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When the supplier code of conduct falls short: A look at Apple manufacturing in China

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In November 2018, Apple, Inc. admitted that it had probed its supply chain after reports emerged of students working under forced labor conditions for one of the company's suppliers, as well as evidence of bribery and kickbacks among its China-based suppliers. The probe comes amidst lagging sales, a trade-war that has pushed prices up, and a pivot by Apple away from hardware produced in China and toward services and fintec solutions, such as the newly unveiled Apple Card.

The reports of misconduct in Apple's supply chain began to surface between March and June 2018, when Hong Kong-based NGO Students and Scholars Against Corporate Misbehaviour (SACOM) investigated reports of unpaid student labor in a Chinese factory that assembled watches for Apple.

The alleged labor rights violations in Apple's supply chain were first reported by SACOM in 2017 in an investigative report, "Apple Watch 3 – Exploit Student Workers Further. An Investigative Report on Apple Watch's Exclusive Manufacturer." After Apple admitted the violations and included a new standard in its supplier responsibility requirement to limit the use of student workers to no more than 10 percent, SACOM visited the factory owned by Chongqing-based Quanta Computer Inc. in October 2018 to verify. SACOM found the situation to be the same, and its subsequent reports were carried by international mainstream media, including The Guardian. Apple spokeswoman Wei Gu was quoted in the British newspaper, saying, "We are urgently investigating the report that student interns added in September are working overtime and night shifts."

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