2010

Annual Report
2010 CLW in Review

JANUARY
CLW published a report on the horrific conditions revealed through an investigation of KKR and Dollar General supplier factories, finding the conditions to be the worst among all suppliers to American retailers.

FEBRUARY
Welcomed the year of the Tiger, and CLW began investigations into four Carrefour supplier factories: Dongguan Lanyu Toy Company, Kiddyland Toys, Shenzhen Nanling Toys Products and the Xinlong factory.

MARCH
China Labor Watch began to survey Suzhou in Jiangsu province in preparation for opening a new office. With the movement of production beyond Guangdong, CLW expanded its scope, investigating factories in the Jiangsu area.
CLW also helped another organization establish an auditing anti-corruption organization. Corrupt audits are common practice and undermine workers’ protections and rights.

APRIL
CLW publishes "Did Dreams Come True? Workers Still Live in Fear of Occupational Injury," a review of ongoing labor violations in a Disney and Tesco supplier factory.
CLW’s Executive Director, Li Qiang, participated in Syracuse University’s symposium, “Africa and China in the 21st Century: A Search for a Mutually Beneficial Relationship.”

MAY
CLW conducted a survey from May 21-24 concerning suicides at factories in the Pearl River Delta. A report is also released investigating four Carrefour suppliers, The strike at the Honda Foshan factory attracts Chinese media attention, emboldening workers in other factories to strike for fairer wages.

JUNE
CLW responds to Foxconn’s decision to increase wages in wake of the suicides that have begun to garner international media attention.
CLW’s Executive Director, Li Qiang, was interviewed by Bloomberg regarding the Honda strikes, “Historically, China’s labor unions have been rather toothless,” said Li Qiang. “When Honda factory workers went on strike they had no intention of using the union to negotiate. Workers had no idea about the concept.”

Li Qiang speaks at the Fair Labor Association’s ‘Multi-Stakeholders and the Promotion and Protection of Labor Standards’ panel.

AUGUST
CLW released a report on four Dollar General suppliers, citing some of the most abominable labor practices in existence today, including no labor contract, no leave, underpaid overtime, and draconian punishments.
CLW also published a report on Warren Buffet’s involvement with BYD, a fast-growing tech company in China with a evolving track record of labor compliance.

SEPTEMBER
Completed a report on 20 supplier factories in the toy industry. Created the new China Labor Watch website in order to enhance access to CLW’s reports and offer educational materials to interested stakeholders, students of China and labor issues, and the media.

OCTOBER
CLW published a report on Adidas, after following the company for over 10 years the comparative study reveals the improvements and ongoing problems discovered through the CLW 2002, 2008, and 2008 investigations.

NOVEMBER
Two reports are released on Disney’s supplier factories, Hengtai and Champion Crowne, finding serious violations regarding the use of child labor, excessive working hours, and high safety risks. CLW cites the lack of external monitoring as the root cause of why Disney’s supply chain has not improved over the past ten years.

DECEMBER
In collaboration with the French NGO Peuples Solidaires, CLW launches an Urgent Appeal to Disney, citing earlier investigations into Disney suppliers Champion Crowne and Hengtai, and the use of child labor and excessive and compulsory overtime.
Photo 1: CLW Shenzhen Office worker safety training Source: Jocelyn Baun, Pulitzer Center

Photo 2: CLW worker hotline outreach

Photo 3 and 4: Worker Outreach and Training
Dear Stakeholders,

2010 was a year of transition for the workers and the labor situation in China, and a number of milestones mark the highs and lows of the past year. From tragic worker deaths to unprecedented international media attention and concessions granted to striking workers, the ever-evolving economic and civic backdrop created new opportunities and challenges for China Labor Watch to continue to press forward, promoting Chinese workers’ rights while uncovering ongoing systemic issues and collaboratively seeking holistic supply chain improvements.

China Labor Watch continued to expand the scope of its work and its measurable impact. CLW conducted independent investigations in over 70 factories supplying over 15 different global brand companies, uncovering numerous labor violations and seeking to identify root causes. Through a series of published reports, we leveraged our investigation outcomes to pressure companies to proactively engage supplier factories to improve working conditions and increase wages.

Through partnerships, CLW extended the availability of its hotline services to workers to over 30 factories, and through factory on-site and community promotions, workers in over 60 factories utilized the hotline. Workers were able to access invaluable consultative legal services and advice. CLW seeks to provide organizational, policy direction, leadership, and financial and media support for China’s labor movement through the nascent network CLW helped develop in the 1990s. To this end, CLW continues to cooperate with other labor and human rights organizations both domestically and internationally. In 2010, CLW collaborated with Südwind Agentu, an Austrian NGO, and French NGO, Peuples Solidaires, to publish two reports on Disney supplier factories, and pressure Disney to improve factory conditions for their workers. By maintaining relationships with companies that source from Chinese factories, CLW encourages the development of a business framework in China that brings workers’ rights to the forefront of international discourse.

CLW also helps advance the emergence of a strong legal structure in China by promoting the enforcement of China Labor Watch views workers’ rights as inalienable rights and is dedicated to promoting workers’ fair redistribution of wealth under globalization.
of local and national labor laws, encouraging labor organizations to strengthen their leadership skills, and highlighting the efforts of labor activists to protect their own rights through the legal system.

For many Chinese workers, dignified work and justice are still foreign concepts. However, with the dedicated persistence and collaboration of CLW with NGOs, academics, media, and other stakeholders, we will continue to investigate and remediate workplace abuses, and empower workers to protect and advance their own inalienable rights.

As a small not-for-profit, I would also extend my deepest appreciation and gratitude to the dedicated work of our volunteers including: Katherine Wrightson, Jin Jie, YongYuan Li, Greg Fay, Manfred Elfstrom, Jinglin Lu, Michelle Lehrer, Jacco Kuang, Han Xiao, YingXiao Qin, Yi Zhong, Jeffrey Becker, Antia Chan, Dongtao Qi and Andrew J. Nathan. My sincere thanks go out to everyone who supported the work of CLW in 2010. Our collective efforts have impacted the lives of thousands of workers, making a decent wage and a dignified life a reality for them. As we move into the future, I look forward to continuing this important work to eradicate inequalities, to develop international workplace standards and agreed upon monitoring mechanisms, to educate workers about their rights, and to helping consumers make ethically-sound purchasing choices.

Sincerely,

Li Qiang,

Founder and Executive Director
China Labor Watch
Year of Labor Unrest

Suicides at Foxconn and large-scale strikes increased international media attention on Chinese labor rights and the evolving Chinese civil society landscape.

While labor disputes are not a new phenomenon in China, in 2010, a number of factors have prompted ongoing transformations of the labor landscape. In 2010, labor strikes became viral in nature, and we witnessed an overall increasing trend of incidence.

- **Labor strikes became viral**— A ‘copycat’ phenomenon swept through factories (especially in the auto industry) with dissatisfied workers
- **Workers became more aware of their rights**— Increasing access to information, knowledge and news-sharing via the internet, and nearly ubiquitous cell phone use among workers, educates more workers of rights.
- **International Media Attention**— The strikes received international coverage, and under such watchful attention, brand companies and suppliers were forced to respond.

A Changing economic and civic landscape have encouraged shifts in labor trends

- **An increasingly severe labor shortage** encouraged workers to consider and compare employment opportunities, such that factories with more deplorable conditions will be less likely to retain workers in the future.

- **The high inflation rate**, at 5.1% in November 2010 was driven by an 11.7% increase in food prices from the previous year. This 28-month inflation high portended of economic overheating and widespread discontent because of increasing food, fuel, and commodity prices. National and local governments have reacted to the pressure with **minimum wage increases**.

- Supplier factories survive on razor-thin margins. Fearful of rising production costs because of minimum wage increases, **companies are steadily moving production bases inland**, where labor costs are lower, and there is less focused media attention
In recent years of successive labor shortage crises, economists have concluded that China is nearing the “Lewis turning point.”

The labor supply is no longer unlimited, and labor-intensive industries can no longer rely on low-cost labor. This is reflected in the current national trend to gradually increase minimum wages. In 2010, 30 provinces increased the statutory minimum wage. For example in Guangdong province, the minimum wage increased 22.8% in 2010.

China Labor Watch believes that there are two irreconcilable factors creating the current labor situation and discord, their incompatibility contributes to promotion of a workers’ rights movement in China.

The first factor or “push” is that buyer companies solely seek profits, and are willing to do everything possible to excessively constrain labor costs. This breeds poor work environments.

The second, conflicting “pull” factor is that, because of globalization and the internet, the Chinese workforce is developing a more refined consciousness of democracy and civil liberties. The conflict between the push down of company costs and rise of worker consciousness, we anticipate, will lead to a more entrenched labor movement, through which workers will seek empowerment vis-a-vis safeguarding of their legal rights. With growing tensions in this conflict of interest, CLW believes that workers’ rights empowerment and systemic change will only come about when there are functional and effective trade unions in factories with democratically elected leaders. It is only when workers are given a voice and the ability to collectively bargain that real, lasting change will occur.
<table>
<thead>
<tr>
<th>Primary Areas of Concerns for Workers in 2010</th>
<th>How China Labor Watch worked to address these problems</th>
</tr>
</thead>
<tbody>
<tr>
<td>Workers’ overtime hours remain excessively high, especially during peak seasons</td>
<td>CLW’s factory investigations continue to provide insight into overtime hours and overall trends so that corporate partners may monitor supplier factories, and stakeholders receive validated, independent, and accurate information.</td>
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<tr>
<td>Grievance mechanisms are still not in place in many factories. If workers have a problem, they may seek out help from their supervisor or ask advice from coworkers.</td>
<td>CLW continues to expand its worker hotline program to additional factories so that workers may have access to a safe and trusted independent party through which to voice concerns and receive consultation.</td>
</tr>
<tr>
<td>Wages have increased, yet some benefits have been eliminated, therefore the total salary barely increased</td>
<td>CLW has returned to factories to monitor benefit changes with wage increases, and is dedicated to informing the public and brand companies about perceived versus real salary increases.</td>
</tr>
<tr>
<td>Persisting occupational hazards and risk of occupational illnesses exist</td>
<td>CLW works with brand companies and reports on incidences of dangerous conditions for workers in order to prevent hazards or fatalities. For example, CLW conducted a follow-up investigation of Disney supplier factory, Yiuwah, where a young worker was killed in 2009.</td>
</tr>
<tr>
<td>The majority of workers still lack an understanding of their legal rights, and do not know how to resolve problems when they arise</td>
<td>CLW hosted a number of worker training sessions in branded and unbranded factories, as well as community training. The goal of worker training is to impart legal knowledge to workers, encourage them to act to safeguard their rights, expand workers’ network and support system, and facilitate peer communications among workers.</td>
</tr>
<tr>
<td>The national trade union, All-China Federation of Trade Unions, has improved, but is still not fulfilling its role to safeguard and advance workers’ rights and interests.</td>
<td>In addition to facilitating engaging training sessions, CLW distributed over 18,000 brochures and pamphlets to workers so that they may understand basic rights and utilize local legal resources.</td>
</tr>
<tr>
<td>Without an effective or truly functional union, workers do not have a voice and are unable to organize, or engage in collective bargaining with their employers</td>
<td>The worker hotline program has been promoted and activated in over 30 factories, and in 2010, CLW received calls from workers in over 60 factories.</td>
</tr>
<tr>
<td>Many factory audits are ineffective, corrupt, and do not reveal actual, existing problems</td>
<td>CLW has actively promoted independent auditing mechanisms, realizing that company internal audits and corporate codes of conduct are mere formalities, and inadequate guarantees of worker protection.</td>
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</tbody>
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China Labor Watch Programs

Worker Outreach and Training

Despite the many existing barriers that prevent workers from receiving full protection of their rights, we continue to believe that working towards widespread knowledge of labor law is essential. Once workers understand the parameters of their own legal rights, they will more actively seek to safeguard those rights. When conditions permit, workers will vigorously promote their rights, ultimately stimulating the development of a more fertile and active civil society.

There are many indications that the small steps of progress made in 2010 to give more space to workers only came about because of workers’ increasing awareness of their rights and willingness to activate those rights.

At the same time, millions of Chinese workers continue to labor in sub-standard or hazardous working conditions while not receiving their due living wage. In order to ensure workers are able to negotiate with employers and demand fair wages and dignified working conditions, CLW reached out to workers in their workplace and communities, provided targeted community training on labor laws and local labor issues and distributed pamphlets detailing basic rights and local legal resources to workers. The training empowered workers, encouraging them to act to protect their own rights and interests, and sought to build workers’ confidence in the ability to resolve labor disputes.

2010 Community Training Summary

Community training not only provided legal knowledge to workers, but also expanded workers’ network and support system, and facilitated peer communications among workers.

- 12 Community training sessions were held during 2010
- There were a total of 122 participants
- Advertising for the training was conducted through factories.
- Training topics were developed based on workers’ interests and concerns. Throughout the course of the year, recurring topics included labor contracts, social security, salaries and bonuses, vacation hours, occupational safety and labor protection
- The trainings were interactive, informative, and intended to inspire workers to action to promote their rights and interests
Hotline Program

CLW has implemented a worker hotline program in brand company factories, as well as outreaching to workers off-site from nearby branded and unbranded factories. The following statistics include those from the brand company factories, total number of hotline calls and overall impact in 2010 is even more significant.

- The hotline received a total of 553 calls
- Calls were reported from 32 factories
- 23 factories’ management level workers also used the hotline
- On-site factory promotion began in June 2010, promotion was conducted at 21 factories
- Reached 50,000 Workers
- Hotline statistics and users indicated that those who used the hotline service are likely to become repeat users
- Consultations frequently involved employment questions and concerns regarding labor contracts, social insurance, occupational safety, wages and benefits, and working hours and holidays.
- There were also non-labor law related problems including friends, family relationships, marriage, feelings of helplessness in life, and illness complications.
- As workers’ problems are revealed to the factories through summary reports and monthly edited columns, the factories are able to develop a case management process in order to resolve the workers’ issues.

Workers often live far from their hometowns and are separated from family and friends. Without guidance or effective grievance mechanisms, the worker hotline offers consultative services and advice to respond to workers’ concerns and efficaciously resolve problems.

Key Highlights

553 Calls
Calls Received from 32 Factories
On-site promotion in 21 Factories
Scope of Outreach: 50,000 Workers
Distributed 18,000 copies of a “Concise Workers’ Handbook”
Promotion involved sites in nine regions- Shenzhen, Dongguan, Zhongshan, Guangzhou, Qingyuan, Shantou, Jieyang, Huishou, and Foshan
Factory Improvement

Multinational buyer companies must collaboratively work with supplier companies and factories to improve working conditions, ensure protection of workers’ legal rights, and implement an ethical supply chain that reflects a holistic socially responsible company.

Since CLW was founded in 2000, we have assessed and re-evaluated labor conditions in more than 200 manufacturing factories supplying for transnational companies across industries ranging from furniture, stationary and shoes to electronics, garment, and toy industries. CLW collaborates with corporate responsibility departments and factory management to support the implementation of responsible corporate standards.

In 2010, CLW independently investigated over 70 factories, 46 were included in a final annual survey, and the remaining investigations were conducted through partnerships and factory improvement programs. Among the 46 factories included in the final 2010 survey, the fewest number of workers was approximately 40, while the largest factory employed approximately 30,000 workers. There are an approximate total of 92,000 workers in the 46 factories.

Although CLW resources are limited, thereby restricting the quantity, geography, and industries of the factories investigated, the overall aggregated results of our 2010 factory investigations comprehensively highlight the most prominent labor issues in China today. CLW investigated supplier factories that manufacture products for numerous global brand companies including HP, Dell, Apple, Nokia, Motorola, Disney, Tesco, Adidas, Dollar General and Carrefour. Many critical labor violations in Chinese factories persisted throughout 2010. China Labor Watch (CLW) independently investigated these violations, and discovered that the most pervasive and severe classes of labor violations include workers’ organization and grievance mechanisms, along with wages and working hours. Our investigations revealed that the exposed labor abuses in the Shenzhen Foxconn factory, prompted by the 2010 suicides, still exist. Such violations are also frequent in many other factories, regardless of industry or size.
Of the hundreds of workers interviewed and dozens of factories assessed, we found the following problems to be most gravely concerning in 2010:

A) **The ability for workers to organize and express their grievances is extremely limited**, and poses a serious problem. In 88.2% of the surveyed factories, there was no functional or effective trade union or grievance mechanism system.

B) In 87% of the factories, **daily overtime work** exceeded three hours or there was no guarantee of one day of rest each week. **Not one factory met the legal requirements for overtime monthly maximum of 36 hours.** In the surveyed factories, overtime hours in excess of 100 hours was the norm, and some were even in excess of 200 hours.

C) **82.6% of the factories surveyed do not pay wages in accordance with Chinese labor laws**, with regards to minimum wage and/or overtime rates. As workers have no means of engaging in collective bargaining, there is little hope of wages increases.

<table>
<thead>
<tr>
<th>Workers Organizing and Grievance Mechanisms</th>
<th>Number of Factories, Acceptable</th>
<th>Number of Factories, Unacceptable</th>
<th>Number of Severe Cases</th>
</tr>
</thead>
<tbody>
<tr>
<td>Occupational Safety and Protection</td>
<td>2 (11.8%)</td>
<td>15 (88.2%)</td>
<td>1</td>
</tr>
<tr>
<td>Working Hours</td>
<td>6 (13%)</td>
<td>40 (87%)</td>
<td>3</td>
</tr>
<tr>
<td>Wages</td>
<td>8 (17.4%)</td>
<td>38 (82.6%)</td>
<td>4</td>
</tr>
<tr>
<td>Social Insurances</td>
<td>7 (17.9%)</td>
<td>32 (82.1%)</td>
<td>5</td>
</tr>
<tr>
<td>Food and Dormitory Conditions</td>
<td>14 (33.3%)</td>
<td>28 (66.7%)</td>
<td>6</td>
</tr>
<tr>
<td>Labor Contract</td>
<td>14 (31.1%)</td>
<td>31 (68.9%)</td>
<td>7</td>
</tr>
<tr>
<td>Forced Labor</td>
<td>13 (37.1%)</td>
<td>22 (62.9%)</td>
<td>8</td>
</tr>
<tr>
<td>Discrimination</td>
<td>25 (65.8%)</td>
<td>13 (34.2%)</td>
<td>9</td>
</tr>
<tr>
<td>Child Labor and Protection of Underage Workers</td>
<td>29 (70.7%)</td>
<td>12 (29.3%)</td>
<td>10</td>
</tr>
</tbody>
</table>

**Figure 6: 2010 Investigated Factories Survey, Existing Labor Violations**

The reported results of the CLW factory investigations enable interested and concerned consumers, stakeholders, NGOs, media outlets, and international brand companies to reflect on and discuss these issues, and most importantly, to work towards their resolution.

Corporations often maintain that they cannot be held responsible for the actions of their suppliers; however we cannot allow companies to disavow their intrinsic social responsibility. Corporations purchase products that they will then profit from on the global market. As such, they must transparently disclose their supply chain and the performance of their supplying factories in order to ensure that products are ethically sourced. CLW believes that ongoing, external monitoring of corporate supply chains is essential. Internal audits offer no validity, accuracy, or anti-corruption guarantees, and are wholly ineffective in protecting workers from hazardous working conditions or providing impetuous for concrete changes. Consumers, media, NGOs, and government must hold corporations accountable, and focus not on their flashy PR campaigns, but rather on their actions.
Industry Focus: Electronics

The electronics industry came under intense scrutiny in 2010 and the beginning of 2011. With 14 confirmed tragic deaths of young workers at the Foxconn Shenzhen factory throughout 2010, media outlets brought Chinese working conditions in electronics factories under a merciless microscope. Spurred on to react under such intense pressure, buyer brand companies and Foxconn began to increase wages and institute improvements in order to prevent worker deaths. However, in many ways, these improvements were superficial (such as anti-suicide nets installed and a required “Letter of Commitment to Treasure Life”), and many latent, systemic problems remain ubiquitous to electronics factories.

While electronics factories are seemingly sterile, clean environments devoid of usual ‘sweatshop’ characteristics, many factories in the electronics industry exhibit hidden sweatshop attributes. Most notably, because brand buyer companies squeeze out dollars in order to secure the lowest cost production orders, many electronics factories typically:

- Have extremely excessive overtime hours, especially during the peak season
- Force workers to work ‘voluntary’ overtime
- Maintain an extremely high work intensity, setting the production quota at only what the most capable worker can withstand
- Implement hidden discrimination, hiring only the youngest and healthiest of candidates, knowing only they will be able to survive the extremely high intensity work environment.
- Punish workers for small mistakes, and verbally harass workers
- Create a system in which official resignation is nearly impossible, forcing workers to ‘voluntarily’ resign and forfeit a significant amount of their final wages

These abuses are utterly entrenched in the global supply chain process, in which Chinese workers occupy the lowest position. One particularly salient feature of the globalized electronics industry is the gradual solidification of profit stratification. At the peak of this profit-earning pyramid are the high-technology companies such as Microsoft and Apple who receive the largest piece of the profit pie. From there, there is a trickle-down of profit in the supply chain, larger multinational companies are just below, with contractors, also known as supplier companies that manufacture products, such as Foxconn, a step below them. In the supply chain pyramid, factory workers occupy the lowest position.
Brand Focus: Dollar General

According to CLW’s 2010 investigations, DG’s suppliers in China have the worst labor condition performance compared with all major U.S. retailers.

Between February and June 2010, China Labor Watch conducted investigations and follow-up investigations of four random Dollar General supplier factories.

Across the board, CLW discovered these factories to have the most deplorable conditions and worst labor performance compared with all other major American retailers.

CLW investigations found that the basic legal rights of the employees are not met in these factories.

Physical workplace safety is not guaranteed. Workers do not have access to even basic protections from chemical hazard and work injuries.

Grueling hours are required. Employees work on average 300 hours per month during peak seasons and 250 hours per month during the off season. The yearly cumulative overtime hours far exceed the maximum of 432 hours of overtime per year allowed by law.

Pay is illegally and shockingly low. The hourly salary is about $0.76 (or $130 per month, from which at least $35 was deducted for cafeteria fees and $5 for dormitory fees. Workers were actually paid about $90 per month, or $0.51 per hour), with occasions in which overtime hours were not paid at all.

In some of the factories investigated, the following violations also existed:

- Age or gender recruitment discrimination
- No annual leave, maternity or marriage leave, as guaranteed by Chinese labor law
- No trade union or worker representatives to represent workers’ rights
- Workers are not provided with any health examinations
- Protective safety equipment is not provided, workers are at high risk of injury or illness, there is poor management of chemicals
- The factory detains workers’ resident ID cards for the first week in the factory
- Workers are underpaid for overtime hours
- The factory does not sign a labor contract with most employees
- No regular pay date in at least one of the factories
- In at least one factory, workers were paid for lying to inspectors

CLW tried to engage in dialogues with Kohlberg Kravis & Roberts (KKR), a global asset manager who is the largest investor in Dollar General Corporation. However they are clearly only interested in company profits and image, and refuse to claim responsibility for the abhorrent conditions we exposed.
# CHINA LABOR WATCH INC.
## FOR THE YEAR ENDING DECEMBER 31, 2010

### Revenues:

<table>
<thead>
<tr>
<th>Source</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct public support</td>
<td>$370,059</td>
</tr>
<tr>
<td>Interest income</td>
<td>$34</td>
</tr>
<tr>
<td><strong>Total revenues</strong></td>
<td><strong>$370,093</strong></td>
</tr>
</tbody>
</table>

### Expenses:

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Program expenses - China</td>
<td>$74,200</td>
</tr>
<tr>
<td>Officer salary</td>
<td>$70,000</td>
</tr>
<tr>
<td>Office salary</td>
<td>$10,128</td>
</tr>
<tr>
<td>Payroll tax &amp; benefits</td>
<td>$14,740</td>
</tr>
<tr>
<td>Travel &amp; Entertainment</td>
<td>$15,819</td>
</tr>
<tr>
<td>Rent</td>
<td>$21,685</td>
</tr>
<tr>
<td>Telephone and internet</td>
<td>$4,852</td>
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<tr>
<td>Office supplies and expenses</td>
<td>$8,427</td>
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<tr>
<td>Professional fees</td>
<td>$7,035</td>
</tr>
<tr>
<td>Dues and subscription</td>
<td>$1,950</td>
</tr>
<tr>
<td>Utilities</td>
<td>$918</td>
</tr>
<tr>
<td>Insurance</td>
<td>$1,439</td>
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<tr>
<td>Depreciation</td>
<td>$1,748</td>
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<tr>
<td>Bank service charge</td>
<td>$402</td>
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<tr>
<td>Postage</td>
<td>$467</td>
</tr>
<tr>
<td><strong>Total expenses</strong></td>
<td><strong>$233,810</strong></td>
</tr>
</tbody>
</table>

Excess revenues for the year: $136,283
Net assets at the beginning of the year: $9,319
Net assets at the end of the year: $145,602
Acknowledgement

CLW would not be able to carry out its work without the contributions of the following supporters, who share our commitment to making social and economic justice a reality for workers in China. We would like to acknowledge the generous support from the following organizations and individuals during the year 2010. Donations from anonymous donors in 2010 are also gratefully acknowledged.

<table>
<thead>
<tr>
<th>Cerene Adrienne</th>
<th>Emma Gallagher</th>
<th>Elfstrom Manfred</th>
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<tbody>
<tr>
<td>Sam Amirfar</td>
<td>Sophia Guthertz</td>
<td>Susan Moscou</td>
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<tr>
<td>Jane Barry</td>
<td>Tammy Ha</td>
<td>Andrew J. Nathan</td>
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<tr>
<td>Ethan Boyd</td>
<td>Moira Herbst</td>
<td>Kevin E O’Neill</td>
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<tr>
<td>Richard B.Britton and</td>
<td>James Rogers and Nancy</td>
<td>Dorothy J. Solinger</td>
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<tr>
<td>Ann Narie Birky</td>
<td>Forsythe</td>
<td>Robert Phillips</td>
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<td>Claryce L Evans</td>
<td>Arden and Linda Mahlberg</td>
<td>Jonathan Rehm</td>
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<td>Tom DeLuca</td>
<td>Michael R Lewis</td>
<td>Samantha Tharl</td>
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<td>Robert W Or Mary H.</td>
<td>Robert Isoaroi</td>
<td>Peter Shaw</td>
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Contribution Form

China Labor Watch is a not-for-profit organization. Your contribution allows us to continue to focus our work on labor conditions in China. Your contribution is tax deductible under Section 501(c )(3). All contribution through this form are allocated to our annual fund. Upon request, we will send a receipt of your contribution if you complete the following information.

Date __________________

This gift is from a: __ Individual/family     __ Business     __ NGO/NPO

Donor Information (please print or type)

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Billing address
City
State
ZIP Code
Telephone (home)
Telephone (business)
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E-Mail

Your Gift to China Labor Watch:

___ $10,000 · ___ $5,000 · ___ $2,500 · ___ $1,000 · ___ $500 · ___ $250 · ___ $100
___ $50      ___ $25     Other $________

I (we) plan to make this contribution in the form of:

_____ Check _____ Credit card _____ other

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Credit card number
Expiration date
Authorized signature

Gift will be matched by ___________________________ (company/family/foundation).

_____ form enclosed _____ form will be forwarded

_____ I (we) wish to have our gift remain anonymous.

Signature(s)
Date

Please make checks, corporate matches, or other gifts payable to:

China Labor Watch, 147 W. 35th St., STE 406, New York, NY 10001