# Investigative Report of Hengyang Foxconn (Futaihong Precision Industry) Co., Ltd.

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#### Introduction

Foxconn is a successful business in the field of global wireless communication and was listed as a leading manufacturer of professional cell phone design in Hong Kong in 2005. Major customers include Amazon, Apple, Xiaomi, Nokia, Motorola, Huawei, Meizu, InFocus and other well-known brands. The global electronics manufacturer, however, has been under fire a number of times for its poor labor treatments. China Labor Watch (CLW) alone has conducted more than a dozen factory investigations in Foxconn's multiple factory locations and found issues such as the exploitative practices of hiring student interns and dispatched workers, long working hours, poor working conditions, and even child labor. This report details the results from CLW's independent factory investigation in 2022 on one of Foxconn's factory locations in Hengyang, Zhengzhou.

Hengyang Futaihong Precision Industry Co., Ltd. was established on January 16, 2013. The legal representative of Hengyang is Liao Yijun; its registered capital is 50 million RMB; and its unified social credit code is 914304000601437324. The shareholder and promoter of the company, Shenzhen Futaihong Precision Industry Co. Ltd,. is a wholly-owned subsidiary of Fuzhi Limited, a subsidiary of the Foxconn Technology Group.

Address: No. 35 E Factory Building, Baisha Industrial Avenue, Baishazhou Industrial Park, Yanfeng District, Hengyang City

Main customers and products produced: Amazon, including Kindle devices; Echo Dots Amazon speakers; wireless energy voice assistants, and tablet computers; and other products.

# Approximate composition of labor force (Source: workers, Qichacha, and message from labor dispatch company)

Total number of workers: about 7,000 Number of regular workers: about 4,000 Number of dispatched workers: about 2,400 Number of trainee workers: at least 600 Percentage of dispatched workers: about 34.2% Percentage of internship workers: at least 8.5%

#### Number of interviewees: 23

Respondents' department: Manufacturing Ratio of male to female interviewees: 15:8 Ratio of interviewed regular and dispatched workers and interns: 2:16:5 Interview formats: Face-to-face;online; and telephone NOTE: Respondents did not know the identity of the investigator

#### **Overview of Factory Violations**

In <u>2018</u> and <u>2019</u>, China Labor Watch sent several investigators to Hengyang Foxconn, a factory that mainly produces Amazon products, to conduct several investigations. As a result of these investigations, the Hengyang Foxconn factory was found to have a large number of cases of illegal employment in their production of Amazon's Kindle ebooks, Echo Dots speakers, wireless capable voice assistants, and tablets. These include the factory's illegal use of dispatch workers and interns, forcing interns to work overtime and night shifts in irrelevant jobs, and promoting excessive overtime hours for dispatch and regular workers.

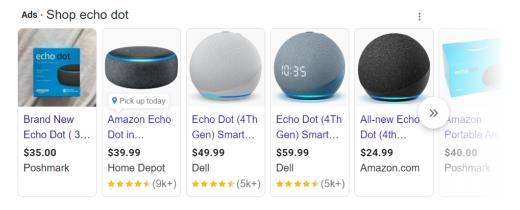
In the fall of 2022, China Labor Watch again sent investigators into the Hengyang Foxconn factory. The factory still primarily produces Amazon products. Through fieldwork, visits, and online and offline interviews with workers, this second investigation found that Foxconn's Hengyang factory has continued to overwork large numbers of employees and interns, force overtime and night shifts for interns, and enforce excessive overtime work for both dispatched and regular workers. These long-standing illegal employment problems at Foxconn have not been addressed since the revelations of the 2017 and 2018 reports, in which China Labor Watch resolutely reprimanded the company and demanded that Foxconn, as well as its core customer, Amazon, respond by making amends and correcting the existing violations.



#### Confidentiality Agreement



#### Amazon Items: Echo Dot Tags



Core facts of violations uncovered by CLW in Foxconn investigation :

#### (1) Interns: The use of interns exceeding the intern-to-workers proportions stipulated by law; there are cases of forced overtime and night work for interns despite serious violations of the law; and interns lack labor protections such as social security.

Foxconn has long been carrying out "school-enterprise cooperation" with vocational schools in various locations, including schools such as Hengyang Technician College (衡阳市职业中专)<sup>1</sup>, Hunan Polytechnic of Environment and Biology (湖南环境生物职业技术学院), Hunan

<sup>&</sup>lt;sup>1</sup> <u>https://jyt.hunan.gov.cn/jyt/sjyt/xxgk/jykx/jykx\_1/201905/t20190530\_5345448.html</u>

Railway Technology Vocational Technical College (湖南铁路科技职业技术学院), and many other vocational schools in Maoming and Guangdong. The factory recruits interns during the winter and summer vacations or during peak production seasons (August), and the length of an internship contract generally extends from six months to a year.

Article 9 of the Regulations on Internship Management for Vocational School Students (《职业学 校学生实习管理规定》) states that "the number of students in the internship shall not exceed 10% of the total number of employees in a given employment unit." According to SACOM research, the actual number of vocational school interns employed by Foxconn was estimated to be much higher than 10%. The actual ratio is, instead, closer to one third, and there has been no verifiable indicator that the number has decreased, in violation of Article 9.

In Hengyang Foxconn, interns worked the same schedule as regular and dispatched employees, and were also expected to work night shifts and overtime. Interns were required to work 2-4 hours overtime almost every day during the peak season, with an average of only one day off per week or one day off every two weeks. Some students interviewed said that overtime alone could exceed 30 hours per week. In the worst cases, they might be expected to work continuously for one month without any rest days at all. If students do not want to work overtime or late shifts, they face retaliation from factory managers. For example, managers could find reasons to accuse students of not meeting product quality standards. Managers might also make interns work assemble fine parts and other tedious labor that would prevent them from meeting production targets.

If a student wants to leave the factory midway through the terms of their internship, the school's resident teachers would often dissuade them. In order to retain interns, most teachers would intervene by threatening non-issuance of graduation certificates. This kind of intimidation tactic is common. The practices above violates Article 16, Item 3 of the "Regulations on the Administration of Student Internships in Vocational Schools (《职业学校学生实习管理规定》)", which stipulates that, among other things, "students shall not work overtime or night shifts."

The positions assigned to interns are also often completely irrelevant to their majors at school, and are randomly arranged according to the factory's production needs. This practice violates the provisions of Article 7 of the "Regulations on the Administration of Student Internships in Vocational Schools(《职业学校学生实习管理规定》)", which stipulates that "The internship position should meet the requirements of the professional training objectives and match or be similar to the majors students are studying." Additionally, interns do not sign a labor contract with the factory. Their wages are calculated by the hour. In the factory, there is also no provision for night shift or overtime compensations, no social insurance or housing fund, and no commercial insurance was offered for the interns. This is another violation of the relevant

provisions on the rights and interests of laborers in both the Labor Law (《劳动法》) and the Labor Contract Law (《劳动合同法》).

# 2) Dispatched workers: Factories use an excessive number of dispatched workers who lack social security and other labor protections

According to interviews, Foxconn still estimates that more than 30% of its employees are dispatched workers. This violates Article 4 of the "Interim Provisions on Labor Dispatch," which states that "Employers should strictly control the number of dispatched workers, and the number of dispatched workers used must not exceed 10% of the employers' total workforce." In addition, The factory has, for a long time, recruited a large number of dispatched workers through recruitment agencies during its peak seasons during the summer, without providing these workers with legally mandated insurance benefits, overtime pay, or various types of vacation rights. These conditions also violate the provisions for workers' rights and interests found in both the Labor Law (《劳动法》) and the Labor Contract Law (《劳动合同法》).

# 3) Other common labor violations in the factory: Lack of induction training for employees, no backup on labor contracts for employees, and widespread overtime.

During the onboarding process, the factory does not provide adequate training for dispatched workers and interns. Rather than training them on job safety and skills, the process emphasizes the company's disciplinary requirements. In terms of labor contracts, neither the dispatched workers nor the regular workers get to retain a copy of their signed labor contracts. Workers lack full knowledge of their own rights and privileges. In terms of overtime hours, regular workers, dispatched workers and interns are all required to put in serious overtime hours, and the monthly total of these overtime hours exceeds the statutory upper limit of 36 hours. Moreover, for dispatched workers and interns, overtime work does not bring in overtime pay, which seriously violates the basic rights and interests of workers as provided for in both the Labor Law and the Labor Contract Law.

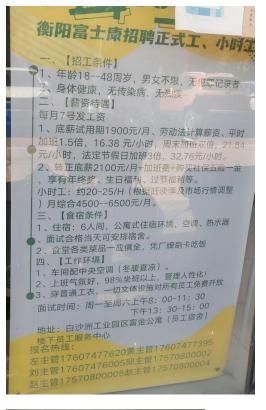
# 4) Ethnic minorities: There is discrimination against ethnic minorities in Foxconn factory recruitment.

Foxconn's external recruitment posters do not reflect any discrimination on ethnicity and religion, but during the recruitment process, Foxconn's staff verbally stated that "the four major ethnic groups are not accepted." The "four major ethnic groups" excluded, specifically, were Uighur, Tibetan, Yi, and Hui. From relevant reports and previous investigations, we know that Foxconn has set a precedent for restricting the recruitment of these four major ethnic groups ". This restriction violates the provisions of Article 12 of the Labor Law (《劳动法》), which

prohibits employment discrimination: "Workers shall not be discriminated against in employment due to differences in ethnicity, race, gender, or religious belief."

The rest of this report further examines several key aspects of work life at Foxconn Henyang including: recruitment and departure, formulation and accuracy of work contracts, working hours, accommodations and diet, occupational safety and labor protections, fire safety measures, and systems of rewards and punishments. It concludes with final observations and on-site notes.

## 1. Recruitment and Departure



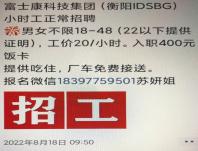


Photo reads: "Recruiting To Work"

【招聘要求】年龄22-48岁(18— 22岁需提供非学生证明)、无大面 积纹身、无犯罪记录、身体健康、 无传染病、无残疾 【薪资待遇】每月7号厂区直发工 资 1、派遣工:17元/纯小时 2、提供住宿,水电平摊,每月110 左右。 3、有食堂,厂牌可刷卡,400元额 度,先吃后扣。 【注意事项】体内无钢板,新冠疫 苗接种两针及以上 报名微信:18397759501苏妍姐

富士康二创小时工开招了!!



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2022年8月11日 10:21

富士康8/14 (周日) 起开始降价 17元每小时。九月中下旬就要结 束招聘了, 2022招工即将人员饱 和,现在还有名额,先报名先安 排! 2022年8月13日 16:30 【薪资待遇】每月7号厂区直发工 资 1、派遣工: 17元/纯小时(衡阳以 外户口20/小时) 2、提供住宿,水电平摊,每月110 左右。 3、有食堂, 厂牌可刷卡, 400元额 度, 先吃后扣。 【注意事项】体内无钢板,新冠疫 苗接种两针及以上。 【厂区地址】衡阳白沙洲工业园 报名微信

紧急通知!

Foxconn generally entrusts its recruitment to labor dispatch companies, or third-party labor recruitment companies. Dispatched workers are often, strictly speaking, employees of the third-party labor dispatch companies. Labor dispatch companies set up offices near the Foxconn factory, allowing for candidates to apply for a job at these convenient locations. A search for "Hengyang Foxconn" on WeChat will also bring up a wealth of information on labor dispatch companies, as well as the phone numbers and WeChat accounts of labor brokers. After adding these accounts as contacts, the candidate will be able to consult Foxconn's recruitment information on other recruitment websites such as 58.com. In addition, Foxconn also recruits workers through its own WeChat public account (iPEBG Hengyang).

Foxconn has always recruited a large number of dispatched workers. According to estimates, at least 30% of dispatched workers are employed.

富士康不分地区,明天开始工价 20/小时 要来得速度私聊 2022年8月11日 18:33

Photo Reads:

"Irrespective of region, start tomorrow at Foxconn's at 20 RMB an hour. Use private chat now to apply"

Foxconn restricts the recruitment age to people between the ages of 18 and 48 years old; and those who are between 18 and 22 years old must provide a certified identification document proving their non-student status. The factory does not recruit child labor. The recruitment posters do not reflect any restrictions on ethnicity and religion, but as mentioned above, discrimination against certain ethnic minorities is evident during the recruitment process.

As also mentioned above, Foxconn has established a long-term "school-enterprise cooperation" with vocational schools, through which the factory recruits interns to work during their winter and summer vacations or peak seasons. The duration of the internship contract is usually six months to one year, and students of all majors could be hired for the factory internships. For example, one of the interns CLW interviewed was a major in economics and trade. The students' position in Foxconn, however, was completely irrelevant to his major. During his internship, he worked in a variety of positions, including labeling, screwing, and electronic scanning. This mismatch is common. Generally, interns hired through the factory-school corporation program ranged anywhere from 100 to 200 per school, at any given period of time. Interviewers from China Labor Watch met students from at least 5 schools during the working period. It is estimated that the total number of students from vocational schools is no less than 600. The total number of workers in the Foxconn factory is around 7,000, making the percentage of interns in

Hengyang Foxconns' workforce, at a conservative estimate, no less than 8.6%. The actual figure may be much higher.

When new employees enter the factory, they need to submit a copy of the front and back of their ID card, their bank account number on their China Construction Bank card, and an entry medical examination report. The factory does not withhold any documents or the ID cards of workers. No deposit is required. But there is an entry fee which includes 10 yuan for a photo, 50 yuan for a physical examination (which is claimed to be refunded to both regular and dispatched workers after one month of work), and 9 yuan for the small locks needed for lockers for workers' personal items. The factory provides free work uniforms, which include an anti-static jacket, an anti-static hat, a pair of anti-static gloves and a belt (non-metallic). These clothes must be returned clean when employment ends.

The factory does not provide a comprehensive induction training. On the day an applicant registers with the labor dispatch company, a personnel will take this newly recruited dispatched worker to the former site of the former Hengyang Technician College (衡阳技师学院) (the school has itself been relocated, and the site is now leased to Foxconn and used to recruit workers). Applicants are then taken to a large classroom and asked to fill out an entry application form. Then applicants are led to another classroom where they are asked to hand in their ID cards, required forms, and show their health and travel codes. After checking the information, the personnel would return the ID cards to the applicants. Foxconn recruitment staff would then share certain posts from the iDSBG Hengyang Recruitment and Training Center WeChat account to each applicant via WeChat. These posts, specifically, are about the personnel and administrative rules, regulations of the factory, and the disciplinary actions. The applicants then scan a QR code that pulls up a mental health test and an entry exam. The entry test is designed to test the applicant's knowledge of the Roman alphabet and ability to do simple mathematical calculations. A passing score is 60 points. Qualified applicants move on to the next classroom where they are given a physical examination, where their heart rate is measured, and two tubes of blood drawn. At the conclusion of these procedures, gualified applicants are immediately led to sign labor contracts.

After the contracts are signed, the Foxconn HR department leads the new recruits to the factory to get their badges and work uniforms, and to take their first look at their workplace. HR personnel instruct the workers on the process of punching-in and stress the rule against bringing mobile phones or anything made of metal into the production area. This is also the time that work assignments are made, for both day and night shifts. In one group, 90 percent of the workers were assigned to the night shift. The new recruits are also required to watch skilled employees work. The onboarding process for dispatched workers is then concluded.

In this onboarding process, it is evident that the factory's main focus is to inform workers of the factory's rules and regulations, but does not provide any training for specific jobs. Regular workers (i.e., workers recruited directly by Foxconn) are provided with about five days of induction training. But like the dispatched workers, no specific job training is offered during this five-day orientation: the content of the training focuses on factory rules and regulations, safety requirements, and confidentiality requirements.

The probationary period for dispatched workers is seven days. A dispatched worker must give a one-week notice in advance of the end of the contract period, inform the line manager and site leading personnel, and fill out a separation application form in order to resign and leave the factory. Workers who are staying in a factory residence must also go to the residence management office to check out with the filled check-out form, clean work clothes, labels, etc. and go through the separation procedures. Those who are not staying in a factory residence do not need to go through these steps. The probationary period for regular workers is three months, and the contract period requires that the worker give a one month notice before the end of the contract period. Regular workers get their salaries on the seventh day of the next month after resignation under due process. If workers are unable to resign in this way, they can leave by voluntary severance (also referred to as voluntary resignation). However, workers who take this option will not be paid their latest month's salary from the factory. Workers refer to this type of resignation among themselves as "take the bucket and run (提桶就跑)."

According to factory regulations, student interns are not allowed to leave midway through their internship. Teachers are used as enforcers of such rules, who often request students to work until the day of contract termination. However, there are still some students who leave before the end of their contract: 15%-20% of the students with a six-months contract leave early; and 20%-40% of the students with an internship period of one year leave early. There are many reasons for this early exodus, which include low wages, tenuous work, lack of relevant learning opportunities in jobs that are irrelevant to their majors, conflicts with line leaders, teachers, and colleagues, and so forth. Teachers usually threaten students who leave early by telling them that they will not get their diplomas; however, most of the students who leave early do, in fact, receive their diplomas. Nevertheless, the vocational schools can withhold the students' diplomas until after the internship is over. For example, one interviewee was due to graduate in June. But the school withheld the graduation certificates of the whole class on the grounds that the certificates were "still being printed" and would not be available until the end of the internship in September.

The schools arrange for on-site mentors to supervise student interns. According to the interviews, some teachers were good to their interns, and some were not. There were reports of interns who faced retaliation from teachers because they refused to work overtime. Retaliation can take the form of the manager assigning interns to the worst positions that often meant interns were not set out to meet their production requirements. Interns who desire to quit are often dissuaded by their

on-site teachers. In order to retain student interns, many teachers intimidate them by using, as mentioned above, the threat of non-issuance of graduation certificates.

## 2. Labor Contract

The factory signs a labor contract with the workers after the workers have passed the mental health test, the entry test, and a physical examination on the day of recruitment. Neither the dispatched workers nor the regular workers can retain a copy of the labor contract. Due to a lack of legal awareness and limited education background, most applicants do not read every clause carefully. Interns do not sign contracts.

The labor contract of dispatched workers is signed with the dispatch company, and the contract period can range from three to six months, with most of them defaulting to three months. During the contract period, the hourly wages of the dispatched workers remain fixed. When the contract is re-signed, the wage amount will change according to the prevailing market rate. Take the labor contract between Feihong Human Resources (飞鸿人力) and dispatched workers as an example.

The contract includes:

1) A default contract and dispatch period of three months

2) A stipulation that the work tasks are to be stationed in the employing unit, where the workers engage in on-site production operations and other related work.

3) A stipulated schedule of eight hours of work per day, 40 hours of work per week, with at least one day off per week. It further stipulates that, if overtime is required, overtime wages shall be paid according to standards set by law; and that the employee is guaranteed rest periods, vacations and holidays as stipulated by the state. However, the reality is that laborers generally work 10 hours per day during peak season, and overtime is required every Saturday, meaning that the actual weekly working hours can be as many as 60. Furthermore, dispatched workers are paid on an hourly basis, and do not receive overtime pay. Dispatched workers do not have any paid holidays except statutory holidays; labor remuneration is based on a monthly salary. However, dispatched workers are actually paid on an hourly basis, so the monthly salary is not fixed, making it inconsistent with the contract. Foxconn distributes salary slips along with wages every month and puts them on the "Aiduoduo (爱多多)" app, which workers can check by themselves.

4) A stipulation that the dispatch company will purchase social insurance and provide welfare benefits (required by law) for the workers. In reality, neither the dispatch company nor Foxconn

purchase such insurance for either dispatched workers and interns, nor do they pay housing provident funds; and

5) Labor protection, working conditions, and occupational hazard protection, which includes providing labor protection gears that meet safety standards in accordance with relevant regulations to ensure the employee's safety and health. In practice, however, the factory only issue anti-static overalls, gloves, hats and non-metallic belts, and, for some special positions, hand-wrapping tape. Female workers are not offered with menstrual or paid maternity leave.

Unlike dispatch workers and interns, regular workers, according to interviews and wage slips, are paid monthly and enjoy overtime pay (see details below). The factory also pays social insurance and housing provident funds for them. For example, a worker is paid wages of 4,416.71 yuan for a certain month's work, and pays out 380.65 yuan in social insurance premiums and 72 yuan in housing provident funds.

However, Foxconn does not sign a contract with the student interns. Rather, the agreement is made between the school and the Foxconn factory. The students do not know the provisions of the agreement regarding their wages or social security.

### 3. Working Hours

正式工						
每天 每周 每月						
正常工作	8 小时	5 天	21-22 天			
加班	0.5-2 小时	10.5—20 小时	42-82 小时			
		(含周六固定加班)				

派遣工					
每天工作 每周工作 每月工作 最长二					
8-10 小时	50.5—60 小时	212—260 小时	月 280 小时		
		(22—26天)	(28天)		

Regular worker			
	Daily	Weekly	Monthly
Regular hours	8 hours	5 days	21-22 days
Overtime hours	0.5-2 hours	10.5-20 hours (Saturday routine overtime hours included)	42-82 hours

Regular worker			
Daily	Weekly	Monthly	Longest work hours
8-10 hours	50.5 - 60 hours	212- 260 hours (22-26 days)	280 hours per month (28 days)

两班制	工作时间	工作时间	加班时间		
白班	8:00—10:00	12:30—15:00	17:00—19:00		
	10:10—11:30	15:10—17:00			
夜班	20:00—22:00	00:30-03:00	05:00-07:00		
	22:10-23:30	03:10-05:00			
注:每个工作日上午/上半夜和下午/下半夜都分别有十分钟休息时间,其余时间上厕 所需要向线长报告。					

Two shifts	Work hours	Wok hours	Overtime	
Day shift	8:00-10:00 10:10-11:30	12:30-15:00 15:10-17:00	17:00-19:00	
Night shift	20:00-22:00 22:10-23:00	00:30-03:00 03:10-05:00	05:00-07:00	
Note: 10 minute breaks are arranged on mornings/ late nights and afternoons/ early mornings on every working day. If one needs to go to the restroom during work, one needs to report to the line leader.				

Example of scheduled working hours

Foxconn workers (both regular and dispatched) routinely work between 8.5 and10 hours per day, six days per week, and between 22 and 26 days a month, with up to one hour of overtime per day and an average of 28 hours of overtime per month during off-seasons; and from 1 to 2.5 hours of overtime per day and an average of 65 hours of overtime per month in peak season. The law stipulates that overtime hours shall not exceed 36 hours per month and shall not exceed three hours per day. There is a punch-in machine at the entrance to the factory workshop that records each employee's hours. If there is an error in the record, workers can contact the line leader and other personnel to make corrections, but they can only make corrections twice a month.

The months in which the longest overtime hours are clocked are June to October. According to statistics workers provided, during those months, overtime hours can be as high as 82 hours per

month. The highest recorded number of overtime hours clocked during this period was an astonishing 280 hours per month. Workers can request not to work overtime, but if they only work a regular 40 hours a week, their wages will only be about 1,900-2,000 yuan, a sum that is inadequate for meeting basic needs. For this reason, most workers hope to have the opportunity to work overtime. Though they have the option of telling the line leader that they'd rather not work overtime, there is a catch: if they opt out of overtime too often or for too long, the line leader will think that they are not motivated or cooperative. This can result in the worker being marginalized. In Foxconn factories, since most of the wages are calculated using an hourly rate, workers prefer having the opportunity to work overtime in exchange for more pay, because, according to the workers, they "can't live on wages gained from regular working hours...."

The work of intern workers is the same as that of regular workers and dispatched workers. The factory will not place interns in a certain workshop, but instead appoint them to wherever a shortage of workers is reported. Therefore, there is a strong sense of randomness to the work assignment process. Interns also need to work day shifts and evening shifts, and usually can take one day off a week, or one day off every half a month. The day shift for interns starts at 8:00 and ends at 17:00, with an hour for lunch. The intern usually works overtime, from 18:00 to 21:00 or 22:00. The night shift begins work at 20:00, and ends at 8:00 the next morning. From midnight to 1:00, workers can rest for an hour and take a meal. One student we interviewed reported a week with so much overtime that there was no rest day. The overtime hours are until midnight on one day, and up to around 10pm on another. The total number of hours worked during a week is 70; with the number of overtime hours being 30. Another student we spoke to told us that their longest continuous working time was one month, without a full day of rest, though, this student added, sometimes workers are allowed to leave work early. Vocational school interns who are unwilling to work overtime are likely to find that the line leader will deliberately place obstacles in their ways. As discussed, these include finding reasons to accuse students of not meeting product quality standards and making them redo the work, or deliberately assigning tiring tasks, such as assembling small and detailed parts-tasks that will more likely result in a failure to meet the production target.

In terms of rest, under normal circumstances, workers work six days per week and get one day off. During the peak season, workers might find themselves working for 14 days straight without even one rest day. When employees are working two shifts, those who worked the day shift usually start their evening shift at 20:00 after only having gotten off work at 17:00-19:00. Conversely, the employees who worked the evening shift might begin a day shift at 8:00 after only having gotten off work between 5:00 and 7:00, with about 2 to 4 hours of rest in between. However, in the busy summer season, occasionally, it is difficult for workers to get even 10 hours of rest per day. For example, workers on the day shift work overtime until midnight, and then go to work at 8:00 the next day, with only eight hours of rest in between. Meal time given

between the day shift and the evening shift is one hour. Production targets are set on the factory production line and gradually increase as workers' work efficiency improves.

#### 4. Labor Compensation and Benefits

The average monthly salary of a regular worker is about 3,500 yuan (after deducting social security and the provident fund). This amount includes compensation for normal working hours, job allowances, regional allowances, talent allowances, night shift allowances, high and low temperature allowance, technical allowance, overtime hours/salary in normal times, overtime hours/salary on statutory holidays, non-compensatory leave for work on rest days, compensatory rest on rest days, hourly fees, medical examination fees, bonus (the "bonus" is an hourly wage subsidy). Salary deductions include absenteeism/personal leave/sick leave/medical days/deductions for insurance claims, food consumption withholding tax, social security, provident fund, water and electricity/property/accommodation fees, etc. Overtime pay for a regular worker who works more than the stipulated eight hours (e.g., extending the workday from, say, 5:00 p.m. to 7:00 p.m.) Monday through Friday is calculated at a rate of 1.5 times the hourly rate, at 16.38 yuan/hour. The overtime rate on Saturdays and Sundays is doubled, making it 21.84 yuan/hour. The overtime rate is set at triple the regular hourly rate on statutory holidays.

Here's an example of a paystub: The monthly base rate for a regular worker working normal hours is 2,000 yuan; overtime pay is 655.17 yuan; a total of 919.54 yuan for work over rest days; and the hourly bonus is 846 yuan. These add up to a paycheck of 4420.71 yuan. However, after a 92 yuan deduction for personal leave, a 380.65 yuan deduction for social security, a 96 yuan deduction for the provident fund, a 72 yuan withholding for water and electricity property, and a 62 yuan for accommodation fee, the worker's actual salary for the month is 3806.60 yuan.

The hourly pay rate of dispatched workers is higher than that of regular workers. Because the hourly wages are higher in peak season-the time when dispatched workers are hired-and dispatched workers do not have to pay social security or provident funds, the average salary is about 4,000 yuan. This number is calculated through taking the average of the average wages at five labor dispatch companies. Hourly wages fluctuate according to the prevailing market rates. For example, the dispatched workers recruited from July to August 11 is paid at a rate of 17 yuan/hour, those recruited from August 11 to 13 were paid 20 yuan/hour, and those recruited from August 14 to August 18 were paid 17 yuan/hour, and after August 18, the rate was back to 20 yuan/hour again. Dispatched workers are not entitled to overtime pay at any time.

The hourly pay rate for interns is generally lower than the rate for either dispatched workers or regular workers. They are usually paid 11-14 yuan/hour, while dispatched workers are usually

paid an hourly rate of 17-27 yuan. Although the hourly wages of regular workers are similar to those of intern workers, regular workers are provided with social insurances, housing funds, and overtime wages, while intern workers do not receive any overtime wages or subsidies. The factory does not provide insurance of any kind for interns. The hourly wage rate for night shifts is the same as the rate for day shifts, with no subsidies.

Dispatch workers don't get paid sick leave, so it's not difficult to request sick leaves. Workers only need to tell the line leader in advance and sign a leave slip; they will not be compensated for this time off. Regular workers are entitled to 15 days of sick leave a year. According to the contract, only regular workers are entitled to paid vacation, maternity leave, and marriage leave. Annual paid leave is available only to those who have worked for more than one year. Workers get five days of leave from years 1-10, 10 days of leave for years 10-20, and 15 days of leave for years 20 and above. However, many regular workers interviewed were not aware of the specific regulations on annual leaves, and had never taken an annual leave. The process of asking for leave starts with informing the line leader first, writing a note, informing the supervisor and, after obtaining approval from them, getting the leading personnel to sign off on the note. If these steps are not followed, a worker's absence will be treated as absenteeism.

In terms of social security and pension funds, the factory only purchases social insurance for regular workers, and this social insurance includes endowment insurance, which deduces 8% of base wages; basic medical insurance, which deduces 2% of the base wages; unemployment insurance, which deduces 0-0.3% of base wages; and and housing provident funds, which deduces 6% of base wages. Sixteen yuan/month is also allotted for serious illness mutual aid. So although the factory provides these benefits, they ultimately come out of workers' paychecks.

All workers' monthly wages and pay stubs can be checked on the "Aiduoduo (爱多多)" app developed by Foxconn.

×	薪资	
代扣伙食费	ŧ	
27.00		
代扣住宿费	(含水电)	
52.00		
个人所得税	代扣	
0.00		
实发薪资		
2131.00		
备注		
-		

Wage details of dispatched workers (less than a full month)

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入厂日期:2022-06-23 支付月	1份:202	207				F薪资单			
正常工作天数			21.75	天	返费/小时差价			/	元
标准 正常工作时间工资			2000	元	保险赔付款			/	元
薪资 考核岗位津贴(适用员级)				元	旷工天数/减项	1	天	1	元
职务津贴(适用员级)			,	元	事假天数/减项	1	天	92	元
地区津贴			元	病假天数/减项	1	天	/	元	
人才津贴			/		医疗期天数/减项	/	天	1	元
			/	元	迟到/早退时数/减项	/	分钟	/	元
夜班津贴			88	元	应付总额			4416.71	元
岗位津贴			/	元	减项1/减项2	1	元	1	元
高低温津贴			/	元	伙食费消费代扣			1	元
技术津贴			1	元	社保代缴款			380.65	元
平时加班时数/工资	38	小时	655.17	元	住房公积金代缴款		96		元
法定节假日上班时数/工资(原G3)	1	小时	/	元	住宿 水电/物业费代扣		72		元
休息日上班未补休时数/工资(原G2)	40	小时	919.54	元	费用 住宿费代扣	62		元	
补项1/补项2	1	元	1	元	个人所得税代扣	/		元	
补项3/钟点费	1	元	1	元	累计专项扣除(仅计算个税)		/		元
体检费			1	元	富金富消费代扣合计			1	元
签约奖金/提案改善奖金	/	元	1	元	实发薪资			3806.06	元
责任制奖金			1	元	应发奖金/员工分红现金	/	元	1	元
推荐奖金			1	元	奖金缺勤扣款/其他减项	1	元	1	元
出勤奖金			1	元	奖金税/奖金税后扣款	/	元	/	元
奖金1/奖金2	846.0	元	1	元	实发奖金			1	元
返费/小时差价			1	元	备注 /				
保险赔付款			1	元	*道明・長准蔵姿=正労工作时间工2	3. 老校岗位油6	է ։ հոքանան	影计简其称	· 一 一
旷工天数/减项	1	天	1	元	平时加班工资/小时=时薪*1.5;休息日上班未补休工资/小时=时薪*2;法定 上班工资/小时=时薪*3			75/8	
事假天数/减项	1	天	92	元				1节假	
موجو بقيده والمالي موجوع مادي		-		_	查询如有异常,请联系部门助理处理。				

Photo shows an example of wage stub

## 5. Accommodations and Diet

Board and lodging are provided in the factory complex with a fee. The recruitment propaganda says that "food and housing are included", but, in fact, there is a monthly accommodation fee of 62 yuan, a property fee of 18 yuan, and a monthly water and electricity bills of about 110 yuan. Meals are also paid for out of workers' own pockets. Workers can choose not to eat and live in the factory. If they do so, the board and lodging fees will not be deducted from their wages.

The price of a bowl of plain noodles is seven yuan per bowl in the factory cafeteria. If one meat dish and two vegetables dishes to the bowl of noodle bumps up the price to eight yuan. Workers often complain that the factory cafeteria food does not taste good. On their first day of employment, workers receive a meal card that contains a 400 yuan meal allowance, the amount of which will be deducted from the next month's salary. The daily upper limit for meals is 20 yuan. There are few restaurants around the factory, with walls surrounding the factory site. However, many small vendors and small restaurants were set up near the dormitory.

Workers generally spend about 30 yuan a day on food. There is a basketball court and a playground in the factory.

Factory dormitories are group dormitories, male/female gender-specific, and not friendly to transgender, non-binary, or other genders. Each dormitory room accommodates six people, and each has a private bathroom and shower. The sanitary conditions of the toilets and dormitories used by the workers are poor. There is no internet provided in the dormitory. The dormitory facilities are old, with wallpapers falling off everywhere. Furniture appears to be of poor quality.





Photos show the conditions in worker cafeterias, dormitories, and bathroom.

#### 6. Occupational Safety and Labor Protection

There is no environmental health and safety committee within the factory. Employees do not receive training on the operational environment. Nor do they receive health, or safety briefings before starting work. The factory does provide workers with anti-static overalls, anti-static work gloves and hats, and a non-metallic belt. Investigators asked veteran employees for work-related accidents, but none had been heard of.

The workshops are comfortable and clean. They are all air-conditioned and the temperature is suitable. This is where the workers are more satisfied. Our investigation was conducted in the hottest part of the summer; the temperature outside once reached 42 degrees Celsius. Though there is a certain amount of noise, the sanitation is good, and the passages are unimpeded. However, despite the presence of ventilation ducts, there is a pervasive smell of glue in the workshop, and the air quality is not good. It was unclear whether regular inspections are conducted, or whether the ventilation equipment is regularly maintained. Visual inspection seems to indicate that the equipment is still relatively new. The factory distributes ordinary face masks once or twice a week, and workers say that a mask usually needs to be worn for two days.

Workers receive only one work jacket, which is required for work every day in the summer, making it difficult for workers to find time to wash it. The workshop where the investigator worked was not exposed to any toxic or hazardous substances, despite the possibility that conditions could be hazardous in other workshops. There are no first aid kits in either the workshops or the dormitories. No hazardous waste was found in the plant area, and fire extinguishers were available in the storage area.

#### 7. Fire Safety Measures

The emergency exit sign in the workshop passage is in plain sight, the workshop lighting is good, and there are no obstacles blocking it. The dormitory has both emergency and normal exits on both sides of the corridor. The corridor itself is not locked, and there are signs for safe passage. The dormitory corridor is not blocked but there are no fire extinguishers, and there have been no fire drills in the dormitory area. It is not clear whether the factory organizes fire drills, and the employees interviewed said they have not heard of a fire drill being arranged in the factory before. There are a lot of flammables in the factory area, but fire hydrants and fire extinguishers are present. The fire extinguishers on site appear relatively new and full, and displayed both an inspection mark and a signature .



Fire extinguisher with inspection mark.

## 8. Rewards and Punishment Systems

There are a total of 111 disciplinary provisions. Disciplinary actions detailed are classified according to the severity: warning, minor demerit, major demerit, and expulsion. Three warnings is equivalent to one minor demerit; three minor demerits is equivalent to one major demerit; and three major demerits results in expulsion.

According to regulations, fines, wage deductions, and corporal punishment are prohibited for discipline violation; only administrative processing is carried out. Disciplinary clauses include wasting company resources, violating safety regulations (despite not being briefed), arriving late and leaving early, absenteeism, etc. Lifestyle disciplines include smoking and throwing cigarette butts in the factory area, fighting, gambling, drinking, and mobbing, etc. In addition to some basic regulations, workers who are found using electrical appliances such as rice cookers, electric heaters, electric stoves, and electric blankets will be fired. Behavior and conduct-related violations include lending one's ID to others, forging signatures, creating false travel reports, etc. Violations of information security include bringing personal computers into and out of the factory area without permission. If such violations are found, if there is no company-related information stored in the device, a major demerit will be recorded. If relevant information is found in the device, the employee will be fired on the spot. In addition, workers who carry MP3s, MP4s, and mobile phones with cameras that have no confidential company information will be given a major demerit; those who carry such devices with confidential company information stored will be fired immediately.

Workers who bring portable hard drives, cameras, etc. into and out of production plants, R&D departments, or other controlled areas will be fired regardless of whether they are used. Anyone who releases or makes public through news, public speech, or any other media any confidential information about the company without authorization will also be fired. Violations of laws and regulations include organizing or participating in anti-government political organizations; organizing or participating in pyramid schemes, and other illegal activities; and posting, distributing, or disseminating inflammatory words, pictures, and other information. Those who

oppose the government or damage the company's reputation will be fired and expelled from company property.

Workers can obtain administrative rewards for certain behaviors. These rewards add points to their annual performance appraisal. Rewards are given for typical deeds of good conduct such as not pocketing money that one picks up, helping others, effectively promoting project work, and reporting violations or damage to the company's interests in a timely manner. Rewards are also given to workers who study hard, have creative inventions, and have made significant contributions to the company.

The factory exercises control over workers' freedom of movement. Workers get a 10-minute break in the middle of each working session. For example, during the day shift, workers can rest between 10:00 and 10:10. Other than the 10-minute rest, bathroom breaks are allowed, and workers have to report to the line leader before going to the bathroom. Drinking water is available but cups are put in a fixed place, and workers have to go to the drinking station in order to have a drink. In addition, workers must talk to the line leader in advance to take a drink. After work, workers are free to enter and exit the dormitory at will.

#### 9. Further Observations

Foxconn has established a labor union, but, rather than assisting workers in defending their rights, the union's function is limited to expressing condolences on the occasions of hospital stays and funerals, and offering blessings on festivals. There is a "[union] chairman reception day" on the 15th of each month, and there are irregular symposiums. However, according to those interviewed, most workers had never heard of the trade union. Some lacked the knowledge of what a trade union is.

The telephone hotlines set up in the factory include a care hotline (560-78585), an assistance hotline (580-80080), and a rights protection hotline (580-81111). However, interviews revealed that very few workers have ever called the hotline. Most workers (especially dispatched workers) chose to leave the factory when they found their conditions unbearable, rather than calling a hotline. Our investigators were unaware that there had been a strike that occurred in the factory during the investigation. When asked, some workers did not know what a strike was. Workers' awareness of their rights was often weak.

Though workers were not searched when entering and leaving the factory grounds, they are required to hand in their mobile phones and other electronic devices when they enter the workshop. If they are found carrying electronic devices into the workshop, they will be fired. Our investigation uncovered no instances of workers beaten or sexually harassed at work, but the line leader would curse and verbally insult workers when the work was not done well or right.

Many local people work for Foxconn. They choose to work at the factory because it is close to home and it is well-known and large. In addition, the wages are relatively high compared to those paid by other factories. During the same period, another factory paid 18 yuan/hour, to Foxconn's 20 yuan/hour. However, worker wage satisfaction at Foxconn was low. Interviews with workers resulted in the following remarks:

"The expected salary is 5,000 to 6,000 yuan per month, but in reality we only get 3,000 to 4,000 yuan a month."

"Last month, 3,500 yuan was deducted for social security. The salary is very low. I can't live on a salary of 3,000 yuan."

"I worked for a month, and I took home 3,000 yuan (with overtime). That was too low, so I immediately left. You have to work overtime to get a slightly higher salary. If you don't work overtime, you only get 2,000 yuan a month. You can't even afford daily life."

"It's okay to work the day shift, but the night shift is very tiring. I can't sleep during the day, so I have to doze off at night. I don't want to work the night shift."

The standard of living in the area where the factory is located is moderate. A worker's daily food expenses are about 30 yuan, but the rent is relatively expensive: a two-bedroom apartment with acceptable conditions costs about 1,500 yuan, more than half of an average paycheck without overtime.

Workers are generally dissatisfied with the factory management system. Comments relating to this dissatisfaction follow:

"The night shift lasts for a month, which is very hard work. There are only 12 hours of rest between the day shift and the night shift."

"A 10-minute break every two hours is not even enough time to smoke, and we have to change clothes."

"The food is poor and not delicious. It costs 10 yuan for two portions of meat and one vegetable, and eight yuan for two vegetables and one portion meat. But none of the "poor."

And pandemic prevention policies have had a negative impact on workers' lives. Every worker has to check in every day using the "Xiangxin(香信)" app on a working device which can accurately locate each worker. Every day, workers have to use this app for their COVID check and to enter their work site. If workers did not check in, they were not allowed to enter the gate of the factory. All newly recruited workers must be vaccinated with two or more doses of the COVID-19 vaccine before entering the factory. Anyone who could not be vaccinated could notwork at Foxconn.

Though there was some question about third-party monitoring mechanisms. Our investigators were not able to uncover any relevant information during their stay at the factory, and workers knew nothing about it.

#### Investigator's On-site Note

The second night: 19:50, the workers put on work clothes, go through the security check, and go up to the third floor. After entering, take out the work ID issued by the factory and clock in to work. About 20 minutes after registration, the factory began a roll call. After the roll call, the two groups will meet in the staff lounge. Basically, it was for signing the product confidentiality agreement and work content. Smokers need to sign a smoking agreement. After the agreement was signed, workers were assigned their production lines and positions. We then needed to watch the operation demonstration for about ten minutes. After that, several team leaders talked about an employee who was fooled by an intermediary. The intermediary said that the salary in this factory is 5,800 yuan, and there are also social insurance benefits and housing provident fund. 11:30, after dinner, work at 12:30. If the workers are sleepy, the team leader will tell the workers: "It's not good for the boss to see you sleeping." At 4:50, the line leader called to gather, and left work after roll call, and clocked out at 5 o'clock.

The third night: I went to work by motorcycle with my colleagues at 7:00 p.m., and arrived at the gate at 7:10. Neither I nor my colleagues wore masks. Sign the factory plate number and name at the window of the guard room to receive a mask, and then scan the health code and swipe the factory ID to enter the factory. After arriving at the factory area, I rested for a while, smoked and scrolled on my mobile phone for a while. Then I put my belongings in a small cabinet, changed into work clothes, went upstairs, and clocked in for work. Afterwards, the line leader called for a roll call, and returned to work after the roll call. I chatted with my colleagues until 10:00, went down to smoke and returned to work, had nothing to do, and was in a daze. At 11:30, I went downstairs with my colleagues to the cafeteria. There were a lot of people queuing up to eat. After queuing for a few minutes, we took the dining tools in the cafeteria, packed the meals, ordered a cup of milk tea, and sat down to eat. After eating, I walked back to the place where I changed clothes, sat down, rested for a while and started to work. After my colleagues and I returned to work, we sat on the post for about an hour. The line leaders of other lines asked us for help, saying that they were too busy there, so they called us over and assigned us to different positions. After working for about two hours, I returned to my post, chatted for the rest of the day and waited to get off work. At 4:50, the line leader called to gather and reminded us to clock out after getting off work, and I clocked out at 5:00.

Night of the fifth day: Take the bus to the factory at 7:20 p.m., and arrive at the destination at 7:25 p.m. Line up to scan the health code to get started. After entering the gate, I sat in the changing place for a while until 7:48. I started changing clothes and shoes, and went to the

second floor to clock in for work. Then the line leader started roll call, and then I sat back at my post and started to prepare for work. First turn on the computer, enter the factory's internal software, scan the code with the factory ID to log in, and start working after logging in. I am responsible for scanning codes, weighing, and labeling codes, and everyone is busy with their own work. A colleague asked me how old I was, and she said that I shouldn't be here at such a young age. There is too little room for development, and workers can't bring a mobile phone. Working entire days without one's own time. It's too boring, earns little, and has no opportunities. So many people choose to leave. I started to go to work at 8:00 in the evening, doing the things I just got started with, and chatting with my colleagues. He asked me which agency company introduced me and how much it was for an hour. Most people pay 20 yuan per hour, but there are also 21 or even 22 yuan per hour. Colleagues who only get 20 yuan per hour are very angry, because the difference of two yuan per hour adds up to a lot: "20 a day, 200 in 10 days, and more than 300 a month, I can buy an extra can of milk powder for my child. What these intermediaries keep saying when they recruit people is that "food and housing are included" are all false. Food expenses, accommodation expenses, water and electricity expenses are all deducted from the salary card, but there is no way, after all, we are on someone else's territory. "He said he was resigning, "The factory and those intermediaries were all in the same gang, they honey dicked us. After the recruitment is over, you can't find those intermediaries anymore. I won't come to such a place in the future." He said this with his head down, and the line leader came over, and he stopped talking.

Night of the sixth day: At 7:30 in the evening, take a car to the Foxconn factory. At 7:50PM, I changed into work clothes, put on a mask, went through the security check, and went to the second floor to clock in and get ready to go to work. The line leader came and called a roll call. After the roll call, everyone went to their posts and got ready to do things. As soon as the preparations were done, the assembly line started to run. The colleague on the opposite side chatted about the wages of the dispatched workers, and calculated the wages. Today's time was not so hard, maybe because I got acquainted with my colleagues, everyone started joking, and the time passed quickly.

Night of the eighth day: I went to work by motorcycle at 7.20pm, and saw a lot of workers eating at the door of the dormitory. After entering the gate and resting outside for a while, I changed my clothes and went upstairs, ready to start today's work. After clocking in on the second floor, we sat down for a while and the line leader talked about clocking in. Then we returned to our posts and started working all night. It's a normal day, but I know I'm leaving soon and I don't know when they'll be able to leave. I thought of a sentence I saw on the Internet before: "Zhang Hua was admitted to Peking University, Li Ping entered a secondary technical school, and I worked as a salesperson in a department store. We all have a bright future."