

# Apple supplier based in China accused of labor violations by US watchdogs

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A Chinese electronics firm that supplies parts to Apple is being accused of repeated labor violations by two US-based watchdogs who investigated it twice in the past two years - exposing continued problems in Apple's supply chain ahead of its much-anticipated iPhone 6 launch.

In a report released on Thursday night, China Labor Watch and Green America said they found a raft of malpractices that contravene Apple's 2005 code of conduct for suppliers, Chinese law and the corporate social responsibility rules of the factory's Taiwanese owner, Catcher Technology.

An "investigator" who posed as one of 20,000 workers at the factory in Suqian, Jiangsu province, found that workers had to do 100 hours of overtime a month - three times the legal limit of 36 hours - and that minors as young as 16 were forced to work the same hours as adults.

Its workshops, which had nearly round-the-clock operations, also did not have adequate ventilation, according to the report.

Employees were also sent to the floor without health or safety training and in some cases no protective equipment, leaving them exposed to toxic chemicals that irritated their skin and eyes. Supervisors would fraudulently sign certificates proving the employee had received training, even if it was non-existent.

CLW also noted with alarm how supervisors would leave fire exit doors and windows locked in a factory that is filled with flammable aluminium-magnesium alloy dust and scraps.

The accumulation of aluminium dust was blamed for an explosion in another Jiangsu factory, Taiwanese-backed Kunshan Zhongrong Metal Products in Kunshan, in early August which left 75 workers dead and 186 injured.

Kevin Slaten, a programme coordinator at CLW, said "a large majority, maybe four-fifths" of production at Catcher Suqian is dedicated to Apple products.

Asked if the alleged labor malpractices were directly linked to the making of the iPhone 6, Slaten said that parts of the new gadget were being assembled at Catcher's Taiwan plant. But, he noted, "the factories have the same management, and workers are used interchangeably between the plants, meaning that similar conditions at Catcher Taizhou are not unlikely".

He said that some 600 workers from Suqian were sent to Taizhou during the investigation. "This act itself may be a labor rights violation if workers' place of employment were being changed without their contract being renegotiated," Slaten said.

Workers at the Suqian plant earn a base salary of 1,570 yuan (HK\$1,974), but this could go up to 3,200 yuan a month due to overtime and other payments, including a fee for having to work in a high-temperature room.

Apple said in a statement sent to the South China Morning Post that it already dispatched a team to the Catcher plant to investigate the allegations in the 25-page report co-authored by CLW and Green America.

"Our most recent annual audit in May found some concrete areas for improvement in Catcher's operations, and we worked with Catcher to develop a corrective action plan. We had scheduled a follow-up visit next month to review their progress," Apple said.

The Suqian facility is mostly known for making the aluminium enclosures for Apple's MacBook, and iPad, as well as various components for Dell, Hewlett-Packard, Lenovo, Sony and other major international brands.

Apple said it tracked and reports the weekly working hours for more than 1 million workers in its total production supply chain. "Catcher has averaged 95 per cent compliance with our 60-hour work week limit this year," it said. Last year, Apple conducted 451 audits deep into its supply chain.

Catcher is among 160 suppliers participating in an 18-month Apple programme to bolster environment, health and safety management in the electronics industry.

CLW and Green America conducted an undercover investigation into the plant last year, and said they privately notified Apple of what they found. They said Apple had agreed to implement reforms.

In its new probe last month, however, the groups were dismayed to find little improvements in work conditions and discover new violations such as dumping chemical waste into sewers and the river, or withholding contracts from workers for as long as two months.

Apple considers forced labor, falsification of information, significant pollution impacts and threats to workers' lives and safety as "core violations" - the most serious breaches of compliance - which means it will place a supplier on probation until the next audit.

Failure to correct these breaches would compel Apple to terminate its contract with the supplier, according to its 2014 supplier responsibility progress report.

Catcher Technology - which was founded in 1984 and has three other mainland factories and another in Taiwan - refused to directly answer questions from the Post, but vowed to investigate.

A company spokeswoman, Lisa Lee, said in a statement: "We are deeply concerned about the claims made by China Labor Watch and we take the report very seriously.

"We are committed to following Apple's supplier code of conduct and will investigate thoroughly," she said.

China Labor Watch, meanwhile, said Catcher Suqian's other clients -- HP, Lenovo, Sony, HTC, Motorola and Dell -- had yet to be notified about the allegations.

The Human Resources and Social Security Bureau, which oversees labor issues, and the Administration of Work Safety of Suqian Industrial Park did not respond to repeated inquiries by phone on Thursday.

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