



Students & Scholars Against Corporate Misbehavior

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To whom it may concern,

In June 2009 Students and Scholars Against Corporate Misbehaviour (SACOM) published the report, “With new Apple business on the horizon, Wintek keeps costs down by suppressing strike in mainland China”. Disappointingly, since the publication of this report, not much improvement in working conditions is observed by SACOM. As such, SACOM is writing to express our deep concern over the working conditions of the workers at Dongguan Masstop Liquid Crystal Display Co. Ltd (Masstop).

The Taiwanese Wintek Group is a well-known enterprise in China and is a supplier to prominent brands like Nokia, Apple, Motorola, Samsung. According to your buyers codes of conduct, it is expected that your company should not only comply with the minimum legal standards on workers rights in Taiwan as well as in China, but also takes the well-being of workers into account in your management. Wintek also claims that the corporation’s philosophy is to “continuously create hopes for an improved future for all who contribute to the company”. In reality, SACOM finds that there a huge gap between the letters and practices from the plight of workers at Masstop.

After releasing the report in June 2009, SACOM has been monitoring the situation at Masstop. Regrettably, the working conditions remained unacceptable. SACOM interviewed workers at Masstop on their grievances in their workplace in August, September and October respectively. Among various issues, the workers highlighted excessive overtime work, health and safety, and the poor quality of the food, which they say are their primary concerns. Apparently, Masstop has violated the local law standards in relation to overtime work. At the same time, it also fails to comply with the standard of the Electronic Industry Citizenship Coalition (EICC) and code of conducts of various brands on other aspects. As such, SACOM and our international partners, GoodElectronics and Fair Trade Center, have raised these issues in our dialogue with Nokia. And representative from Nokia encouraged us to share with you the results of our interviews with the workers at the Masstop factory.

Excessive Overtime

The Labour Law set a limit of overtime work to 36 hours per month. And the EICC’s code specifies that “a workweek should not be more than 60 hours per week, including overtime” It also provides that workers should have at least one day off per week. In line with the local law standard, Nokia, one of the buyers of Wintek, also requires the supplier to comply with local law, i.e. overtime work should not exceed 36 hours per month, and guarantee workers to have at least one day off per week. In its code of conduct, Nokia also stresses that ‘Nokia will not tolerate treatment or working conditions that are in conflict with international conventions and practices’.

On the contrary, as of late September, workers at Masstop recalled that the last time that they had holiday was on 5 April, for the Qing Ming Festival. From April to September, workers have 7-day work per week and 10 hours per day. This means workers have to work up to 70 hours per week which exceeds the 60 hour limit of the EICC and the local law. Workers expressed they felt fatigue from their work. Additionally, seven-day work per week is evidently a violation of article 38 of the Labour Law which stipulates that employer must guarantee its employees to have at least one day off per week. Furthermore, the long working hours with up to 70 hours per week is probably harmful to workers’ health in a long run.



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SACOM strongly requests Masstop to cut down the working hours to ensure workers to have a day off in a week. Equally important, SACOM demands Wintek to increase the basic wage to a reasonable level which workers can live a decent life.

Health and Safety

Workers at dust-free workshops complained that the masks and protective equipments were not for the sake of health and safety of the workers. Instead, those are mainly for the protection of the products. Workers in the dust-free workshop feel dizzy everyday for wearing masks in a closed environment without proper ventilation system. Some workers suffer from allergy and had their skin peeled off from fingers while wearing the plastic gloves. Also, workers said they were deeply worried about the potential occupational diseases. Hence, some workers expressed the wish to change jobs to other industry soon. Even though the workers cannot precisely point out the threats of the occupational diseases, this reflects the problem of inadequate training and information provided to workers.

Masstop should enhance the training on occupational safety in accordance to article 31 of the Law on Prevention and Treatment of Occupational Diseases. The same requirement is also stated in EICC's code and codes of conduct of the brand companies.

Food

In August, workers were still criticizing the hygiene and quality of the food at the canteen. Workers found that the containers and trays were greasy. Some of the rice bowls even had remains of food or detergent bubbles on them. The quality of food was still terrible, some of the rice was just half cooked. In September, workers pointed out that the quality of food had been slightly improved for the day shift workers while the food for night shift workers remained unacceptable. They claimed that the canteen just gave the food leftovers to the night shift workers. Therefore, workers usually had to eat in stores outside the factory.

EICC's code is also concerned about the issue of food provided to workers. Workers are entitled to have sanitary food preparation, storage and eating facilities. The same principle is affirmed by codes of conduct of brands, like Nokia.

Lack of effective channel for complaint

Strike erupted in April 2009 was an evident indication of a lack of effective communication channel in the factory. Moreover, it also exposes that the management is reluctant to respond to listen and react to the grievances of the workers in a positive manner. Outrageously, the workers leaders were dismissed by Masstop. With this background, despite the discontent that is found among workers, there is a lack of effective channels in the factory to voice out their concerns. Most of the workers we have interviewed had no idea about the existence of worker unions. Besides workers have not communicated their concerns to the management as they perceived that it would be in vain. Thus, Wintek needs to assist workers to establish a communication channel which workers can trust and utilize.

The rampant violations of working hours and other aspects are harmful to workers. On the top of that, it also challenges the effectiveness of the EICC's code, codes of conduct of the brand companies. Inevitably, reputation of EICC and various brands is in question. SACOM, with support from GoodElectronics and Fair Trade Center, requests Wintek as a renowned enterprise to improve the workers rights in its factories and at its subsidiaries, including Masstop in Dongguan.

1. increase the basic wage to a reasonable level;
2. ensure workers to have one day off per week;
3. conduct the assessment on production safety and personal protective equipments of workers;



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4. improve the hygiene and quality of food in the factory;
5. facilitate workers initiatives to establish an effective communication channel to raise their concerns to the management; and
6. cooperate with labour NGOs to provide labour rights training for workers.

Nokia has informed SACOM that Wintek is committing itself to a corrective plan for the improvement of workers' rights. SACOM, together with GoodElectronics and Fair Trade Center, expect Wintek to publicize the corrective plan, as this can facilitate labour concerned groups and workers to participate and monitor the implementation of the plan. SACOM and our partners would also like to have a constructive dialogue with Wintek for the sake to harmonize the employer-employee relationship in the factories, including Masstop.

Attached for your information two reports of SACOM on workers rights training at two Chinese suppliers to HP. SACOM considers it as a pilot model towards a worker-based corporate social responsibility model and urges that other brands to take initiative to conduct workers rights training.

Lastly, SACOM calls on the brand companies, including Nokia and Apple, which are buyers of Wintek, to ensure the compliance of local laws, EICC codes and codes of conducts.

We would appreciate a prompt answer, preferably no later than 31 October 2009.

Thank you!

Yours faithfully,
Debby Chan
Project Officer
Students and Scholars Against Corporate Misbehaviour (SACOM)

cc. Dongguan Masstop Liquid Crystal Display Co., Ltd
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Ms Eléonore Elfström Fauré, Project Manager, Fair Trade Center
Mr. Mika Kiiskinen, Corporate Relations & Responsibility, Nokia
Mr. Bob Bainbridge, Director, Supplier Social Responsibility, Apple
Mr. John Plyler, Manager, Supply Chain Corporate Responsibility, Motorola
Mr. Jung Ho Lee, CSR Liaison Office, Samsung
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