

Appendix 2 SCOPE Workforce Perception and Satisfaction Report

1 Survey Methodology and Organization

As part of the Fair Labor Association’s independent evaluation of Foxconn’s manufacturing facilities involved in Apple production, the FLA conducted a comprehensive survey into the perceptions of employees on a range of topics. The Survey Project was administered in three weeks from 13 February to 3 March 2012, and took a total of 277 work-days inside the factories.

1.1 Population

The total workforce on Apple lines at the Longhua, Guanlan and Chengdu Foxconn factories is 288,800 employees. The following data, supplied by Foxconn, provides greater insight into the workforce working on Apple-related products:

LOCATION	BUSINESS GROUP	NUMBER OF EMPLOYEES	% FEMALE EMPLOYEES	AVERAGE TENURE (IN YEARS)	NUMBER OF STUDENT EMPLOYEES
Longhua	IDSBG-LH	39,200	32%	1.9	69
	SHZBG-LH	27,600	25.4% ¹	2.3	20
Guanlan	SHZBG-GL	56,800		2	335
	IDPBG-GL	83,400	33%	1.54	44
Chengdu	IDSBG-CD	40,300	37%	0.7	584
	SHZBG-CD	41,500	36%	1.2	504

1.2 Sampling

To ensure a representative sample for the questionnaire survey, sample stratification and random sampling were conducted based on the characteristics of the Foxconn workforce. The confidence level for this sample was defined at 99% and the final sample size reached a confidence interval of 0.7% for the overall sample. In other words, the size of the sample is such that it allows us to assume that the results from the sample are 99% likely to be within +/- 0.7% of what we would have learned if we had asked every single employee in the three factories manufacturing Apple products.

Since there are three distinct business units within the three Foxconn campuses (two in Shenzhen and one in Chengdu), the confidence interval per location and business group ranges between 1% and 2%.

1.3 Survey Organization

The survey was implemented in Shenzhen (Longhua and Guanlan facilities) and Chengdu simultaneously. In Shenzhen, four classrooms were provided; each able to accommodate 200 participants at a time in the first week and 240 participants in the second week. The participants filled out the questionnaire either on a computer or on an iPad. In Chengdu, three classrooms were used, holding approximately 150 employees at a time; all participants used iPads to fill out the questionnaire, with the exception of the first two days of surveying, when paper questionnaires were used. At both sites, each participant was given enough space for privacy as well as adequate time while answering the questionnaire.

Two researchers were assigned to each survey room to provide assistance to participants throughout the survey. Such researchers assisted participants with the computer, iPad or paper survey if there were technical issues or questions relating to the questions. In addition, the two researchers in each section would explain the nature of the survey, the purpose of the survey and also explained that answers were anonymous and would not be traceable to any one employee. As such, the researchers encouraged all employees to be candid with their answers and to view this survey as an opportunity to help improve Foxconn.

An average survey day would run nine to ten survey groups, three arranged in the morning, five in the after-noon and one or two rounds in the evening (for the night shift). The Survey Project collected 35,166 valid surveys in total. A breakdown by survey location and business group is presented in the following table.

Focus Group Discussions

Participants for the focus group discussions were randomly selected from the operator level, or employees without management positions, and were grouped

TABLE 2 Number of Employees Per Campus & Business Group			
LOCATION	EMPLOYEES SURVEYED	BUSINESS GROUP	SUB- TOTAL
Longhua	8,256	IDSBG-LH	6,193
		SHZBG-LH	2,063
Guanlan	10,262	SHZBG-GL	3,989
		IDPBG-GL	6,273
Chengdu	16,648	IDSBG-CD	8,228
		SHZBG-CD	8,420



either randomly or based on demographic information such as age, employment status and gender.

There were a few focus groups of only line supervisors, designed to collect perceptions and opinions of the lowest level of management that is directly responsible for implementing production goals and dealing with work issues on a daily basis. In total, there were 26 focus group discussions administered in Shenzhen (11 in Longhua and 15 in Guanlan) and 28 in Chengdu. A total of 543 employees participated in the Focus Group Discussions.



In-Depth Interviews On- and Off-Site

The in-depth interviews were random interviews that took place in public areas both inside and outside the Foxconn factory compound. Locations included the canteens, dormitory apartments, and the convenience store. Researchers interviewed Foxconn employees, with employees' permission, to get more detailed information on different aspects of the employees' lives. Researchers also saw employees' dorms as well as facilities where they eat and shop and also engaged employees to hear more about their personal background. This information gives context to the data received through the surveys and focus group discussions. For each interview session there were two researchers and one or two interviewees. In Shenzhen, 12 Foxconn staff (all working on the Apple production lines) were interviewed; in Chengdu, researchers engaged 19 Foxconn employees in 14 interview sessions. As was the case in the Focus Group Discussions all workers were given an FLA China phone number that they could call in case of any reprisals.

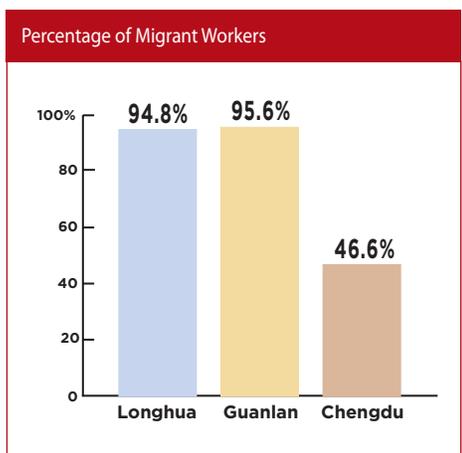
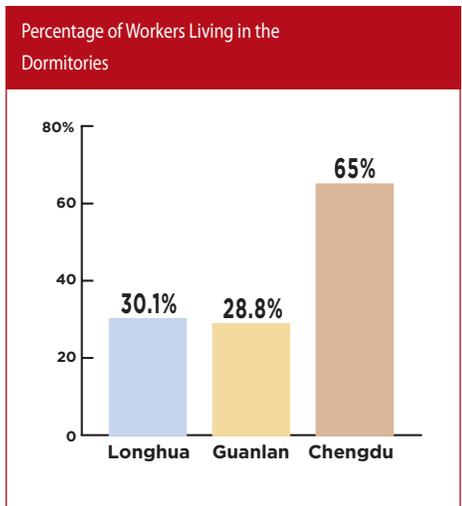
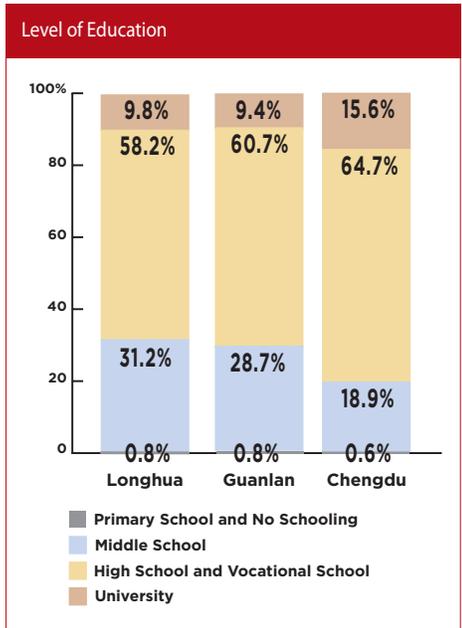
1.4 Sample Description

TABLE 3 Sample Characteristics					
CHARACTERISTICS			LONGHUA	GUANLAN	CHENGDU
Characteristics of the Surveyed Employees (%)	Level of Employees	Junior Level	81.4%	90.9%	85.6%
		Master Level	18.6%	9.5%	14.4%
	Position of Employees	Worker	93.9%	93.3%	91.3%
		Supervisor	5.2%	5.3%	7.3%
		Line/Floor Supervisor	0.6%	0.6%	0.9%
	Current Employment Situation	Student Employee	3%	4.5%	6.8%
		Fixed Long Term	85.7%	93.6%	82.1%
		Respondent Doesn't Know	11.2%	2%	11%
	Average Age in Years			22.8	22.8
Gender (%)	Male		64.9%	65.7%	62.7%
	Female		35.1%	34.3%	37.3%
Origin (%)	Village		67.3%	67%	61%
	Town		21.4%	21.6%	22.5%
	Small/Medium City		9.5%	9.9%	13.9%
	Big City		1.7%	1.5%	2.6%
Young Employee (16 and 17 years old) (%)			2.9%	2.5%	9%
Province (% of top 4)			Henan: 20.1% Hunan: 18.1% Hubei: 15.4% Guangxi: 9.5%	Henan: 20.9% Hunan: 16.4% Hubei: 15.4% Guangxi: 12%	Sichuan: 84.8% Chongqing: 2.5% Hubei: 2.2% Shanxi: 1.6%

Of the 35,166 employees who participated in the survey, 35.9% are female and 64.1% male. In addition, the average age of the survey population is 23 years. For more information on the sample, please see Table 3.

Factory	Average Years in Factory
Longhua	1.66
Guanlan	1.86
Chengdu	1.27

As can be seen in Table 3 with regard to some characteristics, the Chengdu workforce differs from that in Shenzhen. For example, the Chengdu workforce had a higher level of education, with significantly more employees educated in vocational schools and universities. There were more young employees (16 to 17 years of age) in Chengdu than in Shenzhen at the



time of the survey, and the average tenure in Chengdu is also slightly lower. Some of these differences can be attributed to the fact that the Chengdu plant is very new, and only officially started to operate in September 2010.

The most significant difference among the three locations with respect to workforce characteristics is that in Chengdu, 55.4% of the employees consider themselves as locals. This does not necessarily mean that the employees come from Chengdu and the surrounding area; but rather it could mean that they come from places that are relatively close, that is, a couple of hours away. The Chengdu facility also has the highest percentage of employees that live in dormitories.

1.5 Structure of the Survey Instrument

Surveying more than 35,000 employees in three different locations on sensitive topics of employee satisfaction, working conditions and workplace practices is a very challenging endeavor. As such, the Fair Labor Association developed a unique survey tool that was built from previous surveys of employees in the electronics sector. The goal of the survey tool was to develop a comprehensive list of questions that speak to key areas of interest; but to do so in an easy to understand format that does not prevent employees from being candid in their responses and that can be understood by employees with different education levels.

The final survey instrument included a total of 72 questions that were logic-based (meaning that some answers to questions would result in the system automatically skipping other questions that were not relevant). The survey questions focused on different areas of interest, among them the following:

1. Working hours, rest days
2. Salary, benefits and social insurances & protections
3. Satisfaction with factory facilities, food, dormitories, health and safety
4. Health and safety
5. Information, communication, and worker integration
6. Relationships at work (friends, colleagues and management)
7. Employees' sense of belonging
8. Overall contentment

In what follows, we focus on some of the main results of the worker survey, supplemented as appropriate with information gathered from the focus group discussions and the on-site and off-site in-depth interviews. The survey results that follow refer to the combined results of the surveys administered at the three locations listed in Table 2. Detailed results are provided in an **Appendix**.

2 Survey Results

2.1 Working Hours, Rest Days

TABLE 4 Working Hours		
Average working hours	56.07 hours/week	
Maximum hours during the last 3 months (average of all responses)	61.05 hours/week	
Longest consecutive period without a rest day during the last 3 months (average of all responses)	11.57 days	
How do you feel about your working hours?	They're reasonable	48.4%
	They're too long	17.8%
	I'd like to work longer hours to make more money	33.8%

Employees at Foxconn report average weekly working hours of 56 hours, average maximum weekly working hours of 61 hours, and occasional long periods without a rest day. Nearly half (46.6%) of the employees indicate that there have been periods where they worked 11 or more consecutive days.

When asked how they feel about working hours, the employees had different opinions: 48% thought that their working hours were reasonable, nearly 34% indicated they would like to work more hours, and 18% felt that they

TABLE 5 Wages	
Average Salary All Employees	2537 RMB
Workers	2422 RMB
Supervisors	3504 RMB
Floor Supervisors/ Management	5934 RMB

TABLE 6 Wages & Needs		
Do you feel your wage is sufficient to cover the following basic needs?	Yes	No
Is it sufficient for food	71.7%	28.3%
Is it sufficient for accommodations	56.8%	43.2%
Is it sufficient for health care	54.8%	45.2%
Is it sufficient for education	40.6%	59.4%
Is it sufficient for clothing	71.2%	28.8%
Is it sufficient for vacation and entertainment	36.7%	63.3%

worked too long.

2.2 Salary, Benefits, Social Insurance and Protections

2.2.1 Average Wages²

Survey participants indicate an average monthly salary of 2,537 RMB. Broken down by position, the average monthly salary for employees is 2,422 RMB, for supervisors it is 3,504 RMB, and for line and floor supervisors it is 5,934 RMB.

2.2.2 Satisfaction with Wages

Approximately half of the workers who participated in the survey (54.4%) feel that they are fairly compensated for their work.

With respect to satisfaction with wages, 64.3% of workers think that their salary is not sufficient to cover their basic needs.³ The discontent with salaries is more pronounced in Chengdu; 72% of workers say their salaries do not cover basic needs. Recall that the average monthly salary in Chengdu is 2,257 RMB, compared to 2,687 RMB in Longhua and 2,872 RMB at Guanlan.

When asked about the specific components of basic needs, however, nearly 72% of workers stated that wages are sufficient to cover food and clothing expenses; 56.8% stated they are sufficient

for accommodations; and 54.8% for healthcare. With respect to educational needs (of their own or their children's) and vacation & entertainment the majority of the workers (59.4% and 63.3% respectively) stated that wages are not sufficient.⁵

2.3 Satisfaction with Factory Facilities, Food, Dormitories

Much attention has been given in the media to

TABLE 7 Factory Facilities			
QUESTION	ANSWER	PERCENT	VALID N
Are there enough toilets in the factory for the number of employees?	Yes	75.6	35162
	No	24.3	
The toilets are clean and sanitary	Yes	68.6	35154
	No	31.3	
The factory's canteen is clean and hygienic	Completely agree	10.2	34823
	Agree	31.3	
	Undecided	10.3	
	Disagree	23.6	
	Completely disagree	24.7	
The factory's canteen serves good food	Completely agree	3.5	34921
	Agree	18.6	
	Undecided	6.2	
	Disagree	26.1	
	Completely disagree	45.7	
The dorm is crowded	Yes, very much	36	15544
	Yes, a little	42.6	
	No, not at all	21.4	
The dorm is clean and orderly	Yes, very much	30.2	15819
	Yes, a little	42.4	
	No, not at all	27.4	
There are enough toilets and shower rooms in the dormitory	Yes	53.7	15348
	Not necessarily	28.9	
	No, not at all	17.5	
How would you describe the factory floor you are working on?	Very clean and orderly	29	35144
	Generally clean	51.1	
	Just a bit chaotic	15.5	
	Rather messy and dirty	4.4	
How would you describe your work station?	Very comfortable	13.8	35154
	Not too bad but I start to feel uncomfortable after a long day's work	75.4	
	Not comfortable at all	10.7	
Do you think your workplace is too noisy?	Yes, absolutely	20.8	35156
	Yes, in some places	58.1	
	No, not at all	21.1	
Does the factory have fans, air conditioning, ventilation, heating or other systems in place?	Yes	47.4	35156
	There are some of these things but not adequate	49.4	
	No	3.2	

the quality of dormitory and canteen facilities provided by manufacturing facilities in China. Crowded living conditions and poor food are commonly reported across all sectors. The FLA asked a series of questions to gauge Foxconn employees' views of canteen facilities, food quality, dormitory conditions, toilets, and several questions on working conditions.

The specific questions and answers on working and living conditions are listed in Table 7.

76% of employees indicated that the number of toilets in the factory is sufficient and 69% found that the toilets were clean and sanitary.

With regard to the canteen, 48% disagree with the statement that the canteen is clean and hygienic and over 71% disagree that the canteen serves good food.

Nearly 80% of respondents believe that dorm rooms are very or a little crowded, and about 54% express that there are enough toilets and shower rooms in the dormitories are sufficient.

With respect to the workplace, nearly 80% feel that the factory floor where they work is very or generally clean and orderly, about 75% describe their work station as “not too bad,” noting that they feel uncomfortable at the end of the day; about 79% feel that the workplace is too noisy or there are some areas that are too noisy, and close to 97% state that the factory has fans, air conditioning, ventilation, heating, or other ambient temperature systems in place, although about half of these respondents do not feel that the systems are adequate.

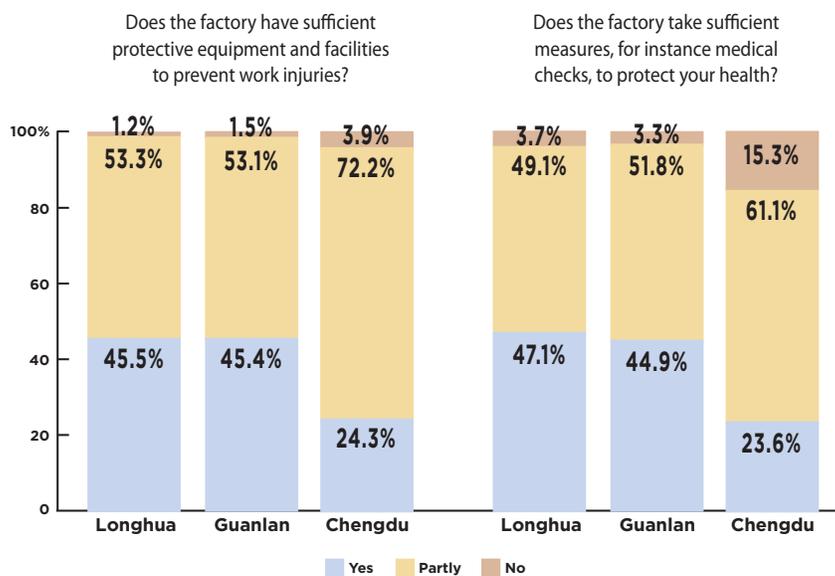
2.4 Health & Safety

2.4.1 Overview

Overall, 97% workers fully or partly agreed that

FIGURE 1 Feeling of Protection

Do workers feel sufficiently protected at the factory?

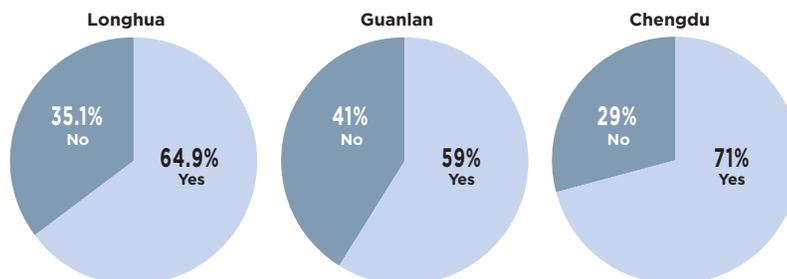


the company had sufficient protective equipment and facilities to prevent work injuries and about 92% fully or partly agreed that the factory took sufficient measures, including medical checks, to protect employee health.

There was some variability across factories with respect to these issues. As shown in the figure below, in Chengdu the share of workers who fully agreed that

FIGURE 2 Pain in Body After Work

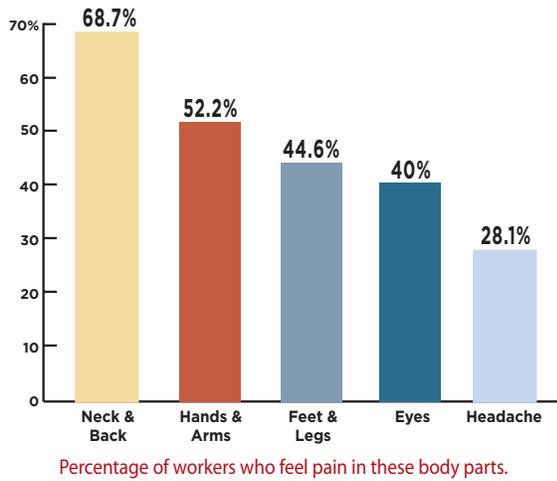
After a full day of work do you sometimes feel pain in any of your body parts?



the company had sufficient protective equipment and facilities to prevent work injuries was 24.3% (compared to 45.5% for Longhua and 45.4% for Guanlan) with an additional 72.2% partly agreeing with this statement.

TABLE 9

Health & Safety



pain they were experiencing after a full day of work. The responses provided by workers are provided in Table 9.

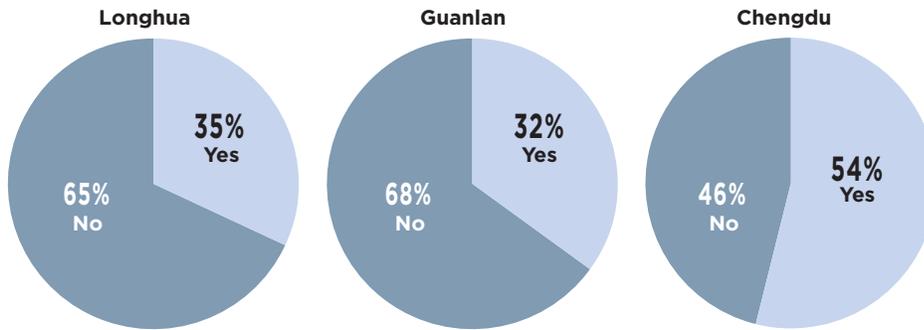
Back and neck pain were the most-frequently mentioned by workers (44.6), followed by pain in hands and arms (33.9%), feet and legs (29%), and eyes (24%). These and similar health problems were mentioned by employees during the Focus Group discussions as well.

One other area of pain mentioned by employees during the focus group discussion was pain in their hips from frequently rotating the upper body. Employees also mentioned that their personal protective equipment (PPE) was not of sufficient quality and not replaced often enough. Other workers complained about poor PPE quality and dirty gloves.

FIGURE 3

Experienced or Witnessed Accidents

Have you ever experienced or witnessed an accident in this factory?



2.4.3 Work Accidents

Nearly 57% of workers interviewed indicated that they had not experienced or witnessed accidents at the factory where they worked. Again, there is variability across the three factories, with 68% of the workers at Guanlan and 65% of workers at Longhua indicating that they had not experienced or

Similarly, 23.6% of Chendgu workers fully agreed that the factory takes sufficient measures to protect worker health (compared to 47.1% at Longhua and 44.9% at Guanlan) with an additional 61.1% partly agreeing with the statement.

witnessed an accident at their factories. In the case of Chengdu, more than half (54% of the workers) reported that they had experienced or witnessed an accident at work.

2.4.2 Pain/Discomfort After a Day of Work

Workers were asked whether they sometimes felt pain in their body parts after a full day of work. Nearly 65% responded that this was the case. Across the three factories, 60% of workers at Longhua and 59% of workers at Guanlan responded affirmatively to the question of whether they sometimes felt pain in their body parts after a full day of work, while for Chengdu it was 71%.

Workers were further asked to identify the type of

TABLE 10

Information

WERE YOU INFORMED OF	THE WORKING HOURS POLICY	HOW TO CALCULATE WAGES	THE BENEFITS, ALLOWANCES AND SUBSIDIES AVAILABLE	GENERAL FACTORY RULES
Clearly informed	64.8%	72.8%	41.7%	61.7%
Partly informed	26.9%	21.2%	41.6%	30.3%
Not informed	3.8%	1.5%	11.9%	1.5%

TABLE 11 Communication			
QUESTION	ANSWER	PERCENT	VALID N
Did management consult workers/worker representatives on factory regulation of working conditions?	No, never heard of anything like that	32.4	35089
	Sometimes our managers asked in a casual way for our opinion	12.9	
	Yes, they use a way such as meeting to discuss those issues	28.5	
	I don't know	26.1	
Have you participated in any interviews or surveys that assess your satisfaction in working in the factory?	No, Never	80.9	35141
	Yes, I did participate in such a thing once	14.4	
	Yes, I participate in this kind of surveys/interviews more than once	4.7	
In the last 3 months, have you used any of the channels above to bring forward a complaint suggestion or question?	No, never	66.9	35141
	Yes, once	20.6	
	Yes, more than once	12.5	
Do you feel that your complaint, suggestion or question was handled well?	The problem/question was not handled well	42	13091
	The problem/question or suggestion was handled in acceptable way	43.6	
	The problem was handled well	12.5	
Do you agree—Management is willing to listen to my reasonable suggestions or complaints?	Completely agree	22.2	34519
	Agree	33.5	
	Undecided	15.9	
	Disagree	15.1	
	Completely disagree	13.3	
Do you agree—When I feel my rights have been violated I should file a grievance with management instead of keeping silent?	Completely agree	61.7	33149
	Agree	18.4	
	Undecided	9.1	
	Disagree	4.8	
	Completely disagree	6	

TABLE 12 Ranking of Complaint Channels		
RANK	IF YOU HAVE A WORK RELATED PROBLEM OR COMPLAINT WHO WOULD YOU GO TO?	PERCENTAGE OF EMPLOYEES THAT CHOSE THIS ANSWER
1	Supervisor	65.4%
2	Suggestion Box	16.7%
3	No One	14.9%
4	Union Representative	14.2%
5	Human Resource Department	14.1%
6	Counseling Center	12%
7	Management	4.8%
8	3rd Party Hotline	3.9%
9	Gen. Manager	1.4%
10	Security Personnel	1.1%
11	Health Center	0.95%

employees use internal grievance and complaints channels, and if they have participated in any interviews or internal satisfaction surveys.

Nearly 41% of employees indicated that management consulted workers / worker representatives on factory regulation of working conditions, either formally (about 70% of the workers who responded positively) or informally (30%). About 19% of employees stated that they had participated in the past in one or more interviews/surveys that

2.5 Information, Communication and Worker Integration

2.5.1 Information

90.6% of employees report that they received employee manuals when they started working in the factory. Furthermore employees indicate that they are informed (clearly or partly informed) of the factory's policies, procedures and rules with respect to working hours (96%), how to calculate wages (over 98%), various benefits (88%) and general factory rules (over 98%).

2.5.2 Communication

A series of questions on communication ask employees whether employees and employee representatives are included in the factory's decision-making processes, if

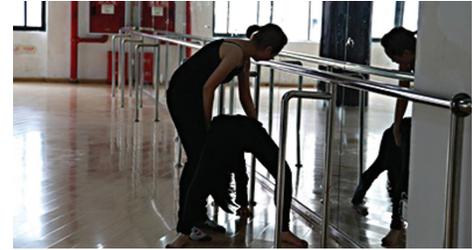
assess satisfaction in working in the factory.

Nearly 67% of the employees stated that they had not used any of the available channels to bring forward a complaint, suggestion or question in the previous three months; the remaining 31% responded that they had used such a channel, and about 38% of those who had used such a channel indicated that they had used it more than once. 56% of the employees who used these channels in the last three months indicated that the issues had been handled well or in an acceptable way.

Nearly two-thirds of workers (65.4%) stated that if they had a work-related problem or complaint they would go to their supervisor; other complaint channels identified by workers and the percentage of workers who chose them are given in Table 12; after supervisors, the most commonly chosen grievance channels were

TABLE 13 Worker Integration: Relationship at Work

QUESTION	ANSWER	PERCENT	VALID N
How are worker representatives selected in your factory?	Elected by workers	32.9	35136
	Designated by management	20.1	
	Representatives self-volunteered	4.3	
	Don't know	42.3	
Do you know if the trade union participates in the factory's decision making process, e.g., production scheduling?	Yes	17	35166
	No	12.8	
	Don't know	70.2	
Do you agree—Our ideas and suggestions can help management to make the factory better?	Completely agree	22.1	35166
	Agree	37.3	
	Undecided	27.3	
	Disagree	7.5	
	Completely disagree	5.7	
Do you agree—Management is willing to listen to my reasonable suggestions or complaints?	Completely agree	22.2	35166
	Agree	33.5	
	Undecided	15.9	
	Disagree	15.1	
	Completely disagree	13.4	



representatives volunteered themselves. Across the factories, the percentage of workers who believe that worker representatives are elected by workers is: Longhua, 44.0%; Guanlan, 33.7%; and Chengdu, 26.9% (see Figure 3).

The majority of workers (70.2%) do not know whether the union representatives participate in the factory's decision making process, for example with respect to production scheduling, 17% believe that the union representatives do participate and 12.8% believe that they do not. Across the factories, the percentage of workers who believe that union representatives participate in the

factory's decision-making process is: Longhua, 21.2%; Guanlan, 19.2%; and Chengdu, 13.9% (see Figure 4).

Nearly 60% of workers strongly agree or agree with the proposition that "our ideas and suggestions can help management to make the factory better." About 14%

of respondents disagreed or strongly disagreed with the proposition and the rest of the workers were undecided.

Finally, 55.7% of workers completely agree or agree with the statement: "Management is willing to listen to my reasonable suggestions or complaints." 28.4% of workers disagree or completely disagree with such statement and 15.9% are undecided.

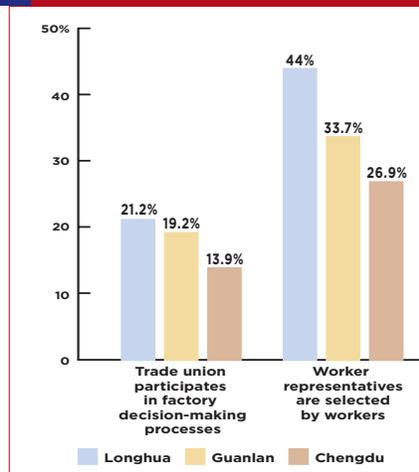
suggestion box (16.7%), union representative (14.2%), Human Resource Department (14.1%), and Counseling Center (12%). 57% of respondents completely agreed or agreed with the statement that "Management is willing to listen to my reasonable suggestions or complaints."

Over 80% of the employees agreed or strongly agreed with the statement: "When I feel my rights have been violated I should file a grievance with management instead of keeping silent."

2.5.3 Worker Integration

With regard to how worker representatives are selected in the factory, 42.4% of respondents state that they do not know, 32.9% state that they are elected by workers; 20% believe that representatives are designated by management; and 4.3% believe that the

Figure 4: Percentage of Workers Who Agree with These Statements?



QUESTION	ANSWER	PERCENT	VALID N
Do you agree—I have good friends at work?	Absolutely true	69.4	33646
	Partly true	26.3	
	Not true at all	4.3	
Do you agree—I trust our leadership team?	Absolutely true	36.6	34391
	Partly true	50.4	
	Not true at all	12.9	
Do you agree—I get nervous when the managers walk through the production line and observe my work?	Absolutely true	24	33619
	Partly true	49.7	
	Not true at all	26.3	
How would you describe your relationship with your supervisor?	We get along well	35.5	35106
	I don't like his/her attitude	24.5	
	I always have problems with him/her	2	
	Our relationship is average	38	

2.6 Relationships at Work

A significant share of employees at the three factories live in factory-sponsored dormitories; living away from their home towns, family and friends, the relationships they build at the factory are critically important to provide them with support and happiness. Therefore, the FLA surveyed employees about their relationships with friends, supervisors and factory management. The responses to the questions, taken together, provide insights into the social support network that friends, colleagues and supervisors might provide.

More than 95% of employees expressed that they have good friends working at the factory.

Nearly 87% of employees expressed the view that they trust the factory's leadership team and close to 74% describe their relationship with their supervisor either as average or positive. Finally, 73.7% of employees indicated that they feel some nervousness when managers observe their work and interact with them.

agreed or partly agreed with the proposition: "I work just to earn money in the factory and am responsible only for my own tasks."

2.7 Employees' Sense of Belonging

The survey also tested employee attachment and loyalty to the factory. These measures have a bearing on the likelihood that workers will choose to stay at the factory for an extended period of time and on employee turnover.

Nearly 76% of the workers surveyed expressed that they were partly or completely proud to work in the factory where they labored. 67% of respondents indicated that they saw their future connected to that of the factory. 48.4% of workers

QUESTION	ANSWER	PERCENT	VALID N
Are you proud to work for this factory?	Not at all	23.9	35153
	Partly	66.5	
	Absolutely	9.6	
My success is linked to factory's success	Completely agree	20.2	34031
	Agree	42.5	
	Undecided	14.7	
	Disagree	12.7	
	Completely Disagree	9.9	
I work just to earn money in the factory and am responsible only for my own tasks	Completely agree	15.8	33297
	Agree	32.6	
	Undecided	12.5	
	Disagree	20.5	
	Completely Disagree	18.6	
Are you planning to stay in the factory for the next two years?	No	14.7	33297
	Maybe	70	
	Absolutely	15.3	
Are you considering leaving the factory in the next two months?	Yes	15.1	35105
	No	84.9	

Finally, over 85% of respondents indicated that they were considering or had decided to stay working in the factory for 2 more years. A similar share of workers indicated that they did not have plans to leave the

to be good career opportunities at Foxconn.

3 Selected Issues

3.1 Hours of Work and Contentment/Loyalty

As reported above, Foxconn employees indicated average weekly working hours of 56 hours, average maximum weekly working hours of 61 hours, and occasional long periods without a rest day. As discussed in section 2.1 above, when asked how they feel about working hours, the employees expressed different opinions: while some think that their working hours are reasonable (48%), others feel that they work too much (17.7%), and others (33.8%) say they would like to work more and make more money.

Correlating the views of employees on hours of work and contentment levels suggests that beyond some number of hours, employees are not more content if they work additional hours. As can be seen in Figure 5, where groups of workers (1) working fewer than 52 hours per week; (2) working between 52 and 59 hours per week; and (3) working 60 or more hours per week, are compared with respect to contentment, loyalty and attachment to the factory, and working relationships -- which measure how employees feel about their relationships with supervisors and friends within the factory -- employees who work

52 hours per week or fewer are slightly more content, more loyal and have better relationships at work. This

factory in the next two months.

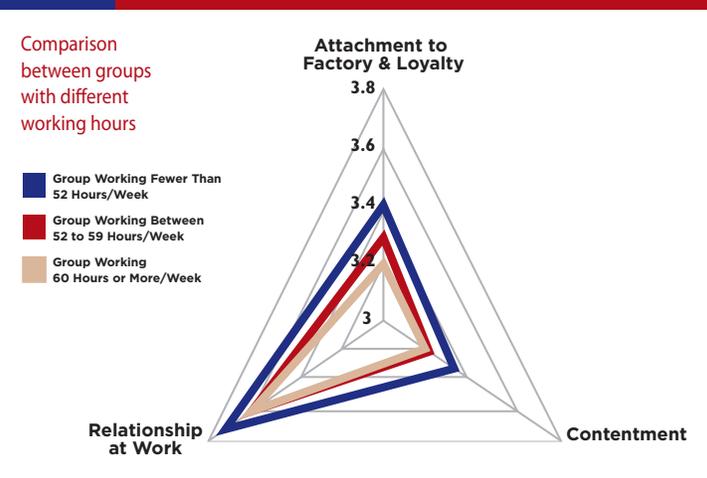
2.8 Overall Contentment

Contentment is a good predictor of turnover rate - employees who say that they enjoy work, feel a sense of achievement, and feel that their jobs provide opportunities for advancement are likely to be productive at their jobs and willing to stay. The specific questions and answers regarding Contentment are listed in Table 16.

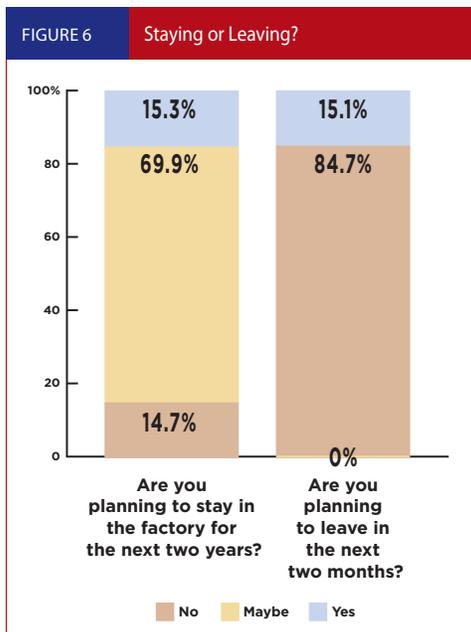
61% of the employees who responded to the survey stated that their jobs are often stressful. About 45% of employees indicated that they do not look forward to going to work each day, while about 35% do look forward to work each day. 60% of employees believe they have a sense of achievement or fulfillment from their work at Foxconn. 51% of employees believe there

TABLE 16 Contentment			
QUESTION	ANSWER	PERCENT	VALID N
I feel that my work is often stressful	Completely agree	17.5	33678
	Agree	43.9	
	Undecided	12.2	
	Disagree	15.3	
	Completely disagree	11.1	
I look forward to going to work in the morning	Completely agree	10.9	33740
	Agree	24.4	
	Undecided	20.2	
	Disagree	21.3	
	Completely disagree	23.3	
I have a sense of achievement or fulfillment from my work	Completely agree	22.3	33582
	Agree	36.7	
	Undecided	15.2	
	Disagree	12.2	
	Completely disagree	13.6	
The factory provides good career opportunities	Completely agree	19.2	31357
	Agree	32.3	
	Undecided	15.3	
	Disagree	14.9	
	Completely disagree	18.3	

FIGURE 5 Working Hours and Loyalty, Contentment and Relationship at Work



correlation was confirmed when participants discussed working hours, breaks, and shift arrangements during the focus group discussions. While employees are concerned about long working hours, they welcome them because of the increase to their salary. In all discussions about working hours employees raised concerns that stricter working hour regulations will bring down their overall salaries.



3.2 Turnover Rates

High employee turnover is one of the biggest challenges for many Chinese factories. In this survey we asked employees if they are considering staying in the factory for the next two years, and if they are planning to leave within the next two months or so. The responses

are displayed in Figure 6.

The principal reason why employees want to stay is that they have friends and relatives that work at the factory. The second reason is that working hours are reasonable and the third is the satisfactory benefits package. Beyond these three primary reasons, there is quite a bit of differentiation across the factories with respect to reasons for staying: in Guanlan, for example, 12.1% of employees indicate that a reason to stay is good after-work (leisure) activities (only 4.3% in Longhua and 3.7% in Chengdu mention this as a reason for staying), 17.2% the good treatment by their supervisors (7.0% in Longhua and 6.5% in Chengdu) and 14.7% a sense of belonging (6.3% in Longhua and 3.7% in Chengdu.)

Salary is the most frequently cited reason for the 15.1% of respondents who stated they wanted to leave in the next two months or so, with around half of these employees reporting this as the number one reason to leave (Longhua, 55.8%; Guanlan 48.9%, Chengdu 82.1%). In all locations, about half of the employees

REASON FOR STAYING IN THE NEXT TWO YEARS	RANKING IN LONGHUA		RANKING IN GUANLAN		RANKING IN CHENGDU	
Working hours are reasonable in this factory	1	47.8%	2	44.8%	4	28.4%
My friends or relatives are working in this factory	2	46.8%	1	48.4%	1	50.3%
I am satisfied with the benefit package	3	41.4%	3	40.3%	3	29.7%
Work is not stressful in this factory	4	32.9%	4	32%	2	34.6%
I am satisfied with my current wage	5	27%	6	27.1%	5	15%
I like my job	6	13.3%	5	31.4%	7	9.6%
Working conditions are safe and healthy	7	11.4%	9	23.4%	14	4.2%
I am happy to work for this factory	8	10.7%	7	26.6%	10	5.7%
There is an accessible communication channel	9	10%	8	25.3%	9	6.6%
My supervisor treats me well	10	8.2%	10	19.8%	8	7.8%
I have a sense of belonging to this factory	11	7.4%	11	16.9%	12	4.4%
Others	12	7.3%	14	7.1%	6	11.9%
The factory organizes interesting after-work activities	13	5.1%	12	14%	12	4.4%
I am satisfied with the conditions of the factory	14	4%	13	10.4%	11	5.6%
The factory's canteen provides good food	15	2.8%	15	4.6%	15	0.9%

who want to leave mention that work is too stressful (Longhua 44.6%, Guanlan 40.1%, Chengdu 47.5%).

In Shenzhen, the third most important reason given by workers, who indicated they wanted to leave is family issues, for instance, getting married in his or her hometown, or looking after children or elderly parents; this is less important an issue in Chengdu (only 18.5% of respondents mentioned this, compared to 33% in Longhua and Guanlan).

TABLE 18 Reasons to Leave ⁹						
REASON FOR LEAVING	RANKING IN LONGHUA		RANKING IN GUANLAN		RANKING IN CHENGDU	
Wage is too low in this factory	1	55.8%	1	48.9%	1	82.1%
Work is too stressful in this factory	2	44.6%	2	40.1%	2	47.5%
Family issues e.g. marriage	3	33%	3	33.4%	5	18.5%
I found other factories with better conditions	4	25.5%	6	16.8%	4	33.1%
I found other factories have better treatment	5	22.5%	7	15.9%	3	33.7%
Others	6	17.6%	5	26.5%	9	8.1%
I found other non-factory jobs treat workers respectfully and fair	7	15.5%	4	31.2%	6	17.3%
I found other non-factory jobs offer better treatment and salary	8	8.8%	8	14.9%	7	11.9%
I found other non-factory jobs easier	9	3.9%	11	7.1%	11	3.6%
Other non-factory jobs have shorter working hours	9	3.5%	9	9.1%	10	6.6%
I found other factory jobs with fewer hours	11	3.2%	10	7.5%	8	10.9%

No doubt this is due to the fact that 84% of the employees in Chengdu are from Sichuan province, and only 46.6% come from places far enough away to be considered a migrant employee.

To get a better understanding of what makes an employee stay or go, it is important to look at the relationships between the different dimensions and variables. The level of loyalty is related to overall contentment, the emotional connection employees have to the factory (attachment) and the level of employee integration.



TABLE 19 Change		
THINGS TO CHANGE	RANKING	
Salaries	1	60.2%
Bonus and allowances	2	41.7%
Quality of food served by canteen	3	38.5%
Working hours including overtime	4	28.3%
More training or short course	5	20.2%
Eating arrangement	6	16.4%
More opportunities to get involved in factory issues	7	15.1%
Quantity of food served by canteen	7	15.1%
Noisy or uncomfortable workplace	9	14.8%
Living conditions in dormitories	10	14.7%
The way my supervisor talks to me	10	14.7%
Break arrangement	12	13%
Rest days	13	8.9%
Social Insurance	14	8.2%
Cleanliness of toilets	15	6.5%
Shift arrangement	16	5.9%
Others	17	5.3%

The relationship between “loyalty” and “salary“ is very weak,⁶ indicating that employees who earn more are not necessarily likely to stay longer. Other elements that impact whether or not employees stay are the quality of their working relationships, the employee’s psychological health, satisfaction with the factory facilities and the level of information and communication.⁷

3.3 What Workers Want

Participants in the survey were asked: “If you could change three things about the factory what would they be?” Respondents prioritized salary (60.2%), followed by bonus and allowances (41.7%), the quality of food in the canteens (38.5%), and working hours, including overtime (28.3%).

In addition to these issues, other important criteria identified by workers relate to integration and communication, behavior of supervisors toward employees, openness by management to suggestions and complaints, and improved relations between workers and supervisors.

ENDNOTES

- ¹ This figure reflects the overall percentage of female workers in the SHZ business group in Shenzhen (Longhua and Guanlan).
- ² The survey results do not reflect the increase in minimum wage for workers at Foxconn from 1,550 RMB to 1,800 RMB effective February 1, 2012.
- ³ FLA Workplace Code defines basic needs as “The minimum necessary for worker and two dependents to have access to resources, including food, safe drinking water, clothing, shelter, energy, transportation, education, sanitation facilities and access to health care services.”
- ⁴ As nearly 80% of the participants in the survey are single, they are not likely to have children. The educational expenses to which they are referring may be that of siblings or other family members.
- ⁵ All survey respondents, regardless of whether or not they indicated that wage is overall sufficient to meet basic needs, were asked the follow-up questions about the sufficiency of their wage to cover individual components of basic needs presented on Table 5.
- ⁶ In order to run these correlations we computed scales combining the different questions of each respective topic (Contentment, Loyalty & Attachment, Relationships at Work). Each dimension is given a score from 1 to 5 based on an average of the strength of the answers for all of the relevant questions. A full score of 5 would indicate that all workers give a positive assessment of the current conditions, and a score of 1 would be the lowest and most negative score, indicating that all workers perceive the situation very negatively. We can say that scores below 3 indicate substantive problems, scores between 3 and 4 show that there are both gaps and positive achievements, while scores above 4 indicate a notable performance.
- ⁷ Above test shows that this difference tested with ANOVA is significant at .000 significance level.
- ⁸ Survey respondents could choose more than one reason; as a result, the percentages add up to more than 100%.
- ⁹ Survey respondents could choose more than one reason; as a result, the percentages add up to more than 100%.
- ¹⁰ Loyalty and salary ($r = .132$, sig. .000), contentment and salary ($r = .088$, sig. .000).

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Descriptives - Overall



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1. Working hours descriptives

	N	Mean	Std. Deviation
How many hours have you worked IN AVERAGE per week in the past 3 months	33383	56.07	8.025
What was the MAXIMUM of hours you work within a week in the past 3 months	33683	61.05	9.255
During the last 6 months what was the longest consecutive day you worked without a rest day	34763	11.57	9.923
Valid N (listwise)	32661		

How do you feel about your working hours?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	It is reasonable	17028	48.4	48.4	48.4
	It is too long	6254	17.8	17.8	66.2
	I'd like to work longer hours to make more money	11862	33.7	33.8	100.0
	Total	35146	99.9	100.0	
Missing	no answer	20	.1		
Total		35166	100.0		

2. Wages descriptives

	N	Mean	Std. Deviation
About how much was your average monthly salary in the past 3 months	34702	2536.85	898.204
How much was your HIGHEST monthly salary in the last 3 month	34899	5883.10	263547.028
In general how satisfied are you with your wages and benefits (scale 1-10)	35094	5.02	2.367
Valid N (listwise)	34559		

Do you feel that the wage you get is sufficient to cover basic needs?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	12544	35.7	35.7	35.7
	No	22599	64.3	64.3	100.0
	Total	35143	99.9	100.0	
Missing	no answer	23	.1		
Total		35166	100.0		

Feel salary is sufficient for: Food

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	24473	69.6	71.7	71.7
	No	9646	27.4	28.3	100.0
	Total	34120	97.0	100.0	
Missing	no answer	1045	3.0		
	System	1	.0		
	Total	1046	3.0		
Total		35166	100.0		

Feel salary is sufficient for: Accommodation

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	18966	53.9	56.8	56.8
	No	14407	41.0	43.2	100.0
	Total	33374	94.9	100.0	
Missing	no answer	1792	5.1		
Total		35166	100.0		

Feel salary is sufficient for: Health care

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	18423	52.4	54.8	54.8
	No	15176	43.2	45.2	100.0
	Total	33599	95.5	100.0	
Missing	no answer	1567	4.5		
Total		35166	100.0		

Feel salary is sufficient for: Education

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	13283	37.8	40.6	40.6
	No	19470	55.4	59.4	100.0
	Total	32755	93.1	100.0	
Missing	no answer	2411	6.9		
Total		35166	100.0		

Feel salary is sufficient for: Clothing

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	22964	65.3	71.2	71.2
	No	9273	26.4	28.8	100.0
	Total	32245	91.7	100.0	
Missing	no answer	2921	8.3		
Total		35166	100.0		

Feel salary is sufficient for: Vacation and Entertainment

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	11927	33.9	36.7	36.7
	No	20534	58.4	63.3	100.0
	Total	32463	92.3	100.0	
Missing	no answer	2703	7.7		
Total		35166	100.0		

I am fairly compensated for my work

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Completely agree	7497	21.3	21.6	21.6
	Agree	11425	32.5	32.8	54.4
	Undecided	5094	14.5	14.6	69.0
	Disagree	6204	17.6	17.8	86.9
	Completely disagree	4559	13.0	13.1	100.0
	Total	34781	98.9	100.0	
Missing	no answer	385	1.1		
Total		35166	100.0		

The factory provides social insurance and other benefits e.g. annual leaves uniforms etc

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Completely agree	14266	40.6	42.1	42.1
	Agree	9009	25.6	26.6	68.6
	Undecided	5708	16.2	16.8	85.4
	Disagree	3122	8.9	9.2	94.6
	Completely disagree	1817	5.2	5.4	100.0
	Total	33922	96.5	100.0	
Missing	no answer	1244	3.5		
Total		35166	100.0		

3. Satisfaction with factory facilities, food, dormitories, health and safety

1) Facilities:

Are there enough toilets in the factory for the number of workers?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	26599	75.6	75.6	75.6
	No	8560	24.3	24.3	100.0
	Total	35162	100.0	100.0	
Missing	no answer	4	.0		
Total		35166	100.0		

The toilets are clean and sanitary

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	24130	68.6	68.6	68.6
	No	11018	31.3	31.3	100.0
	Total	35154	100.0	100.0	
Missing	no answer	12	.0		
Total		35166	100.0		

The factory's canteen is clean and hygienic

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Completely agree	3542	10.1	10.2	10.2
	Agree	10893	31.0	31.3	41.5
	Undecided	3580	10.2	10.3	51.7
	Disagree	8204	23.3	23.6	75.3
	Completely disagree	8604	24.5	24.7	100.0
	Total	34823	99.0	100.0	
Missing	no answer	343	1.0		
Total		35166	100.0		

The factory's canteen serves good food

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Completely agree	1212	3.4	3.5	3.5
	Agree	6465	18.4	18.5	22.0
	Undecided	2164	6.2	6.2	28.2
	Disagree	9109	25.9	26.1	54.3
	Completely disagree	15968	45.4	45.7	100.0
	Total	34921	99.3	100.0	
Missing	no answer	245	.7		
Total		35166	100.0		

Does the factory provide free or subsidized dorms to workers?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes and I am living in the dorm	16269	46.3	46.3	46.3
	Yes but I chose not to live in the dorm	16623	47.3	47.3	93.5
	No	2225	6.3	6.3	99.9
	no answer	49	.1	.1	100.0
	Total	35166	100.0	100.0	

The dorm is crowded

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes very much	5603	15.9	36.0	36.0
	Yes a little	6617	18.8	42.6	78.6
	No not at all	3322	9.4	21.4	100.0
	Total	15544	44.2	100.0	
Missing	not applicable	18846	53.6		
	no answer	776	2.2		
	Total	19622	55.8		
Total		35166	100.0		

The dorm is very clean and orderly

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes very much	4770	13.6	30.2	30.2
	Yes a little	6710	19.1	42.4	72.6
	No not at all	4339	12.3	27.4	100.0
	Total	15819	45.0	100.0	
Missing	not applicable	18847	53.6		
	no answer	500	1.4		
	Total	19347	55.0		
Total		35166	100.0		

There are enough toilets and shower rooms in the dormitory

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes very much	8236	23.4	53.7	53.7
	Yes a little	4433	12.6	28.9	82.5
	No not at all	2679	7.6	17.5	100.0
	Total	15348	43.6	100.0	
Missing	not applicable	18849	53.6		
	no answer	969	2.8		
	Total	19818	56.4		
Total		35166	100.0		

If you do not live in the dormitory do you receive a housing subsidy?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes and adequate	1530	4.4	8.2	8.2
	Yes but not adequate	10253	29.2	54.6	62.8
	No	6984	19.9	37.2	100.0
	Total	18767	53.4	100.0	
Missing	no applicable	16262	46.2		
	no answer	137	.4		
	Total	16399	46.6		
Total		35166	100.0		

2)Health and Safety:

Does the factory provide sufficient protective equipment and facilities to prevent work injuries?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes absolutely	12452	35.4	35.4	35.4
	Partly	21865	62.2	62.2	97.6
	No	834	2.4	2.4	100.0
	Total	35154	100.0	100.0	
Missing	no answer	12	.0		
Total		35166	100.0		

Does the factory take sufficient measures e.g. medical checks to protect your health?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes absolutely	12427	35.3	35.3	35.3
	Partly	19536	55.6	55.6	90.9
	No	3192	9.1	9.1	100.0
	Total	35155	100.0	100.0	
Missing	no answer	11	.0		
Total		35166	100.0		

Do you think that your workplace is too noisy?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes absolutely	7329	20.8	20.8	20.8
	Yes in some places	20424	58.1	58.1	78.9
	No not at all	7402	21.0	21.1	100.0
	Total	35156	100.0	100.0	
Missing	no answer	10	.0		
Total		35166	100.0		

Does the factory have fans air conditioning, ventilation, heating, or other systems in place?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	16677	47.4	47.4	47.4
	There are some of these things but not adequate	17356	49.4	49.4	96.8
	No	1122	3.2	3.2	100.0
	Total	35156	100.0	100.0	
Missing	no answer	10	.0		
Total		35166	100.0		

How would you describe the factory floor you are working on?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Very clean and orderly	10197	29.0	29.0	29.0
	Generally clean	17963	51.1	51.1	80.1
	Just a bit chaotic	5452	15.5	15.5	95.6
	Rather messy and dirty	1531	4.4	4.4	100.0
	Total	35144	99.9	100.0	
Missing	no answer	22	.1		
Total		35166	100.0		

How would you describe your work station?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Very comfortable	4867	13.8	13.8	13.8
	Not too bad but I start to feel uncomfortable after a long d	26517	75.4	75.4	89.3
	Not comfortable at all	3769	10.7	10.7	100.0
	Total	35154	100.0	100.0	
Missing	no answer	12	.0		
Total		35166	100.0		

After a full day of work do you sometimes feel pain in any of your body parts?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	22812	64.9	64.9	64.9
	No	12317	35.0	35.0	99.9
	no answer	36	.1	.1	100.0
	Total	35165	100.0	100.0	
Missing	System	1	.0		
Total		35166	100.0		

What pain to you feel: Headache

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	no	16388	46.6	71.9	71.9
	yes	6414	18.2	28.1	100.0
	Total	22802	64.8	100.0	
Missing	not applicable	12317	35.0		
	no answer	47	.1		
	Total	12364	35.2		
Total		35166	100.0		

What pain do you feel: Neck and back pain

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	no	7118	20.2	31.2	31.2
	yes	15681	44.6	68.8	100.0
	Total	22801	64.8	100.0	
Missing	not applicable	12318	35.0		
	no answer	47	.1		
	Total	12365	35.2		
Total		35166	100.0		

What pain do you feel: Stomachache

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	no	21903	62.3	96.1	96.1
	yes	893	2.5	3.9	100.0
	Total	22796	64.8	100.0	
Missing	not applicable	12324	35.0		
	no answer	46	.1		
	Total	12370	35.2		
Total		35166	100.0		

What pain do you feel: Hand/Arm pain

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	no	10863	30.9	47.7	47.7
	yes	11931	33.9	52.3	100.0
	Total	22797	64.8	100.0	
Missing	not applicable	12319	35.0		
	no answer	47	.1		
	System	3	.0		
	Total	12369	35.2		
Total		35166	100.0		

What pain do you feel: Foot/Leg pain

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	no	12611	35.9	55.3	55.3
	yes	10184	29.0	44.7	100.0
	Total	22802	64.8	100.0	
Missing	not applicable	12314	35.0		
	no answer	50	.1		
	Total	12364	35.2		
Total		35166	100.0		

What pain do you feel: Eye pain

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	no	12301	35.0	59.3	59.3
	yes	8436	24.0	40.7	100.0
	Total	20737	59.0	100.0	
Missing	not applicable	11513	32.7		
	no answer	5	.0		
	System	2911	8.3		
	Total	14429	41.0		
Total		35166	100.0		

What pain do you feel: Other

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	no	19529	55.5	94.2	94.2
	yes	1213	3.4	5.8	100.0
	Total	20742	59.0	100.0	
Missing	not applicable	11506	32.7		
	no answer	7	.0		
	System	2911	8.3		
	Total	14424	41.0		
Total		35166	100.0		

Have you ever experienced or witnessed an accident in this factory?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes I experienced and or witnessed an accident	15238	43.3	43.4	43.4
	No	19890	56.6	56.6	100.0
	Total	35135	99.9	100.0	
Missing	not applicable	3	.0		
	no answer	28	.1		
	Total	31	.1		
Total		35166	100.0		

4 . Information, communication, and employee integration

1) Information:

When you started to work in this factory did you receive workers manual or employee handbook?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	31848	90.6	90.6	90.6
	No	3291	9.4	9.4	100.0
	Total	35142	99.9	100.0	
Missing	no answer	24	.1		
Total		35166	100.0		

Were you informed on how to calculate your wages?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes I was clearly informed about this	25605	72.8	76.2	76.2
	I think I was informed about this but it was not very clear	7464	21.2	22.2	98.4
	No I was not informed about this	521	1.5	1.6	100.0
	Total	33590	95.5	100.0	
Missing	no answer	1576	4.5		
Total		35166	100.0		

Were you informed of the policy on working hours?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes I was clearly informed about this	22797	64.8	67.9	67.9
	I think I was informed about this but it was not very clear	9473	26.9	28.2	96.1
	No I was not informed about this	1320	3.8	3.9	100.0
	Total	33590	95.5	100.0	
Missing	no answer	1575	4.5		
	System	1	.0		
	Total	1576	4.5		
Total		35166	100.0		

Were you informed on your production target?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes I was clearly informed about this	20600	58.6	61.0	61.0
	I think I was informed about this but it was not very clear	10948	31.1	32.4	93.4

	No I was not informed about this	2219	6.3	6.6	100.0
	Total	33767	96.0	100.0	
Missing	no answer	1399	4.0		
Total		35166	100.0		

Were you informed on what sort of benefits allowances and subsidies you can get?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes I was clearly informed about this	14649	41.7	43.8	43.8
	I think I was informed about this but it was not very clear	14639	41.6	43.7	87.5
	No I was not informed about this	4189	11.9	12.5	100.0
	Total	33478	95.2	100.0	
Missing	no answer	1688	4.8		
Total		35166	100.0		

Were you informed of factory rules?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes I was clearly informed about this	21641	61.5	65.8	65.8
	I think I was informed about this but it was not very clear	10694	30.4	32.5	98.4
	No I was not informed about this	529	1.5	1.6	100.0
	Total	32866	93.5	100.0	
Missing	no answer	2300	6.5		
Total		35166	100.0		

Information Channels: Factory assembly

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	no	6779	19.3	19.3	19.3
	yes	28380	80.7	80.7	100.0
	Total	35160	100.0	100.0	
Missing	no answer	6	.0		
Total		35166	100.0		

Information Channels: Notice board

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	no	16994	48.3	48.3	48.3
	yes	18166	51.7	51.7	100.0
	Total	35160	100.0	100.0	
Missing	no answer	6	.0		
Total		35166	100.0		

Information Channels: During training programs

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	no	24030	68.3	68.3	68.3
	yes	11128	31.6	31.7	100.0
	Total	35159	100.0	100.0	
Missing	not applicable	1	.0		
	no answer	6	.0		
	Total	7	.0		
Total		35166	100.0		

Information Channels: Written handouts and handbooks

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	no	17497	49.8	49.8	49.8
	yes	17662	50.2	50.2	100.0
	Total	35160	100.0	100.0	
Missing	no answer	6	.0		
Total		35166	100.0		

Information Channels: Other face to face meetings with management

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	no	26460	75.2	75.3	75.3
	yes	8699	24.7	24.7	100.0
	Total	35160	100.0	100.0	
Missing	no answer	6	.0		
Total		35166	100.0		

Information Channels: Daily meetings with supervisors

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	no	16482	46.9	46.9	46.9
	yes	18675	53.1	53.1	100.0
	Total	35160	100.0	100.0	
Missing	no answer	6	.0		
Total		35166	100.0		

Information Channels: Other

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	no	32929	93.6	93.7	93.7
	yes	2231	6.3	6.3	100.0
	Total	35160	100.0	100.0	
Missing	no answer	6	.0		
Total		35166	100.0		

2) Communication:

Did management consult with workers/ worker representatives on factory regulations working conditions?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	No never heard of anything like that	11407	32.4	32.5	32.5
	Sometimes our managers asked in a casual way for our opinion	4517	12.8	12.9	45.4
	Yes they use a way such as meetings to discuss those issues	10005	28.5	28.5	73.9
	I don't know	9160	26.0	26.1	100.0
	Total	35089	99.8	100.0	
Missing	no answer	77	.2		
Total		35166	100.0		

Have you participated in any interviews or surveys that assess your satisfaction with working in the factory?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	No never	28477	81.0	81.0	81.0
	Yes I did participate in such thing once	5048	14.4	14.4	95.4
	Yes I participated in this kind of surveys interviews more than once	1615	4.6	4.6	100.0
	Total	35141	99.9	100.0	
Missing	no answer	25	.1		
Total		35166	100.0		

In the last 3 months have you ever used any of the channels above to bring forward a complaint suggestion or question?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	No never	23512	66.9	66.9	66.9

Yes once	7256	20.6	20.6	87.5
Yes more than once	4371	12.4	12.4	99.9
no answer	26	.1	.1	100.0
Total	35166	100.0	100.0	

Do you feel that your complaint, suggestion, or question was handled well?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	The problem question or suggestion was not handled well	5504	15.7	42.0	42.0
	The problem question or suggestion was handled in an accept	5702	16.2	43.6	85.6
	The problem was handled well	1632	4.6	12.5	98.1
	I have never talk about these	253	.7	1.9	100.0
	Total	13091	37.2	100.0	
Missing	not applicable	21786	62.0		
	no answer	289	.8		
	Total	22075	62.8		
Total	35166	100.0			

For work related problem: I would not talk to anybody

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	no	29911	85.1	85.1	85.1
	yes	5241	14.9	14.9	100.0
	Total	35154	100.0	100.0	
Missing	no answer	12	.0		
Total		35166	100.0		

For work related problem: I would post a letter in the suggestion/complaint box.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	no	29268	83.2	83.3	83.3

	yes	5885	16.7	16.7	100.0
	Total	35154	100.0	100.0	
Missing	no answer	12	.0		
Total		35166	100.0		

For work related problem: I would talk to the supervisors

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	no	12152	34.6	34.6	34.6
	yes	22998	65.4	65.4	100.0
	Total	35153	100.0	100.0	
Missing	no answer	12	.0		
	System	1	.0		
	Total	13	.0		
Total		35166	100.0		

For work related problem: I would talk to the factory security personnel

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	no	34767	98.9	98.9	98.9
	yes	384	1.1	1.1	100.0
	Total	35153	100.0	100.0	
Missing	no answer	12	.0		
	System	1	.0		
	Total	13	.0		
Total		35166	100.0		

For work related problem: I would talk to the human resource department

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	no	30207	85.9	85.9	85.9
	yes	4946	14.1	14.1	100.0
	Total	35154	100.0	100.0	
Missing	no answer	12	.0		
Total		35166	100.0		

For work related problem: I would talk to people in the health center

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	no	34832	99.1	99.1	99.1
	yes	322	.9	.9	100.0
	Total	35154	100.0	100.0	
Missing	no answer	12	.0		
Total		35166	100.0		

For work related problem: I would talk to management

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	no	33478	95.2	95.2	95.2
	yes	1676	4.8	4.8	100.0
	Total	35154	100.0	100.0	
Missing	no answer	12	.0		
Total		35166	100.0		

For work related problem: I would talk to the general manager

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	no	34656	98.5	98.6	98.6
	yes	498	1.4	1.4	100.0
	Total	35154	100.0	100.0	
Missing	no answer	12	.0		
Total		35166	100.0		

For work related problem: I would call the 3rd party hotline

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	no	33784	96.1	96.1	96.1
	yes	1369	3.9	3.9	100.0
	Total	35153	100.0	100.0	
Missing	no answer	12	.0		
	System	1	.0		
	Total	13	.0		
Total		35166	100.0		

For work related problem: I would talk to the worker representative

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	no	30280	86.1	86.1	86.1
	yes	4872	13.9	13.9	100.0
	Total	35154	100.0	100.0	
Missing	no answer	12	.0		
Total		35166	100.0		

For work related problem: I would talk to the counselor

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	no	30921	87.9	88.0	88.0
	yes	4232	12.0	12.0	100.0
	Total	35153	100.0	100.0	
Missing	no answer	12	.0		
	System	1	.0		
	Total	13	.0		
Total		35166	100.0		

For work related problem: I would talk to the Union or a Union representative

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	no	30147	85.7	85.8	85.8
	yes	5007	14.2	14.2	100.0
	Total	35154	100.0	100.0	
Missing	no answer	12	.0		
Total		35166	100.0		

For work related problem: I would talk with other

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	no	29249	83.2	83.2	83.2
	yes	5904	16.8	16.8	100.0
	Total	35153	100.0	100.0	
Missing	no answer	12	.0		
	System	1	.0		
	Total	13	.0		
Total		35166	100.0		

3) Integration:

How are worker representatives selected in your factory?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Elected by workers	11508	32.7	32.9	32.9
	Designated by management	7007	19.9	20.1	53.0
	The representatives self volunteered	1510	4.3	4.3	57.3
	I don't know	14906	42.4	42.7	100.0
	Total	34931	99.3	100.0	
Missing	not applicable	2	.0		
	no answer	233	.7		
	Total	235	.7		
Total		35166	100.0		

Do you know if the trade union participates in the factory's decision making process e.g. production scheduling?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	5989	17.0	17.0	17.0
	No	4486	12.8	12.8	29.8
	I don't know	24666	70.1	70.2	100.0
	Total	35143	99.9	100.0	
Missing	no answer	23	.1		
Total		35166	100.0		

Do you agree: Our ideas and suggestions can help management to make the factory better

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Completely agree	7568	21.5	22.1	22.1
	Agree	12780	36.3	37.3	59.5
	Undecided	9351	26.6	27.3	86.8
	Disagree	2570	7.3	7.5	94.3
	Completely disagree	1958	5.6	5.7	100.0
	Total	34227	97.3	100.0	
Missing	no answer	938	2.7		
	System	1	.0		
	Total	939	2.7		
Total		35166	100.0		

Do you agree: Management is willing to listen my reasonable suggestions or complaints

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Completely agree	7656	21.8	22.2	22.2
	Agree	11550	32.8	33.5	55.6
	Undecided	5481	15.6	15.9	71.5
	Disagree	5211	14.8	15.1	86.6
	Completely disagree	4620	13.1	13.4	100.0
	Total	34519	98.2	100.0	
Missing	no answer	647	1.8		

Do you agree: Management is willing to listen my reasonable suggestions or complaints

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Completely agree	7656	21.8	22.2	22.2
	Agree	11550	32.8	33.5	55.6
	Undecided	5481	15.6	15.9	71.5
	Disagree	5211	14.8	15.1	86.6
	Completely disagree	4620	13.1	13.4	100.0
	Total	34519	98.2	100.0	
Missing	no answer	647	1.8		
Total		35166	100.0		

5. Relationship at work (friends, colleagues and management)

Do you agree: I have good friends at work

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Absolutely true	23362	66.4	69.4	69.4
	Partly true	8849	25.2	26.3	95.7
	Not true at all	1432	4.1	4.3	100.0
	Total	33646	95.7	100.0	
Missing	no answer	1520	4.3		
Total		35166	100.0		

Do you agree: I trust our leadership team

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Absolutely true	12603	35.8	36.6	36.6
	Partly true	17341	49.3	50.4	87.1
	Not true at all	4443	12.6	12.9	100.0
	Total	34391	97.8	100.0	
Missing	no answer	774	2.2		
	System	1	.0		
	Total	775	2.2		
Total		35166	100.0		

Do you agree: I feel recognized and appreciated at work

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Absolutely true	11291	32.1	33.0	33.0
	Partly true	18101	51.5	52.9	85.9
	Not true at all	4807	13.7	14.1	100.0
	Total	34201	97.3	100.0	
Missing	no answer	964	2.7		
	System	1	.0		
	Total	965	2.7		
Total		35166	100.0		

Do you agree: I get nervous when the managers walk through the production line and observe my work

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Absolutely true	7971	22.7	24.0	24.0
	Partly true	16543	47.0	49.7	73.7
	Not true at all	8757	24.9	26.3	100.0
	Total	33279	94.6	100.0	
Missing	no answer	1886	5.4		
	System	1	.0		
	Total	1887	5.4		
Total		35166	100.0		

How would you describe your relationship with your supervisor?

	Frequency	Percent	Valid Percent	Cumulative Percent

Valid	We get along well	12478	35.5	35.5	35.5
	I am not very used to his/her attitude	8608	24.5	24.5	60.1
	I always have problems with him/her	688	2.0	2.0	62.0
	Average	13328	37.9	38.0	100.0
	Total	35106	99.8	100.0	
Missing	not applicable	1	.0		
	no answer	55	.2		
	System	4	.0		
	Total	60	.2		
Total		35166	100.0		

If unhappy or stressed I would talk to: Colleagues in the same workshop

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	no	16358	46.5	46.5	46.5
	yes	18796	53.4	53.5	100.0
	Total	35157	100.0	100.0	
Missing	no answer	9	.0		
Total		35166	100.0		

If unhappy or stressed I would talk to: Other colleagues outside my workshop

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	no	26654	75.8	75.8	75.8
	yes	8503	24.2	24.2	100.0
	Total	35157	100.0	100.0	
Missing	no answer	9	.0		
Total		35166	100.0		

If unhappy or stressed I would talk to: Roommate in dorm

		Frequency	Percent	Valid Percent	Cumulative Percent
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Valid	no	21491	61.1	61.1	61.1
	yes	13663	38.9	38.9	100.0
	Total	35157	100.0	100.0	
Missing	no answer	9	.0		
Total		35166	100.0		

If unhappy or stressed I would talk to: My supervisor

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	no	28288	80.4	80.5	80.5
	yes	6867	19.5	19.5	100.0
	Total	35157	100.0	100.0	
Missing	no answer	9	.0		
Total		35166	100.0		

If unhappy or stressed I would talk to: The dorm manager

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	no	34686	98.6	98.7	98.7
	yes	470	1.3	1.3	100.0
	Total	35156	100.0	100.0	
Missing	no answer	9	.0		
	System	1	.0		
	Total	10	.0		
Total		35166	100.0		

If unhappy or stressed I would talk to: Highlevel management

		Frequency	Percent	Valid Percent	Cumulative Percent
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Valid	no	34664	98.6	98.6	98.6
	yes	493	1.4	1.4	100.0
	Total	35157	100.0	100.0	
Missing	no answer	9	.0		
Total		35166	100.0		

If unhappy or stressed I would talk to: Middle level management

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	no	33796	96.1	96.1	96.1
	yes	1361	3.9	3.9	100.0
	Total	35157	100.0	100.0	
Missing	no answer	9	.0		
Total		35166	100.0		

If unhappy or stressed I would talk to: Friends outside the factory

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	no	22472	63.9	63.9	63.9
	yes	12685	36.1	36.1	100.0
	Total	35157	100.0	100.0	
Missing	no answer	9	.0		
Total		35166	100.0		

If unhappy or stressed I would talk to: Clerical staff

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	no	34835	99.1	99.1	99.1
	yes	322	.9	.9	100.0
	Total	35157	100.0	100.0	
Missing	no answer	9	.0		
Total		35166	100.0		

If unhappy or stressed I would talk to: Families

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	no	19145	54.4	54.5	54.5

	yes	16005	45.5	45.5	100.0
	Total	35157	100.0	100.0	
Missing	no answer	9	.0		
Total		35166	100.0		

If unhappy or stressed I would talk to: Security

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	no	35055	99.7	99.7	99.7
	yes	100	.3	.3	100.0
	Total	35157	100.0	100.0	
Missing	no answer	9	.0		
Total		35166	100.0		

If unhappy or stressed I would talk to: I never tell anybody about this

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	no	33834	96.2	96.2	96.2
	yes	1323	3.8	3.8	100.0
	Total	35157	100.0	100.0	
Missing	no answer	9	.0		
Total		35166	100.0		

If unhappy or stressed I would talk to: Other

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	no	33921	96.5	96.5	96.5
	yes	1236	3.5	3.5	100.0
	Total	35157	100.0	100.0	
Missing	no answer	9	.0		
Total		35166	100.0		

6 . Employees' sense of belonging to stay or leave

Are you proud to work for this factory?

		Frequency	Percent	Valid Percent	Cumulative Percent
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Valid	Not at all	8401	23.9	23.9	23.9
	Partly	23387	66.5	66.5	90.4
	Absolutely	3365	9.6	9.6	100.0
	Total	35153	100.0	100.0	
Missing	no answer	13	.0		
Total		35166	100.0		

My success is linked to the factory's success

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Completely agree	6870	19.5	20.2	20.2
	Agree	14463	41.1	42.5	62.7
	Undecided	5006	14.2	14.7	77.4
	Disagree	4329	12.3	12.7	90.1
	Completely disagree	3362	9.6	9.9	100.0
	Total	34031	96.8	100.0	
Missing	no answer	1135	3.2		
Total		35166	100.0		

I work just to earn money in the factory and are responsible only for my own tasks

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Completely agree	5258	15.0	15.8	15.8
	Agree	10846	30.8	32.6	48.4
	Undecided	4154	11.8	12.5	60.8
	Disagree	6838	19.4	20.5	81.4
	Completely disagree	6201	17.6	18.6	100.0
	Total	33297	94.7	100.0	
Missing	no answer	1869	5.3		
Total		35166	100.0		

Are you planning to stay in the factory for the next two years?

		Frequency	Percent	Valid Percent	Cumulative Percent
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Valid	No	5182	14.7	14.7	14.7
	Maybe	24606	70.0	70.0	84.7
	Absolutely	5368	15.3	15.3	100.0
	Total	35156	100.0	100.0	
Missing	no answer	10	.0		
Total		35166	100.0		

Reasons to stay: My friends or relatives are working in this factory

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	no	15274	43.4	51.0	51.0
	yes	14664	41.7	49.0	100.0
	Total	29938	85.1	100.0	
Missing	not applicable	5151	14.6		
	no answer	77	.2		
	Total	5228	14.9		
Total		35166	100.0		

Reasons to stay: I am satisfied with my current wage

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	no	23502	66.8	78.6	78.6
	yes	6415	18.2	21.4	100.0
	Total	29917	85.1	100.0	
Missing	not applicable	5173	14.7		
	no answer	76	.2		
	Total	5249	14.9		
Total		35166	100.0		

Reasons to stay: I am satisfied with the benefit package

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	no	19268	54.8	64.4	64.4
	yes	10656	30.3	35.6	100.0

Total		29924	85.1	100.0
Missing	not applicable	5166	14.7	
	no answer	76	.2	
	Total	5242	14.9	
Total		35166	100.0	

Reasons to stay: Work is not stressful in this factory

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	no	19899	56.6	66.5	66.5
	yes	10037	28.5	33.5	100.0
	Total	29937	85.1	100.0	
Missing	not applicable	5153	14.7		
	no answer	76	.2		
	Total	5229	14.9		
Total		35166	100.0		

Reasons to stay: Working hours are reasonable in this factory

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	no	18587	52.9	62.1	62.1
	yes	11340	32.2	37.9	100.0
	Total	29927	85.1	100.0	
Missing	not applicable	5163	14.7		
	no answer	76	.2		
	Total	5239	14.9		
Total		35166	100.0		

Reasons to stay: The factory's canteen provides good food

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	no	29182	83.0	97.6	97.6
	yes	726	2.1	2.4	100.0

Total		29908	85.0	100.0
Missing	not applicable	5182	14.7	
	no answer	76	.2	
	Total	5258	15.0	
Total		35166	100.0	

Reasons to stay: Working conditions are safe and health

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	no	26449	75.2	88.4	88.4
	yes	3461	9.8	11.6	100.0
	Total	29910	85.1	100.0	
Missing	not applicable	5180	14.7		
	no answer	76	.2		
	Total	5256	14.9		
Total		35166	100.0		

Reasons to stay : I am satisfied with the conditions of the dormitory

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	no	27918	79.4	93.3	93.3
	yes	1989	5.7	6.7	100.0
	Total	29907	85.0	100.0	
Missing	not applicable	5181	14.7		
	no answer	76	.2		
	System	2	.0		
	Total	5259	15.0		
Total		35166	100.0		

Reasons to stay: The factory organizes interesting after work

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	no	27723	78.8	92.7	92.7
	yes	2187	6.2	7.3	100.0
	Total	29910	85.1	100.0	

Missing	not applicable	5180	14.7	
	no answer	76	.2	
	Total	5256	14.9	
Total		35166	100.0	

Reasons to stay: My supervisor treats me well

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	no	26518	75.4	88.7	88.7
	yes	3390	9.6	11.3	100.0
	Total	29910	85.1	100.0	
Missing	not applicable	5180	14.7		
	no answer	76	.2		
	Total	5256	14.9		
Total		35166	100.0		

Reasons to stay: I have a sense of belonging to this factory

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	no	27302	77.6	91.3	91.3
	yes	2607	7.4	8.7	100.0
	Total	29909	85.1	100.0	
Missing	not applicable	5181	14.7		
	no answer	76	.2		
	Total	5257	14.9		
Total		35166	100.0		

Reasons to stay: I am happy to work for this factory

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	no	26023	74.0	87.0	87.0
	yes	3885	11.0	13.0	100.0
	Total	29909	85.1	100.0	
Missing	not applicable	5181	14.7		

	no answer	76	.2	
	Total	5257	14.9	
Total		35166	100.0	

Reasons to stay: I like my job

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	no	24889	70.8	83.2	83.2
	yes	5019	14.3	16.8	100.0
	Total	29910	85.1	100.0	
Missing	not applicable	5180	14.7		
	no answer	76	.2		
	Total	5256	14.9		
Total		35166	100.0		

Reasons to stay: There is an accessible communication channels

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	no	26090	74.2	87.2	87.2
	yes	3821	10.9	12.8	100.0
	Total	29911	85.1	100.0	
Missing	not applicable	5179	14.7		
	no answer	76	.2		
	Total	5255	14.9		
Total		35166	100.0		

Reasons to stay: Other

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	no	27108	77.1	90.6	90.6
	yes	2812	8.0	9.4	100.0
	Total	29922	85.1	100.0	
Missing	not applicable	5168	14.7		

	no answer	76	.2	
	Total	5244	14.9	
Total		35166	100.0	

Are you considering leaving the factory in the next 2 months or so?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	yes	5317	15.1	15.1	15.1
	no	29788	84.7	84.7	99.8
	no answer	61	.2	.2	100.0
	Total	35166	100.0	100.0	

Reasons to leave: Family issues e.g. marriage child

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	no	4021	11.4	75.5	75.5
	yes	1307	3.7	24.5	100.0
	Total	5328	15.2	100.0	
Missing	not applicable	29779	84.7		
	no answer	59	.2		
	Total	29838	84.8		
Total		35166	100.0		

Reasons to leave: Work is too stressful in this

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	no	2906	8.3	54.6	54.6
	yes	2417	6.9	45.4	100.0
	Total	5323	15.1	100.0	
Missing	not applicable	29779	84.7		
	no answer	64	.2		
	Total	29843	84.9		

Reasons to leave: Work is too stressful in this

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	no	2906	8.3	54.6	54.6
	yes	2417	6.9	45.4	100.0
	Total	5323	15.1	100.0	
Missing	not applicable	29779	84.7		
	no answer	64	.2		
	Total	29843	84.9		
Total		35166	100.0		

Reasons to leave: Wage is too low in this factory

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	no	1608	4.6	30.1	30.1
	yes	3729	10.6	69.9	100.0
	Total	5337	15.2	100.0	
Missing	not applicable	29770	84.7		
	no answer	59	.2		
	Total	29829	84.8		
Total		35166	100.0		

Reasons to leave: I found other factories have better treatment

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	no	3849	10.9	72.3	72.3
	yes	1475	4.2	27.7	100.0
	Total	5324	15.1	100.0	
Missing	not applicable	29779	84.7		
	no answer	63	.2		
	Total	29842	84.9		
Total		35166	100.0		

Reasons to leave: I found other factories with better conditions

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	no	3822	10.9	71.9	71.9
	yes	1497	4.3	28.1	100.0
	Total	5319	15.1	100.0	
Missing	not applicable	29783	84.7		
	no answer	64	.2		
	Total	29847	84.9		
Total		35166	100.0		

Reasons to leave: I found other factories have fewer hours

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	no	4844	13.8	91.3	91.3
	yes	463	1.3	8.7	100.0
	Total	5307	15.1	100.0	
Missing	not applicable	29792	84.7		
	no answer	67	.2		
	Total	29859	84.9		
Total		35166	100.0		

Reasons to leave: I found other non-factory jobs easier

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	no	5074	14.4	95.5	95.5
	yes	237	.7	4.5	100.0
	Total	5311	15.1	100.0	
Missing	not applicable	29791	84.7		
	no answer	64	.2		
	Total	29855	84.9		
Total		35166	100.0		

Reasons to leave: Other non-factory offer better treatment and salary

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	no	4677	13.3	88.1	88.1
	yes	633	1.8	11.9	100.0
	Total	5310	15.1	100.0	
Missing	not applicable	29790	84.7		
	no answer	66	.2		
	Total	29856	84.9		
Total		35166	100.0		

Reasons to leave: I found other non-factory jobs treat workers respectfully and fair

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	no	4250	12.1	79.9	79.9
	yes	1069	3.0	20.1	100.0
	Total	5319	15.1	100.0	
Missing	not applicable	29785	84.7		
	no answer	62	.2		
	Total	29847	84.9		
Total		35166	100.0		

Reasons to leave: Other non-factory jobs have shorter working hours

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	no	4958	14.1	93.4	93.4
	yes	351	1.0	6.6	100.0
	Total	5309	15.1	100.0	
Missing	not applicable	29791	84.7		
	no answer	66	.2		
	Total	29857	84.9		
Total		35166	100.0		

Reasons to leave: Other

		Frequency	Percent	Valid Percent	Cumulative Percent
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Valid	no	4568	13.0	86.0	86.0
	yes	743	2.1	14.0	100.0
	Total	5312	15.1	100.0	
Missing	not applicable	29789	84.7		
	no answer	65	.2		
	Total	29854	84.9		
Total		35166	100.0		

7. General contentment within the factory

I feel that my work is stressful very often

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Completely agree	5887	16.7	17.5	17.5
	Agree	14768	42.0	43.9	61.3
	Undecided	4120	11.7	12.2	73.6
	Disagree	5149	14.6	15.3	88.9
	Completely disagree	3754	10.7	11.1	100.0
	Total	33678	95.8	100.0	
Missing	no answer	1488	4.2		
Total		35166	100.0		

I look forward to going to work in the morning

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Completely agree	3667	10.4	10.9	10.9
	Agree	8246	23.4	24.4	35.3
	Undecided	6799	19.3	20.2	55.5
	Disagree	7175	20.4	21.3	76.7
	Completely disagree	7851	22.3	23.3	100.0
	Total	33740	95.9	100.0	
Missing	no answer	1426	4.1		
Total		35166	100.0		

I have a sense of achievement or fulfillment from my work

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Completely agree	7503	21.3	22.3	22.3
	Agree	12340	35.1	36.7	59.1
	Undecided	5089	14.5	15.2	74.2
	Disagree	4097	11.7	12.2	86.4
	Completely disagree	4551	12.9	13.6	100.0
	Total	33582	95.5	100.0	
Missing	no answer	1584	4.5		
Total		35166	100.0		

The factory provides good career opportunities

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Completely agree	6015	17.1	19.2	19.2
	Agree	10142	28.8	32.3	51.5
	Undecided	4782	13.6	15.3	66.8
	Disagree	4675	13.3	14.9	81.7
	Completely disagree	5742	16.3	18.3	100.0
	Total	31357	89.2	100.0	
Missing	no answer	3809	10.8		
Total		35166	100.0		

If you could change three things: Eating arrangements

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	no	29349	83.5	83.5	83.5
	yes	5806	16.5	16.5	100.0
	Total	35160	100.0	100.0	
Missing	no answer	6	.0		
Total		35166	100.0		

If you could change three things: Break arrangements

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	no	30546	86.9	86.9	86.9
	yes	4612	13.1	13.1	100.0
	Total	35160	100.0	100.0	
Missing	no answer	6	.0		
Total		35166	100.0		

If you could change three things: Working hours including overtime

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	no	25206	71.7	71.7	71.7
	yes	9952	28.3	28.3	100.0
	Total	35160	100.0	100.0	
Missing	no answer	6	.0		
Total		35166	100.0		

If you could change three things: Shift arrangements

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	no	33074	94.1	94.1	94.1
	yes	2084	5.9	5.9	100.0
	Total	35160	100.0	100.0	
Missing	no answer	6	.0		
Total		35166	100.0		

If you could change three things: Cleanliness of toilets

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	no	32890	93.5	93.5	93.5
	yes	2269	6.5	6.5	100.0
	Total	35160	100.0	100.0	
Missing	no answer	6	.0		
Total		35166	100.0		

If you could change three things: Quality of food served by the canteen

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	no	21603	61.4	61.4	61.4
	yes	13556	38.5	38.6	100.0
	Total	35160	100.0	100.0	
Missing	no answer	6	.0		
Total		35166	100.0		

If you could change three things: Quantity of food served by the canteen

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	no	29826	84.8	84.8	84.8
	yes	5334	15.2	15.2	100.0
	Total	35160	100.0	100.0	
Missing	no answer	6	.0		
Total		35166	100.0		

If you could change three things: Rest days

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	no	32019	91.1	91.1	91.1
	yes	3141	8.9	8.9	100.0
	Total	35160	100.0	100.0	
Missing	no answer	6	.0		
Total		35166	100.0		

If you could change three things: Noisy or uncomfortable workplace

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	no	29967	85.2	85.2	85.2
	yes	5191	14.8	14.8	100.0
	Total	35159	100.0	100.0	
Missing	no answer	6	.0		
	System	1	.0		
	Total	7	.0		
Total		35166	100.0		

If you could change three things: Bonus and allowances

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	no	20483	58.2	58.3	58.3
	yes	14677	41.7	41.7	100.0
	Total	35160	100.0	100.0	
Missing	no answer	6	.0		
Total		35166	100.0		

If you could change three things: Salaries

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	no	13993	39.8	39.8	39.8
	yes	21163	60.2	60.2	100.0
	Total	35160	100.0	100.0	
Missing	no answer	6	.0		
Total		35166	100.0		

If you could change three things: Living conditions in dormitories

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	no	29957	85.2	85.2	85.2
	yes	5199	14.8	14.8	100.0
	Total	35158	100.0	100.0	
Missing	no answer	6	.0		
	System	2	.0		
	Total	8	.0		
Total		35166	100.0		

If you could change three things: Social insurance

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	no	32243	91.7	91.7	91.7
	yes	2916	8.3	8.3	100.0
	Total	35160	100.0	100.0	
Missing	no answer	6	.0		
Total		35166	100.0		

If you could change three thing: The way my supervisor talks to me

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0	1	.0	.0	.0
	no	29954	85.2	85.2	85.2
	yes	5203	14.8	14.8	100.0
	Total	35160	100.0	100.0	
Missing	no answer	6	.0		
Total		35166	100.0		

If you could change three things: More training

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	no	28057	79.8	79.8	79.8
	yes	7101	20.2	20.2	100.0
	Total	35160	100.0	100.0	
Missing	no answer	6	.0		
Total		35166	100.0		

If you could change three things: More opportunities to get involved in factory decisions

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	no	29863	84.9	84.9	84.9
	yes	5296	15.1	15.1	100.0
	Total	35160	100.0	100.0	
Missing	no answer	6	.0		
Total		35166	100.0		

If you could change three things: Other

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	no	33307	94.7	94.7	94.7
	yes	1852	5.3	5.3	100.0
	Total	35160	100.0	100.0	
Missing	no answer	6	.0		
Total		35166	100.0		

8. Productivity

Do you work on production line?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	13555	38.5	70.6	70.6
	No	5658	16.1	29.4	100.0
	Total	19213	54.6	100.0	
Missing	no answer	13042	37.1		
	System	2911	8.3		
	Total	15953	45.4		
Total		35166	100.0		

Do you know the number of pieces you are supposed to reach per day, your daily target?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes I always know it exactly	14881	42.3	50.4	50.4
	I know it sometimes but not always	12624	35.9	42.7	93.1
	No I don't know	2045	5.8	6.9	100.0
	Total	29551	84.0	100.0	
Missing	not applicable	1	.0		
	no answer	5614	16.0		
	Total	5615	16.0		
Total		35166	100.0		

Do you achieve the required rate quota?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes I do and most of the time I exceed that rate	7820	22.2	26.5	26.5
	Yes I do achieve that rate most of the time	16938	48.2	57.4	83.9
	I sometimes achieve that rate	4463	12.7	15.1	99.0
	I never manage to achieve that rate	287	.8	1.0	100.0
	Total	29508	83.9	100.0	
Missing	not applicable	1	.0		
	no answer	5657	16.1		
	Total	5658	16.1		
Total	35166	100.0			

How do you feel about your own work performance?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	I am terribly clumsy and thus make quite a lot of mistakes	184	.5	.6	.6
	I am a little clumsy and sometimes make mistakes	2595	7.4	8.8	9.4
	I am doing my work normally I just make a few mistakes	17418	49.5	59.0	68.5
	I am very skilled and I hardly ever make a mistake	9306	26.5	31.5	100.0
	Total	29504	83.9	100.0	
Missing	no answer	5662	16.1		
Total	35166	100.0			

How often do you have to redo your work e.g. the supervisor tells you to correct a mistake or pieces come back?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Very often	357	1.0	1.2	1.2
	Some times	6609	18.8	22.4	23.6
	Rarely	22521	64.0	76.4	100.0
	Total	29491	83.9	100.0	
Missing	no answer	5675	16.1		
Total		35166	100.0		

Do you often feel not skilled or trained enough to fulfill the job requirements?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes absolutely	3342	9.5	9.5	9.5
	Yes mostly	3846	10.9	10.9	20.4
	More or less	15017	42.7	42.7	63.2
	No not really	8254	23.5	23.5	86.7
	No not at all	4691	13.3	13.3	100.0
	Total	35150	100.0	100.0	
Missing	no answer	16	.0		
Total		35166	100.0		

Do you feel that the current work arrangement and wage structure makes you work hard?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes absolutely	8546	24.3	24.3	24.3
	Yes partly	10560	30.0	30.0	54.4
	More or less	8128	23.1	23.1	77.5
	No not really	5371	15.3	15.3	92.7
	No not at all	2550	7.3	7.3	100.0
	Total	35157	100.0	100.0	
Missing	no answer	9	.0		
Total		35166	100.0		

9. Environment Protection

Environmental issues is a concern of this factory

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Completely agree	13736	39.1	39.6	39.6
	Agree	14454	41.1	41.6	81.2
	Disagree	2832	8.1	8.2	89.3
	Completely disagree	1017	2.9	2.9	92.3
	I don't know	2688	7.6	7.7	100.0
	Total	34727	98.8	100.0	
Missing	no answer	438	1.2		
	System	1	.0		
	Total	439	1.2		
Total		35166	100.0		

Environmental protection is important for the factory

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Completely agree	18603	52.9	54.6	54.6
	Agree	12921	36.7	37.9	92.5
	Disagree	1001	2.8	2.9	95.4
	Completely disagree	403	1.1	1.2	96.6
	I don't know	1164	3.3	3.4	100.0
	Total	34092	96.9	100.0	
Missing	no answer	1074	3.1		
Total		35166	100.0		

Environmental protection is important for me

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Completely agree	19823	56.4	59.1	59.1
	Agree	12428	35.3	37.0	96.1
	Disagree	635	1.8	1.9	98.0
	Completely disagree	222	.6	.7	98.7
	I don't know	453	1.3	1.3	100.0
	Total	33561	95.4	100.0	
Missing	no answer	1604	4.6		
	System	1	.0		
	Total	1605	4.6		
Total		35166	100.0		

Is there any initiative your factory is doing to protect the environment?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	17763	50.5	58.3	58.3
	No	1402	4.0	4.6	62.9
	I don't know	11321	32.2	37.1	100.0
	Total	30486	86.7	100.0	
Missing	no answer	1769	5.0		
	System	2911	8.3		
	Total	4680	13.3		
Total		35166	100.0		

10 . Employee Information

Gender

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Female	12598	35.8	35.9	35.9
	Male	22507	64.0	64.1	100.0
	Total	35106	99.8	100.0	
Missing	no answer	60	.2		
Total		35166	100.0		

Marital Status

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Single	27782	79.0	79.2	79.2
	Married	7014	19.9	20.0	99.1
	Divorced	302	.9	.9	100.0
	Total	35100	99.8	100.0	
Missing	no answer	66	.2		
Total		35166	100.0		

Where did you grow up most of the time before you turned 16?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Village	22534	64.1	64.2	64.2
	Town	7713	21.9	22.0	86.2
	Small medium city	4110	11.7	11.7	97.9
	Big City	735	2.1	2.1	100.0
	Total	35092	99.8	100.0	
Missing	no answer	74	.2		
Total		35166	100.0		

What level of education have you completed?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	No schooling	31	.1	.1	.1
	Primary school	210	.6	.6	.7
	Middle school	8671	24.7	24.7	25.4
	High School	9833	28.0	28.0	53.4
	Vocational School	11966	34.0	34.1	87.5
	University	4378	12.4	12.5	100.0
	Total	35090	99.8	100.0	
Missing	no answer	76	.2		
Total		35166	100.0		

Are you a migrant worker?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	No	9649	27.4	27.5	27.5
	Yes	25378	72.2	72.5	100.0
	Total	35028	99.6	100.0	
Missing	no answer	138	.4		
Total		35166	100.0		

Which province are you from?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Hebei	185	.5	.5	.5
	Shanxi	140	.4	.4	.9
	Liaoning	35	.1	.1	1.0
	Jilin	55	.2	.2	1.2
	Heilongjiang	54	.2	.2	1.3
	Jiangsu	32	.1	.1	1.4
	Zhejiang	23	.1	.1	1.5
	Anhui	308	.9	.9	2.4
	Fujian	53	.2	.2	2.5
	Jiangxi	1251	3.6	3.6	6.1
	Shandong	170	.5	.5	6.6
	Henan	3266	9.3	9.3	15.9
	Hubei	3295	9.4	9.4	25.3
	Hunan	3979	11.3	11.4	36.7
	Guangdong	1011	2.9	2.9	39.6
	Hainan	84	.2	.2	39.8
	Sichuan	15084	42.9	43.1	82.9
	Guizhou	812	2.3	2.3	85.2
	Yunnan	447	1.3	1.3	86.5
	Shanxi	1217	3.5	3.5	90.0
Gansu	582	1.7	1.7	91.6	
Qinghai	26	.1	.1	91.7	
Inner Mongolia	39	.1	.1	91.8	

	Guangxi Autonomous Region	2078	5.9	5.9	97.7
	Ningxia Autonomous Region	23	.1	.1	97.8
	Uighur	23	.1	.1	97.9
	Tibet	4	.0	.0	97.9
	Beijing	4	.0	.0	97.9
	Tianjin	3	.0	.0	97.9
	Chongqing	734	2.1	2.1	100.0
	shanghai	2	.0	.0	100.0
	Total	35019	99.6	100.0	
Missing	no answer	147	.4		
Total		35166	100.0		

Nationality of China

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	han chinese	28110	79.9	92.9	92.9
	Mongolian	31	.1	.1	93.0
	Hui	82	.2	.3	93.3
	Tibeten	100	.3	.3	93.6
	weiwuer	11	.0	.0	93.7
	Miao	266	.8	.9	94.6
	Yi	203	.6	.7	95.2
	Zhuang	650	1.8	2.1	97.4
	buyi	76	.2	.3	97.6
	chaoxian korean	2	.0	.0	97.6
	Man	11	.0	.0	97.7
	Tong	136	.4	.4	98.1
	yao	153	.4	.5	98.6
	bai	26	.1	.1	98.7
	tujia	230	.7	.8	99.5
	hani	13	.0	.0	99.5
	hasake	2	.0	.0	99.5
	dai	9	.0	.0	99.6
	ni	11	.0	.0	99.6
	lisu	5	.0	.0	99.6
	wa	2	.0	.0	99.6
	she	3	.0	.0	99.6
	gaoshan	1	.0	.0	99.6
	shui	16	.0	.1	99.7
	naxi	2	.0	.0	99.7
	tu	9	.0	.0	99.7
	dahaner	1	.0	.0	99.7
	Mulam	8	.0	.0	99.7
	qiang	57	.2	.2	99.9
	maonan	4	.0	.0	99.9
	gelo	14	.0	.0	100.0

	acha	1	.0	.0	100.0
	ewenke	1	.0	.0	100.0
	Total	30246	86.0	100.0	
Missing	no answer	2009	5.7		
	System	2911	8.3		
	Total	4920	14.0		
Total		35166	100.0		

What kind of worker are you?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	worker junior level	20224	57.5	87.6	87.6
	Master level	2870	8.2	12.4	100.0
	Total	23094	65.7	100.0	
Missing	no answer	9161	26.1		
	System	2911	8.3		
	Total	12072	34.3		
Total		35166	100.0		

What's your position in the factory?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	worker	30729	87.4	87.8	87.8
	supervisor	2063	5.9	5.9	93.7
	line floor supervisor	258	.7	.7	94.4
	higher management	27	.1	.1	94.5
	Total	35013	99.6	100.0	
Missing	no answer	153	.4		
Total		35166	100.0		

Have you ever worked the night shift?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Sometimes	9637	27.4	37.4	37.4
	Often	13809	39.3	53.6	91.1
	Never	2298	6.5	8.9	100.0
	Total	25744	73.2	100.0	
Missing	no answer	6511	18.5		
	System	2911	8.3		
	Total	9422	26.8		
Total		35166	100.0		

Are you a member of the trade union?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	7755	22.1	26.9	26.9
	No	21087	60.0	73.1	100.0
	Total	28843	82.0	100.0	
Missing	no answer	6323	18.0		
Total		35166	100.0		

Are you a representative of the trade union?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	1416	4.0	8.7	8.7
	No	14836	42.2	91.3	100.0
	Total	16253	46.2	100.0	
Missing	no answer	18913	53.8		
Total		35166	100.0		

What is your current employment situation?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Temporary intern	1838	5.2	5.2	5.2
	Dispatched worker	1437	4.1	4.1	9.3
	Fixed long term contract	30349	86.3	86.4	95.7
	Don't know	1516	4.3	4.3	100.0
	Total	35141	99.9	100.0	
Missing	no answer	25	.1		
Total		35166	100.0		

Have you received a copy of your contract?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	I don't have a copy of the contract	2502	7.1	7.1	7.1
	I have a contract but the contract is not signed properly	1730	4.9	4.9	12.0
	I have received a copy of the signed contract	30895	87.9	87.9	100.0
	Total	35132	99.9	100.0	
Missing	no answer	34	.1		
Total		35166	100.0		

Employee information descriptives

	N	Mean	Std. Deviation
Age	35166	27.7987	72.04484
tenure	34742	1.5388	1.71136
Where did you grow up most of the time before you turned 16	35092	1.52	.781
Valid N (listwise)	34732		

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1. Working hours descriptives

	N	Mean	Std. Deviation
How many hours have you worked IN AVERAGE per week in the past 3 months	33383	56.07	8.025
What was the MAXIMUM of hours you work within a week in the past 3 months	33683	61.05	9.255
During the last 6 months what was the longest consecutive day you worked without a rest day	34763	11.57	9.923
Valid N (listwise)	32661		

How do you feel about your working hours?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	It is reasonable	17028	48.4	48.4	48.4
	It is too long	6254	17.8	17.8	66.2
	I'd like to work longer hours to make more money	11862	33.7	33.8	100.0
	Total	35146	99.9	100.0	
Missing	no answer	20	.1		
Total		35166	100.0		

2. Wages descriptives

	N	Mean	Std. Deviation
About how much was your average monthly salary in the past 3 months	34702	2536.85	898.204
How much was your HIGHEST monthly salary in the last 3 month	34899	5883.10	263547.028
In general how satisfied are you with your wages and benefits (scale 1-10)	35094	5.02	2.367
Valid N (listwise)	34559		

Do you feel that the wage you get is sufficient to cover basic needs?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	12544	35.7	35.7	35.7
	No	22599	64.3	64.3	100.0
	Total	35143	99.9	100.0	
Missing	no answer	23	.1		
Total		35166	100.0		

Feel salary is sufficient for: Food

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	24473	69.6	71.7	71.7
	No	9646	27.4	28.3	100.0
	Total	34120	97.0	100.0	
Missing	no answer	1045	3.0		
	System	1	.0		
	Total	1046	3.0		
Total		35166	100.0		

Feel salary is sufficient for: Accommodation

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	18966	53.9	56.8	56.8
	No	14407	41.0	43.2	100.0
	Total	33374	94.9	100.0	
Missing	no answer	1792	5.1		
Total		35166	100.0		

Feel salary is sufficient for: Health care

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	18423	52.4	54.8	54.8
	No	15176	43.2	45.2	100.0
	Total	33599	95.5	100.0	
Missing	no answer	1567	4.5		
Total		35166	100.0		

Feel salary is sufficient for: Education

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	13283	37.8	40.6	40.6
	No	19470	55.4	59.4	100.0
	Total	32755	93.1	100.0	
Missing	no answer	2411	6.9		
Total		35166	100.0		

Feel salary is sufficient for: Clothing

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	22964	65.3	71.2	71.2
	No	9273	26.4	28.8	100.0
	Total	32245	91.7	100.0	
Missing	no answer	2921	8.3		
Total		35166	100.0		

Feel salary is sufficient for: Vacation and Entertainment

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	11927	33.9	36.7	36.7
	No	20534	58.4	63.3	100.0
	Total	32463	92.3	100.0	
Missing	no answer	2703	7.7		
Total		35166	100.0		

I am fairly compensated for my work

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Completely agree	7497	21.3	21.6	21.6
	Agree	11425	32.5	32.8	54.4
	Undecided	5094	14.5	14.6	69.0
	Disagree	6204	17.6	17.8	86.9
	Completely disagree	4559	13.0	13.1	100.0
	Total	34781	98.9	100.0	
Missing	no answer	385	1.1		
Total		35166	100.0		

The factory provides social insurance and other benefits e.g. annual leaves uniforms etc

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Completely agree	14266	40.6	42.1	42.1
	Agree	9009	25.6	26.6	68.6
	Undecided	5708	16.2	16.8	85.4
	Disagree	3122	8.9	9.2	94.6
	Completely disagree	1817	5.2	5.4	100.0
	Total	33922	96.5	100.0	
Missing	no answer	1244	3.5		
Total		35166	100.0		

3. Satisfaction with factory facilities, food, dormitories, health and safety

1) Facilities:

Are there enough toilets in the factory for the number of workers?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	26599	75.6	75.6	75.6
	No	8560	24.3	24.3	100.0
	Total	35162	100.0	100.0	
Missing	no answer	4	.0		
Total		35166	100.0		

The toilets are clean and sanitary

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	24130	68.6	68.6	68.6
	No	11018	31.3	31.3	100.0
	Total	35154	100.0	100.0	
Missing	no answer	12	.0		
Total		35166	100.0		

The factory's canteen is clean and hygienic

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Completely agree	3542	10.1	10.2	10.2
	Agree	10893	31.0	31.3	41.5
	Undecided	3580	10.2	10.3	51.7
	Disagree	8204	23.3	23.6	75.3
	Completely disagree	8604	24.5	24.7	100.0
	Total	34823	99.0	100.0	
Missing	no answer	343	1.0		
Total		35166	100.0		

The factory's canteen serves good food

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Completely agree	1212	3.4	3.5	3.5
	Agree	6465	18.4	18.5	22.0
	Undecided	2164	6.2	6.2	28.2
	Disagree	9109	25.9	26.1	54.3
	Completely disagree	15968	45.4	45.7	100.0
	Total	34921	99.3	100.0	
Missing	no answer	245	.7		
Total		35166	100.0		

Does the factory provide free or subsidized dorms to workers?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes and I am living in the dorm	16269	46.3	46.3	46.3
	Yes but I chose not to live in the dorm	16623	47.3	47.3	93.5
	No	2225	6.3	6.3	99.9
	no answer	49	.1	.1	100.0
	Total	35166	100.0	100.0	

The dorm is crowded

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes very much	5603	15.9	36.0	36.0
	Yes a little	6617	18.8	42.6	78.6
	No not at all	3322	9.4	21.4	100.0
	Total	15544	44.2	100.0	
Missing	not applicable	18846	53.6		
	no answer	776	2.2		
	Total	19622	55.8		
Total		35166	100.0		

The dorm is very clean and orderly

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes very much	4770	13.6	30.2	30.2
	Yes a little	6710	19.1	42.4	72.6
	No not at all	4339	12.3	27.4	100.0
	Total	15819	45.0	100.0	
Missing	not applicable	18847	53.6		
	no answer	500	1.4		
	Total	19347	55.0		
Total		35166	100.0		

There are enough toilets and shower rooms in the dormitory

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes very much	8236	23.4	53.7	53.7
	Yes a little	4433	12.6	28.9	82.5
	No not at all	2679	7.6	17.5	100.0
	Total	15348	43.6	100.0	
Missing	not applicable	18849	53.6		
	no answer	969	2.8		
	Total	19818	56.4		
Total		35166	100.0		

If you do not live in the dormitory do you receive a housing subsidy?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes and adequate	1530	4.4	8.2	8.2
	Yes but not adequate	10253	29.2	54.6	62.8
	No	6984	19.9	37.2	100.0
	Total	18767	53.4	100.0	
Missing	no applicable	16262	46.2		
	no answer	137	.4		
	Total	16399	46.6		
Total		35166	100.0		

2)Health and Safety:

Does the factory provide sufficient protective equipment and facilities to prevent work injuries?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes absolutely	12452	35.4	35.4	35.4
	Partly	21865	62.2	62.2	97.6
	No	834	2.4	2.4	100.0
	Total	35154	100.0	100.0	
Missing	no answer	12	.0		
Total		35166	100.0		

Does the factory take sufficient measures e.g. medical checks to protect your health?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes absolutely	12427	35.3	35.3	35.3
	Partly	19536	55.6	55.6	90.9
	No	3192	9.1	9.1	100.0
	Total	35155	100.0	100.0	
Missing	no answer	11	.0		
Total		35166	100.0		

Do you think that your workplace is too noisy?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes absolutely	7329	20.8	20.8	20.8
	Yes in some places	20424	58.1	58.1	78.9
	No not at all	7402	21.0	21.1	100.0
	Total	35156	100.0	100.0	
Missing	no answer	10	.0		
Total		35166	100.0		

Does the factory have fans air conditioning, ventilation, heating, or other systems in place?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	16677	47.4	47.4	47.4
	There are some of these things but not adequate	17356	49.4	49.4	96.8
	No	1122	3.2	3.2	100.0
	Total	35156	100.0	100.0	
Missing	no answer	10	.0		
Total		35166	100.0		

How would you describe the factory floor you are working on?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Very clean and orderly	10197	29.0	29.0	29.0
	Generally clean	17963	51.1	51.1	80.1
	Just a bit chaotic	5452	15.5	15.5	95.6
	Rather messy and dirty	1531	4.4	4.4	100.0
	Total	35144	99.9	100.0	
Missing	no answer	22	.1		
Total		35166	100.0		

How would you describe your work station?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Very comfortable	4867	13.8	13.8	13.8
	Not too bad but I start to feel uncomfortable after a long d	26517	75.4	75.4	89.3
	Not comfortable at all	3769	10.7	10.7	100.0
	Total	35154	100.0	100.0	
Missing	no answer	12	.0		
Total		35166	100.0		

After a full day of work do you sometimes feel pain in any of your body parts?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	22812	64.9	64.9	64.9
	No	12317	35.0	35.0	99.9
	no answer	36	.1	.1	100.0
	Total	35165	100.0	100.0	
Missing	System	1	.0		
Total		35166	100.0		

What pain to you feel: Headache

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	no	16388	46.6	71.9	71.9
	yes	6414	18.2	28.1	100.0
	Total	22802	64.8	100.0	
Missing	not applicable	12317	35.0		
	no answer	47	.1		
	Total	12364	35.2		
Total		35166	100.0		

What pain do you feel: Neck and back pain

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	no	7118	20.2	31.2	31.2
	yes	15681	44.6	68.8	100.0
	Total	22801	64.8	100.0	
Missing	not applicable	12318	35.0		
	no answer	47	.1		
	Total	12365	35.2		
Total		35166	100.0		

What pain do you feel: Stomachache

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	no	21903	62.3	96.1	96.1
	yes	893	2.5	3.9	100.0
	Total	22796	64.8	100.0	
Missing	not applicable	12324	35.0		
	no answer	46	.1		
	Total	12370	35.2		
Total		35166	100.0		

What pain do you feel: Hand/Arm pain

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	no	10863	30.9	47.7	47.7
	yes	11931	33.9	52.3	100.0
	Total	22797	64.8	100.0	
Missing	not applicable	12319	35.0		
	no answer	47	.1		
	System	3	.0		
	Total	12369	35.2		
Total		35166	100.0		

What pain do you feel: Foot/Leg pain

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	no	12611	35.9	55.3	55.3
	yes	10184	29.0	44.7	100.0
	Total	22802	64.8	100.0	
Missing	not applicable	12314	35.0		
	no answer	50	.1		
	Total	12364	35.2		
Total		35166	100.0		

What pain do you feel: Eye pain

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	no	12301	35.0	59.3	59.3
	yes	8436	24.0	40.7	100.0
	Total	20737	59.0	100.0	
Missing	not applicable	11513	32.7		
	no answer	5	.0		
	System	2911	8.3		
	Total	14429	41.0		
Total		35166	100.0		

What pain do you feel: Other

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	no	19529	55.5	94.2	94.2
	yes	1213	3.4	5.8	100.0
	Total	20742	59.0	100.0	
Missing	not applicable	11506	32.7		
	no answer	7	.0		
	System	2911	8.3		
	Total	14424	41.0		
Total		35166	100.0		

Have you ever experienced or witnessed an accident in this factory?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes I experienced and or witnessed an accident	15238	43.3	43.4	43.4
	No	19890	56.6	56.6	100.0
	Total	35135	99.9	100.0	
Missing	not applicable	3	.0		
	no answer	28	.1		
	Total	31	.1		
Total		35166	100.0		

4 . Information, communication, and employee integration

1) Information:

When you started to work in this factory did you receive workers manual or employee handbook?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	31848	90.6	90.6	90.6
	No	3291	9.4	9.4	100.0
	Total	35142	99.9	100.0	
Missing	no answer	24	.1		
Total		35166	100.0		

Were you informed on how to calculate your wages?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes I was clearly informed about this	25605	72.8	76.2	76.2
	I think I was informed about this but it was not very clear	7464	21.2	22.2	98.4
	No I was not informed about this	521	1.5	1.6	100.0
	Total	33590	95.5	100.0	
Missing	no answer	1576	4.5		
Total		35166	100.0		

Were you informed of the policy on working hours?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes I was clearly informed about this	22797	64.8	67.9	67.9
	I think I was informed about this but it was not very clear	9473	26.9	28.2	96.1
	No I was not informed about this	1320	3.8	3.9	100.0
	Total	33590	95.5	100.0	
Missing	no answer	1575	4.5		
	System	1	.0		
	Total	1576	4.5		
Total		35166	100.0		

Were you informed on your production target?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes I was clearly informed about this	20600	58.6	61.0	61.0
	I think I was informed about this but it was not very clear	10948	31.1	32.4	93.4

	No I was not informed about this	2219	6.3	6.6	100.0
	Total	33767	96.0	100.0	
Missing	no answer	1399	4.0		
Total		35166	100.0		

Were you informed on what sort of benefits allowances and subsidies you can get?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes I was clearly informed about this	14649	41.7	43.8	43.8
	I think I was informed about this but it was not very clear	14639	41.6	43.7	87.5
	No I was not informed about this	4189	11.9	12.5	100.0
	Total	33478	95.2	100.0	
Missing	no answer	1688	4.8		
Total		35166	100.0		

Were you informed of factory rules?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes I was clearly informed about this	21641	61.5	65.8	65.8
	I think I was informed about this but it was not very clear	10694	30.4	32.5	98.4
	No I was not informed about this	529	1.5	1.6	100.0
	Total	32866	93.5	100.0	
Missing	no answer	2300	6.5		
Total		35166	100.0		

Information Channels: Factory assembly

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	no	6779	19.3	19.3	19.3
	yes	28380	80.7	80.7	100.0
	Total	35160	100.0	100.0	
Missing	no answer	6	.0		
Total		35166	100.0		

Information Channels: Notice board

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	no	16994	48.3	48.3	48.3
	yes	18166	51.7	51.7	100.0
	Total	35160	100.0	100.0	
Missing	no answer	6	.0		
Total		35166	100.0		

Information Channels: During training programs

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	no	24030	68.3	68.3	68.3
	yes	11128	31.6	31.7	100.0
	Total	35159	100.0	100.0	
Missing	not applicable	1	.0		
	no answer	6	.0		
	Total	7	.0		
Total		35166	100.0		

Information Channels: Written handouts and handbooks

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	no	17497	49.8	49.8	49.8
	yes	17662	50.2	50.2	100.0
	Total	35160	100.0	100.0	
Missing	no answer	6	.0		
Total		35166	100.0		

Information Channels: Other face to face meetings with management

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	no	26460	75.2	75.3	75.3
	yes	8699	24.7	24.7	100.0
	Total	35160	100.0	100.0	
Missing	no answer	6	.0		
Total		35166	100.0		

Information Channels: Daily meetings with supervisors

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	no	16482	46.9	46.9	46.9
	yes	18675	53.1	53.1	100.0
	Total	35160	100.0	100.0	
Missing	no answer	6	.0		
Total		35166	100.0		

Information Channels: Other

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	no	32929	93.6	93.7	93.7
	yes	2231	6.3	6.3	100.0
	Total	35160	100.0	100.0	
Missing	no answer	6	.0		
Total		35166	100.0		

2) Communication:

Did management consult with workers/ worker representatives on factory regulations working conditions?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	No never heard of anything like that	11407	32.4	32.5	32.5
	Sometimes our managers asked in a casual way for our opinion	4517	12.8	12.9	45.4
	Yes they use a way such as meetings to discuss those issues	10005	28.5	28.5	73.9
	I don't know	9160	26.0	26.1	100.0
	Total	35089	99.8	100.0	
Missing	no answer	77	.2		
Total		35166	100.0		

Have you participated in any interviews or surveys that assess your satisfaction with working in the factory?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	No never	28477	81.0	81.0	81.0
	Yes I did participate in such thing once	5048	14.4	14.4	95.4
	Yes I participated in this kind of surveys interviews more than once	1615	4.6	4.6	100.0
	Total	35141	99.9	100.0	
Missing	no answer	25	.1		
Total		35166	100.0		

In the last 3 months have you ever used any of the channels above to bring forward a complaint suggestion or question?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	No never	23512	66.9	66.9	66.9

Yes once	7256	20.6	20.6	87.5
Yes more than once	4371	12.4	12.4	99.9
no answer	26	.1	.1	100.0
Total	35166	100.0	100.0	

Do you feel that your complaint, suggestion, or question was handled well?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	The problem question or suggestion was not handled well	5504	15.7	42.0	42.0
	The problem question or suggestion was handled in an accept	5702	16.2	43.6	85.6
	The problem was handled well	1632	4.6	12.5	98.1
	I have never talk about these	253	.7	1.9	100.0
	Total	13091	37.2	100.0	
Missing	not applicable	21786	62.0		
	no answer	289	.8		
	Total	22075	62.8		
Total	35166	100.0			

For work related problem: I would not talk to anybody

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	no	29911	85.1	85.1	85.1
	yes	5241	14.9	14.9	100.0
	Total	35154	100.0	100.0	
Missing	no answer	12	.0		
Total		35166	100.0		

For work related problem: I would post a letter in the suggestion/complaint box.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	no	29268	83.2	83.3	83.3

	yes	5885	16.7	16.7	100.0
	Total	35154	100.0	100.0	
Missing	no answer	12	.0		
Total		35166	100.0		

For work related problem: I would talk to the supervisors

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	no	12152	34.6	34.6	34.6
	yes	22998	65.4	65.4	100.0
	Total	35153	100.0	100.0	
Missing	no answer	12	.0		
	System	1	.0		
	Total	13	.0		
Total		35166	100.0		

For work related problem: I would talk to the factory security personnel

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	no	34767	98.9	98.9	98.9
	yes	384	1.1	1.1	100.0
	Total	35153	100.0	100.0	
Missing	no answer	12	.0		
	System	1	.0		
	Total	13	.0		
Total		35166	100.0		

For work related problem: I would talk to the human resource department

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	no	30207	85.9	85.9	85.9
	yes	4946	14.1	14.1	100.0
	Total	35154	100.0	100.0	
Missing	no answer	12	.0		
Total		35166	100.0		

For work related problem: I would talk to people in the health center

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	no	34832	99.1	99.1	99.1
	yes	322	.9	.9	100.0
	Total	35154	100.0	100.0	
Missing	no answer	12	.0		
Total		35166	100.0		

For work related problem: I would talk to management

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	no	33478	95.2	95.2	95.2
	yes	1676	4.8	4.8	100.0
	Total	35154	100.0	100.0	
Missing	no answer	12	.0		
Total		35166	100.0		

For work related problem: I would talk to the general manager

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	no	34656	98.5	98.6	98.6
	yes	498	1.4	1.4	100.0
	Total	35154	100.0	100.0	
Missing	no answer	12	.0		
Total		35166	100.0		

For work related problem: I would call the 3rd party hotline

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	no	33784	96.1	96.1	96.1
	yes	1369	3.9	3.9	100.0
	Total	35153	100.0	100.0	
Missing	no answer	12	.0		
	System	1	.0		
	Total	13	.0		
Total		35166	100.0		

For work related problem: I would talk to the worker representative

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	no	30280	86.1	86.1	86.1
	yes	4872	13.9	13.9	100.0
	Total	35154	100.0	100.0	
Missing	no answer	12	.0		
Total		35166	100.0		

For work related problem: I would talk to the counselor

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	no	30921	87.9	88.0	88.0
	yes	4232	12.0	12.0	100.0
	Total	35153	100.0	100.0	
Missing	no answer	12	.0		
	System	1	.0		
	Total	13	.0		
Total		35166	100.0		

For work related problem: I would talk to the Union or a Union representative

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	no	30147	85.7	85.8	85.8
	yes	5007	14.2	14.2	100.0
	Total	35154	100.0	100.0	
Missing	no answer	12	.0		
Total		35166	100.0		

For work related problem: I would talk with other

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	no	29249	83.2	83.2	83.2
	yes	5904	16.8	16.8	100.0
	Total	35153	100.0	100.0	
Missing	no answer	12	.0		
	System	1	.0		
	Total	13	.0		
Total		35166	100.0		

3) Integration:

How are worker representatives selected in your factory?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Elected by workers	11508	32.7	32.9	32.9
	Designated by management	7007	19.9	20.1	53.0
	The representatives self volunteered	1510	4.3	4.3	57.3
	I don't know	14906	42.4	42.7	100.0
	Total	34931	99.3	100.0	
Missing	not applicable	2	.0		
	no answer	233	.7		
	Total	235	.7		
Total		35166	100.0		

Do you know if the trade union participates in the factory's decision making process e.g. production scheduling?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	5989	17.0	17.0	17.0
	No	4486	12.8	12.8	29.8
	I don't know	24666	70.1	70.2	100.0
	Total	35143	99.9	100.0	
Missing	no answer	23	.1		
Total		35166	100.0		

Do you agree: Our ideas and suggestions can help management to make the factory better

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Completely agree	7568	21.5	22.1	22.1
	Agree	12780	36.3	37.3	59.5
	Undecided	9351	26.6	27.3	86.8
	Disagree	2570	7.3	7.5	94.3
	Completely disagree	1958	5.6	5.7	100.0
	Total	34227	97.3	100.0	
Missing	no answer	938	2.7		
	System	1	.0		
	Total	939	2.7		
Total		35166	100.0		

Do you agree: Management is willing to listen my reasonable suggestions or complaints

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Completely agree	7656	21.8	22.2	22.2
	Agree	11550	32.8	33.5	55.6
	Undecided	5481	15.6	15.9	71.5
	Disagree	5211	14.8	15.1	86.6
	Completely disagree	4620	13.1	13.4	100.0
	Total	34519	98.2	100.0	
Missing	no answer	647	1.8		

Do you agree: Management is willing to listen my reasonable suggestions or complaints

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Completely agree	7656	21.8	22.2	22.2
	Agree	11550	32.8	33.5	55.6
	Undecided	5481	15.6	15.9	71.5
	Disagree	5211	14.8	15.1	86.6
	Completely disagree	4620	13.1	13.4	100.0
	Total	34519	98.2	100.0	
Missing	no answer	647	1.8		
Total		35166	100.0		

5. Relationship at work (friends, colleagues and management)

Do you agree: I have good friends at work

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Absolutely true	23362	66.4	69.4	69.4
	Partly true	8849	25.2	26.3	95.7
	Not true at all	1432	4.1	4.3	100.0
	Total	33646	95.7	100.0	
Missing	no answer	1520	4.3		
Total		35166	100.0		

Do you agree: I trust our leadership team

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Absolutely true	12603	35.8	36.6	36.6
	Partly true	17341	49.3	50.4	87.1
	Not true at all	4443	12.6	12.9	100.0
	Total	34391	97.8	100.0	
Missing	no answer	774	2.2		
	System	1	.0		
	Total	775	2.2		
Total		35166	100.0		

Do you agree: I feel recognized and appreciated at work

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Absolutely true	11291	32.1	33.0	33.0
	Partly true	18101	51.5	52.9	85.9
	Not true at all	4807	13.7	14.1	100.0
	Total	34201	97.3	100.0	
Missing	no answer	964	2.7		
	System	1	.0		
	Total	965	2.7		
Total		35166	100.0		

Do you agree: I get nervous when the managers walk through the production line and observe my work

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Absolutely true	7971	22.7	24.0	24.0
	Partly true	16543	47.0	49.7	73.7
	Not true at all	8757	24.9	26.3	100.0
	Total	33279	94.6	100.0	
Missing	no answer	1886	5.4		
	System	1	.0		
	Total	1887	5.4		
Total		35166	100.0		

How would you describe your relationship with your supervisor?

	Frequency	Percent	Valid Percent	Cumulative Percent

Valid	We get along well	12478	35.5	35.5	35.5
	I am not very used to his/her attitude	8608	24.5	24.5	60.1
	I always have problems with him/her	688	2.0	2.0	62.0
	Average	13328	37.9	38.0	100.0
	Total	35106	99.8	100.0	
Missing	not applicable	1	.0		
	no answer	55	.2		
	System	4	.0		
	Total	60	.2		
Total		35166	100.0		

If unhappy or stressed I would talk to: Colleagues in the same workshop

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	no	16358	46.5	46.5	46.5
	yes	18796	53.4	53.5	100.0
	Total	35157	100.0	100.0	
Missing	no answer	9	.0		
Total		35166	100.0		

If unhappy or stressed I would talk to: Other colleagues outside my workshop

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	no	26654	75.8	75.8	75.8
	yes	8503	24.2	24.2	100.0
	Total	35157	100.0	100.0	
Missing	no answer	9	.0		
Total		35166	100.0		

If unhappy or stressed I would talk to: Roommate in dorm

		Frequency	Percent	Valid Percent	Cumulative Percent
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Valid	no	21491	61.1	61.1	61.1
	yes	13663	38.9	38.9	100.0
	Total	35157	100.0	100.0	
Missing	no answer	9	.0		
Total		35166	100.0		

If unhappy or stressed I would talk to: My supervisor

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	no	28288	80.4	80.5	80.5
	yes	6867	19.5	19.5	100.0
	Total	35157	100.0	100.0	
Missing	no answer	9	.0		
Total		35166	100.0		

If unhappy or stressed I would talk to: The dorm manager

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	no	34686	98.6	98.7	98.7
	yes	470	1.3	1.3	100.0
	Total	35156	100.0	100.0	
Missing	no answer	9	.0		
	System	1	.0		
	Total	10	.0		
Total		35166	100.0		

If unhappy or stressed I would talk to: Highlevel management

		Frequency	Percent	Valid Percent	Cumulative Percent
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Valid	no	34664	98.6	98.6	98.6
	yes	493	1.4	1.4	100.0
	Total	35157	100.0	100.0	
Missing	no answer	9	.0		
Total		35166	100.0		

If unhappy or stressed I would talk to: Middle level management

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	no	33796	96.1	96.1	96.1
	yes	1361	3.9	3.9	100.0
	Total	35157	100.0	100.0	
Missing	no answer	9	.0		
Total		35166	100.0		

If unhappy or stressed I would talk to: Friends outside the factory

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	no	22472	63.9	63.9	63.9
	yes	12685	36.1	36.1	100.0
	Total	35157	100.0	100.0	
Missing	no answer	9	.0		
Total		35166	100.0		

If unhappy or stressed I would talk to: Clerical staff

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	no	34835	99.1	99.1	99.1
	yes	322	.9	.9	100.0
	Total	35157	100.0	100.0	
Missing	no answer	9	.0		
Total		35166	100.0		

If unhappy or stressed I would talk to: Families

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	no	19145	54.4	54.5	54.5

	yes	16005	45.5	45.5	100.0
	Total	35157	100.0	100.0	
Missing	no answer	9	.0		
Total		35166	100.0		

If unhappy or stressed I would talk to: Security

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	no	35055	99.7	99.7	99.7
	yes	100	.3	.3	100.0
	Total	35157	100.0	100.0	
Missing	no answer	9	.0		
Total		35166	100.0		

If unhappy or stressed I would talk to: I never tell anybody about this

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	no	33834	96.2	96.2	96.2
	yes	1323	3.8	3.8	100.0
	Total	35157	100.0	100.0	
Missing	no answer	9	.0		
Total		35166	100.0		

If unhappy or stressed I would talk to: Other

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	no	33921	96.5	96.5	96.5
	yes	1236	3.5	3.5	100.0
	Total	35157	100.0	100.0	
Missing	no answer	9	.0		
Total		35166	100.0		

6 . Employees' sense of belonging to stay or leave

Are you proud to work for this factory?

		Frequency	Percent	Valid Percent	Cumulative Percent
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Valid	Not at all	8401	23.9	23.9	23.9
	Partly	23387	66.5	66.5	90.4
	Absolutely	3365	9.6	9.6	100.0
	Total	35153	100.0	100.0	
Missing	no answer	13	.0		
Total		35166	100.0		

My success is linked to the factory's success

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Completely agree	6870	19.5	20.2	20.2
	Agree	14463	41.1	42.5	62.7
	Undecided	5006	14.2	14.7	77.4
	Disagree	4329	12.3	12.7	90.1
	Completely disagree	3362	9.6	9.9	100.0
	Total	34031	96.8	100.0	
Missing	no answer	1135	3.2		
Total		35166	100.0		

I work just to earn money in the factory and are responsible only for my own tasks

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Completely agree	5258	15.0	15.8	15.8
	Agree	10846	30.8	32.6	48.4
	Undecided	4154	11.8	12.5	60.8
	Disagree	6838	19.4	20.5	81.4
	Completely disagree	6201	17.6	18.6	100.0
	Total	33297	94.7	100.0	
Missing	no answer	1869	5.3		
Total		35166	100.0		

Are you planning to stay in the factory for the next two years?

		Frequency	Percent	Valid Percent	Cumulative Percent
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Valid	No	5182	14.7	14.7	14.7
	Maybe	24606	70.0	70.0	84.7
	Absolutely	5368	15.3	15.3	100.0
	Total	35156	100.0	100.0	
Missing	no answer	10	.0		
Total		35166	100.0		

Reasons to stay: My friends or relatives are working in this factory

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	no	15274	43.4	51.0	51.0
	yes	14664	41.7	49.0	100.0
	Total	29938	85.1	100.0	
Missing	not applicable	5151	14.6		
	no answer	77	.2		
	Total	5228	14.9		
Total		35166	100.0		

Reasons to stay: I am satisfied with my current wage

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	no	23502	66.8	78.6	78.6
	yes	6415	18.2	21.4	100.0
	Total	29917	85.1	100.0	
Missing	not applicable	5173	14.7		
	no answer	76	.2		
	Total	5249	14.9		
Total		35166	100.0		

Reasons to stay: I am satisfied with the benefit package

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	no	19268	54.8	64.4	64.4
	yes	10656	30.3	35.6	100.0

	Total	29924	85.1	100.0
Missing	not applicable	5166	14.7	
	no answer	76	.2	
	Total	5242	14.9	
Total		35166	100.0	

Reasons to stay: Work is not stressful in this factory

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	no	19899	56.6	66.5	66.5
	yes	10037	28.5	33.5	100.0
	Total	29937	85.1	100.0	
Missing	not applicable	5153	14.7		
	no answer	76	.2		
	Total	5229	14.9		
Total		35166	100.0		

Reasons to stay: Working hours are reasonable in this factory

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	no	18587	52.9	62.1	62.1
	yes	11340	32.2	37.9	100.0
	Total	29927	85.1	100.0	
Missing	not applicable	5163	14.7		
	no answer	76	.2		
	Total	5239	14.9		
Total		35166	100.0		

Reasons to stay: The factory's canteen provides good food

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	no	29182	83.0	97.6	97.6
	yes	726	2.1	2.4	100.0

Total		29908	85.0	100.0
Missing	not applicable	5182	14.7	
	no answer	76	.2	
	Total	5258	15.0	
Total		35166	100.0	

Reasons to stay: Working conditions are safe and health

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	no	26449	75.2	88.4	88.4
	yes	3461	9.8	11.6	100.0
	Total	29910	85.1	100.0	
Missing	not applicable	5180	14.7		
	no answer	76	.2		
	Total	5256	14.9		
Total		35166	100.0		

Reasons to stay : I am satisfied with the conditions of the dormitory

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	no	27918	79.4	93.3	93.3
	yes	1989	5.7	6.7	100.0
	Total	29907	85.0	100.0	
Missing	not applicable	5181	14.7		
	no answer	76	.2		
	System	2	.0		
	Total	5259	15.0		
Total		35166	100.0		

Reasons to stay: The factory organizes interesting after work

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	no	27723	78.8	92.7	92.7
	yes	2187	6.2	7.3	100.0
	Total	29910	85.1	100.0	

Missing	not applicable	5180	14.7	
	no answer	76	.2	
	Total	5256	14.9	
Total		35166	100.0	

Reasons to stay: My supervisor treats me well

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	no	26518	75.4	88.7	88.7
	yes	3390	9.6	11.3	100.0
	Total	29910	85.1	100.0	
Missing	not applicable	5180	14.7		
	no answer	76	.2		
	Total	5256	14.9		
Total		35166	100.0		

Reasons to stay: I have a sense of belonging to this factory

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	no	27302	77.6	91.3	91.3
	yes	2607	7.4	8.7	100.0
	Total	29909	85.1	100.0	
Missing	not applicable	5181	14.7		
	no answer	76	.2		
	Total	5257	14.9		
Total		35166	100.0		

Reasons to stay: I am happy to work for this factory

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	no	26023	74.0	87.0	87.0
	yes	3885	11.0	13.0	100.0
	Total	29909	85.1	100.0	
Missing	not applicable	5181	14.7		

	no answer	76	.2	
	Total	5257	14.9	
Total		35166	100.0	

Reasons to stay: I like my job

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	no	24889	70.8	83.2	83.2
	yes	5019	14.3	16.8	100.0
	Total	29910	85.1	100.0	
Missing	not applicable	5180	14.7		
	no answer	76	.2		
	Total	5256	14.9		
Total		35166	100.0		

Reasons to stay: There is an accessible communication channels

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	no	26090	74.2	87.2	87.2
	yes	3821	10.9	12.8	100.0
	Total	29911	85.1	100.0	
Missing	not applicable	5179	14.7		
	no answer	76	.2		
	Total	5255	14.9		
Total		35166	100.0		

Reasons to stay: Other

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	no	27108	77.1	90.6	90.6
	yes	2812	8.0	9.4	100.0
	Total	29922	85.1	100.0	
Missing	not applicable	5168	14.7		

	no answer	76	.2	
	Total	5244	14.9	
Total		35166	100.0	

Are you considering leaving the factory in the next 2 months or so?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	yes	5317	15.1	15.1	15.1
	no	29788	84.7	84.7	99.8
	no answer	61	.2	.2	100.0
	Total	35166	100.0	100.0	

Reasons to leave: Family issues e.g. marriage child

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	no	4021	11.4	75.5	75.5
	yes	1307	3.7	24.5	100.0
	Total	5328	15.2	100.0	
Missing	not applicable	29779	84.7		
	no answer	59	.2		
	Total	29838	84.8		
Total		35166	100.0		

Reasons to leave: Work is too stressful in this

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	no	2906	8.3	54.6	54.6
	yes	2417	6.9	45.4	100.0
	Total	5323	15.1	100.0	
Missing	not applicable	29779	84.7		
	no answer	64	.2		
	Total	29843	84.9		

Reasons to leave: Work is too stressful in this

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	no	2906	8.3	54.6	54.6
	yes	2417	6.9	45.4	100.0
	Total	5323	15.1	100.0	
Missing	not applicable	29779	84.7		
	no answer	64	.2		
	Total	29843	84.9		
Total		35166	100.0		

Reasons to leave: Wage is too low in this factory

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	no	1608	4.6	30.1	30.1
	yes	3729	10.6	69.9	100.0
	Total	5337	15.2	100.0	
Missing	not applicable	29770	84.7		
	no answer	59	.2		
	Total	29829	84.8		
Total		35166	100.0		

Reasons to leave: I found other factories have better treatment

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	no	3849	10.9	72.3	72.3
	yes	1475	4.2	27.7	100.0
	Total	5324	15.1	100.0	
Missing	not applicable	29779	84.7		
	no answer	63	.2		
	Total	29842	84.9		
Total		35166	100.0		

Reasons to leave: I found other factories with better conditions

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	no	3822	10.9	71.9	71.9
	yes	1497	4.3	28.1	100.0
	Total	5319	15.1	100.0	
Missing	not applicable	29783	84.7		
	no answer	64	.2		
	Total	29847	84.9		
Total		35166	100.0		

Reasons to leave: I found other factories have fewer hours

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	no	4844	13.8	91.3	91.3
	yes	463	1.3	8.7	100.0
	Total	5307	15.1	100.0	
Missing	not applicable	29792	84.7		
	no answer	67	.2		
	Total	29859	84.9		
Total		35166	100.0		

Reasons to leave: I found other non-factory jobs easier

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	no	5074	14.4	95.5	95.5
	yes	237	.7	4.5	100.0
	Total	5311	15.1	100.0	
Missing	not applicable	29791	84.7		
	no answer	64	.2		
	Total	29855	84.9		
Total		35166	100.0		

Reasons to leave: Other non-factory offer better treatment and salary

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	no	4677	13.3	88.1	88.1
	yes	633	1.8	11.9	100.0
	Total	5310	15.1	100.0	
Missing	not applicable	29790	84.7		
	no answer	66	.2		
	Total	29856	84.9		
Total		35166	100.0		

Reasons to leave: I found other non-factory jobs treat workers respectfully and fair

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	no	4250	12.1	79.9	79.9
	yes	1069	3.0	20.1	100.0
	Total	5319	15.1	100.0	
Missing	not applicable	29785	84.7		
	no answer	62	.2		
	Total	29847	84.9		
Total		35166	100.0		

Reasons to leave: Other non-factory jobs have shorter working hours

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	no	4958	14.1	93.4	93.4
	yes	351	1.0	6.6	100.0
	Total	5309	15.1	100.0	
Missing	not applicable	29791	84.7		
	no answer	66	.2		
	Total	29857	84.9		
Total		35166	100.0		

Reasons to leave: Other

		Frequency	Percent	Valid Percent	Cumulative Percent
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Valid	no	4568	13.0	86.0	86.0
	yes	743	2.1	14.0	100.0
	Total	5312	15.1	100.0	
Missing	not applicable	29789	84.7		
	no answer	65	.2		
	Total	29854	84.9		
Total		35166	100.0		

7. General contentment within the factory

I feel that my work is stressful very often

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Completely agree	5887	16.7	17.5	17.5
	Agree	14768	42.0	43.9	61.3
	Undecided	4120	11.7	12.2	73.6
	Disagree	5149	14.6	15.3	88.9
	Completely disagree	3754	10.7	11.1	100.0
	Total	33678	95.8	100.0	
Missing	no answer	1488	4.2		
Total		35166	100.0		

I look forward to going to work in the morning

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Completely agree	3667	10.4	10.9	10.9
	Agree	8246	23.4	24.4	35.3
	Undecided	6799	19.3	20.2	55.5
	Disagree	7175	20.4	21.3	76.7
	Completely disagree	7851	22.3	23.3	100.0
	Total	33740	95.9	100.0	
Missing	no answer	1426	4.1		
Total		35166	100.0		

I have a sense of achievement or fulfillment from my work

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Completely agree	7503	21.3	22.3	22.3
	Agree	12340	35.1	36.7	59.1
	Undecided	5089	14.5	15.2	74.2
	Disagree	4097	11.7	12.2	86.4
	Completely disagree	4551	12.9	13.6	100.0
	Total	33582	95.5	100.0	
Missing	no answer	1584	4.5		
Total		35166	100.0		

The factory provides good career opportunities

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Completely agree	6015	17.1	19.2	19.2
	Agree	10142	28.8	32.3	51.5
	Undecided	4782	13.6	15.3	66.8
	Disagree	4675	13.3	14.9	81.7
	Completely disagree	5742	16.3	18.3	100.0
	Total	31357	89.2	100.0	
Missing	no answer	3809	10.8		
Total		35166	100.0		

If you could change three things: Eating arrangements

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	no	29349	83.5	83.5	83.5
	yes	5806	16.5	16.5	100.0
	Total	35160	100.0	100.0	
Missing	no answer	6	.0		
Total		35166	100.0		

If you could change three things: Break arrangements

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	no	30546	86.9	86.9	86.9
	yes	4612	13.1	13.1	100.0
	Total	35160	100.0	100.0	
Missing	no answer	6	.0		
Total		35166	100.0		

If you could change three things: Working hours including overtime

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	no	25206	71.7	71.7	71.7
	yes	9952	28.3	28.3	100.0
	Total	35160	100.0	100.0	
Missing	no answer	6	.0		
Total		35166	100.0		

If you could change three things: Shift arrangements

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	no	33074	94.1	94.1	94.1
	yes	2084	5.9	5.9	100.0
	Total	35160	100.0	100.0	
Missing	no answer	6	.0		
Total		35166	100.0		

If you could change three things: Cleanliness of toilets

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	no	32890	93.5	93.5	93.5
	yes	2269	6.5	6.5	100.0
	Total	35160	100.0	100.0	
Missing	no answer	6	.0		
Total		35166	100.0		

If you could change three things: Quality of food served by the canteen

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	no	21603	61.4	61.4	61.4
	yes	13556	38.5	38.6	100.0
	Total	35160	100.0	100.0	
Missing	no answer	6	.0		
Total		35166	100.0		

If you could change three things: Quantity of food served by the canteen

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	no	29826	84.8	84.8	84.8
	yes	5334	15.2	15.2	100.0
	Total	35160	100.0	100.0	
Missing	no answer	6	.0		
Total		35166	100.0		

If you could change three things: Rest days

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	no	32019	91.1	91.1	91.1
	yes	3141	8.9	8.9	100.0
	Total	35160	100.0	100.0	
Missing	no answer	6	.0		
Total		35166	100.0		

If you could change three things: Noisy or uncomfortable workplace

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	no	29967	85.2	85.2	85.2
	yes	5191	14.8	14.8	100.0
	Total	35159	100.0	100.0	
Missing	no answer	6	.0		
	System	1	.0		
	Total	7	.0		
Total		35166	100.0		

If you could change three things: Bonus and allowances

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	no	20483	58.2	58.3	58.3
	yes	14677	41.7	41.7	100.0
	Total	35160	100.0	100.0	
Missing	no answer	6	.0		
Total		35166	100.0		

If you could change three things: Salaries

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	no	13993	39.8	39.8	39.8
	yes	21163	60.2	60.2	100.0
	Total	35160	100.0	100.0	
Missing	no answer	6	.0		
Total		35166	100.0		

If you could change three things: Living conditions in dormitories

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	no	29957	85.2	85.2	85.2
	yes	5199	14.8	14.8	100.0
	Total	35158	100.0	100.0	
Missing	no answer	6	.0		
	System	2	.0		
	Total	8	.0		
Total		35166	100.0		

If you could change three things: Social insurance

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	no	32243	91.7	91.7	91.7
	yes	2916	8.3	8.3	100.0
	Total	35160	100.0	100.0	
Missing	no answer	6	.0		
Total		35166	100.0		

If you could change three thing: The way my supervisor talks to me

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0	1	.0	.0	.0
	no	29954	85.2	85.2	85.2
	yes	5203	14.8	14.8	100.0
	Total	35160	100.0	100.0	
Missing	no answer	6	.0		
Total		35166	100.0		

If you could change three things: More training

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	no	28057	79.8	79.8	79.8
	yes	7101	20.2	20.2	100.0
	Total	35160	100.0	100.0	
Missing	no answer	6	.0		
Total		35166	100.0		

If you could change three things: More opportunities to get involved in factory decisions

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	no	29863	84.9	84.9	84.9
	yes	5296	15.1	15.1	100.0
	Total	35160	100.0	100.0	
Missing	no answer	6	.0		
Total		35166	100.0		

If you could change three things: Other

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	no	33307	94.7	94.7	94.7
	yes	1852	5.3	5.3	100.0
	Total	35160	100.0	100.0	
Missing	no answer	6	.0		
Total		35166	100.0		

8. Productivity

Do you work on production line?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	13555	38.5	70.6	70.6
	No	5658	16.1	29.4	100.0
	Total	19213	54.6	100.0	
Missing	no answer	13042	37.1		
	System	2911	8.3		
	Total	15953	45.4		
Total		35166	100.0		

Do you know the number of pieces you are supposed to reach per day, your daily target?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes I always know it exactly	14881	42.3	50.4	50.4
	I know it sometimes but not always	12624	35.9	42.7	93.1
	No I don't know	2045	5.8	6.9	100.0
	Total	29551	84.0	100.0	
Missing	not applicable	1	.0		
	no answer	5614	16.0		
	Total	5615	16.0		
Total		35166	100.0		

Do you achieve the required rate quota?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes I do and most of the time I exceed that rate	7820	22.2	26.5	26.5
	Yes I do achieve that rate most of the time	16938	48.2	57.4	83.9
	I sometimes achieve that rate	4463	12.7	15.1	99.0
	I never manage to achieve that rate	287	.8	1.0	100.0
	Total	29508	83.9	100.0	
Missing	not applicable	1	.0		
	no answer	5657	16.1		
	Total	5658	16.1		
Total	35166	100.0			

How do you feel about your own work performance?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	I am terribly clumsy and thus make quite a lot of mistakes	184	.5	.6	.6
	I am a little clumsy and sometimes make mistakes	2595	7.4	8.8	9.4
	I am doing my work normally I just make a few mistakes	17418	49.5	59.0	68.5
	I am very skilled and I hardly ever make a mistake	9306	26.5	31.5	100.0
	Total	29504	83.9	100.0	
Missing	no answer	5662	16.1		
Total	35166	100.0			

How often do you have to redo your work e.g. the supervisor tells you to correct a mistake or pieces come back?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Very often	357	1.0	1.2	1.2
	Some times	6609	18.8	22.4	23.6
	Rarely	22521	64.0	76.4	100.0
	Total	29491	83.9	100.0	
Missing	no answer	5675	16.1		
Total		35166	100.0		

Do you often feel not skilled or trained enough to fulfill the job requirements?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes absolutely	3342	9.5	9.5	9.5
	Yes mostly	3846	10.9	10.9	20.4
	More or less	15017	42.7	42.7	63.2
	No not really	8254	23.5	23.5	86.7
	No not at all	4691	13.3	13.3	100.0
	Total	35150	100.0	100.0	
Missing	no answer	16	.0		
Total		35166	100.0		

Do you feel that the current work arrangement and wage structure makes you work hard?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes absolutely	8546	24.3	24.3	24.3
	Yes partly	10560	30.0	30.0	54.4
	More or less	8128	23.1	23.1	77.5
	No not really	5371	15.3	15.3	92.7
	No not at all	2550	7.3	7.3	100.0
	Total	35157	100.0	100.0	
Missing	no answer	9	.0		
Total		35166	100.0		

9. Environment Protection

Environmental issues is a concern of this factory

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Completely agree	13736	39.1	39.6	39.6
	Agree	14454	41.1	41.6	81.2
	Disagree	2832	8.1	8.2	89.3
	Completely disagree	1017	2.9	2.9	92.3
	I don't know	2688	7.6	7.7	100.0
	Total	34727	98.8	100.0	
Missing	no answer	438	1.2		
	System	1	.0		
	Total	439	1.2		
Total		35166	100.0		

Environmental protection is important for the factory

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Completely agree	18603	52.9	54.6	54.6
	Agree	12921	36.7	37.9	92.5
	Disagree	1001	2.8	2.9	95.4
	Completely disagree	403	1.1	1.2	96.6
	I don't know	1164	3.3	3.4	100.0
	Total	34092	96.9	100.0	
Missing	no answer	1074	3.1		
Total		35166	100.0		

Environmental protection is important for me

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Completely agree	19823	56.4	59.1	59.1
	Agree	12428	35.3	37.0	96.1
	Disagree	635	1.8	1.9	98.0
	Completely disagree	222	.6	.7	98.7
	I don't know	453	1.3	1.3	100.0
	Total	33561	95.4	100.0	
Missing	no answer	1604	4.6		
	System	1	.0		
	Total	1605	4.6		
Total		35166	100.0		

Is there any initiative your factory is doing to protect the environment?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	17763	50.5	58.3	58.3
	No	1402	4.0	4.6	62.9
	I don't know	11321	32.2	37.1	100.0
	Total	30486	86.7	100.0	
Missing	no answer	1769	5.0		
	System	2911	8.3		
	Total	4680	13.3		
Total		35166	100.0		

10 . Employee Information

Gender

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Female	12598	35.8	35.9	35.9
	Male	22507	64.0	64.1	100.0
	Total	35106	99.8	100.0	
Missing	no answer	60	.2		
Total		35166	100.0		

Marital Status

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Single	27782	79.0	79.2	79.2
	Married	7014	19.9	20.0	99.1
	Divorced	302	.9	.9	100.0
	Total	35100	99.8	100.0	
Missing	no answer	66	.2		
Total		35166	100.0		

Where did you grow up most of the time before you turned 16?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Village	22534	64.1	64.2	64.2
	Town	7713	21.9	22.0	86.2
	Small medium city	4110	11.7	11.7	97.9
	Big City	735	2.1	2.1	100.0
	Total	35092	99.8	100.0	
Missing	no answer	74	.2		
Total		35166	100.0		

What level of education have you completed?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	No schooling	31	.1	.1	.1
	Primary school	210	.6	.6	.7
	Middle school	8671	24.7	24.7	25.4
	High School	9833	28.0	28.0	53.4
	Vocational School	11966	34.0	34.1	87.5
	University	4378	12.4	12.5	100.0
	Total	35090	99.8	100.0	
Missing	no answer	76	.2		
Total		35166	100.0		

Are you a migrant worker?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	No	9649	27.4	27.5	27.5
	Yes	25378	72.2	72.5	100.0
	Total	35028	99.6	100.0	
Missing	no answer	138	.4		
Total		35166	100.0		

Which province are you from?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Hebei	185	.5	.5	.5
	Shanxi	140	.4	.4	.9
	Liaoning	35	.1	.1	1.0
	Jilin	55	.2	.2	1.2
	Heilongjiang	54	.2	.2	1.3
	Jiangsu	32	.1	.1	1.4
	Zhejiang	23	.1	.1	1.5
	Anhui	308	.9	.9	2.4
	Fujian	53	.2	.2	2.5
	Jiangxi	1251	3.6	3.6	6.1
	Shandong	170	.5	.5	6.6
	Henan	3266	9.3	9.3	15.9
	Hubei	3295	9.4	9.4	25.3
	Hunan	3979	11.3	11.4	36.7
	Guangdong	1011	2.9	2.9	39.6
	Hainan	84	.2	.2	39.8
	Sichuan	15084	42.9	43.1	82.9
	Guizhou	812	2.3	2.3	85.2
	Yunnan	447	1.3	1.3	86.5
	Shanxi	1217	3.5	3.5	90.0
Gansu	582	1.7	1.7	91.6	
Qinghai	26	.1	.1	91.7	
Inner Mongolia	39	.1	.1	91.8	

	Guangxi Autonomous Region	2078	5.9	5.9	97.7
	Ningxia Autonomous Region	23	.1	.1	97.8
	Uighur	23	.1	.1	97.9
	Tibet	4	.0	.0	97.9
	Beijing	4	.0	.0	97.9
	Tianjin	3	.0	.0	97.9
	Chongqing	734	2.1	2.1	100.0
	shanghai	2	.0	.0	100.0
	Total	35019	99.6	100.0	
Missing	no answer	147	.4		
Total		35166	100.0		

Nationality of China

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	han chinese	28110	79.9	92.9	92.9
	Mongolian	31	.1	.1	93.0
	Hui	82	.2	.3	93.3
	Tibeten	100	.3	.3	93.6
	weiwuer	11	.0	.0	93.7
	Miao	266	.8	.9	94.6
	Yi	203	.6	.7	95.2
	Zhuang	650	1.8	2.1	97.4
	buyi	76	.2	.3	97.6
	chaoxian korean	2	.0	.0	97.6
	Man	11	.0	.0	97.7
	Tong	136	.4	.4	98.1
	yao	153	.4	.5	98.6
	bai	26	.1	.1	98.7
	tujia	230	.7	.8	99.5
	hani	13	.0	.0	99.5
	hasake	2	.0	.0	99.5
	dai	9	.0	.0	99.6
	ni	11	.0	.0	99.6
	lisu	5	.0	.0	99.6
	wa	2	.0	.0	99.6
	she	3	.0	.0	99.6
	gaoshan	1	.0	.0	99.6
	shui	16	.0	.1	99.7
	naxi	2	.0	.0	99.7
	tu	9	.0	.0	99.7
	dahaner	1	.0	.0	99.7
	Mulam	8	.0	.0	99.7
	qiang	57	.2	.2	99.9
	maonan	4	.0	.0	99.9
	gelo	14	.0	.0	100.0

	acha	1	.0	.0	100.0
	ewenke	1	.0	.0	100.0
	Total	30246	86.0	100.0	
Missing	no answer	2009	5.7		
	System	2911	8.3		
	Total	4920	14.0		
Total		35166	100.0		

What kind of worker are you?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	worker junior level	20224	57.5	87.6	87.6
	Master level	2870	8.2	12.4	100.0
	Total	23094	65.7	100.0	
Missing	no answer	9161	26.1		
	System	2911	8.3		
	Total	12072	34.3		
Total		35166	100.0		

What's your position in the factory?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	worker	30729	87.4	87.8	87.8
	supervisor	2063	5.9	5.9	93.7
	line floor supervisor	258	.7	.7	94.4
	higher management	27	.1	.1	94.5
	Total	35013	99.6	100.0	
Missing	no answer	153	.4		
Total		35166	100.0		

Have you ever worked the night shift?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Sometimes	9637	27.4	37.4	37.4
	Often	13809	39.3	53.6	91.1
	Never	2298	6.5	8.9	100.0
	Total	25744	73.2	100.0	
Missing	no answer	6511	18.5		
	System	2911	8.3		
	Total	9422	26.8		
Total		35166	100.0		

Are you a member of the trade union?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	7755	22.1	26.9	26.9
	No	21087	60.0	73.1	100.0
	Total	28843	82.0	100.0	
Missing	no answer	6323	18.0		
Total		35166	100.0		

Are you a representative of the trade union?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	1416	4.0	8.7	8.7
	No	14836	42.2	91.3	100.0
	Total	16253	46.2	100.0	
Missing	no answer	18913	53.8		
Total		35166	100.0		

What is your current employment situation?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Temporary intern	1838	5.2	5.2	5.2
	Dispatched worker	1437	4.1	4.1	9.3
	Fixed long term contract	30349	86.3	86.4	95.7
	Don't know	1516	4.3	4.3	100.0
	Total	35141	99.9	100.0	
Missing	no answer	25	.1		
Total		35166	100.0		

Have you received a copy of your contract?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	I don't have a copy of the contract	2502	7.1	7.1	7.1
	I have a contract but the contract is not signed properly	1730	4.9	4.9	12.0
	I have received a copy of the signed contract	30895	87.9	87.9	100.0
	Total	35132	99.9	100.0	
Missing	no answer	34	.1		
Total		35166	100.0		

Employee information descriptives

	N	Mean	Std. Deviation
Age	35166	27.7987	72.04484
tenure	34742	1.5388	1.71136
Where did you grow up most of the time before you turned 16	35092	1.52	.781
Valid N (listwise)	34732		

Appendix 1, Part 1

FACTORY NAME: **FU TAI HUA INDUSTRIAL (SHENZHEN) CO. LTD.**

BUSINESS UNIT NAME: **iDPBG (iPhone Assembly Unit) Guanlan**

FLA AFFILIATED BRAND IN PRODUCTION: **APPLE**

CITY/COUNTRY: **SHENZHEN / CHINA**

NUMBER OF WORKERS: **73,004**

DATE OF ASSESSMENT: **14-17 FEBRUARY 2012**

SERVICE PROVIDER: **OPENVIEW**

NUMBER OF WORKERS INTERVIEWED ON-SITE: **230**

NUMBER OF WORKERS INTERVIEWED OFF-SITE: **21**

NUMBER OF MANAGERIAL STAFF INTERVIEWED: **20**

FINDING NO: 1

EMPLOYMENT FUNCTION: RECRUITMENT, HIRING AND PERSONNEL DEVELOPMENT

FINDING TYPE: Sustainable Improvement Needed

Finding Explanation:

- Factory requires workers –except short term workers and interns – to sign a three year contract that provides for an extended probation period of 6 months. However, in the FLA benchmarks, the probation period limit is 3 months.
- No specific policy and/or procedures related to some special categories of workers were available , e.g. , short term workers and interns. This issue was resolved in the following week.

Local Law or Code Requirement:

FLA Workplace Code (Employment Relationship Benchmark ER.7; and Compensation Benchmark C.3).

Root Causes:

- Since Apple only recently affiliated with the FLA, and has yet to fully align its policy and procedures and Code of Conduct with FLA standards and benchmarks, Apple suppliers have not been informed of the FLA requirements.
- China's Labor Contract Law Article 19 allows an extended probation period of up to 6 months in three-year employment contracts.
- Management has not previously seen the need to have policy and procedures for short term workers and interns; mainly because they do not represent a large number of workers (less than 3%)

Recommendations for Sustainable Improvement:

- Management should revise the employment contracts to limit the maximum probation period to three months / 1 month
- Apple should align its current policy, procedures and Code of Conduct with FLA's standards and benchmarks. / 3 months
- Management should revise the Recruitment & Hiring policy and procedures to include special categories of workers, e.g., short term workers and

Remediation Plan:

- Enhance job descriptions to skill level requirements and relevant working experiences of critical work stations for the management of new-employee probation period. (Corporate Human Resources [CHR]: Director, and integrated Digital Product Business Group [iDPBG]: Director, 04/30/'12)
- Revise policy and procedures regarding probationary period for the newly-recruited

interns, and the protections they require. / 6 months

- Workers and Management representatives should be trained on revised policy and procedures / 9 months

employees to limit the probation period up to 3-6 months based on previous relevant working experiences and skill level requirements of critical work stations. (CHR: Director and iDPBG: Director, 05/31/'12)

- Continuously enhance policy and procedures for Recruitment & Hiring / HSE Protection / Management of Special Categories of Workers such as Young Workers (16 and 17 years of age)/ elderly workers/ pregnant/ lactating workers/ trainees/ apprentices/ interns/ short-term workers and employees with disabilities. (CHR: Director, Corporate Fire & Industrial Safety [CFIS]: VP, HSE committee and iDPBG: Director, 05/31/'12)

- Train workers and management team on the revised policy and/or procedures; refresh training periodically as operations move forward. (IDPBG: Director, 06/30/'12)

- Apple will align its current policy, procedures and Code of Conduct with FLA's standards and benchmarks. (Apple Supplier Responsibility, 06/30/12)

FINDING NO: 2

EMPLOYMENT FUNCTION: RECRUITMENT, HIRING AND PERSONNEL DEVELOPMENT

FINDING TYPE: Sustainable Improvement Needed

Finding Explanation:

- During the review of job descriptions it was observed that there is an age requirement (older than 24 years of age) for the Recruitment Interviewer position.
- Several inconsistencies were observed between business group- and factory-level policies and procedures dealing with Recruitment and Hiring that could potentially discriminate against protected classes of workers.
- Although there have been many changes implemented recently with respect to technical staff recruitment at the group-level, related procedure has not been reviewed and updated since February 22, 2008. Similarly, the terms of workers' grades have been changed in practice, but the policy has not been updated accordingly.
- Assessors observed quality issues with job descriptions in workers' files (e.g., job description of the new Learning and Development supervisor was not available in the files).

Local Law or Code Requirement:

FLA Workplace Code (Nondiscrimination Benchmark ND.2; Employment Relationship ER.1)

Root Causes:

- Since Apple only recently affiliated with the FLA, and has yet to fully align its policy and procedures and Code of Conduct with FLA standards and benchmarks, suppliers have not been informed of FLA requirements.
- Lack of a mechanism/procedure to ensure consistency in the creation and implementation of policies and procedures from Business Group-level down to factory-level and vice versa.
- Internal monitoring system does not provide adequate controls on possible quality issues in documentation on the Employment Relationship.

Recommendations for Sustainable Improvement:

- Apple should align its current policy, procedures and Code of Conduct with FLA's standards and benchmarks / 3 months
- Corporate management should create a mechanism to align all policies and procedures across all Business Groups producing Apple products; including provisions that would allow Business Groups and factories to provide feedback about changes in their policies and procedures, so that consistency is ensured / 6 months
- Management should revise Recruitment & Hiring policy and related procedures for addressing potential discrimination issues and eliminate group- and factory-level inconsistencies / 6 months
- An effective internal monitoring procedure should be established and implemented to ensure updating of written policy and procedures/ 9 months

Remediation Plan:

- Review and revise existing policy and procedures to ensure consistency among corporate, business group and factory levels. (CHR: Director and iDPBG: Director, 04/30/'12)
- Review and revise Recruitment & Hiring policy and procedures to eliminate any potential discrimination, e.g. based on age. Develop objective criteria (such as educational achievement or work experience) to define qualifications for all job positions. (CHR: Director and iDPBG: Director, 04/30/'12)
- Enhance periodic monitoring on policy and procedures and document control to ensure internal documents are up-to-date. (iDPBG: Director, 04/30/'12 and continuously)
- Establish procedures to ensure the consistency of policy/procedures/handbooks/communication vehicles. (CHR: Director and iDPBG: Director, 06/30/'12)
- Apple will align its current policy, procedures and Code of Conduct with FLA's standards and benchmarks. (Apple Supplier Responsibility, 06/30/12)

FINDING NO: 3

EMPLOYMENT FUNCTION: COMPENSATION/HOURS OF WORK

FINDING TYPE: Immediate Action Required

Finding Explanation:

- 90% of the workers interviewed mentioned that training and testing for working skills improvement performed after regular working hours is not treated as working hours and not compensated accordingly.
- Most of the workers are asked to attend morning meetings, which take place about 10 minutes before the official start time. This is not official policy but common practice in many sections. That meeting time is not treated as time worked and is not being compensated accordingly.
- Almost 10% of the workers interviewed did not properly understand the wage structure.

Local Law or Code Requirement:

China Labor Law, Article 44, and FLA Workplace Code (Employment Relationship Benchmark ER.28 and Compensation Benchmarks C.5 and C.17; and Hours of Work Benchmark HOW.1)

Immediate Action:

Management to ensure full payment of all hours of work including meetings before and after regular working hours.

Root Causes:

- Training opportunities are seen by management as a benefit for workers; therefore time spent is not compensated. Furthermore, workers are not aware that all time spent at the factory under management supervision should be compensated.
- Hours of Work & Compensation policy and procedures do not include or reference treatment of time for

attending testing sessions, team meetings, arriving to work early, and so on, and top management is not aware of these practices.

- These issues have never been raised during external or internal social compliance audits.
- Workers lack awareness of factory's Hours of Work & Compensation policy and procedures.
- There is no system in place for evaluating the efficiency of the training or communication to workers on wages and benefits.

Recommendations for Sustainable Improvement:

- Enhance Compensation/Hours of Work policies and procedures to address workers' attendance of work-related meetings, early arrivals, etc. / 3 months
- Department managers and supervisors should be trained on Compensation/Hours of Work policy and procedures / 4 months
- Workers should be trained on enhanced Compensation/Hours of Work policy and procedures / 5 months
- An effective internal monitoring procedure should be established and implemented to prevent recurrence of those practices and to ensure implementation of written policy and procedures / 6 months
- Efficiency of the trainings and communication should be checked periodically to gauge workers' awareness on wages and benefits / 6 months

Remediation Plan:

- Immediately review current payment practices to ensure full payment of all hours worked including work-related meetings before and after regular working hours. (iDPBG: Director, 04/15/'12 and continuously)
- Enhance Compensation/Hours of Work policy and procedures to address workers' attendance at work-related trainings and meetings. (CHR: Director and iDPBG: Director, 04/30/'12)
 - Workers will be compensated (regular hours or overtime) for all work-related mandatory training.
 - Ensure that all work-related meetings are conducted on-the-clock during regular working time window.
 - Workers will be informed and trained to understand policy that compensation is not payable for trainings that are not work-related or mandatory, such as degree training programs subsidized by Foxconn, social skills trainings, training for personal hobbies, and so on.
- Enhance management of working hours and wage of workers with respect to the pre-shift 10 to 15 minute assembly for the employees; management will develop a process to ensure employees receive compensation for these meetings if they happen prior to employee clocking-in for work. (iDPBG: Director, 04/30/'12)
 - Synchronize time window for wage calculation of effective overtime to 15 minutes window equivalent to time window for tardy and early leave as specified in current policy.
 - Strengthen the overtime hour validation process conducted by supervisors.
 - Encourage workers to fully utilize enquiry terminals on each and every building for their verification of attendance/overtime hours.
 - Overtime management remains on

application basis and not based on punch-in / punch-out time basis.

- Enhance internal monitoring system to ensure that the actual implementation aligns with policy and procedures. (iDPBG: Director, 05/31/'12)
- Train department managers and supervisors on enhanced policy and procedures to. (iDPBG: Director, 06/30/'12)
- Provide training on enhanced policies and procedures to the newly-hired workers via orientation training and current workers via refresh training. (iDPBG: Director, 07/31/'12)
- Periodically conduct employee survey to confirm their awareness and perception on wages and benefits. (iDPBG: Director, 09/30/'12)

FINDING NO: 4

EMPLOYMENT FUNCTION: COMPENSATION

FINDING TYPE: Sustainable Improvement Needed

Finding Explanation:

- Although factory provides pension, medical and work-related injury insurance to all workers, only local workers (approximately 1% of the total workforce) are covered under unemployment and maternity insurance. In practice, however, the Shenzhen Social Security system allows all female workers to register once they become pregnant and to receive maternity benefits without prior registration. http://www.szsi.gov.cn/sbjxxgk/zcfggfwj/zctw/200810/t20081008_729.htm
- During the assessment there were 58 interns in the factory; all of them were being provided with medical and work-related accident insurance, but not covered under unemployment, pension and maternity insurance. There are no clear guidelines about social security benefits for interns and an official statement by the Social Security Bureau indicates that employers do not have to provide social security benefit to interns as they are governed under the Guangdong Internship Regulations. http://www.szsi.gov.cn/bwbd/jjzs/qycbyw/201102/t20110217_3763.htm
- There are two types of interns: vocational school and college interns. There is a three-party agreement between the vocational schools, students and Foxconn that governs interns' tenure at Foxconn. The agreement stipulates that the students live in the dormitories. Even if they later decide not to live in the dormitories, dormitory charges are still deducted from their wages. This practice is consistent with the employment agreement that vocational interns sign when they start working at the factory.

Local Law or Code Requirement:

China Labor Law, Article 73; and FLA Workplace Code (Compensation Benchmarks C.1 and C.5, Forced Labor Benchmark F.5)

Root Causes:

- The Chinese Social Insurance Law requires that all workers enjoy five types of social insurance, namely pension, medical, maternity, work-related injury and unemployment. However, unemployment insurance benefits can only be claimed by local Shenzhen workers. Workers from other provinces would not be able to claim their unemployment benefits, even if registered and paid-up.

- Many workers do not demand social insurance because they believe they will not be able to transfer funds to their hometown.
- Workers and managers are not informed about the social insurance law and its requirements and benefits.
- Both the employer and the employee have to contribute to social insurance system for unemployment and pensions, which are seen as an extra “cost” by both parties.
- The social insurance system is under development and local governments have not been monitoring compliance strictly.
- Interns are not considered employees in the labor law and the employer is not required to provide them with all social insurance types.

Recommendations for Sustainable Improvement:

- Workers and management should be trained on the different social insurance coverage and protections/ 3 months
- Management should prepare and implement an action plan to ensure that all workers will be covered by all five types of social insurance or a reasonable alternative scheme within a three-year period.

Target percentages for registration will be as follows:

- First Year 33%
- Second Year 66%
- Third Year 100%

Remediation Plan:

- Review policy and procedures regarding interns to ensure free choice of lodging options; fees to be handled according to intern’s choice of lodging. (CHR: Director and iDPBG: Director, 04/30/’12)
- Workers and management team to be trained on the various social insurance coverage and protections. (CHR: Director and iDPBG: Director, 06/30/’12 and continuously)
- Urge the Labor Union to conduct a survey to evaluate employees’ preference on the options of unemployment insurance participated by migrant workers in Shenzhen and maternity insurance participated by migrant female workers in Shenzhen; Possible options are proposed below: (CHR: Director, Labor Union: Chairman and iDPBG: Director, 09/30/’12)
 - Unemployment insurance for migrant workers in Shenzhen:
 - Enroll in alternative scheme (both employee and factory pay insurance fees; migrant employees receive benefits; insurance scheme to be determined).
 - Keep as is until Shenzhen government officially implements unemployment insurance policy for immigrant workers (a draft has been reviewed by the Shenzhen government).
 - Maternity insurance for migrant female workers in Shenzhen:
 - Maintain current practice of enrolling migrant workers in Government’s Medical Insurance (only factory pay insurance fees; migrant female employees enroll in maternity insurance once they become pregnant and immediately receive maternity benefits).

- Work with CHR to research legal requirements and reasonable practices to implement social insurance for all employees that comply with national and local government law and regulations. (CHR: Director and iDPBG: Director, 03/31/'13)

FINDING NO: 5

EMPLOYMENT FUNCTION: HOURS OF WORK

FINDING TYPE: Immediate Action Required

Finding Explanation:

- Interns are allowed to work overtime regularly without any restriction, therefore exceeding the 40 hours per week limit.

Local Law or Code Requirement:

Guangdong Province Internship Regulation, Article 22.5; FLA Workplace Code (Employment Relationship Benchmarks ER.1 and ER.13)

Immediate Action:

Factory management will stop the practice of allowing interns to work overtime hours and will not exceed 40 hours per week.

Root Causes:

- Management is not aware of the local regulation regarding working hours limit for interns.

Recommendations for Sustainable Improvement:

- Management should review and revise the Hours of Work policy and related procedures to prohibit interns from exceeding 40 hours of work per week / 3 months
- Interns and Management representatives should be trained on revised policy and procedures / 4 months
- An effective internal monitoring procedure should be established and implemented to prevent interns from exceeding the 40 hours per week limit to ensure successful implementation of written policy and procedures/ 9 months

Remediation Plan:

- Immediately stop overtime work by interns. (CHR: Director and iDPBG: Director, Done on 02/20/'12)
- Review and revise Hours of Work policy and procedures to prohibit interns from exceeding 40 hours of work per week. (CHR: Director and iDPBG: Director, Done on 03/15/'12)
- Formally announce and train interns and management team on revised policies and procedures. (CHR: Director and iDPBG: Director, 04/30/'12 and continuously)
- Enhance e-HR system on working hours monitoring for interns. (iDPBG: 06/30/'12):
 - Automatically exclude interns from available candidate list for overtime arrangement.
 - Disable functions of overtime application in the system.
 - Monitor and report working hour data regularly to management.

EMPLOYMENT FUNCTION: HOURS OF WORK

FINDING TYPE: Sustainable Improvement Needed

Finding Explanation:

- Factory's hours of work policy and related procedures set the maximum weekly combined working hours (regular hours plus overtime) at 60 hours per week. This meets Apple and FLA code standards but violates local law which limits regular weekly hours to 40 hours per week and overtime hours to 36 hours per month (an average of nine hours per week).
- During the period between February 2011 and January 2012, most of the workers worked overtime beyond the legal limit of 36 hours per month: 20% of the total workforce exceeded this limit in July and August 2011, while for the remainder of the period almost 80% of the total workforce exceeded the legal limit.
- Most of the workers worked 60 hours per week (regular hours plus overtime) in recent months, but this was not the case in peak season: For example, 7% of the workforce worked more than 60 and up to 70 hours per week on average during October-December 2011.
- 7% of the workforce did not receive the required 24 consecutive hours of rest in a seven-day period during the peak season (October-December 2011).
- According to the factory's written hours of work procedures, workers are to be provided with a 10-15 minute ergonomic break after every two consecutive hours of work; this procedure is not implemented consistently and many workers do not receive it.

Local Law or Code Requirement:

China Labor Law, Articles 38 & 41; and FLA Workplace Code (Hours of Work Benchmarks HOW.1 and HOW.2)

Root Causes:

- The turnover rate results in decreased levels of productivity and efficiency which in turn requires workers to work more hours to be able to meet production targets
- Labor shortage issues in Guangdong province mean factories need to request active workers to work more overtime.
- Production and capacity planning does not include adequate safeguards to prevent workers from working more than 60 hours a week or to ensure workers are provided one day off in every 7 day work period.
- Although the current starting wage is 20% above the legal minimum wage, workers do not feel it is high enough to meet basic needs and provide some discretionary income. As a result, workers rely on overtime hours.
- Insufficient oversight by the buyer to address reasons behind excessive overtime (OT).
- Possible delays due to late delivery of components.

Recommendations for Sustainable Improvement:

- Close tracking and monitoring of Hours of Work on a weekly basis to ensure consistency with policies and procedures / continuous
- Factory management should revise its Hours of Work policy and related procedures to bring them in line with local law requirements / 3 months
- Workers and management representatives should be trained on revised policies and procedures / 5 months
- An effective internal monitoring procedure should be established and implemented to ensure that

Remediation Plan:

- Track and monitor hours of work on a weekly basis. (iDPBG: Director, Done on 01/01/'12 and continuously)
- Enhance e-HR system for overtime management and monitoring: (iDPBG: Director, 06/30/'12)
 - Revise the upper limits for monthly and weekly working hours and continuous working days;
 - Pre-alert for imminent OT violations.
 - Automatic selection of the qualified candidates in compliance with legal limit for overtime.

working hours are within legal limits and workers are provided with ergonomic breaks/ 6 months

- Apple Sourcing and Supplier Responsibility teams should use the FLA Principles of Fair Labor and Responsible Sourcing to work with Foxconn to identify and improve the materials and production planning processes that contribute to excessive overtime.
- Factory should improve forecasting and production planning to ensure hours of work limits are not exceeded. Facilitate close communication with customers to meet the demands based on actual capacity and based on legal compliance with local regulations and code of conduct / continuous
- Factory should look for ways to improve productivity and quality levels (such as using in line SPC system, preventive maintenance, individual performance evaluation systems, etc.) while reducing re-work and second quality ratios. It's important for these gains to be reflected in the monthly salaries of the workers. This could also help reduce OT work by increasing the output during the regular hours. / 1 year

- Monitor and report OT data to management on a weekly basis.
- Immediately abide by the FLA and Apple code of conduct of no more than 60 working hours per week. (CHR: Director, Labor Union: Chairman and iDPBG: Director, ongoing and continuously)
- Put in place an aggressive program to achieve the limit of no more than 36 hours over time per month by July 1, 2013. This program will involve building sufficient infrastructure including more dormitories to accommodate the additional number of workers required to reduce the overtime from 80 hours per month to no more than 36 hours per month as well as addressing compensation given the reduced hours. (CHR: Director, Labor Union: Chairman and iDPBG: Director, 07/01/'13)
- Formally announce the revised policy to all workers and management representatives through company newsletter, notice board, trainings, etc. (iDPBG: Director, 01/01/'13 and continuously)
- Strengthen communication with customer on production schedule, yield/quality improvement actions, production report and overtime status. (iDPBG: Director, Continuously)
- Commit to continuously improve productivity and quality and find out best practices for shift arrangement. (iDPBG: VP, Ongoing and continuously)
- Monitor consistency in implementing written policies regarding 10-15 minute ergonomic breaks. (iDPBG: Director, Ongoing and continuously)
- Apple will continue to work with Foxconn to understand and resolve all of the causes of excessive overtime, including the recommended actions above. In late 2011 Apple began focused weekly tracking and management of working hours across the supply chain, including Foxconn factories, which have already resulted in significant improvements. (Apple Supplier Responsibility, on-going)

FINDING NO: 7

EMPLOYMENT FUNCTION: INDUSTRIAL RELATIONS

FINDING TYPE: Sustainable Improvement Needed

Finding Explanation:

- Despite the presence of a Business Group labor union in the factory (with approximately 70% of the workforce registered as members), 40% of interviewed workers were unaware the union represented them.

- Nearly all union committee members are managerial staff (40 of the union committee are either managers or supervisors, and only two representatives are workers, who were nominated by management). The Chairman of local union is the factory's Human Resources Manager and the vice chairman is the Employment Relations supervisor.

- Copy of current Collective Bargaining Agreement has not been provided to the workers, per FLA Benchmark ER.16.

Local Law or Code Requirement:

FLA Workplace Code (Freedom of Association Benchmarks FOA.2, FOA.10, and FOA.11, Employment Relationship Benchmark ER.16 and ER.26). Trade Union Act (2001); Shenzhen Municipal Implementing Regulations for the Trade Union Law of the People's Republic of China

Root Causes:

- Since Apple only recently affiliated with the FLA and has yet to align its policy and procedures as well as its Code of Conduct with FLA standards, suppliers have not been communicated the requirement that CBAs be distributed to workers.

- It is not a legal requirement in China to provide a copy of the Collective Bargaining Agreement to the workers.

Recommendations for Sustainable Improvement:

- A copy of the Collective Bargaining Agreement should be provided to the workers / 3 months
- Apple should align its current policy, procedures and Code of Conduct with FLA standards and benchmarks / 3 months
- Management should create and implement Industrial Relations policy and procedures that would enable workers to consult with and provide input to management through appropriate structures to be developed for this purpose / 4 months
- Workers and Management representatives should be trained on revised policies and procedures / 5 months
- Union committees should be comprised of representatives nominated and elected by workers without management interference as provided for in the Shenzhen Municipal Implementing Regulations for the Trade Union Law. Apple staff should observe the election processes. / 6 months
- Elected worker representatives should be placed in all existing and future committees (e.g., Health and Safety Committee, Disciplinary Committee) and these committees should be actively involved in the decision-making process / 7 months

Remediation Plan:

- Determine the optimal way to convey contents of the Collective Bargaining Agreement to employees considering the massive numbers of employees (1.2 million) working at Foxconn. (CHR: Director, Labor Union: Chairman and iDPBG: Director, 05/31/'12)
 - Print contents of Collective Bargaining Agreement on employee handbook, and/or
 - Post on database where workers can inquire online through terminals on shop floor or internet devices, and/or
 - Always post contents of Collective Bargaining Agreement on bulletin boards.
- Review Industrial Relations policy and procedures with Labor Union and worker representatives to enhance worker participation in policy formation process. (CHR: Director and iDPBG: Director, 06/30/'12)
- Labor Union to review formation of Labor Union committees consistent with the Shenzhen Municipal Implementing Regulations for the Trade Union Law; and encourage the participation of worker representatives in the election of Labor Union committees without management's interference. (Labor Union: Chairman and iDPBG: Director, 06/30/'12)
- Workers and Management representatives will be trained on the revised policies and procedures. (Labor Union: Chairman and iDPBG: Director, 06/30/'12)

- Conduct a dedicated session for Labor Union and introduce Labor Union staff and relevant representatives of Labor Union and make introduction of Labor Union staff and relevant representatives of Labor Union committee in new employee orientation training.
- Organize refresher training for employees to enhance the participation of workers in the activities of the Labor Union.
- Monitor the level of participation of the elected worker representatives in various Union committees and survey the perception of Labor Union members to determine upgrading strategies going forward. (Labor Union: Chairman and iDPBG: Director, 10/31/12)
- Apple will evaluate alternatives for independent monitoring of the election process. (09/30/12)
- Apple will align its current policy, procedures and Code of Conduct with FLA's standards and benchmarks. (Apple Supplier Responsibility, 06/30/12)

FINDING NO: 8

EMPLOYMENT FUNCTION: INDUSTRIAL RELATIONS

FINDING TYPE: Sustainable Improvement Needed

Finding Explanation:

• Article 113-64 of the work rules in the worker handbook stipulates that workers would be fired in case of any involvement in an illegal strike. Although this provision has not been applied and there have been no cases of dismissal owing to this article, it should be removed as it is not in compliance with the FLA benchmark.

Local Law or Code Requirement:

FLA Workplace Code (Employment Relationship Benchmark ER.26, Freedom of Association Benchmarks FOA.4, FOA.5 and FOA.22)

Root Causes:

- Since Apple only recently affiliated with the FLA and yet to align its policy and procedures as well as its Code of Conduct with FLA standards, suppliers have not been communicated this requirement. This practice is in line with local law and regulations but is in violation of FLA standards.
- Chinese law does not recognize the right to strike and factory management stated that this is the reason for Article 113-64 in the work rules.
- This issue has never been brought to the attention of the factory management during previous external audits.

Recommendations for Sustainable Improvement:

- Apple should align its current policy, procedures and Code of Conduct with FLA's standards and benchmarks / 3 months
- Management should revise the Workplace Conduct and Discipline policy and related procedures to

Remediation Plan:

- Immediately remove "illegal strike" from Article 113-64 of employee handbook and inform the Labor Union and all employees about the change; the most updated statements will be printed on the next

remove article 113-64 from the work rules/ 6 months

- Management should adopt rules for the treatment of workers who engage in any work stoppage. These rules will be based on international and Chinese best practices / 9 months
- An effective internal monitoring procedure should be prepared and implemented to prevent recurrence of this practice and to ensure successful implementation of written policy and procedures/ 9 months

edition of the employee handbook. (CHR: Director, 04/15/'12)

- Train workers and management representatives on the revised policy and procedures. (iDPBG: Director, 04/30/'12)
- Enhance management trainings on how to resolve work stoppages based on international and Chinese best practices. (iDPBG: VP, 06/30/'12)
- Implement periodic internal monitoring to ensure successful implementation of written policy and procedures. (iDPBG: Director, 06/30/'12 and continuously)
- Apple will align its current policy, procedures and Code of Conduct with FLA's standards and benchmarks. (Apple Supplier Responsibility, 06/30/12)

FINDING NO: 9

EMPLOYMENT FUNCTION: WORKPLACE CONDUCT

FINDING TYPE: Immediate Action Required

Finding Explanation:

- It was observed that there is a practice of posting all disciplinary actions with names of the workers subjected to these disciplinary actions on the factory's website and notice boards.

Local Law or Code Requirement:

FLA Workplace Code (Harassment or Abuse Benchmark H/A.6)

Immediate Action:

- Factory management should stop this practice and communicate its discontinuance to the workers

Root Causes:

- Since Apple only recently affiliated with the FLA and has yet to align its policy and procedures and Code of Conduct with FLA standards, suppliers have not been communicated this requirement. This practice is in line with local law and regulations but is in violation of FLA standards.
- Although there is a detailed Disciplinary System in place which includes written policy & procedures and a Disciplinary Committee, there are still some important components missing. In the current system, disciplinary penalties and appeal processes are under the sole control of management and there is no oversight mechanism or means to appeal a disciplinary action.

Recommendations for Sustainable Improvement:

- Apple should align its current policy, procedures and Code of Conduct with FLA's standards and benchmarks / 3 months
- Management should review and revise Workplace Conduct policy and related procedures to eliminate the possibility of posting the names of workers that have been imposed disciplinary actions / 6 months
- Workers and management should be trained on revised policy and procedures / 9 months

Remediation Plan:

- Review and revise Workplace Conduct policy to eliminate the possibility of posting the names of workers that have been the subject of disciplinary actions, e.g., removing workers' names prior to posting. (CHR: Director and iDPBG: Director, 03/31/'12)
- Enhance the Discipline module of the e-HR system to make sure there is confidentiality during the whole process. (iDPBG: Director, 03/31/'12)

- An effective internal monitoring procedure should be established and implemented to prevent recurrence of this practice and to ensure successful implementation of written policy and procedures/ 9 months

- Train management representatives and all relevant workers on revised policy and procedures. (CHR: Director and iDPBG: Director, 04/30/'12)
- Enhance internal monitoring frequency on disciplinary process to ensure successful implementation of the written policy and procedures. (iDPBG: Director, 06/30/'12 and continuously)
- Apple will align its current policy, procedures and Code of Conduct with FLA's standards and benchmarks. (Apple Supplier Responsibility, 06/30/12)

FINDING NO: 10

EMPLOYMENT FUNCTION: GRIEVANCE SYSTEM

FINDING TYPE: Sustainable Improvement Needed

Finding Explanation:

- Although there are several ways to lodge grievances at this factory, including suggestion boxes (President's Suggestion Box, Communist Party Suggestion Box, General Manager's Suggestion Box, Trade union box, and Business Group Suggestion box), almost 20% of the workers interviewed mentioned that they do not know the factory's grievance and counseling procedures.
- There is inconsistency in procedures regulating how to lodge a grievance. For example: the grievance procedures suggest grievances can be anonymous whereas article 140 of the worker handbook stipulates that the Company does not accept anonymous grievances.
- Some workers are not comfortable using the grievance system because of fear of retribution and pressure from supervisors to quit if they lodge one or more complaints.

Local Law or Code Requirement:

FLA Workplace Code (Employment Relationship Benchmark ER.25)

Root Causes:

- Since Apple only recently affiliated with the FLA and has yet to align its policy and procedures and Code of Conduct with FLA standards, suppliers have not been communicated this requirement.
- Lack of understanding of how the grievance system functions and fear of retaliation, which is mainly caused by inconsistencies at a policy level.
- These issues have never been raised during previous external audits.
- There is no established system for evaluating the efficiency of the trainings provided or communication procedures in place.
- There is no worker representation and integration on current grievance policy and procedures therefore workers do not trust these systems

Recommendations for Sustainable Improvement:

- Management should train all workers as well as supervisory and managerial staff on the factory's grievance system / 3 months
- Apple should align its current policy, procedures and Code of Conduct with FLA's standards and

Remediation Plan:

- Use a variety of means (email, bulletin boards, posters, trainings, meetings, and so on) to inform workers and management about grievance channels and counseling procedures. (iDPBG: Director, 04/30/'12)

benchmarks / 3 months

- Effectiveness of the trainings and communication procedures should be checked periodically to gauge workers' awareness on factory's Grievance policy and procedures / 6 months
- Elected worker representatives should be placed in Workers' Committee so that they can provide active worker representation and involvement on decision-making process about grievance related issues. / 7 months
- Workers and management representatives should be trained on revised policy and procedures / 9 months
- An effective internal monitoring procedure should be prepared and implemented to prevent recurrence of this issue and to ensure successful implementation of written policy and procedures/ 9 months

- Enhance the consistency in policies and procedures regarding how to handle grievances at the business group and factory level. (CHR: Director and iDPBG: Director, 04/30/'12)
- Workers and management representatives will be trained on revised policy and procedures. (iDPBG: Director, 05/31/'12)
- Conduct periodic employee surveys to assess awareness and perception of grievance system. (iDPBG: Director, 06/30/'12)
- Elected worker representatives will be placed in Workers' Committee so that they can provide active worker representation and involvement in decision-making process about grievance related issues. (iDPBG: Director, 06/30/'12)
- Enhance monthly internal monitoring to ensure implementation is in alignment with written policy and procedures. (CHR: Director, iDPBG: Director, 6/30/'12 and continuously)
 - Establish and periodically review KPI to gauge the effectiveness of grievance system and workers' perception.
 - Identify root causes for any gaps in the grievance system and workers' perception, and take continuous improvement actions.
- Review and implement a comprehensive mechanism to protect employees from retaliation and to prevent managers from retaliating against employees. (CHR: Director, Labor Union: Chairman and iDPBG: Director, 06/30/'12)
- Apple will align its current policy, procedures and Code of Conduct with FLA's standards and benchmarks. (Apple Supplier Responsibility, 06/30/12)

FINDING NO: 11

EMPLOYMENT FUNCTION: TERMINATION & RETRENCHMENT

FINDING TYPE: Sustainable Improvement Needed

Finding Explanation:

- There are no written policies or procedures governing retrenchment and resignation.

Local Law or Code Requirement:

FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.19 and ER.32)

Root Causes:

- Since Apple only recently affiliated with the FLA and has yet to align its policy and procedures as well as

its Code of Conduct with FLA standards, suppliers have not been communicated this requirement. This practice is in line with local law and regulations but is in violation of FLA standards.

- It is not a legal requirement in China for factories to have retrenchment policy and procedures.
- Factory management stated that since they have never experienced any downsizing, they do not need policy and procedures on retrenchment.
- This issue has never been brought to the attention of the factory management during external audits.

Recommendations for Sustainable Improvement:

- Apple should align its current policy, procedures and Code of Conduct with FLA's standards and benchmarks / 3 months
- Management should revise current termination policy and related procedures to include retrenchment and resignation / 6 months
- Workers and Management representatives should be trained on revised policy and procedures / 9 months
- An effective internal monitoring procedure should be developed and implemented to ensure consistent implementation of written policy and procedures/ 9 months

Remediation Plan:

- Revise current Termination policy and procedures to include retrenchment, resignation and retirement. (CHR: Director, 04/30/'12)
- Train workers and management representatives on the revised termination policy and procedures. (CHR: Director, 06/30/'12)
- Periodic internal monitoring to ensure consistent implementation of written policy and procedures. (CHR: Director and iDPBG: Director, 06/30 /'12)
- Apple will align its current policy, procedures and Code of Conduct with FLA's standards and benchmarks. (Apple Supplier Responsibility, 06/30/12)

FINDING NO: 12

EMPLOYMENT FUNCTION: HEALTH & SAFETY

FINDING TYPE: Sustainable Improvement Needed

Finding Explanation:

- General Health & Safety Policy does not cover protection of special categories of workers such as young (16 to 17 years of age)/elderly workers, pregnant/lactating workers, trainees/apprentices/interns and employees with disabilities.
- No procedure for controlling thermal comfort conditions of the workers and protecting them from potential heat-related impact.
- No Lock out-Tag Out (LOTO) procedure for protecting workers from hazardous equipment that might accidentally turn on and harm them.
- List of machines that need guarding is missing.
- No procedure for controlling working conditions and protecting workers from potential risk of falling when they work at heights.
- Incomplete Material Safety Data Sheets (MSDS) of chemical substances in use that do not cover all necessary information about these chemicals such as ingredients and the full chemical composition.
- No periodic control system for checking both health and safety and social conditions of contractors who work in the factory, such as in construction, maintenance, or waste handling.
- Emergency action plans do not cover external parties, such as service providers or visitors.

Local Law or Code Requirement:

FLA Workplace Code (Health, Safety, and Environment Benchmarks HSE.1, HSE 11 and HSE.14; Employment Relationship Benchmarks ER.14 and ER. 31)

Root Causes:

- Although the factory has obtained OHSAS 18001 certificate, and Health & Safety system is well developed as

far as written policy and procedures are concerned, the implementation of the system is not effective in many internal audits and routine HSE inspections, along with absence of an effective review process.

areas, arguably due to the ineffectiveness of the HSE committee and of the methodology and tools used for

- Most managerial staff interviewed mentioned that these issues have never been raised during external OHSAS 18001 audits
- No active worker representation and participation on HSE committee.
- No active system for encouraging workers to participate in ongoing HSE efforts.
- Risk Analysis report does not cover all hazards and risks in the factory.
- Management is not aware of possible legal and financial consequences of work accidents and occupational diseases that may happen within the factory, including involving service providers/contractors.

Recommendations for Sustainable Improvement:

- Include review of outstanding HSE issues and corrective actions in annual “Management Review” of the HSE system and regular HSE committee meetings/ 3 months
- Revise procedures so that HSE worker representatives will be elected and promote worker participation in HSE efforts such as implementing a system for collecting problems/observations/ feedbacks from workers or letting workers participate in Risk Assessment studies. /3 months
- Develop policies and procedures to control HSE of contractors who work in the factory, such as in construction, maintenance, or waste handling. /3 months
- Develop and implement Lock out-Tag out procedure with at least the following details:/6 months
 - Identification of equipment, tasks (e.g., installation, maintenance, inspection, cleaning or repair of machinery or equipment)
 - Identification of associated hazards resulting from uncontrolled hazardous energy sources
 - Evaluation of risks associated with hazardous energy
 - Control measures to reduce or eliminate the risks
- Develop and implement thermal comfort control procedure with at least the following details:/6 months
 - Definition of required heat-related measurements
 - Allowances for workers to take heat-related breaks as needed

Remediation Plan:

- Include on-going HSE issues and corrective actions in the agenda of annual “Management Review” of the HSE system and regular HSE committee meetings. (iDPBG: Director and HSE Committee, Done on 03/01/'12 and continuously)
- Revise and expand emergency action plans to cover external parties such as service providers or visitors with clear guidelines that define standards and methodologies to ensure their safety in case of an emergency. (iDPBG: Director and HSE Committee, 04/30/'12)
- Review and enhance procedures of HSE committee to encourage participation by worker representatives and periodically implement meetings on a monthly basis. (iDPBG: Director, 05/31/'12)
- Enhance annual training plan for HSE staff and HSE worker representatives to improve their knowledge and skills on detecting & managing potential risks. (HSE committee, iDPBG: Director, 05/31/'12)
- Develop comprehensive policies at the Foxconn Corporate level to manage safety and health issues involving contractors who work in the factory, such as in construction, maintenance, or waste handling. (iDPBG: Director, 06/30/'12)
- HSE policy and procedures with respect to the following items to be continuously implemented and strengthened: (iDPBG: Director, 6/30/'12 and continuously)
 - Procedures for Young Workers (16 to 17 years of age) Protection Management: HRD20120228A
 - Young Workers (16 to 17 years of age) Special Protection Guidance: SR-OP-003

- Periodic measurements of thermal conditions including humidity and temperature in areas where heat risks are high
 - Steps to reduce potential negative heat-related impact
- Prepare list of machines that need guards and periodically update list /6 months
- Develop and implement a fall protection procedure with at least the following details: /6 months
 - Identification of job tasks where an employee or object is at risk of falling
 - Evaluation of the risk associated with tasks involving work at height
 - Identification and implementation of control measures to reduce the risk
- Revise MSDS for four chemicals and the overall chemical management system to make sure that all below listed information about chemicals is included:/6 months
 - Chemical Product and Company Information
 - Composition/Ingredients
 - Hazards Identification
 - First Aid Measures
 - Fire Fighting Measures
 - Accidental Release Measures
 - Handling & Storage
 - Exposure Controls/Personal Protection
 - Physical and Chemical Properties
 - Stability and Reactivity
 - Toxicological Information
 - Ecological Information
 - Disposal Considerations
 - Regulatory Information
 - Other Information
- Revise and expand emergency action plans to cover external parties such as service providers or visitors with clear guidelines that define how to ensure their safety in case of an emergency. / 6 months
- Risk Analysis report will be revised through joint efforts of the below-listed participants: / 7 Months
 - External Consultant and/or Brand Social Compliance Department Representatives
 - Factory Manager
 - HR Manager

- Procedures for Disabled Workers Recruitment and Management: HRD20120217A
 - Procedures for Contractors in the Factory: HSE-iDPBG-SP-11
 - Procedures for High Above Ground Work (Fall Protection) Regulation: CFIS-OP-00020
 - Procedures for Lock Out/ Tag Out Management: HSE-iDPBG-OP-090
 - Procedures for Thermal Comfort Control: HSE-iDPBG-OP-058
 - Procedures for HSE Staff and Worker Representatives Training: HSE-iDPBG-SP-08
 - Procedures for Internal Monitoring: HSE-iDPBG-OP-052
 - List of Complete sets of analysis on all equipment requiring guarding
 - MSDS information enhancement by suppliers.
- The following items will be managed by additional policies and procedures: (CHR: Director, Corporate Public Health [CPH]: Manager, iDPBG: Director, 06/30/'12)
 - Procedures for protection of elderly employee
 - Procedures for protection of workers with disabilities
- HSE committee to enhance risk assessment report through joint efforts by the following participants: (HSE committee and iDPBG: Director , 06/30/'12)
 - External Consultant
 - Brand Social Compliance Department Representatives
 - Plant Manager
 - HR Manager
 - SER Specialist
 - Worker Representatives
 - Maintenance Department Representative
 - Clinic Doctor (from Health Center in the campus)
- Enhance internal monitoring program that specifically emphasizes thermal conditions, LOTO, machine guarding, fall protection, complete MSDS, and emergency action plan coverage. (HSE committee and iDPBG: Director, 06/30/'12)

- Person Responsible for Social Compliance
 - Elected HSE Worker Representatives
 - Maintenance Department representative
 - Workplace Doctor (from hospital in the campus)
- Prepare annual training plan for HSE staff and HSE worker representatives to improve their knowledge and skills on detecting and managing potential risks. /6 months
 - Prepare and implement an internal monitoring program that would include thermal conditions, LOTO, machine guarding, fall protection, complete MSDS, and emergency action plan coverage. / 8 months

FINDING NO: 13

EMPLOYMENT FUNCTION: HEALTH & SAFETY

FINDING TYPE: Sustainable Improvement Needed

Finding Explanation:

- Although there is an HSE committee in place, this committee is not active. There are no periodic meetings or internal audits conducted by this committee. Currently, the committee only holds meetings for some special cases.
- There is no worker participation and integration on ongoing HSE efforts, as there are no elected worker representatives on HSE committee (all current members were selected by management).
- Accident records only cover serious accidents (accidents with lost working time) but not all the accidents and near miss cases.
- No system for keeping track of sickness and working day lost due to sickness.

Local Law or Code Requirement:

Food Safety Law Article: 29; Trade Union Act; FLA Workplace Code (Health, Safety, and Environment Benchmarks HSE.1 and HSE.3; Employment Relationship Benchmarks ER.25 and ER.31)

Root Causes:

- Although the factory has obtained OHSAS 18001 certificate, and Health & Safety system is well developed as far as written policy and procedures are concerned, the implementation of the system is not effective in many areas, arguably due to the ineffectiveness of the HSE committee and of the methodology and tools used for internal audits and routine HSE inspections, along with absence of an effective review process.
- No active worker representation and participation on HSE committee.
- No active system for encouraging workers to participate in ongoing HSE efforts.
- Management lacks awareness about possible benefits of keeping records of all work accidents, sicknesses and near miss cases

Recommendations for Sustainable Improvement:

- Revise procedures that define working areas/role/responsibility of HSE committee in order to activate the committee. New procedures should clearly define meeting frequency as at least once in a month along with additional number of days required for periodic

Remediation Plan:

- Enhance procedures of HSE committee to encourage the participation by worker representatives and other stakeholders and implement regular meetings on a monthly basis; the mission, goals, milestones and working plan of HSE

internal audits, possible training participation, etc./3 months

- Improve record-keeping procedure to make sure that all work accidents, regardless of severity, all near miss cases and sicknesses are recorded in order to identify potential hazards/risks within the workplace and provide meaningful information for Risk Assessment studies. /3 months
- Hold an election – without management interference – to elect worker representatives to the HSE committee. Brand’s social compliance team should observe the election process. / 6 months

committee will be comprehensively defined. (HSE committee and iDPBG: Director, 04/30/’12)

- Enhance Safety Accidents Responsibility Procedure (CFIS-OP-00013) and Work Related Injury/Death Disposition and Insurance Procedure (HSE-iDPBG-OP-014) by including near miss cases. (CFIS: VP and iDPBG: Director, 05/31/’12)
- Review and enhance record-keeping procedures for sickness leaves, accidents, near-miss cases and lost working days, etc. to be used for purposes such as potential hazards/risks assessment as well as root cause elimination. (iDPBG: Director, 05/31/’12)
- Enhance procedures of HSE committee formation process to encourage the participation by worker representatives. (iDPBG: Director, 04/30/’12)
- Apple will evaluate alternatives for independent monitoring of the election process (09/30/12)

FINDING NO: 14

EMPLOYMENT FUNCTION: HEALTH & SAFETY

FINDING TYPE: Sustainable Improvement Needed

Finding Explanation:

- Shower/eye washing station in chemical warehouse area is not in a good condition. Cap of the right eye washing part was missing and open valve is rusted.
- Hearing protectors (ear plugs) not being used appropriately by workers, as many workers were not actually using them and others were not using them properly.
- Although periodic working environment check results do not indicate any risk of potential dust and chemical exposure in assembly areas, all workers were told to use carbon layered paper masks during working hours.
- No protective shoes provided to workers in warehouse areas, forklift and pallet truck traffic areas.
- Forklift truck drivers are not using safety belts; also some forklift trucks are operating with worn out tires which affect safe brake distance.
- Rear gear sound alarms of forklift trucks are missing or not operational; maximum safe load signs are also missing. No speed limiting systems installed in forklift trucks.
- Maximum working pressure limits are not indicated on the manometers of pressure vessels (compressed air and pressurized water).
- Color coding of pipes within the factory varies in different areas. While there is no legal requirement to do so, they are not in line with international standards such as British Standard 1701 on color for pipes (e.g., yellow color used for compressed air pipes) and could cause accidents.
- Many workers working with chemicals (cleaning solvent and adhesives) use different type of gloves (finger gloves or half gloves); these gloves are providing enough protection against potential risk of skin absorption.

Local Law or Code Requirement:

Production Safety Law, Article: 37; Prevention and Treatment of Occupational Diseases Law, Article 23; and FLA Workplace Code (Health, Safety, Environment Benchmarks HSE.1, HSE.6, HSE.7, HSE.8, and HSE.15; Employment Relationship Benchmark ER.31)

Root Causes:

- Although the factory has obtained OHSAS 18001 certificate, and Health & Safety system is well developed as far as written policy and procedures are concerned, the implementation of the system is not effective in many areas, arguably due to the ineffectiveness of the HSE committee and of the methodology and tools used for internal audits and routine HSE inspections, along with absence of an effective review process.
- No active worker representation and participation on HSE committee.
- No active system for encouraging workers to participate in ongoing HSE efforts.
- No clear links between PPE selection/usage and workplace environment measurements (noise measurement, thermal comfort conditions, indoor air quality, dust, etc.) .
- Some PPEs in use are for product safety concerns rather than personal protection; for example, paper masks are actually for protecting products from possible particles such as saliva from the workers.
- Management is not aware of possible legal and financial consequences of work accidents and occupational diseases
- Workers' awareness on importance of using PPEs is low. Also workers do not know how to report unsafe PPEs.

Recommendations for Sustainable Improvement:

- PPE selection procedure should be revised and all H&S committee members (including elected worker representatives) should actively participate in the selection process / 3 months
- Maximum working pressure levels should be marked on manometers / 3 months
- Workers should be trained to raise their awareness on importance of PPE usage. Positive incentives would be useful to encourage PPE use (like employee of the month selection) / 6 months
- Develop and implement an effective internal monitoring procedure to assess eye wash/shower conditions, earplug usage, masks, and safety devices in forklifts for successful monitoring of the implementation of written policy and procedures/ 6 months
- Revise periodic control/maintenance procedures for all vehicles (trucks, forklift trucks, pallet trucks) to ensure that necessary periodic control and maintenance activities are done on a timely basis / 6 months
- HSE committee should check all PPEs in use with respect to results of the workplace environment measurements and revised risk assessment study. Primary concern of HSE committee should be to reduce/isolate possible risks at their source with engineering studies rather than direct suggestion of PPE usage / 9 months

Remediation Plan:

- Enhance PPE selection procedures by HSE committee in accord with China Labor Protective Equipment Selection Principle. (HSE committee and iDPBG: Director, 04/30/'12)
- Label maximum working pressure limits on the manometers of pressure vessels. (iDPBG: Director, 04/15/'12)
- Conduct training for the relevant workers on PPE to raise their awareness about the use of PPE. (Director: iDPBG, 05/31/'12)
- Develop and implement an effective internal monitoring procedure to assess the effectiveness of the implementation of safety measures such as eye wash/shower conditions, earplugs, masks, and safety devices in forklifts according to policies and procedures. (HSE committee and iDPBG: Director, 04/30/'12)
- Upgrade inspection/maintenance procedures for all vehicles (trucks, forklift trucks, pallet trucks) to ensure that periodic inspection and maintenance are well done on a timely basis (HSE committee and iDPBG: Director, 04/30/'12)
- Check all PPEs in use with respect to results of workplace environment measurements and revised risk assessment study in order to reduce/isolate possible risks at their source with engineering studies. (HSE committee and iDPBG: Director, 04/30/'12)

- HSE committee should work on color coding of pipes to avoid possible accidents/issues in the future /9 months

- Define color coding of pipes to enhance standardization and prevent potential accidents according to China National Standard: GB7231-2003. (HSE committee and iDPBG: Director, 05/31/'12)

FINDING NO: 15

EMPLOYMENT FUNCTION: HEALTH & SAFETY

FINDING TYPE: Sustainable Improvement Needed

Finding Explanation:

- No non-smoking warning signs placed near fuel station.
- No protective barriers placed around fuel pumps to protect against potential truck or forklift crash.
- In some areas, the selection of fire extinguishers is not suitable for the potential fire risks, such as CO2 type fire extinguisher in fuel station, which is not the best option for fuel oil fires considering the re-ignition risk.
- No sprinkler protection at the fuel station area, except in the office area.
- Emergency assembly areas are not marked and no signs for directing workers to these areas in case of an emergency
- Emergency exits do not meet local law requirements in assembly production floors (total width of the emergency exits is 10 meters in these floors, while it should be 15 or 20 meters given the number of workers).
- No fire extinguishers on forklift trucks
- No fire detectors in wastewater treatment plant and in the following areas: office, control room, laboratory and compressor room.
- Some flammable materials stored in logistic warehouse, which is located on the ground floor of dormitory building (C25), are posing a risk of fire; compressor room is located under the office building.
- Annual fire drills for production and dormitory buildings were not conducted during all shifts and therefore some workers did not participate.
- Fire drills are conducted once a year in production area instead of twice as required by local law.

Local Law or Code Requirement:

Code of Design of Manufacturing Equipment Safety and Hygiene Article 6.1.6, Code of Design on Building Fire Protection and Prevention Article 3.7.5, Fire Prevention Regulation for Government Offices, Organizations and Enterprises Article: 40, FLA Workplace Code (Health, Safety, and Environment Benchmarks HSE.5, HSE.6, HSE.26, Employment Relationship Benchmarks ER.31)

Root Causes:

- Although the factory has obtained OHSAS 18001 certificate, and Health & Safety system is well developed as far as written policy and procedures are concerned, the implementation of the system is not effective in many areas, arguably due to the ineffectiveness of the HSE committee and of the methodology and tools used for internal audits and routine HSE inspections, along with absence of an effective review process.
- Most managerial staff interviewed mentioned that these issues have never been raised during external OHSAS 18001 audits.
- No active worker representation and participation on HSE committee.
- No active system for encouraging workers to participate in ongoing HSE efforts.
- No effective system for controlling or implementing fire safety guidelines on a periodic basis.
- Risk Analysis report does not cover all hazards and risks in the factory.
- Management is not aware of possible legal and financial consequences of work accidents and occupational diseases that may happen within the factory, including involving service providers/contractors.

Recommendations for Sustainable Improvement:

- Fire detectors should be installed at wastewater treatment plant, office, control room, laboratory and compressor room / 1 month
- No-smoking warning signs should be placed at fuel station /1 month
- Protective barriers should be placed around fuel pumps for protection against potential truck or forklift crash / 1 month
- Establish and mark emergency assembly areas and install signage for directing workers to these areas / 1 month
- Fire extinguisher selection within the factory should be re-assessed by HSE committee with respect to potential fire risks in areas where they are located--with consideration given to environmental impact (e.g., avoid using halocarbon type fire extinguishers to protect the ozone layer) / 6 months
- Sprinkler protection should be installed at fuel station area / 6 months
- HSE Committee and management should work together on improvements to emergency exits, addressing at least the following topics:/9 months
 - Potential construction improvements on assembly areas to increase the total width of the emergency exits
 - Possibilities for usage of alternative emergency evacuation routes
 - Close monitoring of evacuation performance during the fire drills to identify bottlenecks and problematic areas in assembly areas for possible improvements
- Install fire extinguishers on forklift trucks to provide quick response to potential fires in the warehouse or other remote areas where forklifts operate as well as a potential fire in the forklift / 3 months
- Install fire detectors in the following areas of the wastewater treatment plant: office, control room, laboratory and compressor room. / 6 months
- HSE Committee should conduct a study on minimizing the risk of possible fire or explosion in logistic warehouse area and compressor room which are located close to dormitory and office areas. The study should cover at minimum:

Remediation Plan:

- Fire drill for production workers to be executed with full coverage of day and night shift according to the frequency defined by local law and regulations. (iDPBG: Director, 03/31/'12 and continuously)
- Complete upgrading/corrections of the following facility/equipment: (iDPBG: Director, 04/15/'12)
 - Fire detector at waste water treatment plant, office, control room, laboratory and compressor room
 - No-smoking sign at fuel station (Done already)
 - Protective barrier around fuel pumps (Done already)
 - Emergency evacuation/assembly signs and maps
 - Fire extinguisher for forklift trucks
 - Safety belt for forklift trucks
- Evaluate to upgrade of the following facility/equipment: (iDPBG: Director, 06/30/'12)
 - Sprinkler protection at fuel stations
 - Add the exterior steel structure emergency ladders as recommended
- HSE committee to enhance risk assessment report through joint efforts by the following participants: (HSE committee and iDPBG: Director , 06/30/'12)
 - External Consultant
 - Brand Social Compliance Department Representatives
 - Plant Manager
 - HR Manager
 - SER Specialist
 - Worker Representatives
 - Maintenance Department representative
 - Clinic Doctor (from Health Center on the campus)
 - Engage HSE Committee and Foxconn Corporate management to work on improving emergency exits to address the following topics: (iDPBG: Director, 12/31/'12)
 - Potential construction improvements on assembly areas to increase the total width of the emergency exits.
 - Possibilities for usage of alternative emergency evacuation routes.
 - Close monitoring of evacuation

- Possibilities of removing/minimizing flammable and combustible material stored in logistic warehouse
- Possible construction improvements to minimize risk/impact of a potential fire/explosion in these areas
- Possible relocation of current compressor/warehouse areas
- Frequent internal audits/engineering controls on these areas to minimize risk
- Fire drills should be conducted twice a year and procedure for conducting fire drills should be revised to be in accord with domestic law; fire drills should be scheduled to ensure participation of all workforce in all production shifts. / 3 months
- Risk Analysis report should be revised through joint efforts of the below listed participants: / 7 Months
 - External Consultant
 - Brand Social Compliance Department Representatives
 - Factory Manager
 - HR Manager
 - Person responsible for Social Compliance
 - Elected HSE Worker Representatives
 - Maintenance Department representative
 - Workplace Doctor (from hospital in the campus)

- performance during the fire drills to identify bottlenecks and problematic areas in assembly areas for possible improvements.
- HSE Committee to conduct a study on minimizing the risk of possible fire or explosion in logistic warehouse area and compressor room which are located close to high density population areas: (HSE committee, and iDPBG: Director, 04/30/'12)
 - Possibility of removing/minimizing flammable and combustible material stored in chemical warehouse.
 - Possible improvements to minimize risk/impact of a potential fire/explosion.
 - Possible relocation of current compressor/warehouse areas.
 - Frequent internal audits/engineering controls to minimize risk.

FINDING NO: 16

EMPLOYMENT FUNCTION: HEALTH & SAFETY

FINDING TYPE: Sustainable Improvement Needed

Finding Explanation:

- Despite the fact that chairs and stools are provided and most of the workers use them (around 95% of the total workforce), instances of the following issues were observed:
 - Chairs are not adjustable (both height and backrest)
 - Chairs do not have proper backrest to support the lower back
 - No removable armrests on chairs
 - No back support provided on stools
 - Both chairs and stools made of uncomfortable material (non-breathable/non-slippery material)
- In many areas of assembly lines, workers are positioned very close to each other, which reduces their ergonomic comfort as there is not enough space provided for separating their usual and occasional work areas
- Illumination levels are inconsistent, not sufficient in some areas, while other areas are over-illuminated.
- Although, according to factory's written hours of work procedures, workers are to be provided with 15 minutes of ergonomic breaks after every two consecutive hours of work, this procedure is not always implemented.
- Some workers use hand pallet trucks for moving heavy loads for long distances.

- Number of toilets in assembly production floors is insufficient and below legal requirement. (There are 1,500 to 2,000 workers in each assembly floor and only 20 to 24 toilets.)
- Some workers return to the production area after lunch break and sit at workstations or in hallways, rather than a rest area which is not provided by management
- No ergonomic training provided to workers to increase their awareness and knowledge on ergonomic risks in the workplace.
- Although there was an ergonomic study conducted and there is a report suggesting some possible improvements, the report does not contain detailed information about necessary improvements on workstations' design and job simplification. Problems observed include workers hunching or leaning in some operations, uncomfortable body postures, usage of pneumatic tools (which are a source of vibration/noise, etc.)

Local Law or Code Requirement:

Health Standard for Design of Industrial Enterprises Articles: 6.4.4.1 & 6.4.4.2, FLA Workplace Code (Health, Safety; Environment Benchmarks HSE.1, HSE. 17, and HSE.20)

Root Causes:

- Although the factory has obtained OHSAS 18001 certificate, and Health & Safety system is well developed as far as written policy and procedures are concerned, the implementation of the system is not effective in many areas, arguably due to the ineffectiveness of the HSE committee and of the methodology and tools used for internal audits and routine HSE inspections, along with absence of an effective review process.
- Most of the managerial staff interviewed mentioned that these issues have never been raised during external OHSAS 18001 audits.
- No active worker representation and participation on HSE committee.
- No active system for encouraging workers to participate in ongoing HSE efforts.
- Management's lack of knowledge about possible benefits of ergonomic improvements, such as increasing productivity and attendance levels, while reducing risk of work accidents and Musculoskeletal Disorders (MSDs).
- Ergonomic Assessment conducted was not sufficiently detailed.
- Production Managers and Supervisors are trying to meet the production targets by asking workers to work during the ergonomic breaks.
- Unplanned expansion of workforce and factory areas over the years.
- Risk Analysis report does not cover all hazards and risks in the factory; limited information about possible ergonomic risks.
- Lack of recreational areas for break hours around factory buildings.

Recommendations for Sustainable Improvement:

- Enforce 10-15 minutes ergonomic breaks for workers /1 month
- HSE committee should check illumination levels in production areas to determine needed improvements on over/under illuminated areas /3 months
- HSE worker representatives should be elected and management should encourage workers to participate in ongoing HSE efforts, such as implementing a system for collecting problems/ observations/feedbacks from workers or letting workers to participate in Risk Assessment studies. / 3 months

Remediation Plan:

- Establish an ergonomic laboratory to research and develop ergonomic programs and anthropometric database for the continuous improvement of ergonomic health and comfort of workers. (Ergonomic laboratory: Director, Done and continuously)
- Strengthen HSE committee roles and functions in making improvements to the ergonomic comfort of workers: (HSE committee and iDPBG: Director, 06/30/'12)
 - Over/under Illumination levels on production areas.

- Workers should be trained on Ergonomic Risk factors in workplace. /4 months
- HSE committee should check with workers to assess if additional toilets are needed for assembly areas. If there is a need, HSE committee should work with factory management to add new toilets or to designate existing toilets in different sections for worker use. /6 months
- Prepare annual training plan for HSE staff and HSE worker representatives to improve their knowledge and skills on detecting & managing the potential HSE risks. /6 months
- Risk Analysis report that includes all Ergonomic Risks within the workplace to be revised through the joint effort of the below listed participants: / 7 Months
 - External Consultant and/or Brand Social Compliance Department Representatives
 - Factory Manager
 - HR Manager
 - Person(s) responsible for Social Compliance
 - Elected HSE Worker Representatives
 - Maintenance Department representative
 - Workplace Doctor (from hospital on the campus)
- Develop and implement an effective internal monitoring procedure to ensure consistent illumination, sufficient toilets, improved ergonomic program, and a successful implementation of written policy and procedures/ 8 months
- HSE Committee and factory management should work together on how to increase recreational areas for workers during their break hours, including possibility of placing benches in some areas outside of the factory./ 9 months
- After completion of Risk Analysis study, HSE Committee should immediately start working on defined Ergonomic risks to minimize or avoid those risks. / 9 months

- Toilet requirements which may be needed by workers at specific areas.
 - Ergonomic risk and protections.
 - Define action items and monitor the effectiveness of execution of ergonomic risk prevention actions.
- Enhance training programs for workers and worker representatives: (iDPBG: Director, 06/30/'12 and continuously)
 - Ergonomic Risk factors in workplace.
 - Knowledge and skills in detecting/ managing potential HSE risks.
- Enforce and monitor the consistency in implementing the written policies of 10-15 minutes ergonomic breaks. (iDPBG: VP, Ongoing and continuously)
- Revise Risk Analysis report that includes all Ergonomic Risks within the workplace through joint efforts by the following participants: (HSE committee and iDPBG: Director, 06/30/'12)
 - External Consultant
 - Brand Social Compliance Department Representatives
 - Plant Manager
 - HR Manager
 - SER Specialist
 - Worker Representatives
 - Maintenance Department representative
 - Clinic Doctor (from Health Center on the campus)
- Strengthen effective internal monitoring procedures to ensure consistent illumination, sufficient toilets, improved ergonomic program, and successful implementation of written policies and procedures. (HSE committee and iDPBG: Director, 11/30/'12)
- Review the effectiveness of ergonomic improvement actions. (HSE committee and iDPBG: Director, 12/31/'12)
- Encourage workers to fully utilize and enjoy on campus recreational facilities such as library, internet cafe, gym and lounge between breaks. Encourage workers to utilize various facilities outside of factory such as internet cafe, TV rooms at apartment, library. (iDPBG: Director, continuously)

FINDING NO: 17

EMPLOYMENT FUNCTION: HEALTH & SAFETY

FINDING TYPE: Immediate Action Required

Finding Explanation:

- Two out of three emergency exit doors from the TV room on the 2nd floor of outside male dormitory were locked.

Immediate Action:

All dormitories should be checked in order to make sure that all emergency exit doors are unlocked.

Local Law or Code Requirement:

Fire Prevention Law, Article 28; FLA Workplace Code (Health, Safety, and Environment Benchmarks HSE.5 and HSE.25)

Root Causes:

- Since dormitory is operated by a service provider and located outside of the factory premises, management thought that HSE activities there did not fall under their responsibility.
- Management is not aware of possible legal and financial consequences of accidents in the dormitories

Recommendations for Sustainable Improvement:

- Risk Analysis report should be revised to cover possible risks/emergencies in the dormitories.
- Develop and implement an effective internal monitoring procedure to ensure emergency exit doors in the dorms are unlocked at all times and a successful implementation of HSE activities in dormitories/ 8 months

Remediation Plan:

- Continuously implement effective internal monitoring procedures. (Apartment service agents, HSE committee and iDPBG: Director, Done and continuously)
- Meet with apartment service agents and review procedures to ensure that all emergency exit doors are unlocked. (Apartment service agents and iDPBG: Director, Done on 02/20/12)
- Enhance risk analysis report to cover all possible risks/emergencies in the apartments. (Apartment service agents, HSE committee and iDPBG: Director, 04/30/12)

FINDING NO: 18

EMPLOYMENT FUNCTION: HEALTH & SAFETY

FINDING TYPE: Immediate Action Required

Finding Explanation:

- Food Hygiene Permits of the two food service providers in the factory expired in December 2011.

Immediate Action:

- Food hygiene permits of the two food service providers should be renewed.

Local Law or Code Requirement:

Food Safety Law Article: 29, FLA workplace Code (Health, Safety, and Environment Benchmarks HSE.1 and HSE.22)

Root Causes:

- Management thinks that it does not have a role in food-related HSE activities as these involve independent service providers.
- Although the factory has obtained OHSAS 18001 certificate, and Health & Safety system is well developed as far as written policy and procedures are concerned, the implementation of the system is not effective in many

areas, arguably due to the ineffectiveness of the HSE committee and of the methodology and tools used for internal audits and routine HSE inspections, along with absence of an effective review process

- Most of the managerial staff interviewed mentioned that these issues have never been raised during external OHSAS 18001 audits.

Recommendations for Sustainable Improvement:

- Develop and implement an effective internal monitoring procedure to prevent expired hygiene permits and to ensure successful implementation of HSE activities by service providers/ 8 months

Remediation Plan:

- Expedite food hygiene permits of the two food service providers which are in a renewal process. (Food service providers, Corporate General Affair [CGA]: Manager and iDPBG: Director, 04/15/'12)
- Upgrade monitoring to prevent expiration of hygiene permits through proactive alert system installed for the renewal process of hygiene permit which are applied by food service providers; e-system will be coded with pre-alert capability. (Food service providers, CGA: Manager and iDPBG: Director, 11/30/'12)

FINDING NO: 19

EMPLOYMENT FUNCTION: ENVIRONMENTAL PROTECTION

FINDING TYPE: Sustainable Improvement Needed

Finding Explanation:

- There is no active waste management system in the factory for the waste generated in dormitories and cafeterias; all waste goes to municipal landfill without any attempt to separate hazardous and recyclable waste (e.g., batteries, cooking oil,...etc.).
- No separation of solid waste at the source; all solid waste goes to the waste collection area in a mixed form.

Local Law or Code Requirement:

Prevention and Control of Environmental Pollution by Solid Wastes Article: 58, FLA Workplace Code (Health, Safety, and Environment Benchmarks HSE.1, HSE 11; Employment Relationship Benchmark ER.31)

Root Causes:

- Although factory has a valid ISO 14001 Certificate and the environmental protection system has been developed at the documentation level, implementation issues were observed due to the lack of a comprehensive approach on environmental protection activities.
- Most of the managerial staff interviewed mentioned that these issues have never been raised during ISO 14001 external audits. No system for conducting periodic assessments for checking the environmental issues in the factory.
- Quality issues with ISO 14001 as they provide superficial information about environmental requirements to management and focus almost exclusively on documentation
- The HSE Committee is not active; HSE staff is trying to deal with all environmental issues rather than doing so in a collaborative effort with the HSE committee.
- No active worker representation and participation on HSE committee.
- No active system for encouraging workers to participate in ongoing HSE efforts.

Recommendations for Sustainable Improvement:

- Factory management should review and reconsider the performance of external consultant/service

Remediation Plan:

- Review and complete upgrading of performance evaluation of environment protection service

provider on environmental issues / 1 month

- Brand social compliance team should continue to check environmental issues in detail and help factory management to improve its overall performance on environmental protection issues / 1 month
- HSE worker representatives should be elected and management should encourage workers to participate in ongoing HSE efforts/ 3 months
- HSE Committee members should be trained on environmental issues / 6 months
- HSE committee should start working more actively on environmental issues combining efforts of different departments and providing elected worker representation / 7 months
- Prepare and implement an effective internal monitoring procedure to assess waste management and solid waste separation procedures to ensure successful implementation of written policy and procedures/ 8 months

providers. (iDPBG: Director, 04/30/'12)

- Review and enhance procedures of HSE committee to encourage the participation by worker representatives and implement meetings on a monthly basis. (iDPBG: Director, 04/30/'12)
- At a minimum once per year, review and upgrade as needed solid wastes management procedures and conduct periodic audit on the effectiveness of implementation. (HSE committee, iDPBG: Director, 04/15/'12 and continuously)
- Formulate and implement training program for HSE committee members. (HSE committee, Environmental Technology & Service Business Group [ETSBG]: Director and iDPBG: Director, 05/31/'12)
- Work on environmental enhancement programs with full participation by all stakeholders. (HSE committee, iDPBG: Director, 06/30/'12)
- Engage environmental protection work in campus with consultants to optimize the stream of waste management. (ETSBG: Director, 07/30/'12)
- Environmental practices have been a focus area in Apple supplier audit since 2011. Apple will work with suppliers on the continuous improvement and implementation of corrective actions. (Apple Supplier Responsibility: on-going)

FINDING NO: 20

EMPLOYMENT FUNCTION: ENVIRONMENTAL PROTECTION

FINDING TYPE: Immediate Action Required

Finding Explanation:

- There is a direct discharge connection to the factory's main discharge point over a storm water canal at the sludge car washing section.

Immediate Action:

Practice should be halted. Wastewater from sludge car washing section should be directed to wastewater treatment plant / 1 month

Local Law or Code Requirement:

Prevention and Control of Environmental Pollution by Solid Wastes Article: 58, FLA Workplace Code (Health, Safety, and Environment Benchmarks HSE.1, HSE 11, and Employment Relationship Benchmark ER.31)

Root Causes:

- Although factory has a valid ISO 14001 Certificate and the environmental protection system has been developed at the documentation level, implementation issues were observed due to the lack of a comprehensive approach on environmental protection activities.
- Most of the managerial staff interviewed mentioned that these issues have never been raised during external ISO 14001 audits.

- No system for conducting periodic assessments for checking the environmental issues in the factory.
- Quality issues regarding ISO 14001 audits, as they provide superficial information about environmental requirements to management and focus more closely on documentation.
- HSE Committee is not active; HSE staff is trying to deal with all environmental issues rather than doing so in a collaborative effort with the HSE committee.
- No active worker representation and participation on HSE committee.
- No active system for encouraging workers to participate ongoing HSE efforts.

Recommendations for Sustainable Improvement:

- Factory management should review and reconsider the performance of external consultant/service provider on environmental issues / 1 month
- Brand social compliance team should continue to check environmental issues in detail and help factory management to improve its overall performance on environmental protection issues / 1 month
- HSE worker representatives should be elected and management to encourage workers to participate in ongoing HSE efforts/ 3 months
- HSE Committee members should be trained on environmental issues / 6 months
- HSE committee should start working more actively on environmental issues combining efforts of different departments and providing elected worker representation / 7 months
- Prepare and implement an effective internal monitoring procedure to ensure proper wastewater discharge and to ensure successful implementation of written policy and procedures/ 8 months

Remediation Plan:

- Complete construction of project to redirect waste water drained from sludge car washing section to waste water treatment facility; in the meantime, relocate sludge car washing to an alternative waste water recyclable area. (iDPBG: Director, 04/20/12)
- Review and complete upgrading of procedure for Contractors Management in the Factory (HSE-iDPBG-SP-11) and performance evaluation of environment protection service providers. (iDPBG: Director, 04/15/12)
- Enhance procedures of HSE committee to encourage the participation by worker representatives and implement regular meetings on a monthly basis. (iDPBG: Director, 04/15/12)
- At a minimum once per year, review and upgrade as needed waste water treatment management procedures and conduct periodic assessment on the effectiveness of implementation. (HSE committee, iDPBG: Director, 04/15/12 and continuously)
- Formulate and implement training program for HSE committee members. (HSE committee, iDPBG: Director, 05/31/12)
- Work on environmental enhancement programs with full participation by all stakeholders. (HSE committee, iDPBG: Director, 06/30/12)
- Environmental practices have been a focus area in Apple supplier audits since 2011. Apple will work with suppliers on the continuous improvement and implement corrective actions. (Apple Supplier Responsibility: on-going)

FINDING NO: 21

EMPLOYMENT FUNCTION: ENVIRONMENTAL PROTECTION

FINDING TYPE: Sustainable Improvement Needed

Finding Explanation:

- No periodic control system in place to ensure that underground diesel tank is not leaking.
- Remains of diesel fuel spill contamination around underground diesel tank probably caused by

overflows during filling operations.

Local Law or Code Requirement:

Regulation for Safety of Dangerous Chemicals Article: 16, FLA Workplace Code (Health, Safety, and Environment Benchmark HSE.1, Employment Relationship Benchmark ER.31)

Root Causes:

- Although factory has a valid ISO 14001 Certificate and the environmental protection system has been developed at the documentation level, implementation issues were observed due to the lack of a comprehensive approach on environmental protection activities.
- Most managerial staff interviewed mentioned that these issues have never been raised during external ISO 14001 audits.
- No system for conducting periodic assessments for checking the environmental issues in the factory.
- Quality issues with ISO 14001 audits as they provide superficial information about environmental requirements to management and focus almost exclusively on documentation
- HSE Committee is not active; HSE staff is trying to deal with all environmental issues rather than doing so in a collaborative effort with the HSE committee.
- No active worker representation and participation on HSE committee.
- No active system for encouraging workers to participate in ongoing HSE efforts.

Recommendations for Sustainable Improvement:

- Factory management should review and reconsider the performance of external consultant/service provider on environmental issues / 1 month
- Brand social compliance team should continue to check environmental issues in detail and help factory management to improve its overall performance on environmental protection issues / 1 month
- HSE worker representatives should be elected and management should encourage workers to participate in ongoing HSE efforts/ 3 months
- HSE Committee members should be trained on environmental issues / 6 months
- HSE committee should start working more actively on environmental issues combining efforts of different departments and providing elected worker representation / 7 months
- Prepare and implement an effective internal monitoring procedure to prevent fuel leaks and contamination and to ensure successful implementation of written policy and procedures/ 8 months

Remediation Plan:

- Strengthen periodic monitoring on the possible leakage of underground fuel tanks and review the effectiveness of implementation of preventive actions to minimize the risks. (CGA: Manager, iDPBG: Director, 04/07/'12 and continuously)
- Work with an external consultant to identify proper methodology and standards to periodically monitor and control the integrity of diesel tank. (CGA: Manager, 04/30/'12)
- Formulate and implement training program for HSE committee members. (HSE committee, iDPBG: Director, 05/31/'12)
- Build recycling facility to collect possible spill and/or overflow contamination around fuel tank area. (CGA: Manager, 06/30/'12)
- Work on environmental enhancement programs with full participation by all stakeholders. (HSE committee, iDPBG, 06/30/'12)
- Offer environmental training lessons to HSE committee members by consultants. (ETSBG: Director, 09/30/'12)
- Environmental practices have been a focus area in Apple supplier audits since 2011. Apple will work with suppliers on the continuous improvement and implement corrective actions. (Apple Supplier Responsibility: on-going)

EMPLOYMENT FUNCTION: ENVIRONMENTAL PROTECTION

FINDING TYPE: Sustainable Improvement Required

Finding Explanation:

- Emission permits for Kitchen-Generator-Ovens-Ventilation System (extractors) are missing.
- Factory sends sludge of wastewater treatment plant to a landfill via a certified service provider; however, permit for usage of this landfill is missing.

Local Law or Code Requirement:

Prevention and Control of Atmospheric Pollution Law, Article 12; FLA Workplace Code (Health, Safety, and Environment Benchmark HSE.1; Employment Relationship, ER.31)

Root Causes:

- Although factory has a valid ISO 14001 Certificate and the environmental protection system has been developed at the documentation level, implementation issues were observed because there is no comprehensive approach to environmental protection activities.
- No system for conducting periodic assessments to check the environmental issues in the factory.
- Quality issues with ISO 14001 audits as they provide superficial information about environmental requirements to management and focus more closely on documentation.
- HSE Committee is not active; HSE staff is trying to deal with all environmental issues rather than doing so in a collaborative effort with the HSE committee.

Recommendations for Sustainable Improvement:

- Factory management should review and reconsider the performance of external consultant/service provider on environmental issues / 1 month
- Brand social compliance team should start checking environmental issues in detail and help factory management to improve its overall performance on environmental protection issues / 1 month
- Obtain emission permits for Kitchen-Generator-Ovens-Ventilation System (extractors) / 3 months
- Obtain permit for landfill usage / 3 months
- HSE committee should start working more actively on environmental issues with mutual efforts of different departments and provide worker representation with elected representatives/ 7 months
- Prepare and implement an effective internal monitoring procedure to prevent lack of emission permit and usage of landfill to ensure successful implementation of written policy and procedures/ 8 months

Remediation Plan:

- At a minimum once per year, implement analysis and monitoring of emission of Kitchen-Generator-Ovens-Ventilation System (extractors), and take corrective actions for any possible deficiency. (CGA: Manager and iDPBG: Director, Done on 08/19/'11 and continuously)
- Strengthen periodic monitoring on waste disposal and emission of Kitchen-Generator-Ovens-Ventilation System (extractors), and review the effectiveness of implementation of management system to minimize the risks. (CGA: Manager, iDPBG: Director, 04/15/'12 and continuously)
- Formulate and implement training program for HSE committee members. (HSE committee, iDPBG: Director, 05/31/'12)
- Work on obtaining a permit for the usage of landfill space which is held by a certified service provider under management by local government. Please refer to the government web site: <http://www.szpl.gov.cn/main/ghdt/tzgg/20060126013938.shtml>. (Corporate Service [CS]: Manager, iDPBG: Director, 06/30/'12)
- Work on environmental enhancement programs with full participation by all stakeholders. (HSE committee, iDPBG, 06/30/'12)

- Work with local government on obtaining emission permits for Kitchen-Generator-Ovens-Ventilation System (extractors) which are currently not issued by local government in Shenzhen. (CGA: Manager and iDPBG: Director, 11/30/'12)
- Environmental practices have been a focus area in Apple supplier audits since 2011. Apple will work with suppliers on the continuous improvement and implement corrective actions. (Apple Supplier Responsibility: on-going)

Appendix 1, Part 2

FACTORY NAME: **FU TAI HUA INDUSTRIAL (SHENZHEN) CO. LTD.**

BUSINESS UNIT NAME: **iDSBG (iPad/iMac Assembly Unit) Longhua**

FLA AFFILIATED BRAND IN PRODUCTION: **APPLE**

CITY/COUNTRY: **SHENZHEN / CHINA**

NUMBER OF WORKERS: **66,680**

DATE OF ASSESSMENT: **March 5-8, 2012**

SERVICE PROVIDER: **OPENVIEW**

NUMBER OF WORKERS INTERVIEWED ON-SITE: **200**

NUMBER OF WORKERS INTERVIEWED OFF-SITE: **60**

NUMBER OF MANAGERIAL STAFF INTERVIEWED: **30**

FINDING NO: 1

EMPLOYMENT FUNCTION: RECRUITMENT, HIRING AND PERSONNEL DEVELOPMENT

FINDING TYPE: Sustainable Improvement Needed

Finding Explanation:

- Factory requires workers –except short-term workers and interns – to sign a 3- year contract that provides for an extended probation period of 6 months. However, in the FLA benchmarks, the probation period limit is 3 months.

Local Law or Code Requirement:

FLA Workplace Code (Compensation Benchmarks C.3).

Root Causes:

- Since Apple only recently affiliated with the FLA, and has yet to fully align its policy and procedures as well as Code of Conduct with FLA standards and benchmarks, suppliers have not been communicated FLA requirements.
- China's Labor Contract Law Article 19 allows for an extended probation period of up to 6 months in three-year employment contracts.

Recommendations for Sustainable Improvement:

- Management should revise the employment contracts to limit maximum probation period to 3 months / 1 month
- Apple should align its current policy, procedures and Code of Conduct with FLA's standards and benchmarks / 3 months
- Management and worker representatives should be trained on revised policy and procedures / 9 months

Remediation Plan:

- Enhance job descriptions to define skill level requirements and relevant working experiences of critical work stations for the management of new-employee probation period. (CHR: Director and iDSBG: Director, 04/30 /'12)
- Revise policy and procedures regarding probationary period for newly recruited employees to limit the probation period 3 to 6 months based on relevant working experiences and skill level requirements of critical work stations. Furthermore, ensure consistency when issuing the employment contract and policy & procedure with regards to the probation period limit. (Corporate Human

Resources (CHR): Director and iDSBG: Director, 05/31 /'12)

- Continuously enhance policy and procedures for Recruitment & Hiring / HSE Protection / Management of Special Categories of Workers such as young workers (16 to 18 years old)/ elderly workers, pregnant/ lactating workers, trainees/ apprentices/ interns and employees with disabilities. (CHR: Director, Corporate Fire & Industrial Safety (CFIS): VP, HSE committee, iDSBG: Director; 05/31/'12)
- Train workers and management team on the revised policy and/or procedures; refresh training periodically as operations move forward. (iDSBG: Director, 06/30/'12)
- Apple will align its current policy, procedures and Code of Conduct with FLA's standards and benchmarks. (Apple Supplier Responsibility, 06/30/12)

FINDING NO: 2

EMPLOYMENT FUNCTION: RECRUITMENT, HIRING AND PERSONNEL DEVELOPMENT

FINDING TYPE: Sustainable Improvement Needed

Finding Explanation:

- During the review of job descriptions it was observed that there is an age requirement (older than 24 years old) for the Recruitment Interviewer position.
- Several inconsistencies were observed between business group- and factory-level policies and procedures dealing with Recruitment and Hiring that could potentially discriminate against protected classes of workers.
- Although there have been many changes implemented recently with respect to technical staff recruitment at the group-level, related procedure has not been reviewed and updated since February 22, 2008. Similarly, the terms of workers grades have been changed in practice, but the policy has not been updated accordingly.

Local Law or Code Requirement:

FLA Workplace Code (Nondiscrimination Benchmark ND.2; Employment Relationship Benchmark ER.1)

Root Causes:

- Since Apple only recently affiliated with the FLA, and has yet to fully align its policy and procedures as well as Code of Conduct with FLA standards and benchmarks, suppliers have not been communicated FLA requirements.
- Lack of a mechanism/procedure to ensure consistency in the creation and implementation of policy/ procedures from Business Group down to factory level and vice-versa.
- Internal monitoring system does not provide in-depth controls on possible quality issues in documentation on Employment Relationship.

Recommendations for Sustainable Improvement:

- Apple should align its current policy, procedures and Code of Conduct with FLA's standards and benchmarks / 3 months

Remediation Plan:

- Review and revise existing policy and procedures to ensure consistency among corporate, business group and factory levels. (CHR: Director and

- Corporate management should create a mechanism to align all policies and procedures across all Business Groups and factories, including provisions that would allow Business Groups and factories to provide feedback about changes in their policies and procedures, so that consistency is ensured / 6 months
- Management should revise Recruitment & Hiring policy and related procedures for addressing discrimination issues and eliminate group- and factory-level inconsistencies / 6 months
- An effective internal monitoring procedure should be established and implemented to ensure updating of written policy and procedures/ 9 months

iDSBG: Director, 04/30/'12)

- Review and revise Recruitment & Hiring policy/procedures to eliminate any potential discrimination, e.g., based on age. Develop objective criteria (such as educational achievement or work experience) to define qualifications for all job positions. (CHR: Director and iDSBG: Director, 04/30/'12)
- Enhance periodic monitoring on policy and procedures and document control to ensure internal documents are up-to-date.(iDSBG: Director, 04/30/'12 and continuously)
- Apple will align its current policy, procedures and Code of Conduct with FLA's standards and benchmarks. (Apple Supplier Responsibility, 06/30/12)

FINDING NO: 3

EMPLOYMENT FUNCTION: COMPENSATION

FINDING TYPE: Immediate Action Required

Finding Explanation:

- 5% of the workers interviewed mentioned that training and testing for working skills improvement performed after regular working hours are not treated as working hours and are not compensated.
- Most of the workers are asked to attend morning meetings, which take place about 10 minutes before the official start time. This is not official policy, but common practice in many sections. That meeting time is not treated as time worked and is not compensated accordingly.
- In some instances the factory did not pay unscheduled overtime if it was in fractions of 30 minutes. For example, a worker punching out at 7:53pm would not be paid for 23 minutes, based on how the computing system is set up.

Local Law or Code Requirement:

China Labor Law, Article 44, and FLA Workplace Code (Compensation Benchmarks C.5 and C.17; Employment Relationship Benchmark ER.28)

Immediate Action:

Management to ensure full payment of all hours of work including overtime (and fractions thereof), morning meetings and skills training after regular hours.

Root Causes:

- Training opportunities are seen as a benefit for workers; therefore time spent on them is not compensated. Furthermore, workers are not aware that all time spent at the factory under management supervision should be compensated.
- Hours of Work & Compensation policy and procedures do not include or reference treatment of time for attending testing session, team meetings, arriving to work early, and so on, and top management is not aware of these practices.
- These practices have never been raised during the external or internal audits.
- Workers lack awareness on factory's Hours of Work & Compensation policy and procedures.
- There is no system in place for evaluating the efficiency of the trainings provided or communication procedures.

Recommendations for Sustainable Improvement:

- Enhance Compensation and Hours of Work policies and procedures to address workers attending work-related meetings, early arrivals, etc. / 3 months
- Department managers and supervisors should be trained on enhanced Compensation and Hours of Work policy and procedures / 4 months
- Workers should be trained on enhanced Compensation and Hours of Work policy and procedures / 5 months
- An effective internal monitoring procedure should be established and implemented to prevent recurrence of this practice and to ensure successful implementation of written policy and procedures/ 6 months
- Effectiveness of the trainings and communication procedures should be checked periodically to gauge workers' awareness on wages and benefits / 6 months

Remediation Plan:

- Immediately review current payment practices to ensure full payment of all hours worked, including work-related meetings before and after regular working hours. (iDSBG: Director, 04/15/'12 and continuously)
- Enhance Compensation/Hours of Work policy and procedures to address workers' attendance at work-related trainings and meetings. (CHR: Director and iDSBG: Director, 04/30/'12)
- Workers will be compensated (regular hours or overtime) for all work-related mandatory training. Enforce that all work-related meetings are conducted on-the-clock during regular working time window. Workers will be informed and trained to understand policy that overtime is not payable for trainings that are not work-related or mandatory such as degree training programs supported by Foxconn, social skill trainings, training for personal hobbies, and so on. (CHR: Director and iDSBG: Director, 04/30/'12)
- Currently non-production workers apply and receive approval in advance for the amount of overtime to be worked. If an employee stays longer, he or she is required to obtain verification from management. Management will re-examine the overtime reconciliation process for indirect labor to determine what changes may need to be made. Additionally, management plans to reduce overtime blocks from 30 minutes to 15 minutes for greater granularity on compensation of work hours
- With respect to the pre-shift 10 to 15 minute assembly, management will develop a process to ensure employees receive compensation for these meetings if they happen prior to employee clocking in for work. (iDSBG: Director, 04/30/'12)
 - Synchronize time window for wage calculation of effective overtime to 15 minute window equivalent to time window for tardy and early leave as specified in current policy.
 - Strengthen the overtime hour validation process conducted by supervisors.
 - Encourage workers to fully utilize enquiry terminals in each and every building for their verification of attendance/overtime hours.

- Enhance overtime hours and wage administration of workers. (CHR: Director and iDSBG: Director, 04/30/'12 and continuously)
- Enhance internal monitoring system to ensure that actual implementation is aligned with policy and procedures. (iDSBG: Director, 05/31/'12)
- Train enhanced policy and procedures to department managers and supervisors. (iDSBG: Director, 06/30/'12)
- Train enhanced policy and procedures to the newly hired workers via orientation training and current workers via refresh training. (iDSBG: Director, 07/31/'12)
- Periodically conduct employee survey to confirm their awareness and perception on wages and benefits. (iDSBG: Director, 09/30/'12)

FINDING NO: 4

EMPLOYMENT FUNCTION: COMPENSATION

FINDING TYPE: Sustainable Improvement Needed

Finding Explanation:

- Although factory provides pension, medical and work related injury insurance to all workers, only local workers (approximately 1% of the total workforce) are covered under unemployment and maternity insurance. In practice, however, the Shenzhen Social Security system allows all female workers to register once they become pregnant and to receive maternity benefits without prior registration. http://www.szsi.gov.cn/sbjxxgk/zcfggfwj/zctw/200810/t20081008_729.htm
- During the assessment there were 126 interns in the factory; all of them were being provided with medical and work-related accident insurance, but not covered under unemployment, pension and maternity insurance. There are no clear guidelines about social security benefits for interns and an official statement by the Social Security Bureau indicates that employers do not have to provide social security benefit to interns as they are governed under the Guangdong Internship Regulations. http://www.szsi.gov.cn/bwbd/jjzs/qycbyw/201102/t20110217_3763.htm
- There are two types of interns: vocational school and college interns. There is a three-party agreement between the vocational schools, students and Foxconn that governs interns' tenure at Foxconn. The agreement stipulates that vocational interns are required to live in the dorms as a condition for their internship; even if they later decide not to live in the dorms, dormitory charges are still deducted from their wages. This practice is consistent with the employment agreement that vocational interns sign when they start working at the factory.

Local Law or Code Requirement:

China Labor Law, Article 73; and FLA Workplace Code (Compensation Benchmarks C.1, C.5; Forced Labor Benchmark F.5)

Root Causes:

- The Chinese Social Insurance Law requires that all workers enjoy five types of social insurance, namely pension, medical, maternity, work related injury and unemployment. However, unemployment insurance benefits can only be claimed by local Shenzhen workers. Workers from other provinces would not be able to claim their unemployment benefits even if registered and paid-up.
- Many workers do not demand social insurance because they believe they will not be able to transfer funds to

their hometowns.

- Workers and managers are not informed about the social insurance law and its requirements and benefits. Both the employer and the employee have to contribute to social for unemployment and pension, which are seen as an extra “cost” by both parties.
- The social insurance system is under development and local governments have not been monitoring compliance strictly.
- Interns are not considered employees in the labor law and the employer is not required to provide all.

Recommendations for Sustainable Improvement:

- Workers and management should be trained on the different social insurance coverage and protections/ 3 months
- Management should prepare and implement an action plan to ensure that all workers will be covered by all five types of social insurance within a three-year period. Target percentages for registration will be as follows:
 - First Year 33%
 - Second Year 66%
 - Third Year 100%

Remediation Plan:

- Work with Corporate Human Resources to research legal requirements and reasonable practice to implement social insurance for all employees that comply with national and local government law and regulations. (CHR: Director and iDSBG: Director, 03/31/'13)
- Urge Labor Union to conduct a survey to evaluate employees' preference on options for unemployment insurance for migrant workers in Shenzhen and maternity insurance for migrant female workers in Shenzhen; possible options are proposed below:(CHR: Director, Labor Union: Chairman and iDSBG: Director, 06/30/'12)
- Unemployment insurance for migrant workers in Shenzhen:
 - Enroll in alternative scheme (both employee and factory pay insurance fees; migrant employees receive benefits, insurance scheme to be determined).
 - Keep as is until Shenzhen government officially implements unemployment insurance policy for migrant workers (Draft has been reviewed by the Shenzhen government)
- Maternity insurance for migrant female workers in Shenzhen:
 - Maintain current practice of enrolling migrant workers in Government's Medical Insurance (only factory pay insurance fees; migrant female employees enroll in maternity insurance once they become pregnant and receive maternity benefits).
- Workers and management team to be trained on the various social insurance coverage and protections. (CHR: Director and iDSBG: Director, 06/30/'12 and continuously)
- Review policy and procedures regarding interns to assure free choice of lodging options; fees to be

handled according to intern's choice of lodging.
(CHR: Director and iDSBG: Director, 04/30/'12)

FINDING NO: 5

EMPLOYMENT FUNCTION: HOURS OF WORK

FINDING TYPE: Immediate Action Required

Finding Explanation:

- Interns are allowed to work overtime regularly without any restriction, therefore exceeding the 40 hours per week limit.

Local Law or Code Requirement:

Guangdong Province Internship Regulation, Article 22.5; and FLA Workplace Code (Employment Relationship Benchmark ER.1)

Immediate Action:

Factory management should stop the practice of allowing interns to work overtime hours and should not exceed 40 hours per week.

Root Causes:

- Management is not aware of the local regulation regarding working hours limit for interns.

Recommendations for Sustainable Improvement:

- Management should review and revise the Hours of Work policy and related procedures to prohibit interns from exceeding 40 hours of work per week / 3 months
- Interns and Management representatives should be trained on revised policy and procedures / 4 months
- An effective internal monitoring procedure should be established and implemented to prevent interns from exceeding the 40 hours per week limit to ensure successful implementation of written policy and procedures/ 9 months

Remediation Plan:

- Immediately stop overtime work by interns. (CHR: Director and iDSBG: Director, Done on 02/20/'12)
- Review and revise Hours of Work policy and procedures to prohibit interns from exceeding 40 hours of work per week. (CHR: Director and iDSBG: Director, Done on 03/15/'12)
- Formally announce and train interns and management team on revised policies and procedures. (CHR: Director and iDSBG: Director, 04/30/'12 and continuously)
- Enhance e-HR system on working hours monitoring for interns. (iDSBG: Director, 06/30/'12):
 - Automatically exclude interns from available candidate list for overtime arrangement.
 - Disable application functions for overtime in the system.
 - Report and monitor working hours data regularly to management.

EMPLOYMENT FUNCTION: HOURS OF WORK

FINDING TYPE: Sustainable Improvement Needed

Finding Explanation:

- Factory's hours of work policy and related procedures set the maximum weekly combined working hours (regular hours plus overtime) at 60 hours per week. This meets Apple and FLA code standards but violates local law which limits regular weekly hours to 40 hours per week and overtime hours to 36 hours per month (an average of nine hours per week).
- During the period between March 2011 and February 2012, most of the workers (77%) worked overtime beyond the legal limit of 36 hours per month.
- Most of the workers worked 60 hours per week (regular hours plus overtime) in early 2011, but this was not the case during the peak season. For example, from November 2011 to January 2012 8% of the workforce worked more than 60 hours and up to 70 hours per week.
- 37% of the workforce did not receive the required 24 consecutive hours of rest in a seven-day period during the peak season (November-December 2011 and January 2012).
- According to the factory's written hours of work procedures, workers are to be provided with 10-15 minutes of ergonomic breaks after every two consecutive hours of work; this procedure is not systematically implemented and many workers do not receive it.

Local Law or Code Requirement:

China Labor Law, Articles 38 & 41; and FLA Workplace Code (Hours of Work Benchmarks HOW.1, HOW.2.)

Root Causes:

- High turnover rate results in decreased levels of productivity and efficiency which in turn requires workers to work more hours to be able to meet the production targets.
- Labor shortage issues in Guangdong province mean factories need to request active workers to work more overtime.
- Production and capacity planning does not include safeguards to prevent workers from working more than 60 hours a week or to ensure workers are provided a day off within a 7 day work period.
- Although the current starting wage is 20% above the legal minimum wage, workers do not feel it is high enough to meet basic needs and provide some discretionary income. As a result, workers rely on OT hours.
- Insufficient oversight by buyer to address reasons behind overtime.
- Possible delays due to late delivery of components.

Recommendations for Sustainable Improvement:

- Close tracking and monitoring of hours of work on a weekly basis to ensure consistency with policy and procedures / continuous
- Factory management should revise its Hours of Work policy and related procedures to bring them in line with local law requirements / 3 months
- Workers and management representatives should be trained on revised policies and procedures / 5 months
- An effective internal monitoring procedure should be established and implemented to ensure that working hours are within legal limits and workers

Remediation Plan:

- Track and monitor hours of work on a weekly basis. (iDSBG: Director, Done on 01/01/'12 and Continuously)
- Immediately abide by the FLA and Apple code of conduct of no more than 60 working hours per week. (CHR: Director, Labor Union: Chairman and SHBG: Director)
- Put in place an aggressive program to achieve the limit of no more than 36 hours over time per month by July 1, 2013. This program will involve building sufficient infrastructure including more dormitories to accommodate the additional number of

are provided with ergonomic breaks/ 6 months

- Apple Sourcing and Supplier Responsibility teams should use the FLA Principles of Fair Labor Responsible Sourcing to work with Foxconn to identify and improve the materials and production planning processes that contribute to excessive overtime.
- Factory should improve forecasting and production planning to ensure hours of work limits are not exceeded. Facilitate close communication with customers to meet the demands based on actual capacity and based on legal compliance with local regulations and code of conduct/continuous
- Factory should look for ways to improve productivity and quality levels (such as using in line SPC system, preventive maintenance, individual performance evaluation systems, etc.) while reducing re-works and second quality ratios. It's important for these gains to be reflected in the monthly salaries of the workers. This could also help reduce OT work by increasing the output during the regular hours. / 1 year

workers required to reduce the overtime from 80 hours per month to no more than 36 hours per month as well as addressing compensation given the reduced hours. (CHR: Director, Labor Union: Chairman and iDSBG: Director, 07/01/'13)

- Formally announce the revised policy to all workers and management representatives via company newsletter, notice board, trainings, etc. (iDSBG: Director, 04/30/'12)
- Enhance e-HR system for overtime management and monitoring (iDSBG: Director, 06/30/'12):
 - Revise the upper limits for monthly and weekly working hours and continuous working days.
 - Pre-alert for imminent OT violations.
 - Automatic selection of the qualified candidates in compliance with legal limit.
 - Report and monitor OT data to management team on a weekly basis.
- Collaborate with customer to smooth production schedule, yield/quality improvement actions and overtime status. (iDSBG: Director, Continuously)
- Commit to continuously improve productivity and quality and find out the best practices for shift arrangement. (iDSBG: Director, On-going and continuously)
- Monitor consistency in implementing written policy regarding 10-15 minutes ergonomic breaks. (iDSBG: Director, Ongoing and Continuously)
- Apple will continue to work with Foxconn to understand and resolve all of the causes of excessive overtime, including the recommended actions above. In late 2011 Apple began focused weekly tracking and management of working hours across the supply chain, including Foxconn factories, that has already resulted in significant improvements. (Apple Supplier Responsibility, on-going)

EMPLOYMENT FUNCTION: INDUSTRIAL RELATIONS

FINDING TYPE: Sustainable Improvement Needed

Finding Explanation:

- Nearly all union committee members are managerial staff (30 of the union committee are either managers or supervisors, and only two representatives are workers, who were nominated by management). The Chairman of the local union is the factory's Purchasing Project Manager and the vice chairman is the Human Resources supervisor.
- Copy of current Collective Bargaining Agreement has not been provided to the workers, per FLA Benchmark ER.16.

Local Law or Code Requirement:

FLA Workplace Code (Freedom of Association Benchmarks FOA.2, FOA.10, FOA.11; Employment Relationship Benchmarks ER.16 and ER.26); Trade Union Act (2001); Shenzhen Municipal Implementing Regulations for the Trade Union Law of the People's Republic of China

Root Causes:

- Since Apple has only recently affiliated with the FLA and has yet to align its policy and procedures as well as its Code of Conduct with FLA standards, suppliers have not been communicated the requirement of distributing a Collective Bargaining Agreement to workers.
- It is not a legal requirement in China to provide a copy of the Collective Bargaining Agreement to workers.

Recommendations for Sustainable Improvement:

- A copy of Collective Bargaining Agreement should be provided to the workers / 3 months
- Apple should align its current policy, procedures and Code of Conduct with FLA standards and benchmarks / 3 months
- Management should create and implement Industrial Relations policy and procedures that would enable workers to consult with and provide input to management through appropriate structures to be developed for this purpose / 4 months
- Workers and Management representatives should be trained on revised policies and procedures / 5 months
- Union committees should be comprised of representatives nominated and elected by workers without management interference as set out in the Shenzhen Municipal Implementing Regulations for the Trade Union Law of the People's Republic of China. Apple staff should observe the election processes. / 6 months
- Elected worker representatives should be placed in all existing and future committees (e.g., Health and Safety Committee, Disciplinary Committee) and these committees will be actively involved in the

Remediation Plan:

- Determine the optimal way to convey contents of the Collective Bargaining Agreement to employees considering the massive numbers of employees (1,2 million) working at Foxconn.(CHR: Director, Labor Union: Chairman and iDSBG: Director, 05/31/'12)
 - Print contents of Collective Bargaining Agreement on employee handbook, and/or
 - Post on data base where workers can access on line through terminals on shop floor or internet devices, and/or
 - Always post contents of Collective Bargaining Agreement on bulletin boards.
- Review Industrial Relations policy and procedures with Labor Union and workers' representatives to enhance worker participation in policies formation process.(CHR: Director and iDSBG: Director, 06/30/'12)
- Labor Union to review formation of Labor Union committees according to the Shenzhen Municipal Implementing Regulations for the Trade Union Law; and to encourage the participation of worker representatives in the election of Labor Union committees without management's interference. (Labor Union: Chairman and iDSBG: Director, 06/30/'12)

- Workers and Management representatives will be trained on the revised policy and procedures (Labor Union: Chairman and iDSBG: Director, 06/30/'12)
 - Conduct a dedicated session for Labor Union and make introduction of Labor Union staff and relevant representatives of Labor Union committee in new employee orientation training.
 - Organize refresh training for employees to enhance the participation of workers in the activities of the Labor Union.
- Monitor the level of participation of elected worker representatives in various Union committees and survey the perception of Labor Union members to determine upgrading strategies going forward (Labor Union: Chairman and iDSBG: Director, 10/31/'12)
- Apple will align its current policy, procedures and Code of Conduct with FLA's standards and benchmarks. (Apple Supplier Responsibility, 06/30/12)
- Apple will evaluate alternatives for independent monitoring of the election process (09/30/12)

FINDING NO: 8

EMPLOYMENT FUNCTION: INDUSTRIAL RELATIONS

FINDING TYPE: Sustainable Improvement Needed

Finding Explanation:

• Article 113-64 of the work rules in the worker handbook stipulates that workers would be fired in case of an involvement in a strike. Although this provision has not been applied and there have been no cases of dismissal owing to this article, it should be removed as it is in violation of an FLA benchmark.

Local Law or Code Requirement:

FLA Workplace Code (Employment Relationship Benchmarks ER.26, Freedom of Association Benchmarks FOA.4, FOA.5, and FOA.22); Shenzhen Municipal Implementing Regulations for the Trade Union Law of the People's Republic of China

Root Causes:

- Since Apple only recently affiliated with the FLA and has yet to align its policy and procedures as well as its Code of Conduct with FLA standards, suppliers have not been communicated this requirement. This practice is in line with local law and regulations but is in violation of FLA standards.
- Chinese law does not recognize the right to strike and factory management stated that this is the reason for Article 64 in the work rules.
- This issue has never been brought to the attention of the factory management during external audits.

Recommendations for Sustainable Improvement:

- Apple should align its current policy, procedures and Code of Conduct with FLA's standards and benchmarks / 3 months

Remediation Plan:

- Immediately remove "illegal strike" from Article 113-64 of employee handbook and inform the Labor Union and all employees about the change; the

- Management should revise the Workplace Conduct and Discipline policy and related procedures to remove article 113-64 from the work rules/ 6 months
- Workers and Management representatives should be trained on revised policy and procedures / 9 months
- Management should adopt rules for the treatment of workers who engage in a work stoppage. These rules will be based on international and Chinese best practices / 9 months
- An effective internal monitoring procedure should be prepared and implemented to prevent recurrence of this practice and to ensure successful implementation of written policy and procedures/ 9 months

- most updated statements will be printed on the next edition of the employee handbook. (CHR: Director, 04/15/'12)
- Train workers and management representatives on the revised policy and procedures. (iDSBG: Director, 04/30/'12)
- Enhance management trainings on how to resolve work stoppages based on international and Chinese best practices. (iDSBG: Director, 06/30/'12)
- Implement periodic internal monitoring to ensure successful implementation of written policy and procedures. (iDSBG: Director, 06/30/'12 and continuously)
- Apple will align its current policy, procedures and Code of Conduct with FLA's standards and benchmarks. (Apple Supplier Responsibility, 06/30/12)

FINDING NO: 9

EMPLOYMENT FUNCTION: WORKPLACE CONDUCT & DISCIPLINE

FINDING TYPE: Immediate Action Required

Finding Explanation:

- It was observed that there is a practice of posting all disciplinary actions with names of the workers subjected to these disciplinary actions on the factory's website and notice boards.
- Gathered information indicates that workers are using the "self-description form" as a form of self-criticism.

Local Law or Code Requirement:

FLA Workplace Code (Harassment or Abuse Benchmark H/A.6)

Immediate Actions:

- Factory management should stop the practice of publishing disciplinary actions with workers' names and communicate its discontinuance to the workers; workers should be trained on proper use of the "self-description form."

Root Causes:

- Since Apple only recently affiliated with the FLA and has yet to align its policy and procedures and Code of Conduct with FLA standards, suppliers have not been communicated this requirement. This practice is in line with local law and regulations but is not in compliance with FLA standards.
- Although there is a detailed Disciplinary System in place which includes written policy & procedures and a Disciplinary Committee, there are still some important components missing. In the current system, disciplinary penalties and appeal processes are under the sole control of management and there is no oversight mechanism or means to appeal a disciplinary action is not clear to workers.

Recommendations for Sustainable Improvement:

- Apple should align its current policy, procedures and Code of Conduct with FLA's standards and benchmarks / 3 months
- Management should review and revise Workplace

Remediation Plan:

- Review and revise Workplace Conduct and Discipline policy and procedures to eliminate the possibility of posting the names of workers that have been the subject of disciplinary actions, e.g.,

Conduct and Discipline policy and related procedures to eliminate the possibility of posting the names of workers that have been imposed disciplinary actions / 6 months

- Workers and Management should be trained on revised policy and procedures, including the main objective of and how to fill out the “self-description form”/ 9 months
- An effective internal monitoring procedure should be established and implemented to prevent recurrence of this practice and to ensure successful implementation of written policy and procedures/ 9 months

removing workers’ names prior to posting. (CHR: Director and iDSBG: Director, 03/31/’12)

- Enhance the Discipline module of the e-HR system to make sure there is confidentiality during the whole process.(iDSBG: Director, 03/31/’12)
- Train all workers and relevant management representatives on revised policies and procedures. (CHR: Director and iDSBG: Director, 04/30/’12)
- Enhance internal monitoring frequency on disciplinary process to ensure successful implementation of the written policy and procedures. (iDSBG: Director , 06/30/’12 and continuously)
- Apple will align its current policy, procedures and Code of Conduct with FLA’s standards and benchmarks. (Apple Supplier Responsibility, 06/30/12)

FINDING NO: 10

EMPLOYMENT FUNCTION: GRIEVANCE SYSTEM

FINDING TYPE: Sustainable Improvement Needed

Finding Explanation:

- There is inconsistency in procedures regulating how to lodge a grievance. For example, the grievance procedures suggest that grievances can be anonymous whereas Article 140 of the worker handbook stipulates that the company does not accept anonymous grievances.
- No instructions at the suggestion boxes.
- Some workers are not comfortable using the grievance system because of fear of retribution and pressure from supervisors to quit if they lodge one or more complaints.

Local Law or Code Requirement:

FLA Workplace Code (Employment Relationship Benchmarks ER.25)

Root Causes:

- Since Apple has only recently joined the FLA and has yet to revise its policy and procedures and its Code of Conduct. Suppliers have not been communicated FLA requirements.
- Lack of understanding on how the grievance system functions and fear of retaliation which is mainly caused by inconsistencies at a policy level.
- These issues have never been raised during previous external audits.
- There is no worker representation and integration on current Grievance policy and procedures therefore workers do not trust in these systems.
- There is no established system for evaluating the effectiveness of the trainings provided or communication procedures in place.

Recommendations for Sustainable Improvement:

- Management should train all workers as well as supervisory and managerial staff on the factory’s grievance system / 3 months

Remediation Plan:

- Use a variety of means (emails, bulletin board, posters, trainings, meetings and so on) to inform workers and management about grievance channels

- Apple should align its current policy, procedures and Code of Conduct with FLA's standards and benchmarks / 3 months
- Effectiveness of the trainings and communication procedures should be checked periodically to gauge workers' awareness on factory's Grievance policy and procedures / every 6 months
- Elected worker representatives should be placed on the Grievance Committee so that they can provide active worker representation and involvement on decision-making process about grievance related issues. / 7 months
- Workers and management representatives should be trained on revised policy and procedures / 9 months
- An effective internal monitoring procedure should be prepared and implemented to prevent recurrence of this issue and to ensure successful implementation of written policy and procedures/ 9 months

- and counseling procedures (iDSBG: Director, 04/30/'12)
- Conduct periodic employee surveys to assess awareness and perception of grievance system. (iDSBG: Director, 06/30/'12)
- Enhance the consistency in policies and procedures on how to handle grievances at the business group and factory level. (CHR: Director and iDSBG: Director, 04/30/'12)
- Elected worker representatives will be placed in Workers' Committee so that they can provide active worker representation and involvement on decision-making process about grievance related issues. (iDSBG: Director, 06/30/'12)
- Workers and management representatives will be trained on revised policy and procedures. (iDSBG: Director, 05/31/'12)
- Enhance monthly internal monitoring to ensure implementation is in alignment with written policy and procedures. (CHR: Director and iDSBG: Director, 06/30/'12 and continuously)
 - Establish and periodically review Key Performance Indicators (KPIs) to gauge the effectiveness of grievance system and workers' perception.
 - Identify root causes for any gaps of grievance system and workers' perception, and take continuous improvement actions.
- Review and implement a comprehensive mechanism to protect employees from retaliation and to prevent managers from retaliating against employees. (CHR: Director, Labor Union: Chairman and iDSBG: Director, 06/30/'12)
- Apple will align its current policy, procedures and Code of Conduct with FLA's standards and benchmarks. (Apple Supplier Responsibility, 06/30/12)

FINDING NO: 11

EMPLOYMENT FUNCTION: TERMINATION & RETRENCHMENT

FINDING TYPE: Sustainable Improvement Needed

Finding Explanation:

- There are no written policies or procedures governing retrenchment and resignation.

Local Law or Code Requirement:

FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.19, and ER.32)

Root Causes:

- Since Apple only recently affiliated with the FLA and has yet to align its policy and procedures as well as its Code of Conduct with FLA standards, suppliers have not been communicated this requirement. This practice is in line with local law and regulations but is in violation of FLA standards.
- It is not a legal requirement in China for factories to have retrenchment policy and procedures.
- Factory management stated that they have never experienced, they do not need policy and procedures on retrenchment.
- This issue has never been brought to the attention of the factory management during external audits.

Recommendations for Sustainable Improvement:

- Apple should align its current policy, procedures and Code of Conduct with FLA's standards and benchmarks / 3 months
- Management should revise current Termination policy and related procedures to include retrenchment and resignation / 6 months
- Workers and Management representatives should be trained on revised policy and procedures / 9 months
- An effective internal monitoring procedure should be prepared and implemented to ensure consistent implementation of written policy and procedures/ 9 months

Remediation Plan:

- Revise current Termination policy and procedures to include retrenchment, resignation and retirement. (CHR: Director, 04/30/'12)
- Train workers and management representatives on the revised Termination policy and procedures. (CHR: Director, 06/30/'12)
- Conduct periodic internal monitoring to ensure consistent implementation of written policy and procedures. (CHR: Director and iDSBG: Director, 06/30/'12)
- Apple will align its current policy, procedures and Code of Conduct with FLA's standards and benchmarks. (Apple Supplier Responsibility, 06/30/12)

FINDING NO: 12

EMPLOYMENT FUNCTION: HEALTH & SAFETY

FINDING TYPE: Sustainable Improvement Needed

Finding Explanation:

- General Health & Safety policy does not cover protection of special categories of workers such as young (16 to 17 years of age)/elderly workers, pregnant/lactating workers, trainees/apprentices/interns and employees with disabilities.
- No procedure for controlling thermal comfort conditions of the workers and protecting them from potential heat-related impact.
- No lock out/tag out (LOTO) procedures for protecting workers from hazardous equipment that might accidentally turn on and harm them.
- List of machines that require guarding is missing.
- Incomplete Material Safety Data Sheets (MSDS) of chemical substances in use that do not cover all necessary information about the chemicals such as ingredients and full chemical composition.
- No confined space procedure (although the work for which such procedures were applicable was being conducted by a contractor.)
- No periodic control system for checking health and safety of contractors who work in the factory, such as in construction, maintenance, or waste handling.
- Emergency action plans do not cover external parties, such as service providers or visitors.

Local Law or Code Requirement:

FLA Workplace Code (Health, Safety, and Environment Benchmarks HSE.1, HSE.11, and HSE.14; Employment

Relationship Benchmarks ER.14 and ER.31)

Root Causes:

- Although the factory has obtained OHSAS 18001 certificate, and Health & Safety system is well developed as far as written policy and procedures are concerned, the implementation of the system is not effective in many areas, arguably due to the ineffectiveness of the HSE committee and of the methodology and tools used for internal audits and routine HSE inspections, along with absence of an effective review process.
- Most of the managerial staff interviewed mentioned that these issues have never been raised during OHSAS 18001 external audits
- No active worker representation and participation on HSE committee.
- No active system for encouraging workers to participate in ongoing HSE efforts.
- Risk Analysis report does not cover all hazards and risks in the factory.
- Management is not aware of possible legal and financial consequences of work accidents and occupational diseases that may happen within the factory, including involving service providers/contractors.

Recommendations for Sustainable Improvement:

- Include review of outstanding HSE issues and corrective actions in annual “Management Review” of the HSE system and regular HSE committee meetings./ 3 months
- Revise procedures so that HSE worker representatives are elected and promote worker participation in HSE efforts such as implementing a system for collecting problems/observations/ feedback from workers or letting workers participate in Risk Assessment studies. /3 months
- Develop policies and procedures to control HSE of contractors who work in the factory, such as in construction, maintenance, or waste handling. /3 months
- Develop and implement thermal comfort control procedure with at least the following details:/6 months
 - Definition of required heat-related measurements
 - Allowances for workers to take heat-related breaks as needed
 - Periodical measurements of thermal conditions including humidity and temperature in areas where heat risks are high
 - Steps to reduce potential negative heat-related impact
 - Develop and implement Lock out-Tag out procedure with at least the following details:/6 months
 - Identification of equipment, tasks (e.g., installation, maintenance, inspection, cleaning or

Remediation Plan:

- Include ongoing HSE issues and corrective actions in the agenda of annual “Management Review” of the HSE system and regular HSE committee meetings.(Foxconn Global Social & Environmental Responsibility (FGSC):Executive Director, HSE Committee, iDSBG:Director, Done on 03/31/12)
- Revise and expand coverage of emergency action plans to cover external parties such as service providers or visitors with clear guidelines that define standards and methodologies to ensure their safety in case of an emergency. (HSE Committee and iDSBG: Director, 04/30/12)
- Review and enhance procedures of Health, Safety & Environment (HSE) committee to encourage participation by worker representatives and implement regular meetings on a monthly basis. ((iDSBG: Director, 05/31/12)
- Enhance annual training plan for HSE staff and HSE worker representatives to improve their knowledge and skills on detecting & managing potential risks. (HSE committee, iDSBG: Director, 05/31/12)
- Develop comprehensive policies at the Foxconn Corporate level to manage safety and health issues of contractors who work in the factory, such as in construction, maintenance, or waste handling. (iDSBG:Director 06/30/12)
- The following items should be managed by additional policies and procedures: (HSE Committee, CHR: Director, CHD Director, iDSBG: Director, 06/30/12)

repair of machinery or equipment)

- Identification of associated hazards resulting from uncontrolled hazardous energy sources
- Evaluation of risks associated with hazardous energy
- Control measures to reduce or eliminate the risks
- Develop and implement Confined Space procedure with at least the following details:/6 months
 - Identification of confined spaces and categories within the campus
 - Associated hazards resulting from uncontrolled operations in confined spaces
 - Evaluation of risks associated with confined space
 - Control measures to reduce or eliminate the risks
- Prepare list of machines that need guards and periodically update list /6 months
- Revise MSDS for four chemicals and the overall chemical management system to make sure that all below listed information about chemicals is included:/6 months
 - Chemical Product and Company Information
 - Composition/Ingredients
 - Hazards Identification
 - First Aid Measures
 - Fire Fighting Measures
 - Accidental Release Measures
 - Handling & Storage
 - Exposure Controls/Personal Protection
 - Physical and Chemical Properties
 - Stability and Reactivity
 - Toxicological Information
 - Ecological Information
 - Disposal Considerations
 - Regulatory Information
 - Other Information
- Revise and expand action plans to cover external parties such as service providers or visitors with clear guidelines that define how to ensure their safety in case of an emergency. / 6 months
- Risk Analysis report should be revised through joint efforts of the below-listed

- Procedures for protection of Elderly Employee
- Procedures for protection of workers with disability.
- HSE committee to enhance Risk Assessment report through joint efforts by the following participants: (HSE committee and iDSBG: Director, 06/30/'12)
 - External Consultant
 - Brand Social Compliance Department Representatives
 - Plant Manager
 - HR Manager
 - SER Specialist
 - Worker Representatives
 - Maintenance Department representative
 - Clinic Doctor (from Health Center in the campus)
 - Enhance HSE policy and procedures with respect to the following items to be continuously implemented and strengthened (Corporate Fire & Industry Safety (CFIS): VP, HSE Committee, iDSBG: Director, 06/30/'12 and continuously)
 - Procedures for Young Workers (16 to 17 years old) Protection Management: HRD20120228A
 - Young Workers (16 to 17 years of age) Special Protection Management: SR-OP-003
 - Procedures for Female Worker Protection Management: HR-01-20-WI
 - Procedures for Disabled Workers' Recruitment and Management: HRD20120217A
 - Procedures for contractors in the factory: EHS-iDSBG-SP-11
 - Procedures for High Above Ground Work (Fall Protection) Regulation: CFIS-OP-00020
 - Procedures for Lockout/Tag out management: EHS-iDSBG-OP-061
 - Procedures for Thermal comfort control procedures: EHS-iDSBG-OP-054
 - Procedures for HSE staff and worker representatives training: EHS-iDSBG-SP-08
 - Procedures for internal monitoring: EHS-iDSBG-OP-056
 - List of complete sets of analysis on all equipment requiring guarding or any safety devices.
 - MSDS information enhancement by suppliers

participants: / 7 Months

- External Consultant and/or Brand Social Compliance Department Representatives
- Factory Manager
- HR Manager
- Person Responsible for Social Compliance
- Elected HSE Worker Representatives
- Maintenance Department representative
- Workplace Doctor (from hospital on the campus)
- Prepare annual training plan for HSE staff and HSE worker representatives to improve their knowledge and skills in detecting & managing potential risks. /6 months
- Prepare and implement an internal monitoring program that would include thermal conditions, Lock out-Tag out, machine guarding, and confined space. / 8 months

- Enhance internal monitoring program that specifically emphasize thermal conditions, LOTO, machine guarding, fall protection, complete MSDS, and emergency action plan coverage. (HSE committee and iDSBG: Director, 06/30/'12)

FINDING NO: 13

EMPLOYMENT FUNCTION: HEALTH & SAFETY

FINDING TYPE: Sustainable Improvement Needed

Finding Explanation:

- Although there is an HSE committee in place, this committee is not active. There are no periodic meetings or internal audits conducted by this committee. Currently, the committee only holds meetings for some special cases.
- There is no worker participation and integration on ongoing HSE efforts, as there are no elected worker representatives on HSE committee (all current members were selected by management).
- Accident records only cover serious accidents (accidents with lost working time) but not all the accidents and near miss cases.
- No system for keeping track of sickness and working day lost due to sickness.

Local Law or Code Requirement:

Food Safety Law Article: 29,; Trade Union Act; FLA Workplace Code (Health, Safety, and Environment Benchmark HSE.1; Employment Relationship Benchmark ER.31)

Root Causes:

- Although the factory has obtained OHSAS 18001 certificate, and Health & Safety system is well developed as far as written policy and procedures are concerned, the implementation of the system is not effective in many areas, arguably due to the ineffectiveness of the HSE committee and of the methodology and tools used for internal audits and routine HSE inspections, along with absence of an effective review process.
- No active worker representation and participation on HSE committee.
- No active system for encouraging workers to participate in ongoing HSE efforts.
- Management lacks awareness about possible benefits of keeping records of all work accidents, sicknesses and near miss cases
- Management lacks awareness about possible benefits of having elected worker representatives in HSE committee.

Recommendations for Sustainable Improvement:

- Revise procedures that define working areas/role/responsibility of HSE committee in order to activate the committee. New procedures should clearly define meeting frequency as at least once in a month along with additional number of days required for periodical internal audits, possible training participation, etc./3 months
- Improve record-keeping procedure to make sure that all work accidents, regardless of severity, all near miss cases and sicknesses are recorded in order to identify potential hazards/risks within the workplace and provide meaningful information for Risk Assessment studies. /3 months
- Hold an election – without management interference – to elect worker representatives to the HSE committee. Brand’s social compliance team should observe the election process. / 6 months

Remediation Plan:

- Review and enhance procedures of HSE committee to encourage the participation by worker representatives and other stakeholders and periodically implement regular meetings on monthly basis and specific project review meetings as needed; the missions , goals, milestones and working plan of HSE committee will be comprehensively defined. (FGSC:Executive Director, HSE committee and iDSBGDirector, 04/30/’12)
- Review and enhance CFIS-OP-00013(Foxconn Safety Accidents Responsibility Procedure) and EHS-iDSBG-OP-043(Work related injury/death disposition and insurance procedure) by amending to include near-miss cases. (CFIS: VP and iDSBG: Director, 05/31/’12)
- Review and enhance record-keeping procedures for sickness leaves, accidents, near-miss cases and lost working days to be used for purposes such as potential hazards/risks assessments as well as root causes elimination.(iDSBG Director, 04/30/’12)
- Enhance procedures of HSE committee formation process to encourage the participation by worker representatives.(iDSBG Director, 05/31/’12)
- Apple will evaluate alternatives for independent monitoring of the election process (Apple Supplier Responsibility, 09/30/12)

FINDING NO: 14

EMPLOYMENT FUNCTION: HEALTH & SAFETY

FINDING TYPE: Immediate Action Required

Finding Explanation:

- No protective barrier for fuel pumps.
- Rear gear sound alarm of the some forklift trucks was missing or not operational; maximum load sign and speed limitation signage should be installed.

Local Law or Code Requirement:

Code of Design of Manufacturing Equipment Safety and Hygiene, Article: 6.1.6; FLA Workplace Code (Health, Safety, and Environment Benchmark HSE 3.2, HSE 14.1, and Employment Relationship Benchmark ER.31)

Immediate Actions:

- Protective barriers to be placed around fuel pumps for protection against potential truck or forklift crash.
- Update the equipment maintenance system, and maintain the forklift truck well.

Root Causes:

- Although the factory has obtained OHSAS 18001 certificate, and Health & Safety system is well developed as far as written policy and procedures are concerned, the implementation of the system is not effective in many areas, arguably due to the ineffectiveness of the HSE committee and of the methodology and tools used for internal audits and routine HSE inspections, along with absence of an effective review process.

- No active worker representation and participation on HSE committee.
- No active system for encouraging workers to participate in ongoing HSE efforts.
- Management lacks awareness about possible benefits of keeping records of all work accidents, sicknesses and near miss cases.
- Equipment maintenance did not cover forklift trucks.

Recommendations for Sustainable Improvement:

- Revise procedures that define working areas/role/responsibility of HSE committee in order to activate the committee. New procedures should clearly define meeting frequency as at least once in a month along with additional number of days required for periodical internal audits, possible training participation, etc./3 months
- Improve record-keeping procedure to make sure that all work accidents, regardless of severity, all near miss cases and sicknesses are recorded in order to identify potential hazards/risks within the workplace and provide meaningful information for Risk Assessment studies. /3 months

Remediation Plan:

- Setup protective barriers around fuel pumps. (CFIS: Director, Done)
- Stick maximum load sign & Speed limitation signage on forklift trucks immediately. (iDSBG: Director, Done)
- Upgrade inspection/maintenance procedures for all vehicles (trucks, forklift trucks, pallet trucks) to ensure that periodic inspections and maintenance are done on a timely basis (HSE committee and iDSBG: Director, 04/30/'12)
- Revise and continuously enhance procedures to define working areas/role/responsibility of HSE committee and implement regular meetings on a monthly basis. (FGSC: Executive Director, HSE Committee, iDSBG: Director, 06/30/'12)

FINDING NO: 15

EMPLOYMENT FUNCTION: HEALTH & SAFETY

FINDING TYPE: Immediate Action Required

Finding Explanation:

- No protective shoes worn by workers operating forklift truck or working in the pallet moving areas; none of the forklift truck drivers were using their seat belts; tires of some forklift trucks were worn out;
- Hearing protectors (ear plugs) not used appropriately by workers;
- EHS-iDSBG-OP-011 PPE Management Procedure (6.7) states that “In principle, no PPE should be replaced or requested during the normal usage life span.”
- Thin, simple activated carbon paper masks were selected as PPE to reduce VOC exposure, which is an improper PPE selection that does not provide effective protection;
- The half-face activated carbon masks in Chemical Warehouse were not accredited by local authority.

Local Law or Code Requirement:

People’s Republic of China on the Prevention and Treatment of Occupational Diseases, Article 23; Law of the People’s Republic of China on Production Safety, Article: 37, and FLA Workplace Code (Health, Safety, and Environment Benchmark HSE.7; Employment Relationship Benchmark ER.31)

Immediate Actions:

- Provide protective shoes to workers operating forklift truck or working in the pallet moving areas. Ensure that all forklift truck drivers use their seat belts while operating the vehicles and maintain tires in good condition.
- Hearing protectors (ear plugs) not used appropriately by workers;
- Ensure that workers use hearing protectors when required.
- Ensure use of proper carbon masks in the Chemical Warehouse.

Root Causes:

- Although the factory has obtained OHSAS 18001 certificate, and Health & Safety system is well developed as far as written policy and procedures are concerned, the implementation of the system is not effective in many areas, arguably due to the ineffectiveness of the HSE committee and of the methodology and tools used for internal audits and routine HSE inspections, along with absence of an effective review process.
- No active worker representation and participation on HSE committee.
- No active system for encouraging workers to participate in ongoing HSE efforts.
- Management is not aware of possible legal and financial consequences of work accidents and occupational diseases.
- Workers' awareness on importance of using PPEs is low. Also workers do not know how to report unsafe PPEs.

Recommendations for Sustainable Improvement:

- PPE selection and management procedures should be revised and all HSE committee members (including elected worker representatives) should actively participate in the selection process / 3 months
- Management and workers should be trained on the subject of knowledge of work accidents, occupational disease and PPE / 4 months
- Workers should be trained to raise their awareness on importance of PPE usage; positive incentives to encourage PPE use (like employee of the month selection) would be useful / 6 months
- HSE committee should check all PPEs in use with respect to results of the workplace environment measurements and revised risk assessment study. Primary concern of HSE committee is to reduce/isolate possible risks at their source with engineering studies rather than direct suggestion of PPE usage. / 9 months
- Management should revise the PPE Procedure (EHS-iDSBG-OP-011 PPE Management Procedure 6.7) to allow for the possibility of replacing worn-out PPE free of charge to workers even within the normal usage life span.

Remediation Plan:

- Immediate actions on forklift truck:
 - Provide protective shoes to all workers operating forklift truck or working in the pallet moving areas. (iDSBG: General Affairs (GA) Director, Done already)
 - Re-emphasize the importance of use of seat belts and other safety requirements and mandate drivers use seat belts. (Corporate General Affairs (CGA): Director, Done on 03/24/'12 and continuously)
 - Install fire extinguishers in all forklift trucks. (CGA: Director, 06/30/'12)
 - Inspect all forklift truck tires and replace worn out tires immediately. (CGA: Director, Done on 03/25/'12 and continuously)
- Revise "Personal Protective Equipment Management Procedure" to allow for the replacing worn-out PPE free of charge to workers even within the normal usage life span (CFIS: Director, iDSBG: Director, 04/30/'12)
- Mandate and ensure workers with proper PPE (e.g., hearing protectors, mask, etc) when required (e.g., working in chemical warehouse). (iDSBG: Director, Done on 03/25/'12 and continuously) (CFIS: Director, iDSBG: Director, 04/30/'12)
- Conduct occupational health and safety training to workers and management raising their awareness

about the use of PPE; promote proper PPE use through team activities and recognition programs. (iDSBG: Director, CPH: Director, 05/31/'12)

- Review and enhance procedures of HSE committee to encourage the participation by worker representatives and implement regular meetings on a monthly basis. (iDSBG: Director, 06/30/'12)
- Enhance PPE selection procedures in accord with China Labor Protective Equipment Selection Principle with participation by HSE committee and workers representatives to ensure PPE selected in compliance with regulations and/or standards (HSE committee and iDSBG: Director, CHD: Director, 04/30/'12)
- HSE committee to conduct engineering studies to identify the optimal PPE to reduce/isolate possible risks at their sources for bottom line results on workplace environment measurements, such as non-active-carbon-lined mouth mask for the sole purpose of product protection only. (HSE committee and iDSBG: Director, 05/30/'12)

FINDING NO: 16

EMPLOYMENT FUNCTION: HEALTH & SAFETY & ENVIRONMENT

FINDING TYPE: Sustainable Improvement Needed

Finding Explanation:

- Exit (egress) width not sufficient in many areas and buildings. For example: E3 building(existing width: four exits of 1.8mts wide and one of 1.2mts wide. Total width of 8.4mts, legal standard: 39.15mts); in G02 building (four exits of 1.8mts wide and one of 1.2mts wide. Total width of 8.4mts, legal standard: 17.33m); in G10 building (four exits of 1.8mts wide and one of 1.2mts wide. Total width of 8.4mts, legal standard: 26.37m); and in G11 building (four exits if 1.8mts wide and one of 1.2mts wide. Total width of 8.4mts, legal standard: 39.76m)
- The curtain and separating walls for production workplace isolation block egress.
- Only one exit is available for 134 workers in 2F of G02 by isolation arising from separating walls.
- Emergency assembly areas are not marked and had no signage (production area).
- Emergency action plans do not cover visitors, also no information provided to the visitors about what to do in case of an emergency.
- Aisles in 2nd floor of G02 were as narrow as 0.40mts.
- Only 5% of workers participated in fire drills in on-site dormitories. There were no fire extinguishers in forklift trucks.
- Shower/eye washing station in chemical warehouse area was not in a good condition.

Local Law or Code Requirement:

Code of Design on Building Fire Protection and Prevention; Fire Control Law of the People's Republic of China, Article 13, 16; Law of the People's Republic of China on the Prevention and Treatment of Occupational Diseases,

Article 23;FLA Workplace Code (Health, Safety, and Environment Benchmarks HSE.5 and HSE.6, Employment Relationship Benchmark ER.31)

Root Causes:

- Although the factory has obtained OHSAS 18001 certificate, and Health & Safety system is well developed as far as written policy and procedures are concerned, the implementation of the system is not effective in many areas, arguably due to the ineffectiveness of the HSE committee and of the methodology and tools used for internal audits and routine HSE inspections, along with absence of an effective review process.
- Most of the managerial staff interviewed mentioned that these issues have never been raised during OHSAS 18001 external audits.
- No active worker representation and participation on HSE committee.
- No active system for encouraging workers to participate in ongoing HSE efforts.
- Risk Analysis report does not cover all fire prevention hazards and risks in the factory.
- No effective system for controlling or implementing fire safety guidelines on a periodic basis.
- Management is not aware of possible legal and financial consequences of fire accident /contractors.

Recommendations for Sustainable Improvement:

- Add exit (egress) width or adjust the workforce in the floors to meet legal required standards / 6 months
- Remove the curtain and separating wall and keep the egress unblocked / 1 month
- Mark the emergency assembly areas / 1 month
- Provide instructions about emergency action plan to the visitors / 3 months
- Enlarge the width of aisles in 2F of G20 to legal required standards / 6 months
- Arrange for all workers living in dormitories to participate in fire drills twice per year / 3 months
- Place fire extinguishers in forklift trucks / 3 months
- Inspect and maintain shower/eye washing station periodically / 3 months
- Engage HSE Committee and management to work together on improvements to emergency exits, addressing at least the following topics:/9 months
 - Potential construction improvements on assembly areas to increase the total width of the emergency exits
 - Possibilities for usage of alternative emergency evacuation routes
 - Adjust the size of workforce in the floors
 - Close monitoring of evacuation performance during the fire drills to identify bottlenecks and problematic areas in assembly areas for possible improvements
- Risk Analysis report should be revised through joint efforts of the below listed

Remediation Plan:

- Curtain and separating wall have been removed and the egress is unblocked. (iDSBG : Director, Done on 03/20/'12)
- Mark emergency assembly areas. (iDSBG: Director, 04/15/'12)
- Provide emergency action plan instructions to visitors. (iDSBG: Director, 05/30/'12)
- Arrange for all workers living in dormitories to participate in fire drills twice per year. (CGA: Director, 06/30/'12)
- Install fire extinguishers in all forklift trucks. (CGA: Director, 06/30/'12)
- Inspect and maintain shower/eye washing station periodically. (HSE committee and iDSBG: Director, 06/30/'12)
- Enlarge the width of aisles in 2F of G02 to 1.8m. (iDSBG : Director, 09/30/'12)
- HSE committee to enhance risk assessment report through joint efforts by the following participants: (iDSBG: Director, 10/30/'12)
 - External Consultant
 - Brand Social Compliance Department Representatives
 - Plant Manager
 - HR Manager
 - SER Specialist
 - Worker Representatives
 - Maintenance Department representative
 - Clinic Doctor (from Health Center on the campus)

participants: / 7 Months

- External Consultant and/or Brand Social Compliance Department Representatives
- Factory Manager
- HR Manager
- Person responsible for Social Compliance
- Elected HSE Worker Representatives
- Maintenance Department Representative
- Workplace Doctor (from hospital in the campus)

- Engage HSE Committee and Foxconn Corporate management to work on improving emergency exits to address the following topics: (iDSBG: Director, 12/31/'12)
- Potential construction improvements on assembly areas to increase the total width of the emergency exits, such as by adding exterior steel structure emergency ladders.
- Possibilities for usage of alternative emergency evacuation routes.
- Adjust workforces in the floors.
- Close monitoring of evacuation performance during the fire drills to identify bottlenecks and problematic areas in assembly areas for possible improvements.
- Review, revise and improve emergency exit width, usage of alternative emergency evacuation routes, to ensure the continuous improvement on safety in the factory. (iDSBG: Director, 12/30/'12)

FINDING NO: 17

EMPLOYMENT FUNCTION: HEALTH & SAFETY

FINDING TYPE: Sustainable Improvement Required

Finding Explanation:

- Ergonomic principles in workstations were not implemented well. For example, in many areas workers were working in a very stiff position, as their chairs are not adjustable, made with uncomfortable material, and lacked back support (in Circuit Division)
- Illumination levels do not seem high enough in some areas while some areas are over-illuminated.
- An ergonomic break is supposed to take place for 10-15 minutes every two hours of work, but this rule was not followed.
- Visual inspection found some workers were pulling heavily-loaded pallet trucks, which can harm their back. (Workers seen doing this were contractors.)
- The number of toilets in the assembly workshop was insufficient. There were 2000 to 3915 employees on many floors, but only 20 to 24 toilets for each gender, less than legal requirements. Based on interview, some assembly lines only allow one 10 min break in each half day, or three times each day, for rest room use. Workers complained that the number of toilets was not enough.

Local Law or Code Requirement:

Health Standard for Design of Industrial Enterprises Articles: 6.4.4.1 & 6.4.4.2; FLA Workplace Code (Health, Safety, and Environment Benchmarks HSE.1, HSE.17, HSE.20)

Root Causes:

- Although the factory has obtained OHSAS 18001 certificate, and Health & Safety system is well developed as far as written policy and procedures are concerned, the implementation of the system is not effective in many areas, arguably due to the ineffectiveness of the HSE committee and of the methodology and tools used for internal audits and routine HSE inspections, along with absence of an effective review process.
- Most of the managerial staff interviewed mentioned that these issues have never been raised during OHSAS 18001 external audits.

- No active worker representation and participation on HSE committee.
- No active system for encouraging workers to participate in ongoing HSE efforts.
- Management’s lack of knowledge about possible benefits of ergonomic improvements, such as increasing productivity and attendance levels, while reducing risk of work accidents and Musculoskeletal Disorder (MSDs).
- Ergonomic Assessment conducted was not sufficiently detailed.
- Production Managers and Supervisors are trying to meet the production targets by asking workers to work during the ergonomic breaks.
- Unplanned expansion of workforce and factory areas over the years.
- Risk Analysis report does not cover all hazards and risks in the factory; limited information about possible ergonomic risks.
- Lack of enough recreational areas for break hours around factory buildings.

Recommendations for Sustainable Improvement:

- HSE committee should check illumination levels in production areas to determine needed improvements on over/under illuminated areas /3 months
- Enforce 10-15 minutes ergonomic breaks for workers /1 month
- HSE worker representatives should be elected and management should encourage workers to participate in ongoing HSE efforts, such as implementing a system for collecting problems/ observations/feedbacks from workers or letting workers to participate in Risk Assessment studies. / 3 months
- Workers should be trained on Ergonomic Risk factors in workplace. /4 months
- Prepare annual training plan for HSE staff and HSE worker representatives to improve their knowledge and skills on detecting & managing the potential HSE risks. /6 months
- Risk Analysis report that includes all Ergonomic Risks within the workplace to be revised through the joint effort of the below-listed participants: / 7 Months
 - External Consultant and/or Brand Social Compliance Department Representatives
 - Factory Manager
 - HR Manager
 - Person responsible for Social Compliance
 - Elected HSE Worker Representatives
 - Maintenance Department representative
 - Workplace Doctor (from hospital on the campus)

Remediation Plan:

- Measure and improve illumination levels in production areas. (HSE Committee, CHD: Director, 06/30/’12)
- Enforce 10-15 minutes ergonomic breaks between work hours (CHR: Director and HSE Committee, Done on 03/25/’12 and continuously)
- Review and revise existing HSE policy and procedures to assure the consistency among corporate, business group and factory levels. Call HSE committee meetings regularly and encourage worker representatives to participate in Risk Assessment studies. (FGSC, Executive Director HSE Committee,06/30/’12)
- Provide Ergonomic Risk training courses to workers. (Ergonomic Lab: Director, HSE committee, Director, 07/30/’12)
- Review and increase the number of toilets in workplace to meet the workers’ needs. (HSE Committee, iDSBG: Director, 09/30/’12)
- Plan, design, and implement annual trainings for HSE staffs and HSE worker representatives to improve their knowledge and skills on HSE risks. (HSE Committee, Director, 10/30/’12)
- Invite factory manager, HR manager, HSE representatives, workplace doctor, government agencies to review and revise Risk Analysis report. (HSE Committee, Director, 10/30/’12)
- Review and continuously enhance policy and procedures of Ergonomic Program. The following improvements will be completed. (Ergonomic Lab: Director , HSE committee, Director, 11/30/’12)

- Develop and implement an effective internal monitoring procedure to ensure consistent illumination, sufficient toilets, improved ergonomic program, and a successful implementation of written policy and procedures. / 8 months
- HSE Committee and factory management should work together on how to increase recreational areas for workers during their break hours, including possibility of placing benches in some areas outside of the factory. / 9 months
- After completion of Risk Analysis study, HSE Committee to immediately start working on defined Ergonomic risks to minimize or avoid those risks. / 9 months
- HSE committee to check with workers to assess if additional toilets are needed for assembly workshops. If there is a need, EHS committee to work with factory management to add new toilets or to designate existing toilets in different sections for worker use. / 6 months

- Review and continuously enhance policy and procedures of Ergonomic Program. The following improvements will be completed. (Ergonomic Lab: Director, HSE committee, Director, 11/30/'12)
 - New chairs will be equipped with adjustable height and backrest and with comfortable materials.
 - New workstation will be equipped with height adjustability.
 - All workplaces will be redesigned so that the working areas are within the normal reaching limits according to the anthropometric database.
 - Working environment will be redesigned so that poor working postures will be minimized.
 - Task and workstation with pneumatic tools will be redesigned to minimize noise (vibration).
 - Manual material handling tasks will be redesigned following NIOSH lifting guide.
- Increase recreational areas and additional benches outside of the factory. Indeed, two employee activity centers are already under construction. (HSE Committee, iDSBG: Director, 12/30/'12)
- HSE Committee will immediately start working on minimizing ergonomic risks after risk analysis report is available. (HSE Committee, iDSBG: Director, 12/30/'12)

FINDING NO: 18

EMPLOYMENT FUNCTION: HEALTH & SAFETY

FINDING TYPE: Sustainable Improvement Required

Finding Explanation:

- The MSDS for C-55, Spot-On, YC-336, RP-04, BUEHLER EPO-KWICK Hardener, BUEHLER Release Agent did not provide complete ingredients information.
- The ingredient in the MSDS of Primer 94 was not translated into Chinese correctly.
- The ingredients in the MSDS of Mr. Muscle Oven, Grill & Stainless Steel Cleaner were not translated from English to Chinese.
- One cleaning solvent, CP-02, was used for a couple of months in iDSBG. This chemical was not maintained in iDSBG chemical inventory list. The factory explained that CP-02 was used for other business group products in iDSBG.
- The factory did not test the indoor air quality for chemical exposure to substances such as toluene, methyl methacrylate, diethylenetriamine, monothaniarnine, etc over the past year.
- The factory did not develop and maintain an effective Restricted Substance List (RSL) to review and phase out toxics in electronic sector.

Local Law or Code Requirement:

General Rules for Preparation of Chemical Safety Data Sheet, Article3; Law of the People's Republic of China on

Prevention and Control of Occupational Diseases, Article 21, 24, 25; FLA Workplace Code (Health, Safety, and Environment Benchmarks HSE.1; Employment Relationship Benchmark ER.31)

Root Causes:

- Although the factory has obtained OHSAS 18001 certificate, and Health & Safety system is well developed as far as written policy and procedures are concerned, the implementation of the system is not effective in many areas, arguably due to the ineffectiveness of the HSE committee and of the methodology and tools used for internal audits and routine HSE inspections, along with absence of an effective review process.
- Although factory has a valid ISO 14001 Certificate and the environmental protection system has been developed at the documentation level, implementation issues were observed due to the lack of a comprehensive approach on environmental protection activities.
- No active worker representation and participation on HSE committee.
- No active system for encouraging workers to participate in ongoing HSE efforts.
- No active system to update the applicable laws and standards, the HSE reports / certificates.
- Management lacks awareness about occupational disease.
- Management lacks awareness about chemical safety and restriction substances.
- Most of the managerial staff interviewed mentioned that these issues have never been raised during OHSAS 18001/ISO 14001 external audits.

Recommendations for Sustainable Improvement:

- Revise procedures that define working areas/role/responsibility of HSE committee in order to activate the committee. New procedures should clearly define meeting frequency as at least once in a month along with additional number of days required for periodical internal audits, possible training participation, etc./ 3 months
- Hold an election – without management interference – to elect worker representatives to the HSE committee. Brand's social compliance team should observe the election process. / 6 months
- Designate persons to follow/update the applicable laws and standards, and obtain the valid HSE reports / certificates. / 3 months
- Effective awareness training for management about occupational disease, the chemical safety and environment. / 3 months
- Conducting periodic assessments for checking the environmental issues in the factory. / 3 months
- Write complete chemical inventory list, and obtain complete MSDS in Chinese for each chemical. / 3 months
- Develop and maintain an effective restrict substance list (RSL) to review and phase out toxics in electronic sector./ 3 months
- Conduct indoor air quality test for the workplaces where chemicals were used./3 month

Remediation Plan:

- Revise and enhance procedures to define working areas/role/responsibility of HSE committee and implement regular meetings on a monthly basis. (iDSBG: Director, 06/30/'12)
- Review and revise the procedure of HSE committee member election and operation to encourage workers to participate in representative election HSE activities. (iDSBG: Director, 04/30/'12)
- Provide staff and workers with training courses on occupational safety and disease and keep roll out. (CHD Director,, iDSBG: Director, 06/30/'12)
- Regularly monitor the environment on the basis of the HSE performance measurement and supervision management procedures. (CHD Director, iDSBG: Director, 06/30/'12)
- Update chemical inventory list and request MSDS in Chinese for all chemicals. (FGSC: Executive Director, iDSBG: Director, 06/30/'12)
- Control the purchase of RSL materials in purchasing system by purchasing department and conduct regular monitoring by HSE team.(Done on 03/15/'12 and continuously)
- Measure and monitor the indoor air quality regularly according to the HSE performance measurement and supervision management procedures. (HSE iDSBG-SP-14 to ensure the chemical concentrations in workplace.(CHD

Director, iDSBG: Director, ongoing and continuously)

- Apple will evaluate alternatives for independent monitoring of the election process (Apple Supplier Responsibility, 09/30/12)

FINDING NO: 19

EMPLOYMENT FUNCTION: ENVIRONMENTAL PROTECTION

FINDING TYPE: Sustainable Improvement Required

Finding Explanation:

- Environmental Impact Assessment (EIA) for buildings G02 not updated to match the workforce and production upscale from 5300 to 7900 workers in the building; similarly, EIA was not updated to match the workforce and production upscale from 3,740 to 48,839 workers in buildings of E3, G10 and G11.
- The change of production layouts with cloth curtain and/or separating walls in most floors were not reviewed/ approved by local authority.
- The factory did not report occupational hazards to the local authority as required by local laws
- There was no occupational disease diagnosis or medical surveillance follow up for all the 78 on-job physical checkups in 2011 for which the factory should prove all the medical surveillance to establish relation or do not have the relation to the occupational hazards and/or exposure at their workstations.
- The factory did not have the required permit, EIA, and Safety Assessment for the two 30M3 underground diesel tanks.
- There is no system in place for controlling possible leakages of underground diesel tanks.
- Effect-Assessment Report for Occupational Hazard Control in Construction Project of E3 was not available for SCI review. The factory explained the assessment has been conducted and the report is under preparation.

Local Law or Code Requirement:

Law of the People's Republic of China on Appraising of Environment Impacts, Article 24; Fire Prevention Law of the People's Republic of China, Article 13; People's Republic of China on the Prevention and Treatment of Occupational Diseases, Article 16, 17, 21, 23, 27, 36; Regulation for Safety of Dangerous Chemical, Article 16; FLA Workplace Code (Health, Safety, and Environment Benchmark HSE.1, HSE.4; Employment Relationship Benchmark ER.31)

Root Causes:

- Although the factory has obtained OHSAS 18001 certificate, and Health & Safety system is well developed as far as written policy and procedures are concerned, the implementation of the system is not effective in many areas, arguably due to the ineffectiveness of the HSE committee and of the methodology and tools used for internal audits and routine HSE inspections, along with absence of an effective review process.
- Although factory has a valid ISO 14001 Certificate and the environmental protection system has been developed at the documentation level, implementation issues were observed due to the lack of a comprehensive approach on environmental protection activities.
- No active worker representation and participation on HSE committee.
- No active system for encouraging workers to participate in ongoing HSE efforts.
- No active system to update the applicable laws and standards, the HSE reports / certificates.
- Management lacks awareness about occupational disease.
- Management lacks awareness about chemical safety.
- Most of the managerial staff interviewed mentioned that these issues have never been raised during OHSAS 18001/ISO 14001 external audits.
- No system for conducting periodic assessments for checking the environmental issues in the factory.

Recommendations for Sustainable Improvement:

- Designate persons to follow/update the applicable laws and standards, the HSE reports and certificates. / 3 months
- Effective awareness training for management about occupational disease, chemical safety and environment. / 3 months
- Conduct periodic assessments for checking the environmental issues in the factory. / 3 months
- Maintain updated Environmental Impact Assessments for all buildings within the Business Groups to match workforce and production upscale / 2 months & continuous
- Complete the Effect-Assessment Report for occupational hazard control in the construction site E3 / 1 month
- Prepare and implement an effective internal monitoring procedure to prevent fuel leaks and contamination and to ensure successful implementation of written policy and procedures / 8 months

Remediation Plan:

- Legal department to continuously collect the updated law and regulations and share with HSE committee who review in monthly meeting in order to ensure the validity of the law and regulations. (HSE Committee and iDSBG: Director, Done on 03/15/'12 and continuously)
- Provide staff and workers with training courses on occupational safety and disease and keep roll out. (HSE Committee, CHD Director, iDSBG: Director , 06/30/'12)
- Review assessments and audit internally to assure environmental issues in the factory are addressed. (FGSC: Executive Director, HSE Committee, iDSBG: Director, 06/30/'12)
- Maintain updated Environmental Impact Assessments (EIA) for all buildings within the Business Groups to match workforce and production upscale. Note: The EIA is on-going now. (Environmental Technology & Service Business Group (ETSBG), Director HSE Committee, iDSBG: Director, 05/30/'12)
- Complete Impact-Assessment Report for occupational hazard control in the construction site E3 that is currently on-going. (HSE Committee, iDSBG: Director, 04/30/'12)
- Strengthen periodic monitoring on the possible leakage of underground diesel tanks and review the effectiveness of implementation of preventive actions to minimize the risks. (ETSBG: Director and HSE Committee, ongoing and continuously)

Appendix 1, Part 3

FACTORY NAME: **HONG FU JIN ELECTRONICAL TECHNOLOGY (CHENGDU) CO. LTD.**

BUSINESS UNIT NAME: **SHZBG Chengdu**

FLA AFFILIATED BRAND IN PRODUCTION: **APPLE**

CITY/COUNTRY: **CHENGDU / CHINA**

NUMBER OF WORKERS: **38,393**

DATE OF ASSESSMENT: **6-9 MARCH 2012**

SERVICE PROVIDER: **SCSA**

NUMBER OF WORKERS INTERVIEWED ON-SITE: **558**

NUMBER OF WORKERS INTERVIEWED OFF-SITE: **96**

NUMBER OF MANAGERIAL STAFF INTERVIEWED: **58**

FINDING NO: 1

EMPLOYMENT FUNCTION: RECRUITMENT, HIRING AND PERSONNEL DEVELOPMENT

FINDING TYPE: Sustainable Improvement Needed

Finding Explanation:

- Factory requires workers – except temporary workers and interns – to sign a three-year contract that provides for an extended probation period of 6 months. However, in the FLA Benchmarks, the probation period limit is 3 months.
- No specific policy and/or procedures related to some special categories of workers were available, e.g., short term workers and interns.

Local Law or Code Requirement:

FLA Workplace Code (Employment Relationship Benchmark ER.7; Compensation Benchmark C.3)

Root Causes:

- Since Apple only recently affiliated with the FLA, and has yet to fully align its policy and procedures as well as Code of Conduct with FLA standards and benchmarks, suppliers have not been communicated FLA requirements.
- China's Labor Contract Law Article 19 allows an extended probation period of up to 6 months in three-year employment contracts.
- Management has not seen the need to have policy and procedures for short term workers and interns; mainly because they do not represent a large number of workers (less than 1%).

Recommendations for Sustainable Improvement:

- Management should revise the employment contracts to limit the maximum probation period to three months / 1 month
- Apple should align its current policy, procedures and Code of Conduct with FLA's standards and benchmarks / 3 months
- Management should revise Recruitment & Hiring policy and procedures to include special categories of workers, e.g., short term workers and interns, and

Remediation Plan:

- Enhance job descriptions to define skill level requirements and relevant working experiences of critical work stations for the management of new-employee probation period. (CHR: Director and SHZBG: Director, 04/30/'12)
- Revise policy and procedures regarding probationary period for newly-recruited employees to limit the probation period to 3-6 months based on previous relevant working experiences and skill level

the protections they require / 6 months

- Workers and Management representatives should be trained on revised policy and procedures / 9 months

requirements of critical work stations. Furthermore, ensure consistency when issuing the employment contract and policy and procedures with regard to the probation period limit. (CHR(Corporate HR): Director and SHZBG (Super HongZhun Business Group): Director, 05/31/'12)

- Continuously enhance policy and procedures for Recruitment & Hiring / HSE Protection / Management of Special Categories of Workers such as young workers (16 to 18 years old)/ elderly workers/ pregnant/ lactating workers/ trainees/ apprentices/ interns/ short term workers and employees with disabilities. (CHR: Director, CFIS(Corporate Fire and Industry Safety): VP, HSE committee, SHZBG: Director, 05/31/'12)
- Train workers and management team on the revised policy and/or procedures; refresh training periodically as operations move forward. (SHZBG: Director, 06/30/'12)
- Apple will align its current policy, procedures, Code of Conduct with FLA's standards and benchmarks. (Apple Supplier Responsibility, 06/30/12)

FINDING NO: 2

EMPLOYMENT FUNCTION: RECRUITMENT, HIRING AND PERSONNEL DEVELOPMENT

FINDING TYPE: Sustainable Improvement Needed

Finding Explanation:

- During the review of job descriptions it was observed that there is an age requirement (older than 24 years old) for the Recruitment Interviewer position.
- Several inconsistencies were observed between business group- and factory-level policies and procedures dealing with Recruitment and Hiring that could potentially discriminate against protected classes of workers.
- Although there have been many changes implemented recently with respect to technical staff recruitment at the group-level, related procedure has not been reviewed and updated since February 22, 2008. Similarly, the terms of workers' grades have been changed in practice, but the policy has not been updated accordingly.
- Current work positions of some interns are not related to their departments/ area of training at their vocational school.
- Missing information on some employment contracts such as wage information or position/job description.

Local Law or Code Requirement:

FLA Workplace Code (Nondiscrimination Benchmarks ND.2; Employment Relationship Benchmarks ER.1)

Root Causes:

- Since Apple only recently affiliated with the FLA, and has yet to fully align its policy and procedures as well as Code of Conduct with FLA standards and benchmarks, suppliers have not been communicated FLA requirements.
- Lack of a mechanism/procedure to ensure consistency in the creation and implementation of policy/procedures from Business Group-level down to Factory-level and vice-versa.
- Internal monitoring system does not provide in-depth controls on possible quality issues in documentation

on Employment Relationship

Recommendations for Sustainable Improvement:

- Management should prepare an action plan to ensure that selection of vocational schools/interns will be in line with the ongoing tasks within the factory / 1 month
- Management should prepare an action plan to ensure that all workers have employment contracts that contain all necessary clauses / 1 month
- Corporate management to create a mechanism to align all policies and procedures across all Business Groups producing Apple products; including provisions that would allow Business Groups and factories to provide feedback about changes in their policies and procedures, so that consistency is ensured / 6 months
- Management should revise Recruitment & Hiring policy and related procedures for addressing discrimination issues and eliminate group- and factory-level inconsistencies / 6 months
- An effective internal monitoring procedure should be established and implemented to ensure updating of written policy and procedures/ 9 months

Remediation Plan:

- Coordinate with the schools and colleges providing interns to ensure that the jobs relate to the interns field of study. (CHR: Director and SHZBG: Director, 04/25/'12)
- Review and revise the employment contract to ensure it contains all necessary clauses. (CHR: Director and SHZBG: Director, 04/25/'12)
- Review and revise existing policy and procedures to ensure consistency among corporate, business group and factory levels. (CHR: Director and SHZBG: Director, 04/30/'12) 4.
- Review and revise Recruitment & Hiring policies/procedures to eliminate any potential discrimination, e.g., based on age. Develop objective criteria (such as educational achievement or work experience) to define qualifications for all job positions. (CHR: Director and SHZBG: Director, 04/30/'12)
- Enhance periodic monitoring on policy, procedures and document control to ensure internal documents are up-to-date. (SHZBG: Director, 04/30/'12 and continuously)
- Apple will align its current policy, procedures and Code of Conduct with FLA's standards and benchmarks. (Apple Supplier Responsibility, 06/30/12)

FINDING NO: 3

EMPLOYMENT FUNCTION: COMPENSATION/HOURS OF WORK

FINDING TYPE: Immediate Action Required

Finding Explanation:

- Some workers are asked to come earlier or stay after their official start/end time for some work related activities such as morning briefings or department meetings. That time is not treated as time worked and is not compensated.

Local Law or Code Requirement:

China Labor Law, Article 44; FLA Workplace Code (Compensation Benchmarks, C.5)

Recommended Immediate Action:

Management to ensure full payment of all hours of work (including morning meetings).

Root Causes:

- Inconsistency in the implementation of Hours of Work/Compensation policy and procedures.
- Hours of Work & Compensation policy and procedures do not include or reference treatment of time for attending testing sessions, team meetings, arriving to work early, and so on, and top management is not aware of these practices.

- These issues have never been raised during the external or internal audits.
- Workers' lack awareness on factory's Hours of Work and Compensation policy and procedures.
- There is no system in place for evaluating the efficiency of the trainings provided or communication procedures.

Recommendations for Sustainable Improvement:

- Enhance Compensation and Hours of Work policy and procedures to address workers attending work-related meetings, early arrivals, etc. / 3 months
- Department managers and supervisors to be trained on Compensation and Hours of Work policy and procedures / 4 months
- Workers should be trained on enhanced Compensation and Hours of Work policy and procedures / 5 months
- An effective internal monitoring procedure should be established and implemented to prevent recurrence of this practice and to ensure successful implementation of written policy and procedures / 6 months
- Efficiency of the trainings and communication procedures should be checked periodically to gauge workers' awareness on wages and benefits / 6 months

Remediation Plans:

- Immediately review current payment practices to ensure full payment of all hours worked, including work-related meetings before and after regular working hours. (SHZBG: Director, 04/15/'12 and continuously)
 - Enhance Compensation/Hours of Work policy and procedures to address workers' attendance at work-related trainings and meetings. (CHR: Director and SHZBG: Director, 04/30/'12)
 - Worker will be compensated (regular hours or overtime) for all work-related mandatory training.
 - Ensure that all work-related meetings are conducted on-the-clock during regular working time.
 - Workers will be informed and trained to understand that compensation is not payable for trainings that are not work-related or mandatory, such as degree training programs subsidized by the company, social skill trainings, trainings for personal hobbies, and so on.
- Enhance working hours and wages management of workers. (SHZBG: Director, 04/30/'12)
 - On the pre-shift 10 to 15 minute assembly for the direct workers, the company will develop a process to ensure employees receive compensation for these meetings if they happen prior to employee clocking in for work.
- Enhance overtime hours and wage management of workers. (CHR: Director and SHZBG: Director, 04/30/'12 and continuously)
 - Synchronize time window for wage calculation of effective overtime to 15 minutes window (equivalent to time window for tardy and early leave as specified in current policy).
 - Strengthen the overtime hour validation process conducted by supervisors.
 - Ensure real time database updated in enquiry terminals for workers to verify their attendance/overtime hours on each and every building.

- Overtime management remains on application basis and not based on punch-in/punch-out time basis.
- Enhance internal monitoring system to ensure that the actual implementation aligns with policy and procedures. (SHZBG: Director, 05/31/12)
- Train on enhanced policy and procedures to department managers and supervisors. (SHZBG: Director, 06/30/12)
- Train newly-hired workers on enhanced policy and procedures to via orientation training and current workers via refresh training. (SHZBG: Director, 07/31/12)
- Periodically conduct employee surveys to confirm their awareness and perception on wages and benefits. (SHZBG: Director, 09/30/12)

FINDING NO: 4

EMPLOYMENT FUNCTION: RECRUITMENT, HIRING AND PERSONNEL DEVELOPMENT

FINDING TYPE: Sustainable Improvement Needed

Finding Explanation:

- Factory does not employ disabled workers; management prefers to pay into the employment security fund instead of hiring disabled workers and security fund payment documents for 2010 were provided.
- Management representatives mentioned that factory will start hiring disabled workers starting from 2012 but such hiring was not documented.

Local Law or Code Requirement:

Regulations on the Employment of Persons with Disabilities, Article 8; Employment Contract Law, Article 17; FLA Workplace Code (Non-Discrimination Benchmarks ND.2; Employment Relationship Benchmarks ER.3)

Root Causes:

- Since Apple only recently affiliated with the FLA, and has yet to fully align its policy and procedures as well as Code of Conduct with FLA standards and benchmarks, suppliers have not been communicated FLA requirements.
- Regulations on the Employment of Persons with Disabilities, Article 9 allow employers to pay into the employment security fund instead of hiring disabled workers.

Recommendations for Sustainable Improvement:

- Apple should align its current policy, procedures and Code of Conduct with FLA's standards and benchmarks / 3 months
- Management should work closely with HSE Committee to define the positions/areas suitable for employing disabled workers and start employing disabled persons to reach at least the legal quota (which is 1.5% of total workforce) /9 months
- An effective internal monitoring procedure should be established and implemented to ensure updating

Remediation Plan:

- Factory will work closely with the HSE team to define positions and areas suitable for persons with disabilities and appropriate job and workplace accommodation. (HSE committee and SHZBG: Director, 04/23/12)
- Chengdu campus will align its procedures with corporate procedures about Employment and Management of workers with disabilities and to enhance efforts to recruit persons with disabilities. (SHZBG: Director, 04/30/12 and

of written policy and procedures along with controlling quality of documentation/ 9 months

continuously)

- Design and provide policy and procedures and training on employment of persons with disabilities protection to operators, production management, supervisors at all levels, and HR personnel. (SHZBG: Director and On-site Supervisors, 05/31/'12)
- Apple will align its current policy, procedures and Code of Conduct with FLA's standards and benchmarks. (Apple Supplier Responsibility, 06/30/12)

FINDING NO: 5

EMPLOYMENT FUNCTION: HOURS OF WORK

FINDING TYPE: Sustainable Improvement Needed

Finding Explanation:

- Factory's hours of work policy and related procedures set the maximum weekly combined working hours (regular hours plus overtime) at 60 hours per week. This meets Apple and FLA Code standards but violates local law which limits regular working hours to 40 hours per week and overtime hours at 36 hours per month (an average of 9 hours per week).
- During the last 12 month period, 26% of the total workforce exceeded the 36 hour overtime limit per month in June 2011; 53.1% of total workforce exceeded this limit in July 2011, while almost 46% of the total workforce exceeded it in January 2012.
- Most of the workers worked fewer than 60 hours per week as combined hours (normal hours plus overtime) in recent months, but it was not guaranteed in peak season. For example, 24.60% of the workforce worked more than 60 hours per week in June 2011 while 6% exceeded that level in January 2012.
- Under 1% of the total workforce did not receive 24 consecutive hours of rest in every seven-day period during the peak season (June and July 2011), with a maximum 13 days consecutive work.

Local Law or Code Requirement:

China Labor Law, Articles 38 & 41; FLA Workplace Code (Hours of Work Benchmarks HOW.1 and HOW.2; Employment Relationship Benchmark ER.23)

Root Causes:

- High turnover rate decreases levels of productivity and efficiency, which in turn requires workers to work more hours to be able to meet production targets.
- Production and capacity planning does not include adequate safeguards to prevent workers from working more than 60 hours a week or to ensure workers are provided a day off within a 7 day work period
- Insufficient oversight by the buyer to address reasons behind excessive overtime.
- Although the current starting wage is 20% above the legal minimum wage, workers do not feel it is high enough to meet basic needs and provide some discretionary income. As a result, workers rely on OT hours.
- Tight production schedule due to short lead time and late orders.
- Quality issues and reworking hours due to precision and high detail level of the product.
- Possible delays due to late delivery of components.

Recommendations for Sustainable Improvement:

- Close tracking of monitoring of Hours of Work on a weekly basis to ensure consistency with policy

Remediation Plan:

- Track and monitor hours of work on a weekly basis (SHZBG: Director, Done on 01/01/'12 and

and procedures / Continuous

- Factory management should revise its Hours of Work policy and related procedures to meet local law requirements / 3 months
- Management should focus on ways to reduce employee turnover rate to keep trained/experienced workers in the factory / 3 months
- Workers and management representatives should be trained on revised policy and procedures / 5 months
- An effective internal monitoring procedure will be prepared and implemented to ensure that workers are provided with their ergonomic breaks and not working on established overtime hours limits as a successful implementation of written policy and procedures/ 6 months
- Apple's Sourcing and Supplier Responsibility teams should use the FLA Principles of Fair Labor and Responsible Sourcing to work with Foxconn to identify and improve the materials and production planning processes that contribute to excessive overtime.
- Factory should improve forecasting and production planning to ensure hours of work limits are not exceeded. Facilitate close communication with customers to meet the demands based on actual capacity and based on legal compliance with local regulations and code of conduct. / Continuous
- Factory should look for ways to improve productivity and quality levels (such as using in line SPC system, preventive maintenance, individual performance evaluation systems, etc.) while reducing re-work and second quality ratios. It's important for these gains to be reflected in the monthly salaries of the workers. This could also help reduce OT work by increasing the output at the regular hours. / 1 year

continuously)

- Develop programs to reduce turnover rate by retaining trained/experienced workers through the following approaches: (SHZBG: Director, completed and continuously)
 - Continuously improve general services, including food quality, after-work activities, etc
 - Flexibility on working hours/ vacation/ leave application management
 - Continuously enhance personal career development programs, such as degree programs.
 - Continuously review and enhance existing job enrichment programs
- Immediately abide by the FLA and Apple code of conduct of no more than 60 working hours per week. (CHR: Director, Labor Union: Chairman and SHZBG: Director)
- Put in place an aggressive program to achieve the limit of no more than 36 hours overtime per month by July 1, 2013. This program will involve building sufficient infrastructure including more dormitories to accommodate the additional number of workers required to reduce the overtime from 80 hours per month to no more than 36 hours per month as well as addressing compensation given the reduced hours. (CHR: Director, Labor Union: Chairman and SHZBG: Director, 01/01/'13)
- Formally announce the revised policies to all workers and management representatives through means such as company newsletter, email, notice board, trainings and so on.(SHZBG: Director, 01/01/'13 and continuously)
- Enhance e-HR system regarding overtime management and monitoring: (SHZBG: Director, 06/30/'12)
 - Revise the upper limits for monthly and weekly working hours and continuous working days.
 - Pre-alert for imminent OT violation.
 - Automatic selection of qualified candidates in compliance with legal limit.
 - Regularly report and monitor OT data to management team on weekly basis.
 - Collaborate with customer on production schedule, yield/quality improvement actions, production report and overtime status. (SHZBG: VP, Continuously)

- Continuously improve productivity and quality and identify best practices for shift arrangements.
- Monitor consistency in implementing written policies regarding 10-15 minute ergonomic breaks. (iDPBG: Director, Ongoing and continuously)
- Apple will continue to work with Foxconn to understand and resolve all of the causes of excessive overtime, including the recommended actions above. In late 2011 Apple began focused weekly tracking and management of working hours across the supply chain, including Foxconn factories, which have already resulted in significant improvements. (Apple Supplier Responsibility, on-going)

FINDING NO: 6

EMPLOYMENT FUNCTION: INDUSTRIAL RELATIONS

FINDING TYPE: Sustainable Improvement Needed

Finding Explanation:

- Despite the presence of a labor union in the factory with almost the entire workforce registered as members, many workers were unaware that the union represented them.
- Nearly all union representatives are comprised of managerial staff.
- Despite the presence of elected worker representatives in different committees in the factory, it was observed that worker representatives were pre-selected by management before the election.
- Copy of current Collective Bargaining Agreement has not been provided to the workers, per FLA Benchmark ER.16

Local Law or Code Requirement:

FLA Workplace Code (Freedom of Association Benchmarks FOA.2, FOA.10, and FOA.11; Employment Relationship Benchmarks ER.16 and ER.26); China Trade Union Act of 2001

Root Causes:

- Since Apple only recently affiliated with the FLA and has yet to align its policy and procedures as well as Code of Conduct with FLA standards, suppliers have not been communicated the requirement that Collective Bargaining Agreement be supplied to workers
- It is not a legal requirement in China to provide a copy of Collective Bargaining Agreement to the workers

Recommendations for Sustainable Improvement:

- A copy of Collective Bargaining Agreement should be provided to the workers / 3 months
- Apple should align its current policy, procedures and Code of Conduct with FLA standards and benchmarks / 3 months
- Management should create and implement Industrial Relations policy and procedures that would enable workers to consult with and provide input to management through appropriate structures to be developed for this purpose / 4 months
- Workers and Management representatives should

Remediation Plan:

- Determine the optimal way to convey contents of the Collective Bargaining Agreement to employees considering the massive numbers of employees (over 1.2 million) working at Foxconn. (CHR: Director, Labor Union: Chairman and SHZBG: Director, 05/31/'12)
 - Print contents of Collective Bargaining Agreement on employee handbook, and/or
 - Post on database where workers can access online through terminals on shop floor or internet devices, and/or

be trained on revised policy and procedures / 5 months

- Union committees should be comprised of representatives nominated and elected by workers without management interference. Apple staff should observe the election process / 6 months
- Elected worker representatives should be placed in all existing and future committees (e.g., Health and Safety Committee, Disciplinary Committee) and these committees should be actively involved in the decision-making process / 7 months

- Always post contents of Collective Bargaining Agreement on bulletin boards.
- Review Industrial Relations policy and procedures with Labor Union and worker representatives to enhance worker participation in policy formation process. (CHR: Director and SHZBG: Director, 06/30/12)
- Labor Union to review formation of Labor Union committees consistent with the Chengdu Municipal Implementing Regulations for the Trade Union Law; and encourage the participation by worker representatives in the election of Labor Union committees without management's interference. (Labor Union: Chairman and SHZBG: Director, 06/30/12)
- Workers and Management representatives will be trained on the revised policy and procedures. (Labor Union: Chairman and SHZBG: Director, 06/30/12)
 - Conduct a dedicated session for Labor Union and make introduction of Labor Union staff and relevant representatives of Labor Union committee in new employee orientation training.
 - Organize refresh training for employees to enhance the participation of workers in the activities of the Labor Union.
- Monitor the level of participation of elected worker representatives in various Union committees and survey the perception of Labor Union members to determine upgrading strategies going forward. (Labor Union: Chairman and SHZBG: Director, 10/31/12)
- Apple will align its current policy, procedures and Code of Conduct with FLA's standards and benchmarks. (Apple Supplier Responsibility, 06/30/12)
- Apple will evaluate alternatives for independent monitoring of the election process (09/30/12)

FINDING NO: 7

EMPLOYMENT FUNCTION: RECRUITMENT & HIRING / HEALTH & SAFETY/HOURS OF WORK

FINDING TYPE: Immediate Action Required

Finding Explanation:

- Young workers (16 to 17 years of age) were found working at hazardous areas, such as CNC section or in some positions that could possibly put them at risk from chemicals or expose them to physical risk factors such as aluminum dust, noise, thermal conditions and vibration.
- Managers and pregnant women were not aware of the policy and procedures that allow pregnant workers to

be exempt from normal security checks during their pregnancy.

- Some pregnant women reported that they did not know how to submit to management their application for an exemption from normal security checks.

Local Law or Code Requirement:

Regulations for the Special Protection of Juvenile Workers, Document No. 498, Article 8; FLA Workplace Code (Employment Relationship Benchmarks ER.1, ER.14; Child Labor Benchmarks CL.4, CL.5; Hours of Work Benchmark HOW.4)

Root Causes:

- Although the factory has a well developed written policy and procedures, the implementation of the system was not effective in many areas, arguably due to the ineffectiveness of the HSE committee and of the methodology and tools used for internal audits and routine HSE inspections along with absence of an effective communication and review process
- General Health & Safety Policy does not cover all the aspects of protection of special categories of workers such as young workers/elderly workers, pregnant/lactating workers, trainees/apprentices/interns and employees with disabilities.
- The policy and procedures about protection of young workers and the legal requirements/limitations on their working areas/position were not properly communicated to the workers, line supervisors and floor managers.
- The policy and procedures about protection of pregnant workers including their exemption from normal security controls were not properly communicated to the workers, line supervisors and floor managers
- Most of the managerial staff interviewed mentioned that these issues have never been raised during external audits
- There is not an active worker representation and participation on HSE committee.
- There is not an active system for encouraging workers to participate in ongoing HSE efforts.
- No effective system for controlling or implementing the safety guidelines about special categories of workers on a periodic basis.

Immediate Actions:

- Immediately cease the deployment of young workers to hazardous areas and transfer all young workers into low risk areas identified in current risk assessment report.
- Immediately announce to all workers and managerial staff that pregnant workers are exempted from normal security checks.
- Immediately inform managers and workers about the process for pregnant women to be exempted from normal security checks and streamline process for requesting such treatment.

Recommendations for Sustainable Improvement:

- HSE Committee should start working more actively to revise current policy and procedures about protection of special categories of workers along with planning necessary trainings for both workers and managerial staff / 6 months
- Hold an election -without management interference - to elect worker representatives to the HSE committee. Brand's social compliance team should observe the election process. / 6 months
- Risk Analysis report should be revised for workers and management with a mutual effort of below listed participants to have a better understanding about

Remediation Plan:

- Immediately conduct shift arrangement to ensure there is no night shift for young workers (16 to 17 years old) and for pregnant women. (SHZBG: Director and On-site Supervisors, Done on 03/23/'12 and continuously monitor)
- Relocate young workers (16 to 17 years of age) and other special categories of workers from risk areas to appropriate positions and areas in compliance with laws and regulations. (HSE: VP and SHZBG: Director, Done on 03/30/'12 and continuously) Inform, post and train workers and managers about the existing policies and application process for

risk areas for special categories of workers: / 7 Months

- External Consultant and/or Brand Social Compliance Department Representatives
- Factory Manager
- HR Manager
- Social Compliance Responsible
- Elected HSE Worker Representatives
- Maintenance Department Responsible
- Workplace Doctor (from hospital at the outside of the campus)
- HSE committee and management should work together on ways to improve communication process / 7 months
- Develop and implement an effective internal monitoring procedure to prevent recurrence of such issues/ 8 months

pregnant workers to be exempt from normal security checks. (HSE: VP and SHZBG: Director, 04/07/'12)

- Inform, post and train workers and managers about the existing policies and application process for pregnant workers to be exempt from normal security checks. (HSE: VP and SHZBG: Director, 04/07/'12)
- Periodically monitor the implementation of procedures to prevent recurrence of such issues. (SHZBG: Director, 04/30/'12 and continuously)
- Review and enhance procedures of the HSE Committee about protection of special categories of workers, along with planning necessary trainings for both workers and managerial staff. (HSE: VP and SHZBG: Director, 09/30/'12)
- Hold an election to elect worker representatives to the HSE committee. (HSE: VP, 09/30/'12)
- Working with the HSE committee, conduct a comprehensive risk analysis of risk areas for special categories of workers with participation of the following representatives and parties: (HSE: VP, 09/30/'12)
 - External Consultant and/or Brand Social Compliance Department Representatives
 - Factory/HR Manager
 - Social Compliance Responsible
 - Elected EHS Worker Representatives
 - Maintenance Department Responsible
 - Workplace Doctor (from hospital at the outside of the campus)
 - Ergonomics Experts from the Company Ergonomics Center
- Enhance communications between HSE committee and management via periodic working meetings. (HSE: VP and SHZBG: Director, 09/30/'12)
- Apple will evaluate alternatives for independent monitoring of the election process (09/30/12)

FINDING NO: 8

EMPLOYMENT FUNCTION: WORKPLACE CONDUCT

FINDING TYPE: Immediate Action Required

Finding Explanation:

- It was observed that there is a practice of posting all disciplinary actions with names of the workers subjected to these disciplinary actions on the factory's website and notice boards.

Local Law or Code Requirement:

FLA Workplace Code (Harassment or Abuse Benchmarks H/A.6)

Immediate Action:

Factory management should stop this practice and communicate its discontinuance to the workers.

Root Causes:

- Since Apple only recently affiliated with the FLA and has yet to align its policy and procedures as well as Code of Conduct with FLA standards, suppliers have not been communicated this requirement. This practice is in line with local law and regulations but is in violation of FLA standards.
- Although there is a detailed Disciplinary System in place which includes written policy & procedures and a Disciplinary Committee, there are still some important components missing such as worker participation in the decision making process. In the current system, disciplinary penalties and appeal process are under the sole control of the management and there is no oversight mechanism or means to appeal a disciplinary action.

Recommendations for Sustainable Improvement:

- Apple should align its current policy, procedures and Code of Conduct with FLA's standards and benchmarks / 3 months
- Management should review and revise Workplace Conduct policy and related procedures to eliminate the possibility of posting the names of workers that have been subjected to disciplinary actions / 6 months
- Workers and Management representatives should be trained on revised policy and procedures / 9 months
- An effective internal monitoring procedure should be established and implemented to prevent recurrence of this practice and to ensure successful implementation of written policy and procedures / 9 months

Remediation Plan:

- Review and revise Workplace Conduct policy and procedures to eliminate the possibility of posting the names of workers that have been the subject of disciplinary actions, e.g., removing workers' names prior to posting. (CHR: Director and SHZBG: Director, 03/31/'12)
- Enhance the Discipline module of the e-HR system to make sure there is confidentiality during the whole process. (SHZBG: Director, 03/31/'12)
- Train all workers and relevant management representatives on revised policy and procedures. (CHR: Director and SHZBG: Director, 04/30/'12)
- Enhance internal monitoring frequency on disciplinary process to ensure successful implementation of the written policy and procedures. (SHZBG: Director, 06/30/'12 and continuously)
- Apple will align its current policy, procedures and Code of Conduct with FLA's standards and benchmarks. (Apple Supplier Responsibility, 06/30/12)

FINDING NO: 9

EMPLOYMENT FUNCTION: WORKPLACE CONDUCT & DISCIPLINE

FINDING TYPE: Immediate Action Required

Finding Explanation:

- Workers' names and time of leaving the workstation to go to the toilet are registered in Building B09 Surface Treatment section.

Local Law or Code Requirement:

China Labor Law, Article 52; FLA Workplace Code (Harassment or Abuse Benchmark H/A.7; Health, Safety, and Environment Benchmarks HSE.21)

Root Causes:

- Policy and procedures regarding freedom of movement of workers not properly communicated to line supervisors and floor managers
- Despite the fact that top management is not aware of this practice, some floor managers and supervisors think that this kind of practices could increase production output.
- This situation has never been raised during the external or internal audits.

Immediate Action:

Immediately stop the practice and enhance the training and communication to the line supervisors and floor managers on the policy and procedures regarding freedom of movement.

Recommendations for Sustainable Improvement:

- An effective internal monitoring procedure should be established and implemented to prevent recurrence of this kind of restriction of worker movement/ 6 months

Remediation Plan:

- Stop the practice of registering the names of persons using the toilets. (SHZBG: VP, Done on 3/25/'12 and continuously monitor)
- Enhance periodic monitoring on the implementation of the procedure to prevent recurrence of similar issues or any confusion which may occur. (SHZBG: Director, 04/01/'12 and continuously)
- Enhance training and communication to the line supervisors, floor managers and workers on the existing policy and procedures of free movement at production lines, including access to water and toilet facilities. (SHZBG: Director, 04/07/'12)

FINDING NO: 10

EMPLOYMENT FUNCTION: GRIEVANCE SYSTEM

FINDING TYPE: Sustainable Improvement Needed

Finding Explanation:

- Although there are several ways to lodge grievances at this factory, including suggestion boxes (President's Suggestion Box, Communist Party Suggestion Box, General Manager's Suggestion Box, Trade Union suggestion Box, and Business Group Suggestion Box), 80% of the workers interviewed mentioned that they do not know the factory's grievance and counseling procedures.
- There is inconsistency in procedures regulating how to lodge a grievance. For example: the grievance procedures suggest grievances can be anonymous whereas article 140 of the worker handbook stipulates that the Company does not accept anonymous grievances.
- Workers are not comfortable using the grievance system because of fear of retribution and pressure from supervisors to quit the factory after lodging one or more complaints.
- In one instance, a floor manager opened a suggestion box and handled the grievances, which dampened workers' confidence.

Local Law or Code Requirement:

FLA Workplace Code (Employment Relationship Benchmark ER.25)

Root Causes:

- Since Apple only recently affiliated with the FLA and has yet to align its policy and procedures as well as Code of Conduct with FLA standards, suppliers have not been communicated the requirements.

- Lack of understanding of how the grievance system functions and fear of retaliation, which is mainly due to inconsistencies at a policy level.
- These issues have never been raised during previous external audits.
- There is no worker representation and integration on current Grievance policy and procedures; therefore workers do not trust in these systems.
- There is no established system for evaluating the efficiency of the trainings provided or communication procedures in place.

Recommendations for Sustainable Improvement:

- Management should train all workers, supervisory and managerial staff on the factory's grievance system / 3 months
- Apple should align its current policy, procedures and Code of Conduct with FLA's standards and benchmarks / 3 months
- Effectiveness of the trainings and communication procedures should be checked periodically to gauge workers' awareness on factory's Grievance policy and procedures / 6 months
- Elected worker representatives should be placed in Workers' Committee so that they can provide active worker representation and involvement on decision-making process about grievance-related issues. / 7 months
- An effective internal monitoring procedure should be prepared and implemented to prevent recurrence of this issue and to ensure successful implementation of written policy and procedures / 9 months

Remediation Plan:

- Use a variety of means (emails, bulletin board, posters, trainings) to inform workers and managers about grievance channels and counseling procedures. (SHZBG: Director, 04/30/'12)
- Enhance the consistency in policy and procedures on how to handle a grievance at both business group and factory level. (CHR: Director and SHZBG: Director, 04/30/'12)
- Workers and management representatives will be trained on revised policy and procedures. (SHZBG: Director, 05/31/'12)
- Conduct employee surveys periodically to assess awareness and perception of grievance system. (SHZBG: Director, 06/30/'12)
- Elected worker representatives will be placed in Workers' Committee so that they can provide active worker representation and involvement in the decision-making process about grievance related issues. (SHZBG: Director, 06/30/'12)
- Enhance monthly internal monitoring to ensure implementation is in alignment with the written policy and procedures. (CHR: Director and SHZBG: Director, 06/30/'12 and continuously)
 - Establish and periodically review KPI to gauge the effectiveness of grievance system and workers' perception.
 - Identify root cause for any gaps in grievance system and workers' perception, and take continuous improvement actions.
- Review and implement a comprehensive mechanism to prevent employees from retaliation and to prevent managers from retaliating against employees. (CHR: Director, Labor Union: Chairman and SHZBG: Director, 06/30/'12)
- Apple will align its current policy, procedures and Code of Conduct with FLA's standards and

FINDING NO: 11

EMPLOYMENT FUNCTION: TERMINATION & RETRENCHMENT

FINDING TYPE: Immediate Action Required

Finding Explanation:

- Resignation process requires approval from different levels of management before workers can complete the process. It was observed that many workers prefer to bypass this system and leave the factory without prior notice --sacrificing their outstanding wages - rather than to follow the complicated process, so that a high percentage of workers leave each month without notice.
- There are no written policies or procedures governing retrenchment and resignation.

Local Law or Code Requirement:

Employment Contract Law Article: 37, FLA Code (Employment Relationship Benchmarks ER.32; Forced Labor Benchmarks F.2 and F.7)

Root Causes:

- Since Apple only recently affiliated with the FLA and has yet to align its policy and procedures as well as its Code of Conduct with FLA standards, suppliers have not been communicated this requirement.
- Cumbersome resignation process acts as a discouragement for workers to resign; management thinks that this might be a way to reduce the high turnover rate.
- It is not a legal requirement in China for factories to have retrenchment policy and procedures.
- Factory management stated that since they have never experienced any downsizing, they do not need policy and procedures on retrenchment.
- This issue has never been brought to the attention of the factory management during external audits.

Immediate Action :

- Immediately develop policy and procedures to streamline the resignation process, eliminating numerous pre-approvals, and implement them so that workers can leave the factory through normal procedures and collect all wages

Recommendations for Sustainable Improvement:

- Apple should align its current policy, procedures and Code of Conduct with FLA's standards and benchmarks regarding termination and retrenchment / 3 months
- Management should revise current termination policy and related procedures to include retrenchment and resignation / 6 months
- Workers and Management representatives should be trained on revised policy and procedures / 9 months
- An effective internal monitoring procedure should be developed and implemented to ensure consistent implementation of written policy and procedures/ 9 months

Remediation Plan:

- Resignation procedure has been simplified and a one-stop service center will be established to provide convenient and direct service for workers seeking to resign. (SHZBG: Director, completed and 04/30/'12)
- Revise current Termination policy and procedures to include retrenchment, resignation and retirement. (CHR: Director, 04/30/'12)
- Train workers and management representatives on the revised termination policy and procedures. (CHR: Director, 06/30/'12)
- Conduct periodic internal monitoring to ensure consistent implementation of written policy and procedures. (CHR: Director and SHZBG: Director, 06/30/'12)
- Apple will align its current policy, procedures and Code of Conduct with FLA's standards and

FINDING NO: 12

EMPLOYMENT FUNCTION: HEALTH & SAFETY

FINDING TYPE: Sustainable Improvement Needed

Finding Explanation:

- No procedure for controlling thermal comfort conditions of the workers and protecting them from potential heat/cold related impact. Currently workers working at over ventilated areas such as CNC and Polishing/CNC sections and contract workers that are working at the outside of the buildings are at risk.
- No Lock out-Tag out (LOTO) procedure for protecting workers from hazardous equipment that might accidentally turn on and harm them.
- List of machines that need guarding is missing.
- No procedure for controlling working conditions and protecting workers from potential risk of falling when they work at heights.
- Emergency action plans do not cover external parties, such as service providers or visitors.
- Some machines in polishing section were missing protective guards and sensors.

Local Law or Code Requirement:

Code of Design of Manufacturing Equipment Safety and Hygiene Article: 6.1.6, FLA Workplace Code (Health, Safety, and Environment Benchmarks HSE.1, HSE. 11, HSE.14; Employment Relationship Benchmark ER.31)

Root Causes:

- Although the factory has a well developed system as far as written policy and procedures are concerned, the implementation of the system was not effective in many areas, arguably due to the ineffectiveness of the HSE committee and of the methodology and tools used for internal audits and routine HSE inspections along with absence of an effective review process
- Most of the managerial staff interviewed mentioned that these issues have never been raised during external audits
- No active worker representation and participation on HSE committee.
- No active system for encouraging workers to participate in ongoing HSE efforts.
- Risk Analysis report does not cover all hazards and risks in the factory,
- Management is not aware of possible legal and financial consequences of work accidents and occupational diseases that may happen within the factory, including involving service providers/contractors.

Recommendations for Sustainable Improvement:

- Include review of outstanding HSE issues and corrective actions in annual “Management Review” of the HSE system and regular HSE committee meetings / 3 months
- Develop and implement Lock out-Tag out procedure with at least the following details: /6 months
 - Identification of equipment, tasks (e.g., installation, maintenance, inspection, cleaning or repair of machinery or equipment)
 - Associated hazards resulting from

Remediation Plan:

- Include ongoing HSE issues and corrective actions in the agenda of annual “Management Review” of the HSE system and regular HSE committee meetings. (SHZBG: VP, Done on 03/01/’12 and continuously)
- Enhance HSE policy and procedures with respect to the following items to be continuously implemented and strengthened:(SHZBG: VP, Done and continued)
- Enhance HSE policy and procedures with respect to the following items to be continuously

uncontrolled hazardous energy sources

- Evaluation of risks associated with hazardous energy
- Control measures to reduce or eliminate the risks
- Prepare list of machines that need guards and periodically update list. / 6 months
- Develop and implement a fall protection procedure with at least the following details: / 6 months
 - Identification of job tasks where an employee or object are at risk of falling
 - Evaluation of the risk associated with tasks involving work at height
 - Identification and implementation of control measures to reduce the risk
- Revise and expand coverage of emergency action plans to cover external parties such as service providers or visitors with clear guidelines that define how to ensure their safety in case of an emergency. / 6 months
- Revise procedures so that HSE worker representatives will be elected and promote worker participation in ongoing HSE efforts such as implementing a system for collecting problems/ observations/feedback from workers or letting workers participate in Risk Assessment studies / 3 months
- Risk Analysis report should be revised through joint efforts of the below listed participants: / 7 Months
 - External Consultant and/or Brand Social Compliance Department Representatives
 - Factory Manager
 - HR Manager
 - Person Responsible for Social Compliance
 - Elected HSE Worker Representatives
 - Maintenance Department representative
 - Workplace Doctor (from hospital outside of the campus)
- Prepare annual training plan for HSE staff and HSE worker representatives to improve their knowledge and skills on detecting & managing potential risks. / 6 months
- Prepare and implement an internal monitoring program that would include thermal conditions, LOTO, machine guarding, fall protection and

implemented and strengthened:(SHZBG: VP, Done and continued)

- Procedures for Young Workers (16 to 17 years of age) Protection Management: HRD20120228A
 - Young Workers (16 to 17 years of age) Special Protection Guidance: SR-OP-003
- Procedures for Female Worker Protection Management: HR-01-20-WI
- Procedures for Disabled Workers Recruiting and Management: HRD20120217A
 - SER Code of Conduct for Contractors in the Factory: EMH0019
 - Procedures for High Above Ground Work (fall protection) Regulation: CFIS-OP-00020
 - Procedures for Lock Out/ Tag Out Management in Chengdu Campus: EMD0004
 - Procedures for Thermal Comfort Control: EMH0021
- The following items to be continuously revised. (SHZBG: VP, 04/30/12)
 - List of complete sets of analysis on all equipment requiring guarding
 - MSDS information enhancement by suppliers
- Enhance annual training plan for HSE staff and HSE worker representatives to improve their knowledge and skills on detecting & managing potential risks. (HSE committee, SHZBG: VP, 05/30/12)
- Inspect and install missing protective guards and sensors for polishing machines. (CFIS: VP, 06/01/12)
- Review and enhance procedures of HSE committee to encourage participation by worker representatives and implement regular meetings on a monthly basis. (SHZBG: VP, 06/30/12)
- Develop comprehensive policies at the Corporate level to manage safety and health issues involving contractors who work in the factory, such as in construction, maintenance, or waste handling. (SHZBG: VP, 06/30/12)
- The following items will be managed by additional policy and procedures: (CHR: Director, CFIS (Corporate Fire and Industry Safety): VP, SHZBG: VP, 06/30/12)

emergency action plan coverage. / 8 months

- Procedures for elderly employee protection
- Procedures for protection of workers with disabilities
- HSE committee will enhance Risk Assessment report through joint efforts by the following participants: (HSE committee and SHZBG: VP, 06/30/'12)
 - External Consultant
 - Brand Social Compliance Department Representatives
 - Plant Manager
 - HR Manager
 - SER Specialist
 - Worker Representatives
 - Maintenance Department Representative
 - Clinic Doctor (from Health Center on the campus)
 - Industrial Ergonomist
- Enhance internal monitoring program that specifically emphasizes thermal conditions, LOTO, machine guarding, fall protection and emergency action plan coverage. (HSE committee, SHZBG: VP, 06/30/'12)

FINDING NO: 13

EMPLOYMENT FUNCTION: HEALTH & SAFETY

FINDING TYPE: Sustainable Improvement Needed

Finding Explanation:

- Although there is an HSE committee in place, this committee is not active. There are no periodic meetings, accident/incident investigation or internal audits conducted by this committee. Currently, the committee only holds meetings for some special cases.
- There is no worker participation and integration on ongoing HSE efforts, as there are no elected worker representatives on HSE committee (all current members were selected by management).
- Accident records only cover serious accidents (accidents with lost working time) but not all the accidents and near miss cases.
- No system for keeping track of sickness and working day loss due to sickness.

Local Law or Code Requirement:

Food Safety Law, Article 29; Trade Union Act; FLA Workplace Code (Health, Safety, and Environment Benchmarks HSE.1, HSE.3; Employment Relationship Benchmarks ER.25, ER.31)

Root Causes:

- Although the factory has a well developed system as far as written policy and procedures are concerned, the implementation of the system was not effective in many areas, arguably due to the ineffectiveness of the HSE committee and of the methodology and tools used for internal audits and routine HSE inspections along with absence of an effective review process
- No active worker representation and participation on HSE committee.

- No active system for encouraging workers to participate in ongoing HSE efforts.
- Classification of work accidents and recording liability of these accidents is not clearly defined in local law.
- Management lacks awareness about possible benefits of keeping records of all work accidents, sicknesses and near miss cases
- Management lacks awareness about possible benefits of having elected worker representatives on HSE committee.

Recommendations for Sustainable Improvement:

- Revise procedures that define working areas/role/responsibility of HSE committee in order to activate the committee. New procedures should clearly define meeting frequency as at least once per month along with additional number of days required for periodic internal audits, possible training participation, etc./ 3 months
- Improve record-keeping procedure to make sure that all work accidents, regardless of severity, all near-miss cases and sickness are recorded in order to identify potential hazards/risks within the workplace and provide meaningful information for Risk Assessment studies. / 3 months
- Hold an election - without management interference – to elect worker representatives to the HSE committee. Brand’s social compliance team should observe the election process. / 6 months

Remediation Plan:

- Review and enhance procedures of HSE committee to encourage the participation by worker representatives and other stakeholders and implement regular meetings on a monthly basis and specific project review meetings as needed; the missions, goals, milestones and working plan of HSE committee will be comprehensively defined. (HSE committee and SHZBG: VP, 04/30/’12)
- Review and enhance record-keeping procedures for sickness, leaves, accidents, near-miss cases and lost work to be used for purposes such as potential hazards/risk assessments as well as root causes elimination. (CPH (Corporate Public Health): Director and SHZBG: VP, 05/31/’12)
- Enhance procedure of HSE committee formation process to encourage the participation by worker representatives. (SHZBG: VP, 06/30/’12)
- Apple will evaluate alternatives for independent monitoring of the election process (09/30/12)

FINDING NO: 14

EMPLOYMENT FUNCTION: HEALTH & SAFETY

FINDING TYPE: Sustainable Improvement Needed

Finding Explanation:

- Hearing protectors (ear plugs) were not being used appropriately by workers, as many workers were not actually using them and others were not using them properly.
- Non-potable water sources are not labeled.
- It was observed that workers are provided with wrong type of PPEs in some production areas –like carbon layered masks in areas with high dust concentration - and many workers are not using their PPEs properly or on a continuous basis.
- No protective shoes provided to workers in warehouse areas, forklift and pallet truck traffic areas.
- Speed limitation signs are missing in many areas; also there are no speed bumps around the zebra crossings
- Forklift truck drivers are not using safety belts; also some forklift trucks are operating with worn-out tires that affect safe brake distance.
- Rear gear sound alarms of forklift trucks are missing or not operational, no speed limiting systems installed in forklift trucks.
- Maximum working pressure limits not indicated on the manometers of pressure vessels in compressor room.
- Color-coding of pipes within the factory varies in different areas. While there is no legal requirement to do so,

they are not in line with international standards such as British Standard 1701 on color for pipes (e.g., yellow color used for compressed air pipes) and could cause accidents.

- Many workers working with chemicals (cleaning solvent, lubricants, adhesives) use different type of gloves (finger gloves or half gloves) or not using any gloves at all; it is not clear that these gloves are providing enough protection against potential risk of skin absorption.
- Some medicines were stocked in the first aid kits and some first aid kits were locked and not easily accessible in case of an emergency.

Local Law or Code Requirement:

Production Safety Law Article: 37, Prevention and Treatment of Occupational Diseases Law Article: 23, and FLA Workplace Code (Health, Safety, and Environment Benchmark HSE.1, HSE.6, HSE.7, HSE.8, HSE.15; Employment Relationship Benchmarks ER.31)

Root Causes:

- Although the factory has a well developed system as far as written policy and procedures are concerned, the implementation of the system was not effective in many areas, arguably due to the ineffectiveness of the HSE committee and of the methodology and tools used for internal audits and routine HSE inspections along with absence of an effective review process.
- No active worker representation and participation on HSE committee.
- No active system for encouraging workers to participate in ongoing HSE efforts.
- No clear links between PPE selection/usage and workplace environment measurements (noise measurement, thermal comfort conditions, indoor air quality, dust, etc.).
- Some PPEs in use are for product safety concerns rather than personal protection.
- Management is not aware of possible legal and financial consequences of work accidents and occupational diseases.
- Workers' awareness on importance of using PPEs is low. Also workers do not know how to report unsafe PPEs.

Recommendations for Sustainable Improvement:

- PPE selection procedure should be revised and all H&S committee members (including elected worker representatives) should actively participate in the selection process / 3 months
- All medicines should be removed from first aid kits and there should be only first aid material stocked in first aid kits. Also, all first aid kits should be kept unlocked in an easily accessible location for emergency response / 1 month
- Maximum working pressure levels should be marked on manometers / 3 months
- Speed limitation signs should be placed in prominent places; speed bumps should be placed around zebra crossings / 3 months
- Non-potable water sources should be marked / 1 month
- Workers should be trained to raise their awareness on importance of PPE usage; positive incentives to encourage PPE use (like employee of the month

Remediation Plan:

- Enhance PPE selection procedures by following China Labor Protective Equipment Selection Principle and participation by EHS committee and workers representatives. (HSE committee, SHZBG: VP, 04/30/'12)
- Through HSE internal monitoring program, ensure that:
 - All medicines have been removed from first aid kits and there is only first aid material stocked in first aid kits. Also, all first aid kits will be kept unlocked in an easily accessible location for emergency response. (CPH: Director, Done on 03/20/'12 and continuously)
 - Maximum working pressure levels will be marked on manometers, speed limitation signs will be placed in prominent places, and speed bumpers will be placed all around zebra crossings. (SHZBG: VP and CS (Corporate Security): Director, 06/30/'12),

selection) would be useful / 6 months

- Develop and implement an effective internal monitoring procedure to assess first aid kits/eye wash/shower conditions, earplug usage, masks, and safety devices in forklifts for successful monitoring of the implementation of written policy and procedures/ 6 months
- Revise periodic control/maintenance procedures for all vehicles (trucks, forklift trucks, pallet trucks) to ensure that necessary periodic control and maintenance activities are done on a timely basis / 6 months
- HSE committee should check all PPEs in use with respect to results of the workplace environment measurements and revised risk assessment study. Primary concern of HSE committee should be to reduce/isolate possible risks at their source with engineering studies rather than direct suggestion of PPE usage. / 9 months
- HSE committee should work on color coding of pipes to avoid possible accidents/issues in the future / 9 months

- Non-potable water sources will be marked. (SHZBG: VP, 04/15/'12)

- Control maintenance procedures for all vehicles (trucks, forklift trucks, pallet trucks) to ensure that necessary maintenance activities are done on a timely basis (SHZBG: VP, 04/30/'12 and continuously)

- All PPEs in use will be checked with respect to results of the workplace environment measurements and revised risk assessment study. (SHZBG: VP, 09/30/'12)

- Define color coding of pipes to enhance the standardization level according to China National Standard: GB7231-2003 (HSE committee and SHZBG: VP, 04/30/'12)

- Strengthen internal monitoring procedure to assess the effectiveness on the use of gloves for workers working with chemicals and to ensure their proper use. (SHZBG: VP, 04/15/'12)

- Conduct training for applicable workers who use PPE, so that awareness is raised; Promote proper PPE use through team activities and recognition programs. (SHZBG: VP, 09/30/'12)

- Strengthen internal monitoring procedure to assess the effectiveness of the safety measures implementation; such as eye wash/shower, earplug usage, masks, and safety devices in forklifts according to policy and procedures. (SHZBG: VP, 04/15/'12)

- HSE committee to conduct engineering studies to identify the optimal PPE to reduce/isolate possible risk at their sources for the bottom line results on workplace environment measurements, such as non-active-carbon-lines mouse mask for the sole purpose of product protection only. (HSE committee and SHZBG: VP, 12/31/'12)

EMPLOYMENT FUNCTION: HEALTH & SAFETY

FINDING TYPE: Sustainable Improvement Needed

Finding Explanation:

- Fire alarm buttons are not marked in local language.
- Some fire escape masks were damaged and not in a good condition to use.
- Selection of fire extinguishers is not suitable for the potential fire risks in some areas, such as dry chemical powder type fire extinguishers in high voltage areas .
- Missing emergency lighting equipment in some workshops.
- Some Emergency Exit signs and emergency evacuation route signs were damaged/not operational.
- It was observed that a significant amount of raw material is stored in loading/unloading platform areas and there is no sprinkler protection provided for those temporary storage areas.
- There are no signs placed for directing workers to emergency assembly areas .
- Fire hydrant keys and portable hoses were not located in easily accessible areas that are close to fire hydrants .
- Workers, supervisors and floor managers don't know the locations of sprinkler shut-off valves in their departments.
- There is not a system in place for conducting periodical pressure tests of the sprinkler system.
- There is no control panel or MIMIC Diagram for sprinkler system.
- There are no fire extinguishers in forklift trucks.
- There are no fire detectors or sprinkler protection in Boiler Room.
- Fire alarm panel is not active as many fire sensors are on pre-alarm condition.
- There is no system in place to ensure conducting periodic fire drills in dormitories.
- It was observed that annual fire drills for production buildings were not conducted with consideration for each shift's participation, therefore most of the workers have not been able to participate in those fire drills.
- Fire drills were conducted once per year in production area instead of twice per year as required by local law.
- Workers, supervisors and floor managers don't know the emergency shut-down process for their departments
- There is no control over operations of contractors which makes factory vulnerable to possible risks caused by operations undertaken by them –such as hot work (grinding-cutting-welding) of construction contractors or aluminum residue/scrap handlers.

Local Law or Code Requirement:

Code of Design of Manufacturing Equipment Safety and Hygiene Article 6.1.6, Code of Design on Building Fire Protection and Prevention Article 11.4.1, Fire Prevention Regulation for Government Offices, Organizations and Enterprises Article: 40, FLA Code (Health, Safety, and Environment Benchmarks HSE.5, HSE.6, HSE.26; Employment Relationship Benchmarks ER.31)

Root Causes:

- Although the factory has a well developed system as far as written policy and procedures are concerned, the implementation of the system was not effective in many areas, arguably due to the ineffectiveness of the HSE committee and of the methodology and tools used for internal audits and routine HSE inspections along with absence of an effective review process
- Most of the managerial staff interviewed mentioned that these issues have never been raised during external audits
- There is not an active worker representation and participation on HSE committee.
- There is not an active system for encouraging workers to participate in ongoing HSE efforts.
- Management is not aware of possible legal and financial consequences of work accidents and occupational diseases that may happen within the factory, including involving service providers/contractors.

- There is not an effective system for controlling fire safety precautions on a periodic basis.
- Risk Analysis report doesn't cover all hazards and risks in the factory.

Recommendations for Sustainable Improvement:

- Fire detectors should be provided in the boiler room and fire alarm panel will be activated / 1 month
- Fire alarm buttons should be marked in local language / 1 month
- Damaged or unusable fire escape masks should be replaced / 1 month
- Missing/damaged emergency lighting equipment and emergency exit/route signs should be replaced /1 month
- Establish and mark emergency assembly areas and install signage for directing workers to these areas / 1 month
- Fire extinguisher selection within the factory should be re-assessed by HSE committee with respect to potential fire risks in areas where they are located as well as with consideration for environmental concerns (e.g. avoid using halocarbon type fire extinguishers for protecting the ozone layer) / 6 months
- Sprinkler protection should be provided in temporary storage areas or these areas should not be used for raw material storage / 6 months
- A system should be implemented for conducting periodic pressure tests of the sprinkler system / 6 months
- Location of fire hydrant keys and portable hoses should be close to fire hydrants / 1 month
- HSE department should check the possibility of placing a control panel or MIMIC diagram for sprinkler system in the fire control room / 6 months
- Proper signage for directing workers to Emergency Assembly areas should be provided / 3 months
- Fire extinguishers should be placed in forklift trucks for providing a quick response to potential fires in the warehouse or other remote areas where forklifts are operating as well as a potential fire in the forklift / 3 months
- HSE Committee should start working more actively on fire safety issues and should do a study on minimizing the risk of possible fires within the production & dormitory areas. This study should cover at minimum:

Remediation Plan:

- Fire detectors in the boiler room and alarm panels were inspected and if necessary were re-installed properly. (CFIS: VP, Done on 03/20/'12)
- Fire hydrant keys and portable hoses were inspected to ensure they are located close to fire hydrants. (CFIS: VP, Done on 03/20/'12)
- Has inspected pressure monitoring system for sprinkler was inspected to ensure they are properly implemented. (CFIS: VP, Done on 03/25/'12)
- Fire drills planned for two times a year; HSE committee will ensure the implementation of this policy and the participation of all employees. (CFIS: VP, 04/30/'12)
- Equip all forklifts with appropriate fire extinguishers (CFIS: VP, 04/15/'12)
- Fire alarm buttons will be marked in local language. (CFIS: VP, 04/30/'12)
- Damaged or unusable fire escape masks if identified will be replaced immediately . (CFIS: VP, ongoing and continuously)
- Missing/damaged emergency lighting equipment and emergency exit route signs will be replaced. (CFIS:VP, 04/30/'12)
- Establish and mark emergency assembly areas and install signage for directing workers to these areas. With regard to the fire extinguisher (non-halocarbon type) selection, the facilities will be re-assessed by HSE committee and will consider the feasible area to be located. (CFIS: VP, 05/30/'12)
- Indicators of emergency evacuation points will be posted and will be checked periodically. (CFIS: VP, 04/15/'12 and continuously)
- Sprinkler will be installed in all storage areas. (CFIS: VP, 06/30/'12)
- Review to enhance procedures of Control over Operations of Contractors (CFIS-SZ-SP-00004) to minimize the potential risks associated with contractos who work in the factory. (SHZBG: VP, 04/30/'12)
- Outsource to the professional fire maintenance company to perform fire control system maintenance and detection, and issue the test report

- Training needs assessment for both workers and managerial staff
- Periodic maintenance and control procedures for fire safety systems & equipment
- Emergency shut off/shut down procedures (for sprinkler-compressed air-steam-electricity infrastructure)
- Possible construction improvements to minimize the risk/impact of a potential fire/explosion in these areas
- Frequent internal audits/engineering controls to minimize risks
- Improving the level of communication between workers and management in order to minimize the fire risk
- Control systems for checking the operations undertaken by contractors
- Procedure about conducting periodic fire drills should be revised twice a year (semi-annually) per local law and number of drills should be arranged to ensure the participation of all workforce. / 3 months
- Risk Analysis report should be revised with the mutual effort of below listed participants: / 7 Months
 - External Consultant and/or Brand Social Compliance Department Representatives
 - Factory Manager
 - HR Manager
 - Social Compliance Responsible
 - Elected HSE Worker Representatives
 - Maintenance Department Responsible
 - Workplace Doctor (from hospital outside of the campus)

- quarterly. (CFIS: VP, 09/30/'12)
- HSE Committee will start working more actively on fire safety issues and will do a study on minimizing the risk of possible fires within the production & dormitory areas. This study should cover: (CFIS: VP, 09/30/'12)
 - Training needs assessment for both workers and managerial staff
 - Periodic maintenance and control procedures for fire safety systems & equipment
 - Emergency shut off/shut down procedures (for sprinkler-compressed air-steam-electricity infrastructure)
 - Possible construction improvements to minimize the risk/impact of a potential fire/explosion in these areas
 - Frequent internal audits/engineering controls are for minimizing the risk
 - Improving the level of communication between workers and management in order to minimize the fire risk
 - Control systems for checking the operations undertaken by contractors
 - Risk analysis report will be implemented and related persons/parties will review and revise: (CFIS: VP, 10/30/'12)
 - External Consultant
 - Brand Social Compliance Department Representatives
 - Plant Manager
 - HR Manager
 - SER Specialist
 - Worker Representatives
 - Maintenance Department Representative
 - Clinic Doctor (from Health Center in the campus)
 - Industrial ergonomist

FINDING NO: 16

EMPLOYMENT FUNCTION: HEALTH & SAFETY

FINDING TYPE: Sustainable Improvement Needed

Finding Explanation:

- Despite the fact that chairs and stools are provided and most of the workers use them, following instances of ergonomic issues were observed:
 - Chairs are not adjustable (both height and backrest)
 - Chairs do not have proper backrest to support the lower back

- No removable armrests on chairs
- No back support provided on stools
- Both chairs and stools made of uncomfortable material (non-breathable/non-slippery material)
- Problems with workstation design (height/width/area)
- Workers are hunching or leaning during production process
- Uncomfortable body postures
- No efforts on job simplification
- Wide use of pneumatic tools/equipment/machinery which result in noise/vibration issues
- Some workers had to arrange their own workstations by themselves by using empty boxes/ cardboard/packing materials
- Some of the hand tools used by workers are not suitable for the tasks they are performing and also pose a risk to them such as sharpened metal sticks wrapped with tape for carving/cleaning aluminum cases
- In many areas of assembly lines, workers are positioned very close to each other, which reduces their ergonomic comfort as there is not enough space provided for separating their usual and occasional work areas
- Illumination levels are inconsistent, not sufficient in some areas, while other areas are over-illuminated.
- Some workers use hand pallet trucks for moving heavy loads over long distances.
- Since rest areas are located inside of the production areas in many production floors, workers had to come back to the production area after having lunch and rest inside of the production areas while some others sit in the hallways/corridors/outside of the buildings during their break.
- No ergonomics training provided to workers to increase their awareness and knowledge on ergonomic risks in the workplace.

Local Law or Code Requirement:

Health Standard for Design of Industrial Enterprises Articles: 6.4.4.1 & 6.4.4.2, FLA Workplace Code (Health, Safety, and Environment Benchmarks HSE.1, HSE.17, HSE.20)

Root Causes:

- Although the factory has a well developed system as far as written policy and procedures are concerned, the implementation of the system was not effective in many areas, arguably due to the ineffectiveness of the HSE committee and of the methodology and tools used for internal audits and routine HSE inspections along with absence of an effective review process
- Most of the managerial staff interviewed mentioned that these issues have never been raised during external audits
- No active worker representation and participation on HSE committee.
- No active system for encouraging workers to participate in ongoing HSE efforts.
- Management's lack of knowledge about possible benefits of ergonomic improvements, such as increasing productivity and attendance levels, while reducing risk of work accidents and MSDs.
- Risk Analysis report does not cover all hazards and risks in the factory; limited information about possible ergonomic risks.
- Lack of recreational areas for break hours around factory buildings.

Recommendations for Sustainable Improvement:

- HSE committee to check illumination levels in production areas to determine needed improvements on over/under illuminated areas /3 months
- HSE worker representatives to be elected and management to encourage workers to participate in

Remediation Plan:

- Strengthen HSE committee roles and functions by making improvements on the ergonomic comfort of workers: (HSE committee and SHZBG: VP, 06/30/'12)
- Over/under illumination levels in production areas

ongoing HSE efforts, such as implementing a system for collecting problems/observations/feedbacks from workers or letting workers participate in Risk Assessment studies. / 3 months

- Workers to be trained on Ergonomic Risk factors in workplace. / 4 months

- Prepare annual training plan for HSE staff and HSE worker representatives to improve their knowledge and skills on detecting & managing the potential HSE risks. / 6 months

- Risk Analysis report that includes all Ergonomic Risks within the workplace should be revised through the joint effort of the below-listed participants: / 7 Months

- External Consultant and/or Brand Social Compliance Department Representatives
- Factory Manager
- HR Manager
- Person responsible for Social Compliance
- Elected HSE Worker Representatives
- Maintenance Department Representative
- Workplace Doctor (from hospital outside

of the campus)

- Develop and implement an effective internal monitoring procedure to ensure consistent illumination, improved ergonomic program, and a successful implementation of written policy and procedures / 8 months

- HSE Committee and factory management to work together on how to increase recreation areas for workers during their break hours, including possibility of total separation of rest areas from production areas. / 9 months

- After completion of Risk Analysis study, HSE Committee to immediately start working on defined Ergonomic risks to minimize or avoid those risks. / 9 months

- Ergonomic risk and protection
- Define action items and monitor the effectiveness of execution of ergonomic risk prevention actions
- Enhance training programs for workers and worker representatives: (SHZBG: VP, 06/30/'12)

- Ergonomic Risk factors in workplace
- Knowledge and skills in detecting/ managing potential HSE risks

- Risk Analysis report that includes all Ergonomic Risks within the workplace to be revised through joint efforts by the following participants: (SHZBG: VP, 06/31/'12)

- External Consultant
- Brand Social Compliance Department Representatives

- Plant Manager
- HR Manager
- SER Specialist
- Worker Representatives
- Maintenance Department Representative
- Clinic Doctor (from Health Center in the campus)

- Industrial Ergonomist
- An easy-grip and ergonomically designed handle for hand tools will be designed and provided to minimize the potential risk (SHZBG: VP, 07/30/'12)

- Strengthen effective internal monitoring procedures to ensure consistent illumination, sufficient toilets, improved ergonomic program, and successful implementation of written policy and procedures. (HSE committee and SHZBG: VP, 11/30/'12)

- Review the effectiveness of ergonomic improvement actions by collecting feedback from workers in general. (HSE committee and SHZBG: VP, 12/31/'12)

- Rest areas will be designed and provided in the Chengdu campus for workers to enjoy their leisure time (CHR: GM, 12/31/'12)

- Establish an ergonomic laboratory to research and develop ergonomic programs and anthropometric database for the continuous improvement of ergonomic health and comfort of workers.

(Ergonomic laboratory: Director, Done on 03/01/'12 and continuously)

EMPLOYMENT FUNCTION: HEALTH & SAFETY

FINDING TYPE: Immediate Action Required

Finding Explanation:

- Some workers were observed not to follow SOP by using air guns for pushing control buttons in CNC factory.
- During the day of assessment, some fire detectors were not operational in many areas.
- There is no system in place for conducting periodic thermal imaging for detecting hot spots.
- Despite the fact that Foxconn has a system for conducting planned maintenance activities on a periodic basis, condition-based maintenance activities were missing which are a crucial component of preventive maintenance system. Several issues were observed in the walkthrough, e.g. air leakages, high noises from some machines (potential bearing failures).
- Section managers/supervisors/workers do not know emergency shut-off procedures.
- Some polishing stations in the dry polishing section were missing proper grounding against static electric shocks that may cause sparks. Some electrical cables were not properly encased/isolated, such as the electrical cables at the CNC workshops.
- Covers of many polishing machines that prevent workers from entering the robot operation were loose or had been removed.

Local Law or Code Requirement:

Health Standard for Design of Industrial Enterprises, Article: 5.1.1; General Guide for Safety of Electric User, Article 6.7; Code of Design of Manufacturing Equipment Safety and Hygiene, Article 6.4.1; FLA Workplace Code (Health, Safety, and Environment Benchmarks HSE.1)

Immediate Actions:

- Fire detectors should be maintained and fire alarm panel should be activated
- Periodic thermal imaging should be conducted to detect hot spots within the high risk areas
- Preventive maintenance system should be implemented to include condition-based maintenance activities
- Section managers/supervisors/workers should be trained on emergency shut-off procedures
- All workstations/machinery/equipment in risk areas should be properly grounded against possible static electricity risks
- All electrical cables and wires should be properly encased/isolated
- Covers of polishing machines should be replaced if missing and should be kept closed

Remediation Plan:

- Fire detectors and alarm panels were inspected and few of them were re-installed properly where needed. (CFIS: VP, Done on 03/20/'12)
- Inspect and fix electrical cables to make them properly encased and/or isolated. (CFIS: VP, Done on 03/20/'12)
- All electrostatic groundings were inspected and were re-installed with electrostatic ring where needed. (CFIS: VP, Done on 03/20/'12)
- Missing covers of polishing machines were replaced and kept closed. (CFIS: VP, Done on 03/20/'12)
- Immediately corrected violations of SOP prohibiting using air guns for pushing control buttons in CNC factory and conducted SOP retraining to avoid reoccurrences of misbehavior. (CFIS: VP, Done on 03/20/'12)
- Thermal imaging will be conducted periodically to detect hot spots within the high risk areas. (CFIS: VP, ongoing and continuously)
- Total productive maintenance (TPM) will be implemented to improve the existing maintenance system. (CFIS: VP, 06/02/'12)
 - The factory has emergency shut-off procedures in place, such as OHS-SP—025 (Great calamity

emergency preparation and response management procedure) and CFS-SZ-00007 (Fire accident emergence response and rescue program). (CFIS: Done on 02/28/'12)

- Strengthen training to all employees and take the examinations. (CFIS: VP, 06/30/'12)

FINDING NO: 18

EMPLOYMENT FUNCTION: HEALTH AND SAFETY

FINDING TYPE: Immediate Action Required

Finding Explanation:

- It was observed that some compressed air hoses/pipes were connected with adhesive tape.
- Ends of some active air hoses in production floors were tied or taped instead of being properly closed with a hose ending – a compressed air hose went off and a worker was nearly injured during the factory walkthrough.
- Lubricants leaking from some CNC machines or processed aluminum parts make production floor in CNC section slippery.

Local Law or Code Requirement:

Safety Monitoring Regulation of Special Equipment, Article 373, FLA Workplace Code (Health, Safety, and Environment Benchmarks, HSE.14)

Root Causes:

- Floor managers, supervisors and health and safety personnel are not aware of potential dangers and possible injuries that could be caused by improper joining/ending of compressed air hoses.
- Problems regarding maintenance of the CNC machines
- Compressed air is used for cleaning of machinery and of the processed parts, causing lubricants to drizzle onto the production floor.

Immediate Actions:

- Immediately change the improper joining of compressed air hoses by engaging specialized personnel to do so. In addition, provide training on safety to all floor management and health & safety personnel.
- End the use of compressed air for cleaning the machines.

Recommendations for Sustainable Improvement:

- Enhance the maintenance program of the CNC machines and conduct regular inspection in the workshop in order to prevent possible lubricant leakage issues.
- Conduct an internal assessment of the condition of all compressed air hoses.

Remediation Plan:

- Adhesive tape on a few hoses removed and connected with clamping ring. (CFIS: VP; completed on 03/20/'12).
- Air hoses tied or taped were closed with speedy junctions (CFIS: VP; completed on 03/20/'12).
- HSE committee and CFIS conducted an internal assessment to evaluate the condition of all compressed air hoses. (CFIS: VP; completed on 03/20/'12)
- (a) Put the product into a case when blowing with the air gun in case of lubricant dripping, and reduce the pressure simultaneously, (b) Introduce closed automatic proportion device, (c) Use manual pump for lubricant liquid dosing, (d) Introduce an automatic recycle system for the aluminum scraps to avoid leakage. (CFIS: VP, completed on 03/20/'12 and continuously)
- End the use of compressed air for cleaning CNC

machines. (CFIS: VP, completed on 03/20/'12)
• Refresh training on safety to all floor management and health and safety personnel will be provided. (CFIS: VP, 06/30/'12)

FINDING NO: 19

EMPLOYMENT FUNCTION: HEALTH AND SAFETY

FINDING TYPE: Sustainable Improvement Needed

Finding Explanation:

- Many workers are not aware of the potential occupational risks caused by chemicals in use or physical risk factors in working environment.
- The occupational health checks of some workers were not carried out on a timely basis; for instance, pre-employment occupational health checks were missing or periodic health examination reports were outdated.
- Some chemical containers were not properly labeled and the Material Safety Data Sheets of some chemicals were not properly posted.

Local Law or Code Requirement:

Work Place, Articles 14&27; Prevention and Treatment of Occupational Diseases Law, Article 32; FLA Workplace Code (Health, Safety, and Environment Benchmarks HSE.1, HSE.9)

Root Causes:

- Although the factory has well-developed written policy and procedures, the implementation of the system was not effective in many areas, arguably due to the ineffectiveness of the HSE committee and of the methodology and tools used for internal audits and routine HSE inspections, along with absence of an effective review process.
- The medical facilities nearby have limited capacity in arranging the occupational health examinations.
- High turnover rate and tight production schedule hindered the scheduling and conducting of occupational health examinations.
- The potential hazards and the risks of the workplace were not clearly explained to the workers during trainings – both induction trainings and ongoing trainings.
- No needs assessment carried out to determine the training needs of the workers.

Recommendations for Sustainable Improvement:

- HSE Committee should check the content of current orientation and ongoing trainings to understand if these trainings explain the risks in the workplace or not. A training needs assessment should be done by the Committee as well. / 3 months
- Training evaluations (including visual observations) should be done after all trainings to assess their effectiveness. / 6 months
- A system should be implemented to make sure that all pre-employment and periodical health examinations of the workers are conducted on a timely basis. / 6 months
- Develop and implement an effective internal monitoring procedure to ensure all components of chemical management system include MSDS posting

Remediation Plan:

- Enhance procedures of HSE committee to become aware of the potential occupational risks caused by chemicals in use and ergonomic risks in working environment. (CPH: Director, SHZBG: VP, 06/30/'12)
- Formulate and implement training program for HSE committee members. (CPH: Director, SHZBG: VP, 09/30/'12)
- The Corporate Public Health Department has formulated an occupational health examination standard to ensure that staff get the pre-occupational health examination in 1 month before they come onboard; there is also an annual occupational health examination work plan (according to types of work) in accordance with

and labeling is in place. / 8 months

“PRC Occupational Disease Prevention Law”. (CPH: Director, 09/30/’12)

- Work on occupational health enhancement programs with full participation by HSE committee and worker representatives. (CPH: Director, SHZBG: VP, 10/30/’12)
- Periodically review and revise as needed to ensure all components of chemical management system include MSDS posting and labeling in place. (SHZBG: VP, 11/30/’12)

FINDING NO: 20

EMPLOYMENT FUNCTION: ENVIRONMENTAL PROTECTION

FINDING TYPE: Immediate Action Required

Finding Explanation:

- The factory has no procedures for regular inspection of the chemical containers and tanks.
- No secondary containment provided for the chemicals in production area.
- Although there are procedures for storage and some instructions for emergency situations such as leakage or spill, it was observed that there are no regular inspections for prevention of emergency situations.
- The factory has no procedures for managing environmental impact outside the factory.
- There is no active waste management system in the factory for the waste generated in dormitories and cafeterias; all waste goes to municipal landfill without any attempt to separate hazardous and recyclable waste (e.g., batteries, cooking oil, etc.).
- No separation of solid waste at the source; all solid waste goes to the waste collection area in a mixed form.

Local Law or Code Requirement:

FLA Workplace Code (Health, Safety, and Environment Benchmark HSE.1; Employment Relationship Benchmark ER.31)

Root Causes:

- Factory management has focused on regular operations and emergency operation writing the procedures for the chemical storage, but seems to neglect the proactive actions and measures to prevent emergency situations.
- The HSE Committee is not active; HSE staff is trying to deal with all environmental issues rather than doing so in a collaborative effort with the HSE committee
- The factory management focuses on their environmental performance and actions within the boundaries of the factory. The impact of the factory to its surroundings and environment is either not well taken care of or considered a secondary priority.
- No active worker representation and participation on HSE committee.
- No active system for encouraging workers to participate in ongoing HSE efforts.

Recommendations for Sustainable Improvement:

- The management should revise procedures including regular control and observations in the chemical warehouse. /6 months
- Responsible personnel should be assigned and their job descriptions should include these routine controls. / 6 months
- The measurements and observations should

Remediation Plan:

- Re-check secondary containment of chemicals in production area. (CFIS: VP, 04/30/’12)
- Review and revise the procedures to include regular control and observations in the chemical warehouse. (CFIS: VP, 04/30/’12)
- Assign someone responsible to routinely assess and control the risks in chemical warehouse and related

be logged. Emergency instructions should also be improved and should be written as clear procedures./ 6 months

- Secondary containment should be provided for chemicals in the production area. / 1 month
- HSE committee should start working more actively on environmental issues combining efforts of different departments and providing elected worker representation / 7 months
- Prepare and implement an effective internal monitoring procedure to prevent possible lack of emission and usage of landfill permits to ensure successful implementation of written policy and procedures/ 8 months

area. (CFIS: VP, 10/30/'12)

- Revise the SOP of measurements and observation logged, and improve the emergency instructions. (CFIS: VP, 10/30/'12)
- Enhance procedures of HSE committee to encourage the participation of worker representatives and implement regular meetings on monthly basis. (CFIS: VP, 10/30/'12)
- Prepare and implement an effective internal monitoring procedure to prevent possible lack of emission and usage of landfill permits to ensure successful implementation of written policy and procedures. Work on receiving permit for the usage of landfill space run by the local government. (CFIS: VP, 11/30/'12)