contains numerous health and safety hazards. Shreddings of aluminum-magnesium alloy, a material used to produce the cover of Apple products, are randomly scattered on the floor. The large bags used to hold the metal shavings are overly full, and in the process of moving the bags or transporting the shavings, metal scraps are scattered along the floor. The grinding and polishing department is also full of metal dust. After the deadly aluminum dust explosion in the Zhongrong factory in Kunshan in early August, supervisors in Catcher's production facility specifically mentioned the high flammability of Catcher's aluminum-magnesium alloy and the need take

precautions to prevent fires. But after this announcement, no new measures were taken to improve fire prevention or worker safety.

Aluminum-magnesium alloy cutting fluids, CTC stainless steel polishing liquid, and aluminum-magnesium alloy emulsion cutting fluids—used during the processing of iPad covers and Apple keyboards—were stored in the open without enclosed storage or any hazard or safety signs. Cutting fluids are used to lubricate and cool machinery when shaping metal. These fluids can contain petroleum, synthetic materials, or a mix of the two. The potential threats to workers using cutting fluids include the toxicity of the fluid; the flammability of the fluid; and the mist it generates during component production, which can be inhaled or sting worker’s eyes.

When workers process product covers, their uncovered hands come directly into contact with these cutting fluids without any protective gloves. After a period of time, this causes workers’ skin to itch, swell, and peel. CLW’s investigator himself suffered these side effects. Additionally, some workers complained of this fluid splashing into their eyes, which is very painful. According to the [Occupational Safety and Health Administration \(OSHA\)](#), “Skin and airborne exposures to [metalworking fluids] have been implicated in health problems including irritation of the skin, lungs, eyes, nose and throat. Conditions such as dermatitis, acne, asthma, hypersensitivity pneumonitis, irritation of the upper respiratory tract, and a variety of cancers have been associated with exposure to [metalworking fluids] (NIOSH 1998a). The severity of health problems is dependent on a variety of factors such as the kind of fluid, the degree and type of contamination, and the level and duration of the exposure.”



Used metal cutting fluid disposed of in the open

Along with not receiving any safety training, many workers are not told the concentration of the chemicals with which they work or the safe limits of exposure.

After processing, used cutting fluid is put directly into the sewer. Water and oil that were used to clean crushed pieces on the product covers are also poured together into the drain. There is a river located between Catcher’s plant C and B plants. Rainwater pushes industrial wastewater and aluminum-magnesium alloy shreds into the river.

The safety exits of production facilities are locked closed, putting workers in danger if a fire or explosion occurred in the production facility. In the workshop producing iPads, safety exits and windows were all locked closed, and in the case of an emergency there is no safe way for workers to escape the facility. Workers must pass through a security gate to both enter and leave workshops. The security gate is so narrow that only one person can pass through at a



time.

The factory often does not distribute protective equipment to workers or does not distribute it in a timely manner. Even when workers requested the equipment, workshop production leaders said that they had already distributed it and then refused to provide the requested equipment. This situation was common during the night shift. On the first two days when CLW's investigator worked at the workshop, neither the workshop leader nor the technician distributed protective equipment to workers. This equipment should include earplugs, gloves, masks, and aprons. Gloves and masks were distributed only once every two days during a specific distribution period instead of at the beginning of the shift. When night-shift workers receive their protective equipment, it is at 01:00 in the morning, which means that they do not have labor protection supplies during the shift from 20:30 to 1:00.

Even if machines in the production facilities do not undergo or pass safety inspections, management may still designate them inspected. If a machine is broken or requires repair, there is no sign indicated that it needs repair.

In the workshop, hazardous waste and general waste are not separated. Masks and gloves were lying in cutting fluid.

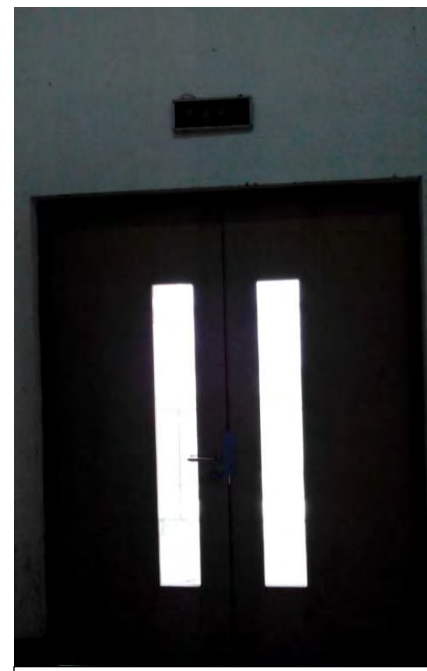
Additionally, as previously mentioned, workers in the CNC department are required to work vigorously while standing for ten hours in extreme heat. In spite of the air conditioning being set to 16°C (60°F), the temperature of the machines pushes the temperature up to 34°C (93.2°F).

The ground floor in the dormitory area becomes wet and slippery if it rains, but there are no anti-slip mats. The dormitory also lacks a fire exit. Air conditioners are placed in the balconies where workers dry clothes, and the heat generated by the air conditioners in close contact with the clothing could cause a fire. There is no designated place for smoking in the dormitory, so some workers do so inside.

There is no first aid kit in the dormitory or workshop floor. Workers asked by CLW did not know that the first aid kit was placed in the office.

### **Fire safety**

Catcher has not carried out any fire drills from January through August 2014. Although Catcher carried out fire drills in the past, workers did not participate in them. Workers said that the so-called fire drills were just a process of factory security personnel going through the motions. The factory carries out regular inspections on hydrants and fire extinguishers, but in reality, they do not check the equipment carefully before signing the inspection card.



A locked fire exit

Workers would not be able to evacuate the Catcher facility if there were a fire. Products blocked the workshop's fire escape routes that lead to safety exits, the safety exits were locked.

Some production areas at Catcher possess a real risk of a fire or explosion. There is a lot of dust in the air generated by the grinding, polishing, and CNC workshops. But the factory has not applied effective control measures to eliminate this flammable metallic dust which contains pieces of aluminum magnesium alloy. The factory restricts employees from bringing lighters into the workplace, but workers and supervisors do not comply with the rule. Garbage is piled up beside the smoking area of workshop B12. There were many cigarette butts all over the floor. The investigator also discovered that workers smoked behind the CNC processing machines and cigarette butts had been thrown into containers of cutting fluid. Cutting fluid is often highly flammable and industrial dust can be explosive when exposed to a flame (such as a match or cigarette)—smoking in a workplace is very dangerous.

### **Rewards and Punishment Measures**

Catcher uses a system of rewards and punishments based on worker behavior. The four kinds of rewards included performance awards, promotion, wage raises, and written awards. The six kinds of punishments included verbal discipline, reprimand, minor infraction, major infraction, demotion, and dismissal. The system articulated 14 regulations related to reprimands, 14 related to minor infractions, 20 related to major infraction, 31 reasons for dismissal, and 48 reasons for demotion. Additionally, workers who produce iPads in workshop B10-B12 are body frisked when they enter and exit the plant.

CLW's investigator experienced that if a supervisor gets frustrated with the speed of workers, he will call a sudden meeting to yell at the workers for producing too slowly. This happened three times during the period in which the investigator worked at Catcher.

### **Student Workers**

Catcher recruits a great number of student workers between the ages of 16 and 18 years of age during the summer vacation. Like adult workers, they labor more than 10 hours a day, including on both day and night shifts. Some of these students come from local schools, while some of them come from other places. They are employed by Catcher through introduction from friends, agents, and schools. Catcher does not provide any special protection for underage workers (under 18). The factory uses the same labor standards toward underage workers and adult workers and does not often provide safety training for underage workers. According to China's Regulations on Special Protections for Underage Workers, workers who are 16 or 17 years old cannot be arranged by employers to work in positions with a high risk for burns, high chemical exposure, or high temperature environment.



Location where workers swipe their work cards and take fingerprints for entry

### Unions and Grievance Channel

CLW was not able to find any information about a union or worker representatives at Catcher. Workers are given a Catcher Technology contact card. Workers with inquiries concerning personnel issues are instructed to contact consulting secretary Yuan Mengmei at 18936956309. CLW's investigator dialed the number and the person who answered was uncooperative. The investigator said that he wanted to report three problems, and before he could finish, the person on the line said she was really busy. She continued: "We would be extremely busy if everyone reported problems like you." The investigator left his work number, name, and phone for further verification. The problem was reported to the plant, but the personal information of our investigator was also exposed. The group leader and shift leader of the investigator's workshop even held a plant-wide meeting and demanded all workers report problems to the shift leader or, if he cannot solve it, to group leaders and Taiwanese managers. They said they hope workers can avoid reporting grievances through the phone number on the contact card. The managers were unhappy and used this situation as an excuse to determine the investigator was unqualified for his position and tried to fire him.

Few people use the number on the contact card. Usually workers made reports to the squad leader of problems or concerns. Such reports mainly consist of requests to resign, requests for a leave, and

complaints about broken machines. Machine breakdowns are usually resolved, while the other requests are seldom permitted or responded to.

### **Resignation**

Several workers told the investigator that Catcher makes it difficult to resign and collect unpaid wages. If a worker wants to resign, shift and group leaders usually do not permit the resignation; instead, shift leaders ask the worker to quit without going through proper procedures, under which circumstances workers may not obtain their unpaid wages. Chinese law requires workers to provide three days' notice to resign during the initial probation period of a job. After probation, workers must give one month's notice to resign and collect all owed wages. Employers are required by Chinese law to permit workers to resign upon request.

Supervisors at Catcher often reject workers' requests to resign, especially during the busy season, because they need to meet quotas, and worker turnover may disrupt the quotas. Student workers have to inform shift leaders of their desire to leave at least one month in advance, while regular workers were not able to resign even if they had informed a supervisor one month in advance.

CLW's investigator notified the shift leader of his resignation three days after being hired, but the supervisor did not accept it. The investigator was instead asked to quit the way that other workers are asked to quit, without going through the resignation process. After the investigator resorted to using the grievance channel, the supervisor finally accepted the resignation unhappily.

The supervisor had the investigator fill out a resignation form and employment termination agreement. One item on the resignation form is the stated reason for resignation, which includes the categories: "dissatisfaction with the work environment," "dissatisfaction with the shift leader," "unable to adapt to the work," "family reasons," "personal reasons," and "other better opportunities." The investigator expressed dissatisfaction with the working environment, writing reasons like the factory does not lower the temperature according to rules or distribute protective equipment properly. The next day, the squad leader asked the investigator to rewrite the reasons for resignation, saying "If you write it like this, the group leader and section chief will not accept it." The shift leader had the investigator change the reason to: "concern for my parents; I have to go home and take care of them." The group leader accepted this without further verification and wrote, "We verified the situation, and after having communicated with this worker several times, it's meaningless to keep him."

## Investigator's Journal

*The following are excerpts from the journal of CLW's investigator during the time he worked at Catcher:*

The first day, during the hiring interview, they didn't ask about basic personal information or family background, instead only asking for my ID to look at. I received an offer letter at the end of the interview.

The second day involved a physical exam and hiring processes. Workers were forced to buy a boxed meal at Catcher for lunch. It was sad to see the frustrated look in workers' eyes when they were not allowed to leave the factory to eat outside. No wonder the workers said, **“Working at Catcher is the same as being Catcher's servant; workers are even forced to eat at the factory.”** Two meat dishes and one vegetable dish are barely enough for lunch, and they really don't taste good. What's even worse is that the water dispenser in the recruitment hall is broken, and the water tastes weird. The thick layer of dust on the water jug was disgusting. Many workers used their lunch boxes as water containers.

Physical exam and enrollment processes were full of management scolding workers. Someone was yelled at for talking during the physical exam; someone else was scolded for filling in the wrong information on the enrollment form. One fellow worker didn't turn in a form, and a Catcher recruitment staff member asked her to buy another one on her own or give up on getting a job at the company. It was the recruitment staff that did not distribute the form, but the worker had to pay for her mistake. I could not bear it anymore and suggested to the worker to just grab another form, but she dared not. I risked taking one for her, and it turned out to be okay. Actually, all of the recruiting staff like to scare workers, taking out their emotions on them.

The third day involved orientation training, job assignment, and actual production work. Most of the 20-minute orientation training involved time recording procedures and labor discipline. But we had to sign three training sheets. One staff member pleaded with workers: “Please, everyone sign your work number and name on the training forms.” I really did not want to sign, but was also afraid I would be caught and could not work in the plant. The most interesting part was selection and assignment of workers. The squad leaders did not ask workers' basic personal information, randomly picking workers. Some people who had previously worked at Catcher and were acquainted with squad and group leaders knew the working conditions in the factory. **For instance, they would intentionally avoid work like CNC, grinding, or cleaning because they are dirtier and more tiring than other positions.** Unfortunately, I was picked by one of the squad leaders in these departments, but he would not tell me what work I would be performing after I asked him. He said, “Are you going or not? It's fine if you don't. Then you can just wait for the worst position.” Later I found that workers picked by this squad leader would work in the grinding department, which is no better than the CNC department. Though the grinding is done by machine, the whole plant is full of dust because workers have to move around parts.



Although the air conditioner was set at 16 Celsius degrees in the plant with CNC operations, the heat produced from the cutting process was very high, which pushed up the temperature to as high as 34°C (93.2°F). Sometimes the cutting liquid splashed into workers' eyes, which is painful.

During work on the afternoon of the third day, I was borrowed by another squad leader to operate machines in another area. On hearing the squad leader of the other department wanting to borrow me from my squad leader, I felt I was being treated liked an object. I was returned by the squad leader at 5:30 pm after the shift ended. I learned to work the machine on the first day of work. Each worker was responsible for ten machine tools, all the while pushing a small cart around, working nonstop.

There is no time for thinking about anything else but one's work. If someone is caught losing focus for a moment, he will be yelled at by the supervisors. Other than working the machine, workers sleep after work. **It's unbearable to not being able to eat to fullness.** Each meal costs 5 RMB (\$0.81) in the plant cafeteria. Mealtime is one hour, and walking to and from the cafeteria and waiting in line together take up half an hour. It goes without saying that the meal tastes bad; there's no soup provided. Workers even have to buy water, exploited by the high prices of small shops. Some workers said it may be because Catcher collects high rents from these shops, and there is no other place to get water in the plant. Even though there are small shops near the factory gate, it would take 20 minutes to walk from the cafeteria to the factory gate. Maybe these are some of the reasons that Catcher lets small shops sell at a higher price.

It drizzled on the day I left Catcher. **I sighed in relief as I was finished with the kind of life lived here.** After some workers in the dormitory found out I was leaving, they walked me downstairs and waved goodbye.