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President: Berthold Huber General Secretary: Jyrki Raina

Geneva, 8 July 2014

Tim Cook CEO Apple Inc.

Sent by email: tcook@apple.com and Supplierresponsibility@apple.com

IndustriALL flags labour violation in iPhone 6 production

Dear Mr. Cook,

I am writing to you on behalf of <u>IndustriALL Global Union</u>, representing more than 50 million workers in 140 countries throughout the whole manufacturing supply chain, including the electronics industry, to express our grave concern over the labour rights violations in the supply chain of the much anticipated iPhone 6.

We understand that the production plan for the iPhone 6 includes using NXP Semiconductor's near-field communication technology. I wish to therefore draw your attention to a very serious violation of labour rights in the prospective production chain of the iPhone 6 and communicate our urgent request that Apple intervene.

The local NXP subsidiary in question is NXP Semiconductors Cabuyao Incorporated (NXPSCI). Located in one of the Philippines' special economic zones, notorious for hostility towards unions and high levels of outsourcing, NXPSCI employs around 5,000 workers.

The NXPSCI workers' union attempted to conduct good faith negotiations with management to renew the existing collective bargaining agreement (CBA) from December 2013. A key priority of the union is to regularize the precariously employed contract workers at the plant, some of whom have been working on rolling contracts for over two years.

To bust the union and prevent the workers from exercising their fundamental rights, local management sacked all 24 members of the union's leadership on 5 May on the sham charges of not reporting to work on 9, 17 and 19 April and 1 May. The 9, 17 and 19 April are all national public holidays in the Philippines, and 1 May is Labour Day which the existing CBA stipulates union members can take off work to mark the day.

Included in the sacked 24 trade unionists is national MWAP union president Reden Alcantara.

The malicious union-busting by NXP management in Cabuyao, Laguna, Philippines casts a dark shadow over the upcoming iPhone 6. Consumers will be disappointed to learn that at this key stage in the production of the iPhone 6 workers are denied their fundamental rights to freedom of association and collective bargaining. If Apple does not urgently act to fix this problem, the sacking of 24 trade union activists under fraudulent pretenses to punish workers for organizing will not only constitute a bad breach of international instruments ILO Conventions 87 and 98, it will send the

clearest signal of Apple's attitude towards the workers in the developing world who make their products.

We expect an urgent and effective intervention from Apple to fix this problem at NXP Philippines so that you continue to source from this facility while ensuring it complies with your supplier responsibility guidelines. We know that NXPSCI supplies a number of well-known brands, and expect Apple to lead the response in reaching a solution.

Yours sincerely,

Jyrki Raina

General Secretary

IndustriALL Global Union