

Do You Care about Your Suppliers' Safety Track Records?



Most companies know that they have to be concerned about the safety performance of their contractors. But they may not pay as much attention—if they pay any at all—to the safety records of their suppliers.

When we asked if you considered a company's workplace safety program and track record before using them as a supplier, here's what you said:

- 80% said yes, a supplier with a poor safety records badly on us
- 15% said no, a supplier's internal operations are none of our business
- 5% said you didn't know.

For those of you who don't think your suppliers' safety records reflect on your company, just look at a recent article about Apple's suppliers in China.

Conditions at Apple's Chinese Suppliers

The *New York Times* recently exposed the poor safety conditions in which workers for Apple's suppliers toiled in China. The article noted that as Apple has become one of the mightiest, richest and most successful companies in the world, the workers assembling iPhones, iPads and other devices often labour in harsh conditions, according to employees inside those plants, worker advocates and documents published by companies themselves.

Some of the safety incidents and hazards mentioned:

- Employees work excessive overtime—in some cases seven days a week—and live in crowded dorms.
- Some workers say they stand so long that their legs swell until they can hardly walk.
- Suppliers have improperly disposed of hazardous waste and falsified records.
- Two years ago, 137 workers at an Apple supplier in eastern China were injured after they were ordered to use a poisonous chemical to clean iPhone screens.
- Within seven months last year, two explosions at iPad factories killed four

people and injured 77.

Apple's not alone. Bleak working conditions have been documented at factories manufacturing products for Dell, Hewlett-Packard, IBM, Lenovo, Motorola, Nokia, Sony, Toshiba and others.

Apple does appear to care to some degree about what goes on in its suppliers' facilities. After all, it has a supplier code of conduct that details standards on labour issues, safety and other topics. The company has a vigorous auditing campaign and when abuses are discovered, corrections are demanded, says Apple. And its annual supplier responsibility reports, in many cases, are the first to report abuses.

But significant problems remain. In Apple's published reports, it has said it requires every discovered labour violation to be remedied and suppliers that refuse are terminated. However, some former executives concede that finding new suppliers is time-consuming and costly.

For example, banners on the walls of one factory warned, "Work hard on the job today or work hard to find a job tomorrow." Apple's supplier code of conduct dictates that, except in unusual circumstances, employees aren't not supposed to work more than 60 hours a week. But some worked more, according to interviews, workers' pay stubs and surveys by outside groups.

Apple's efforts have spurred some changes. Facilities that were reaudited "showed continued performance improvements and better working conditions," the company wrote in its 2011 supplier responsibility progress report. Apple also has trained over a million workers about their rights and methods for injury and disease prevention.

But are these efforts enough? Should companies take a more active interest in what's going on in their suppliers' workplaces by setting codes of conduct? Or should they just leave it to suppliers to ensure the safety of their own workers? What, if anything, does your company do to ensure its suppliers' workers are safe on the job?