



## Felipe's Informative Memo: First Draft

### Memorandum

To: Humberto  
From: Felipe  
Subject: Chinese Factory Report

Overall, most of our Chinese vendors are fine, but our main plant in Guangdong has bad conditions that need our careful attention. Thanks for giving me the chance to tell you about them.

#### Circuit Assembly

The first stop on my factory tour was the circuit assembly area, the largest in the plant, located on the southwest part of the building, which is exposed to sun all day. The workers sat on long benches that run the width of the room. I'm not sure how many workers there are, but I estimated several hundred.

- Many of the workers in the factory are young girls, 12 to 16 years old.
- I asked the ages of the girls, but the factory manager didn't answer. He obviously knew the answer because he did not look pleased that I asked the question. Instead, he told me that, although the girls are slower than machines, they are easier to "run" and "maintain." He was not joking. I did not laugh.

By law, children younger than 16 years old are not allowed to work in factories. The law is not enforced very often. However, there is always the possibility that it will be, or that a company will have bad publicity for tolerating vendors who treat their workers poorly.

I was shocked and angered by the conditions in which these girls work. I'm sure you would be too.

- Rooms the girls work in are not air-conditioned and temperatures in the factory often exceed 100 degrees.

- They are not allowed to look up for eight hours, and they have no breaks.
- No magnifying glasses are available to ease strain on their eyes.

China has laws that protect workers; however, they are often not enforced.

Apple, Nike, and other companies have received bad publicity for doing business with sweatshops. Nike faced consumer boycotts in the 1990s and experienced large sales losses in the year after its use of sweatshops was publicized. People still remember Nike's association with sweatshops many years after it first came to light.

Todd McKean, a Nike executive, described how the company first responded to the use of sweatshops: "[Our] initial attitude was, 'Hey, we don't own the factories. We don't control what goes on there.' Quite frankly, that was a sort of irresponsible way to approach this."

Apple has been criticized too for the working conditions in its supply chain. As the Nike executive recommends, the company responded quickly and hasn't experienced any drop in sales.

### **Molding and Painting**

- Some employees work around melted lead or apply lead paint to plastic cases.
- They have only paper masks as protection.

Short-term exposure to lead fumes can cause some changes in nervous system function and muscle and joint pain. Long-term exposure can cause memory and concentration problems, exhaustion, reproductive problems, kidney failure, and even death.

Lead paint also produces vapor and has the same dangers as exposure to melted lead.

Ethically, these conditions are not ones with which we want to be associated. The company would also look bad in the eyes of our customers if they knew of this situation.

### **Dormitories**

- Employees live next door to the factory in dormitories that have no windows or running water.

However, we should remember that factory jobs help many Chinese escape poverty and improve their standard of living, and the factories stimulate local economies. We should be careful not to force the owner into taking actions that result in a sudden loss of jobs. We accomplish nothing in that case. The workers trade one set of hardships (working conditions) for another (unemployment).

**Conclusion**

Thank you for taking the time to read this memo. I'm not in a position to say how dangerous the risks are that I've laid out, but I do think they justify further discussion.

If you have any questions, please let me know.