FOREWORD

In December 2015, Chinese authorities arrested more than a dozen labor activists. Some of these activists had some connections with workers in China.

In 2017, three investigators of China Labor Watch were detained. Taking these factors into account, we delayed the release of the annual report.

This combined report focuses on our work from 2016 to 2018. Because of changes in Chinese politics, we have deleted some sensitive information that may pose risks to our partners in China.
SUMMARY OF ACTIVITIES

2016

USE OF SOCIAL MEDIA TO ENGAGE IN LABOR RIGHTS DEFENSE

In September 2016, China Labor Watch received a complaint letter from student workers at “Green Point”, a main supply factory for Apple, claiming that the factory had illegally withheld the salaries of over a thousand student workers. After getting in touch, China Labor Watch set up a group on WeChat, a popular social media app in China, and approximately 500 student workers from more than 40 universities nationwide joined. Through CLW’s training sessions on labor rights knowledge, students were able to actively collect detailed information, including working hours, living conditions, and paystubs, and publish them on social media. At the same time, China Labor Watch sent through evidence of workers’ rights violations to Apple, several times. In December 2016, at least 2501 students received back wages that were owed by the factory.

In October 2016, through students who had worked at Green Point, student workers in Hubei and Henan province became familiar with the work of China Labor Watch. Over the summer, they worked at “Cuori”, a factory in Ningbo province, which was a supplier factory for several U.S. retail corporations such as Walmart, Home depot, and Target. Upon arrival, students were forced to
work 15 hours per day, and their salaries were illegally withheld by the factory. Following preliminary research, China Labor Watch took the same actions as it did at Green Point by: setting up a WeChat group amongst students, training student representatives with labor rights knowledge, collecting detailed information, and at the same time, contacting the relevant brands. In December 2016, 88 students had received their overdue payments, which amounted to $37,550.55 USD.

**CHANGES FROM LABOR UNION IN A FACTORY FOLLOWING CLW ADVOCACY**

On November 26th 2015, China Labor Watch received an e-mail stating that a worker at Dongguan Chenming Electronic Company Ltd had passed away from a heart attack, due to excessive work. China Labor Watch contacted Chenming factory’s clients, including IBM, HP, Acer, ASUS, Intel, HTC, Fujitsu, Huawei, and urged these brands to improve working conditions at the Chenming Electronic factory. Upon request, several of the factory’s clients, which included Fujitsu proceeded to communicate with Chenming, and agreed to hold a labor union re-election in order to ensure workers’ rights were protected.

Prior to the re-election, China Labor Watch first provided communal training to nearly twenty worker activists outside of the factory, encouraging them to participate in the union re-election.

Based on the records shown by Fujitsu, Chenming factory had successfully held the re-election of the labor union. According to an evaluation report from the company, the factory has decreased work hours. In 2016, workers put in 80 hours a week, and currently the factory has decreased work hours to 60 hours. These changes stemmed from the union, who brought workers' concerns to the forefront, leading to changes in labor relations at the factory.
ADVANCING FEMALE LEADERS IN CHINESE CIVIL SOCIETY

Through negotiations with Cuori, Green Point, and Walmart and with the guidance of China Labor Watch, several female worker representatives issued public statements regarding labor rights violations at their factory, and were willing to accept media interviews. In a joint effort with an organization from France and Switzerland, China Labor Watch issued a report on violations of women’s rights in the toy industry in December 2016. Several media outlets followed the story, which helped expand the voice of female workers regarding labor rights issues, urging international organizations and multinational brands to improve female workers’ rights and working conditions in factories.

IMPROVING WORKING CONDITIONS IN FACTORIES

We have sent complaints to ICTI on many occasions regarding interns who are paid salaries with a calculation based on working 6.7 hours a day, 6 days a week at many factories. For this calculation, workers earn around 100 RMB less per month, and according to ICTI, they have plans to implement a five day, eight hour system for work hours beginning in 2018.

CHINA LABOR WATCH ON MEDIA

Between July to December 2016, China Labor Watch’s investigation reports and activities were followed and referenced by media outlets such as the New York Times, the Wall Street Journal, Libération, and the Guardian amongst others. One of the articles that was published on China’s Sina website had more than 8,000 comments. These reports have helped raise awareness of labor rights issues in China, within the international community.
2017

INVESTIGATIVE REPORTS

In March, CLW released a report on Pegatron – a supplier factory of Apple – written by a New York University student named Dejian Zeng, who interned with CLW in June 2016. The report details his experience with Pegatron, and was widely circulated.

CLW released a toy factory investigation report in late November. The investigations revealed a litany of rights violations across four toy factories which include low wages, long hours, forced overtime, lack of social insurance, lack of adequate protection equipment and fire hazards.

LABOR UNION REPRESENTATIVENESS

On March 7, the Chengming Factory held training sessions covering labor union knowledge for factory workers. According to the information provided by Dongguan Chengming Factory and Fujitsu, the factory invited the city’s union to train and educate more than 100 workers on the missions and goals of the union. According to three workers involved in the training (via in-depth interviews), Dongguan unions conduct union trainings in order to raise awareness on the role of trade unions. 11 workers who were not trained were also interviewed, and it was revealed that they know little about trade unions. Three workers knew about the November 2016 union elections but did not understand the union’s work.

HUAJIAN FACTORY INVESTIGATION
In March 2017, CLW received complaints from workers at Huajian factory that they had not received their wages in full after leaving the factory. The organization sent staff to the Huajian factory located in Jiangxi who confirmed the allegations. Given the risks of investigating Huajian, as the factory was associated with the U.S. President’s daughter, Ivanka Trump, and her brand, CLW consulted a number of experts and scholars. After receiving approval from CLW's Board of Directors, the organization began investigating Huajian.

On May 29, three investigators were taken into Jiangxi police custody. They were released on bail pending a trial on June 28. The three were forbidden from contacting the media by police.

On June 5, the Shenzhen Municipal Public Security Bureau visited CLW's Shenzhen office, taking away all computers and office supplies.

Since China Labor Watch's three investigators were under criminal detention, all projects in China were temporarily halted. An investigator who entered the Huajian factory in Jiangxi voluntarily obtained the contact information of several workers, and helped organize interviews for a story covered by Associated Press.

According to Associated Press reports, the labor conditions of the factory have improved and workers now receive their wages in full after resigning.

**ICTI ADVOCACY**

China Labor Watch wrote to the International Council of Toy Industries (ICTI) in May, about the issue surrounding factory working hours. Some factories require workers to work six days a week, six to seven hours a day. This system is problematic: it reduces the weekend overtime pay for workers, cutting their paychecks by about 100RMB. After CLW communicated this issue with ICTI, the organization subsequently made changes to its program, and currently no
longer accepts six days as a standard working week. A five day work week is now the standard, and the audit checklist in 2018 will be updated to reflect this.

WORKER HOTLINE

From the hotline, CLW received news that two workers had jumped from the top of a toy factory building. One of the workers passed away, whilst another was hospitalized in a coma. CLW followed up on the incident, and gave the contact information of several media outlets to the family members of these victims, should they wish to speak out about this. The family members of the victim who passed away informed the factory that CLW had been in contact. The factory subsequently paid the family 130,000 RMB ($19,738 USD).

The older brother of the hospitalized worker contacted CLW, requesting assistance in speaking with the factory about paying for medical expenses.

Workers at Greenpoint made complaints to CLW’s hotline regarding the factory’s failure to honor previously promised rewards. Workers went on strike in early October, in protest of the factory’s layoffs, position rearrangements and its refusal to provide workers with previously promised rewards. Workers also protested a second time less than a week later. CLW sent an email to Apple’s CEO Tim Cook, and highlighted the Greenpoint case in addition to a host of rights violations at the factory. Apple’s Supplier Responsibility department replied, and they are requiring Greenpoint to send a comprehensive survey to identify where workers are owed payments. Apple has also asked the factory to create an action plan that ensures that all workers are paid for the promised bonus immediately.

After numerous complaints from workers at Pegatron Shanghai regarding a bed bug infestation in the dormitories, CLW notified Apple. Apple subsequently conducted an investigation, and validated the claims. Pegatron replaced the wooden bed frames in 200 dormitory rooms with iron bed frames.
CLW distributed information on labor law and workers’ rights across six factories, to increase workers’ knowledge on labor rights. The pamphlets also contain the contact information of the hotline.

**IMPROVING WORKING CONDITIONS IN FACTORIES**

China Labor Watch sent a letter to Imperial Pacific regarding workers from China who were owed wages by their contractors. Imperial Pacific replied that the United States Department of Labor and the respective employers of each worker have entered into a mutually agreeable settlement. Various media outlets reported on the case.
IMPROVING WORKING CONDITIONS IN FACTORIES

In 2018, CLW released a report on Hengyang Foxconn, an Amazon supplier factory which revealed issues such as the underpayment of overtime wages and the recruitment of a large number of dispatch workers. This year, we released a report with leaked documents, which showed that working conditions had deteriorated at the factory. There were large numbers of student interns and dispatch workers which were recruited into the factory, making up more than 10% of the workforce. Student interns were forced to work overtime and night shifts. The report also found that workers’ wages had decreased compared to last year, as the factory had paid less subsidies and bonuses. The factory dismissed two executives at the factory following the release of our report. The labor department investigated the factory, and informed the factory that student interns are not to work overtime or work night shifts.

In September, CLW released a report on Zhengzhou Foxconn, an Apple supplier factory. The report revealed that around 50% of the workforce were dispatch workers, and workers were putting in excessive overtime hours. Apple confirmed there was a large percentage of dispatch workers at the factory that had violated their standards and they would be rectifying the issue. The report was also read widely on Weibo, a popular social media platform in China, with over 240 million readers. Many workers now know about the law regarding dispatch workers. There were over 10,000 comments and netizens discussed some of the issues raised in the report such as the lack of enforcement of labor laws, and that the government and brand companies were responsible for
rights abuses. After the release of the report, Foxconn decreased the number of dispatch workers they recruited.

**MEDIA REPORTS**

CLW’s reports were covered by major outlets such as the Financial Times, Bloomberg, Washington Post, CNN, Reuters and the Guardian. Our reports are also covered in international media located in France, Germany, Switzerland, Russia, China, Taiwan, India, Thailand and Vietnam. CLW continues to be the most frequently cited organization in the news regarding China labor, and has been cited around 400 times by media outlets.

**SAMSUNG**

Samsung Electronics France was indicted for misleading advertising in April this year after a complaint was filed by Sherpa and ActionAid France in 2018. This is the first time a case regarding the rights violations in the supplier factory of a brand company has been accepted in court in a Western country. Although Samsung makes ethical commitments, they continue to violate the rights of workers in their factories across Asia. The complaint used information and evidence from CLW’s investigation reports. A complaint was first launched in 2013, but was dismissed the following year.

**TOY INVESTIGATION REPORT**

We have completed investigations into five toy factories for this year’s toy report. We are collaborating with ActionAid France, CI Romero and Solidar Suisse on the report. Rights violations found include low wages, excessive overtime work, lack of sufficient pre-job safety training and failure to purchase social insurance in accordance with the law. The report will also cover women’s rights.
SETBACKS

One of CLW’s investigators Ling Jianhua was detained in the middle of June at Wah Tung toy factory. Ling’s family was forced to fire the lawyer they hired for him. Ling has been active in other human rights work and we last collaborated with him in December 2018. Ling was detained very suddenly and we are still unsure the reason for this. Together with Solidar Suisse and CI Romero, our partners for the toy investigation, we sent letters to brand companies urging them to speak with the factory to guarantee Ling due process.
## STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

YEARS ENDED DECEMBER 31, 2018, 2017 AND 2016

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<th>REVENUES</th>
<th>2018</th>
<th>2017</th>
<th>2016</th>
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<td></td>
<td>Unrestricted</td>
<td>Unrestricted</td>
<td>Unrestricted</td>
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<td>Contributions and Grants</td>
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<td>$240,440</td>
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<td>Interest Income</td>
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<td>TOTAL REVENUES</td>
<td>349,221</td>
<td>240,465</td>
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<table>
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<th>2016</th>
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<td>Program Expenses – China</td>
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<td>Officer Salary</td>
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<td>Office Salary</td>
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<td>TOTAL EXPENSES</td>
<td>326,277</td>
<td>245,377</td>
<td>264,825</td>
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CHANGE IN NET ASSETS | 22,944 | (4,912) | (35,789) |

NET ASSETS – January 1 | 12,033 | 16,945 | 52,734 |

NET ASSETS – December 31 | $34,977 | $12,033 | $16,945 |