



Apple's Unkept Promises on Working Conditions Continue

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FOR IMMEDIATE RELEASE

NEW YORK - On the heels of a [BBC Panorama](#) documentary released yesterday detailing labor rights violations in a Shanghai factory making Apple products, China Labor Watch (CLW) announces that it supports the findings of BBC's investigation. CLW also emphasizes that this is not an individual case; similar labor abuses are widespread in Apple's supply chain.

BBC's reporting is hardly the only recent investigation that demonstrates labor abuses like excessive overtime, unpaid wages and benefits, unsafe working conditions, poor living conditions, and child labor, in Chinese factories producing Apple gadgets. In addition to CLW's numerous probes into Apple supplier factories, *The New York Times*, *Wall Street Journal*, *Der Spiegel*, and other organizations have produced investigations detailing similar problems. These studies show that labor abuse is widespread and persistent.

Moreover, the labor conditions described in these reports are not only frequently violating local labor laws, they are in contradiction to Apple's own widely published commitments for working conditions in factories that make Apple products.

Indeed, in 2013, CLW [compared those commitments](#) with the reality in factories owned by Pegatron—a major Apple supplier and the same company investigated by BBC this year—finding that Apple failed to make good on at least 17 promises.

But CLW and others have shown time and again that Apple has failed to make good on its promises. Apple's unkept promises in turn become false advertisement. Apple must take its commitments seriously if it is to realize those commitments on the ground.

CLW's Executive Director Li Qiang said, "Our follow-up investigation has found that Pegatron's labor conditions violate Apple's promised labor standards. Apple's commitments are like an advertisement. Apple is always finding excuses for its unrealized commitments. We are focused on what Apple does, not what it says."

In May 2014, CLW sent a letter to Apple CEO Tim Cook highlighting in particular the pervasiveness of unpaid benefits in Apple's supplier chain. (Letter attached below.) As of today, CLW has still never received a reply from Cook.

ATTACHMENT: May 27 Letter to Tim Cook From CLW's Li Qiang

May 27, 2014

Dear Mr. Cook,

China Labor Watch (CLW) has been monitoring labor conditions in the Chinese manufacturing industry for 14 years, carrying out hundreds of investigations into the suppliers of international brand companies. This has included undercover investigations into electronic factories making products for Apple.

Among a number of legal violations that we have observed in Apple's supply chain over the past few years, incorrectly paid or unpaid social insurance has been one of the most widespread problems. CLW has uncovered a lack of social insurance in factories that include Jabil Shenzhen, Pegatron (Shanghai), AVY (Suzhou), Foxconn (Shenzhen and Zhengzhou), Riteng (Shanghai), Jabil (Wuxi), Quanta (Shanghai), and others.

In April this year, 40,000 workers at a factory called Yue Yuen, supplier to brand companies like Nike and Adidas, went on strike for two weeks, demanding compensation for years of unpaid social insurance as well as demanding full insurance benefits going forward. The government ultimately supported Yue Yuen workers' claim, noting that social insurance is required by Chinese law (and has been for many years). Yue Yuen factory lost \$27 million as a direct result of the strike and might have to pay out another \$31 million in increased benefits this year.

On May 1, 1,200 workers from 101 Shenzhen-based companies, including Foxconn, signed a joint statement following the Yue Yuen strike demanding that the government formulate specific rules in regards to how their companies should return their own past unpaid social insurance.

Apple is familiar with the social insurance and housing fund rules in China. Before Apple provides production orders to a factory, it should guarantee that the factory is providing all benefits to workers according to law. Indeed, Apple's own code of conduct states,

"Apple requires its suppliers to operate in accordance with the principles in this Apple Supplier Code of Conduct and in full compliance with all applicable laws and regulations."

Going forward, we hope that Apple makes good on its commitment to abide by labor law in China and ensure that its suppliers are providing all benefits, including five types of social insurance and the housing fund, to their workers.

Sincerely,

Li Qiang

About China Labor Watch:

Founded in 2000, China Labor Watch is an independent not-for-profit organization. For more than a decade, CLW has collaborated with labor organizations and the media to conduct in-depth assessments of factories in China that produce toys, bikes, shoes, furniture, clothing, and electronics for some of the world's largest brand companies. CLW's New York office creates reports from these investigations, educates the international community on supply chain labor issues, and pressures corporations to improve conditions for workers.

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