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# 2016 Electronics Industry Trends

## THE TRUTH BEHIND THE BARCODE

THE TRUTH
BEHIND
THE BARCODE:

# Electronics Industry Trends

**9th February 2016**

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**Design:** Fiona Russell, Elin Eriksson & Haley Wrinkle

Behind the Barcode is a project of
Baptist World Aid Australia

**www.behindthebarcode.org.au**

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The grades in this report were conducted using the Free2Work grading tool and methodology which was developed by Not For Sale and the International Labor Rights Forum in consultation with Baptist World Aid Australia. Research into Australian brands contained in this report was conducted by Baptist World Aid Australia. 9th February 2016

# Introduction | Exploitation and Slavery in Electronics

We released the first Electronics Industry Trends report 18 months ago; since then, the expectation that companies should act to protect workers in their supply chain has continued to grow. In the U.S, the Dodd Frank legislation came into effect, requiring companies to trace the minerals they use to ensure they are not fuelling armed conflict. The Modern Slavery Act has been passed in the UK, requiring higher levels of disclosure from UK companies on what they are doing to mitigate supply chain risks. The public has become sensitised to the problems of excessive working hours in Chinese electronics manufacturing. Reports have been released outlining the systemic use of forced labour in component manufacturing in Malaysia. And the plights of children and adults working in hazardous and deadly conditions in the gold mines of Mali, the tin mines of Indonesia and artisanal and small scale mines across the planet has been broadcast around the world. Public awareness that workers in the electronics industry are overworked, underpaid, exploited and enslaved is now widespread.

This report grades 56 companies from A to F on the strength of their labour rights management systems to mitigate the risk of forced labour, child labour and exploitation in the supply chain. It significantly expands on the work of the previous report, updating the research and adding an additional 17 companies. Engagement with the research process for this report was also higher; 61% of companies actively contributed, providing data and information for their scorecards (up from 54% previously).

Encouragingly, 64% of the companies that were researched across both reports showed some improvement and 9% showed significant improvement, including Dick Smith, Blackberry and Garmin. Despite progress, it is clear that overall, the industry still has a long way to go. No company was awarded a grade in the A range and the median grade for companies was a low C-.

Grades are awarded to companies based on 61 assessment criteria, across four broad categories: Policies, Traceability and Transparency, Monitoring and Training, and Worker Rights. These four pieces of the system when brought together and implemented well, should enable improvements in working conditions and reduce the risk and incidence of modern slavery.

One of the biggest concerns contributing to the industry's poor performance is that no company is actively ensuring that workers across its supply chain are receiving a living wage (a point covered in more detail on page 6). And while the majority of companies had a code of conduct that included the right to collective bargaining, only 7% could actually demonstrate manufacturing facilities with collective bargaining agreements in place.

Additionally, traceability for the industry remains problematic. The Dodd Frank legislation and the efforts of some companies have shown some substantial improvements; however only one company (Intel) was able to fully trace all of its smelters and components manufacturers. The majority of companies did know their final stage manufacturers; however, only 10% had traced its inputs and no company had fully traced their raw materials. If companies don't know or don't care who is producing their product then they cannot ensure that workers are not being exploited. The low traceability deeper into the supply chain is particularly concerning as this is often where the most atrocious worker rights abuses occur.

Attention to the supply chain has been greatest at the final stage of manufacturing. In China the largest producer of the world's electronics and electronics components, there is some evidence that the incidences of child and forced labour have been falling, while demand for workers in the sector has continued to drive wage improvements.

Deeper into the supply chain, a number of initiatives to reduce exploitation have been developed, however most are still in their early stages. Agreements negotiated as part of the international trade agreement known as the Trans Pacific Partnership, when enacted, should mitigate the use of bonded labour in Malaysia. The closed supply chain program 'Solutions of Hope' being driven by a number of companies in the industry, should lead to better working conditions, a reduction in funding for armed conflict and improved development in the Democratic Republic of Congo.  We want to encourage such initiatives of brands and policy makers to continue driving change.

Disappointingly, a number of Australian brands including Kogan, Soniq and Palsonic were amongst the worst performers receiving D- and F grades. Dick Smith was an Australian stand out, moving from a D grade to a B- reflecting increased disclosures about traceability and proof that workers in its first tier factories were receiving wages

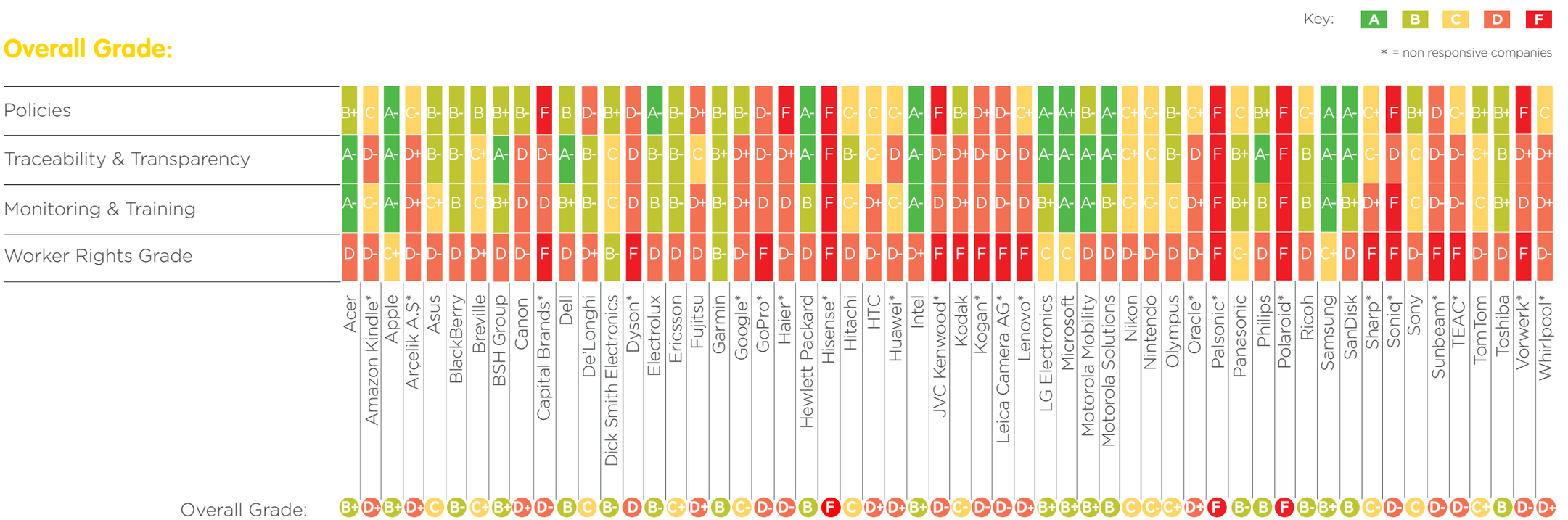
# Introduction | Exploitation and Slavery in Electronics

above the minimum.

Many of the largest and well-known brands were amongst the strongest performers. Apple, Microsoft, Acer, Intel, LG and Samsung all received a B+. The fact that Apple, one of the most proactive companies in managing its supply chain risks, has still been targeted for excessive working hours in its Chinese factories and the use of extremely hazardous child labour in its mining processes, demonstrates how much more needs to be done to address the issues within the whole sector.

That said, it is clear that the electronics industry provides investment, jobs, skills, products and tax revenues that are critical for driving development and providing technology that is reshaping our world. We want to applaud the initiatives that have been undertaken to enhance these benefits. However, without improved safeguards in the production processes, this industry will also continue to drive exploitation and slavery and put workers lives at risk.

We hope that the information and analysis in this report will be a tool for investors, consumers, governments and corporations to continue to enhance the benefits that flow from the industry while mitigating the risks to workers within it.



# Introduction | Exploitation and Slavery in Electronics

## Company Performance

Similar to the 2014 Electronics Industry Trends Report, in 2016 no company has earned an A grade, The number of companies achieving a B+ grade have increased with Acer, Apple, BSH Group, Intel, LG, Microsoft, Motorola Mobility and Samsung all being awarded this grade.

A number of large companies are in the B category, not because their supply chains are free of abuse, but because they are doing relatively more to address these issues proactively. These companies trace and effectively monitor a good portion of their supply chain, with a few going further to implement grievance mechanisms and policies to remediate child labour.

Overall grades of the 56 companies assessed in this report are listed to the right. The median grade for this report was C-.

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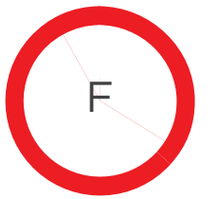
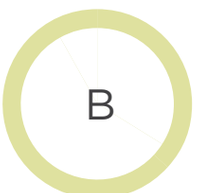
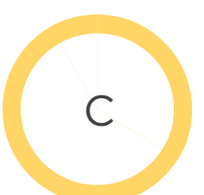


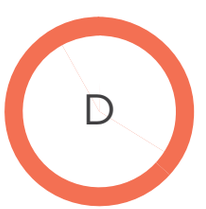

*Hisense
*Palsonic
*Polaroid




Acer
Apple
BlackBerry
BSH Group
Dell
Dick Smith Electronics
Electrolux
Garmin
Hewlett-Packard
Intel
LG Electronics
Microsoft
Motorola Mobility
Motorola Solutions
Panasonic
Philips
Ricoh
Samsung
ScanDisk
Toshiba




Asus
Breville
De'Longhi
Ericsson
*Google
Hitachi
Kodak
Nikon
Nintendo
Olympus
*Sharp
Sony
TomTom




*Amazon Kindle
*Arçelik A.Ş*
Canon
*Capital Brands
*Dyson
Fujitsu
*GoPro
*Haier
HTC
*Huawei
*JVC Kenwood
*Kogan
*Leica Camera AG
*Lenovo
*Oracle
*Soniq
*Sunbeam
*TEAC
*Vorwerk
*Whirlpool

* = non-responsive

# Introduction | Living Wage & Collective Bargaining

Dick Smith and Garmin receives partial credit for demonstrating that some suppliers at the final assembly stage pay workers well above minimum wage

## Living Wage

Wages remain the chief concern for workers in developing countries. Sadly, wages in these countries are often so low that they are inadequate to provide even a basic standard of living and leave families and communities trapped in a cycle of poverty.

Every company with an ethical sourcing policy require that payment of wages adheres to either the legal minimum or an industry standard. This usually equates to wages so low that they entrench poverty and often drive many other abuses of worker rights, including child labour, excessive overtime and trafficking.

Amongst the most significant and demonstrable differences that can be made to worker well-being is the payment of a 'living wage.' A wage that is sufficient to cover the basics (food, water, shelter, clothing, health care and education) for a worker and their dependants, while having a small amount left over for emergency savings or discretionary spending.

One of the most troubling findings of our research was that no company had actively implemented a living wage in its supply chain.  Multinational Garmin and Australia's own Dick Smith were the only companies that even received a partial grade for their efforts. Garmin, the stronger of the two, could demonstrate that in their final stage of manufacturing, workers exclusively worked in Garmin's own factories in the high income country of Taiwan – where they were being paid wages above the minimum. Dick Smith had taken the proactive step of measuring wages in their final stage of manufacturing and was able to produce evidence that workers were being paid substantially above the minimum.

One hopeful sign is the increase in companies explicitly including rights to collective bargaining in their code of conduct. 55% of companies, up from 31% in 2014, now include this right. The ILO recognises collective bargaining as one of the key mechanisms for improving worker wages, with nations that have higher levels of collective agreements also having a tendency towards relatively better wages for low income earners .

Sadly though, while this right is being affirmed at a policy level, only 7% of companies could demonstrate facilities with collective bargaining agreements in place. The industry will need to do more work to support the right and capacity of workers to organise in order to ensure that their policy statements become more than just rhetoric.

Improving statutory minimum wages is another critical policy measure to increase wages. For many developing country governments there is often a fear that increasing wages to narrow the gap between their minimum wages and a living wage will drive industry elsewhere. Companies have a role to play in this process. Companies can choose not to leave low wage markets because of costs associated with increasing wages and they can add their support and advocacy to increase minimum wages.

For millions of workers in the supply chains of electronics companies, taking action to improve worker wages (including through promotion of collective bargaining and advocating for higher minimum wages) will be essential in helping them, their families and their communities lift themselves out of poverty.

International Labour Organisation, Global Wage Report 2014

1

# Methodology

This chapter provides an overview of how we graded companies.

# Methodology | How We Grade Companies

Our assessment system gives companies and supply chains grades from A to F on their efforts to guard against the use of child and forced labour and worker exploitation in production. Assessments are based on publicly available information and on data self-reported by the company. Companies that did not respond substantively to our enquiries and that have not provided data are marked with an asterisk (*). We contacted each company multiple times before recording a non-substantive response. A few companies responded but chose not to disclose any additional data. These are also marked with an asterisk.

The supply chain of an average electronic product has many different stages. At the raw materials level, electronics contain dozens of minerals that have been extracted from the ground in every continent except Antarctica. These minerals are traded several times before being smelted and refined, a process that amalgamates minerals from multiple locations. Next, the refined minerals enter the global market where they are typically traded again and then purchased by component manufacturers. These manufacturers number in the tens of thousands and predominantly operate in Asia; particularly in China, Malaysia, Japan, South Korea, Taiwan, Thailand, the Philippines and Singapore. Then, the components are incorporated into a myriad of different branded products, which are finally sold to consumers across the globe.

In this study we focused on each company's interaction with three key stages: raw materials (mineral extraction), inputs (smelting and refining and/or component manufacturing) and final manufacturing. This is a simplified supply chain that generally reflects the complicated supply chain dynamics of the brands analysed. There can, for example, be considerable overlap between the stages.

**We gave companies A-F grades for efforts to address slavery.**

**We evaluated 56 major electronics brands.**

**We looked at three key electronics supply chain production phases:**

**EXTRACTION**

**SMELTING & REFINING**

and/or

**COMPONENTS MANUFACTURING**

**FINAL MANUFACTURING**

# Methodology | How We Grade Companies

To evaluate a company, we asked a set of 61 questions about its production policies and practices. The questions addressed each company's management of mineral extraction, smelting and refining, and final manufacturing, and fall into four categories:

**At each supply chain level, we assessed each company's management systems in four categories:**

### Policies

We evaluated the company's code of conduct, sourcing and subcontracting policies, and involvement with other organisations working to combat child and forced labour.

### Traceability & Transparency

We looked at how thoroughly the company understands its own supply chain, and whether it discloses critical information to the public.

### Monitoring & Training

We measured the adequacy of the company's monitoring program to address the specific issues of child and forced labour.

### Worker Rights

We assessed the degree to which the company supports worker well-being by ensuring that workers are able to claim their rights at work through collective bargaining or worker owned cooperatives, and whether workers earn a living wage.

When conducting a company evaluation, our research team first assessed a company's own publications alongside relevant independent reports and data such as third party audit findings and non-governmental organisation (NGO) publications. Next, we sent our questionnaire for information and comment directly to the company. Where they responded, we reviewed the evaluation again. We allotted six to eight weeks for this process.

Our grades take into account the prevalence of child and forced labour in the countries where the selected companies operate. Where companies source from suppliers in low risk areas, they are graded on a softer curve because it is expected that less stringent management systems are necessary to combat abuse in these regions, particularly where a strong national rule of law exists.

It is important to note that due to the lack of access to on-the-ground information, we have gathered data on Corporate Social Responsibility (CSR) systems and not on the actual working conditions they are designed to ameliorate. High grades do not necessarily represent supply chains free of child and forced labour or worker exploitation, but instead represent those that are better managed on a relative basis.

Our grades are only an indication of the extent to which companies have developed a set of management systems that theoretically prevent abuses. As the Clean Clothes Campaign has stressed, the components of a CSR system will likely only create a positive impact if used in conjunction with one another. [1] For example, a company can have strong written policies against modern slavery and gather information about supplier working conditions through in-depth monitoring, but unless it uses these standards and information to correct grievances we would not expect it to create much impact on actual working conditions. The category grades represent the health of sections of a system rather than the system as a whole and should be evaluated within this broader context.

Our assessments rank companies for their relative efforts. It is our hope that in the future, better standard practices will enable us to grade companies on a more rigorous curve.

For more information on our risk assessments and broader methodology, see www.free2work.org

Sources:

[1] Clean Clothes Campaign, *Looking for a Quick Fix: How Weak Social Auditing is Keeping Workers in Sweatshops*, p.77, 1 November 2005 http://archive.cleanclothes.org/documents/05-quick_fix.pdf

# 2 The Problem: Child & Forced Labour

This chapter provides a geographical overview of where child and forced labour are used in electronics production today. We use this information to understand companies' specific supply chain risks.

# Child & Forced Labour | in Electronics & Component Manufacturing

China is the global leader in electronics manufacturing. Child labour and forced labour continues to be prevalent in export factories in China today according to the US Department of Labor (DOL).

## Where is child and forced labour used?

**KEY:**

Countries known to use child and/or forced labour in electronics manufacturing

(Source: *DOL List of Goods Produced by Child Labor or Forced Labor*, 2014)

## Spotlight: China

The presence of child and forced labour in China's manufacturing sector has been well documented by NGOs and companies operating in the country. China Labor Watch, a human rights advocacy NGO, has been assessing the prevalence of child and forced labour in electronics factories for a number of years. Similarly, Apple has been reporting on the extent of worker exploitation in their supply chain since 2012, when they committed to achieving greater transparency (see page 21 for more details).

Insights regarding the improvements made within the sector stand to be gained from its consistent monitoring. For years, China Labor Watch has been reporting on HEG Electronics Co. Ltd., an electronics processing company and major Samsung supplier. During this time it frequently reported that children under the age of 14 were employed by the company. In their most recent assessment, however, the youngest reported age of a worker had risen to 16. Comparably, in 2015 Apple reported that, of the 633 facilities it had audited, a total of six supplier facilities used child labour. This is a significant drop from their 2013 findings which revealed 19 of its factories were using bonded and child labour.

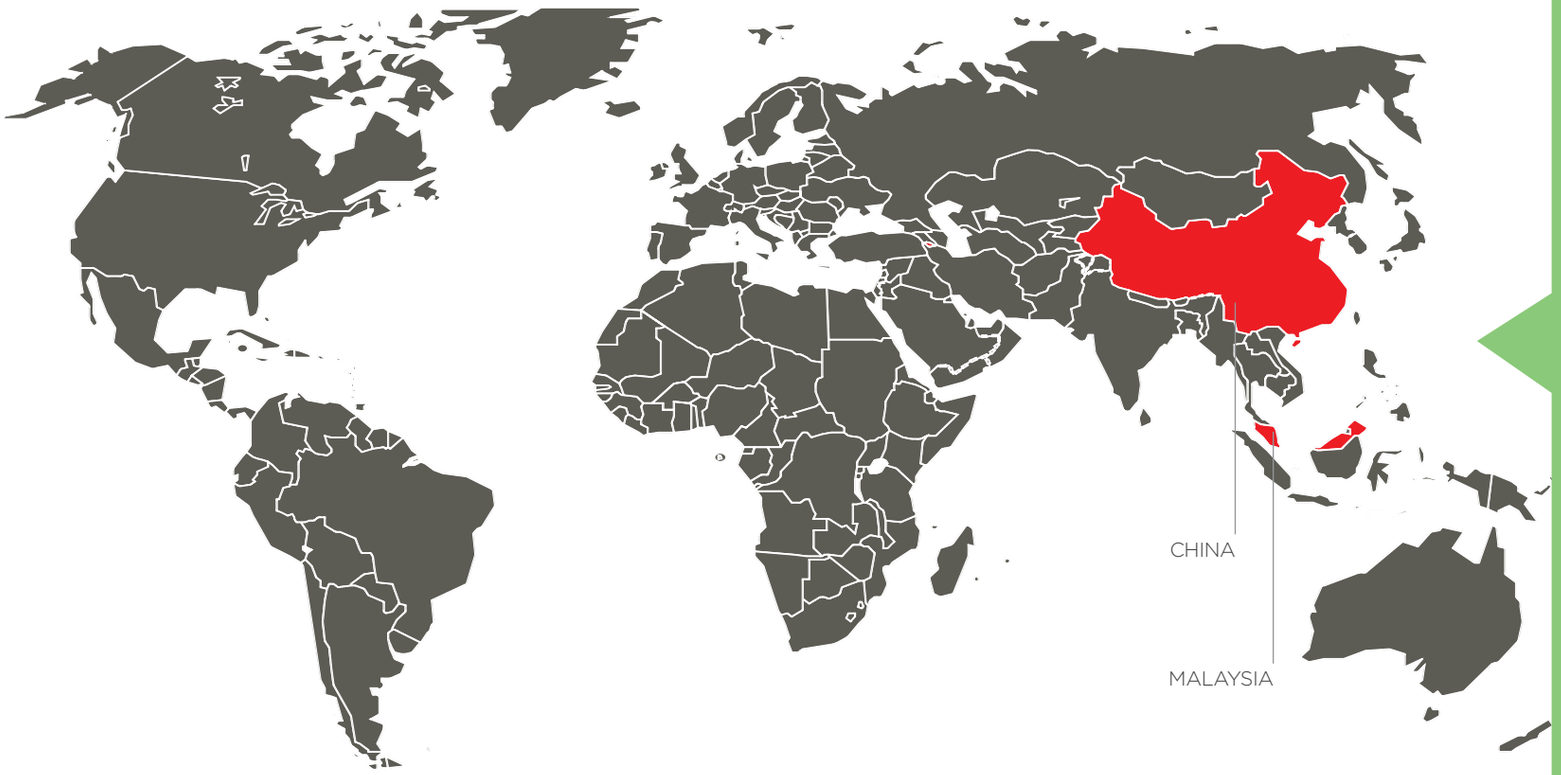
Such change is evidence of an industry that is slowly making improvements. However, the risk of child and forced labour remain present. And beyond this, there are widespread reports of excessive working hours within the industry, including reports of children being made to work 10 hours per day without rest, for a wage less than what is owed to them.

Sources:
China Labor Watch: Investigative Report on HEG Technology (Huizhou) Co., Ltd, December 2014
http://www.chinalaborwatch.org/report/98
Apple, Supplier Responsibility 2015 Progress Report, July 2015,
https://www.apple.com/supplier-responsibility/pdf/Apple_Progress_Report_2015.pdf

# Child & Forced Labour | in Electronics & Component Manufacturing

Forced labour is a major issue in the Malaysian electronics industry.

## Where is child and forced labour used?




**KEY:**

Countries known to use child and/or forced labour in electronics manufacturing

(Source: *DOL List of Goods Produced by Child Labor or Forced Labor*, 2014)

## Spotlight: Malaysia

A 2014 report by Verité, an NGO focused on labour issues, found that foreign workers are especially vulnerable to exploitation, with 32% of all foreign workers in Malaysia trapped in situations of forced labour. Concerningly, these findings are based on conservative assessments and should, therefore, be viewed as a minimum assessment of the problem.

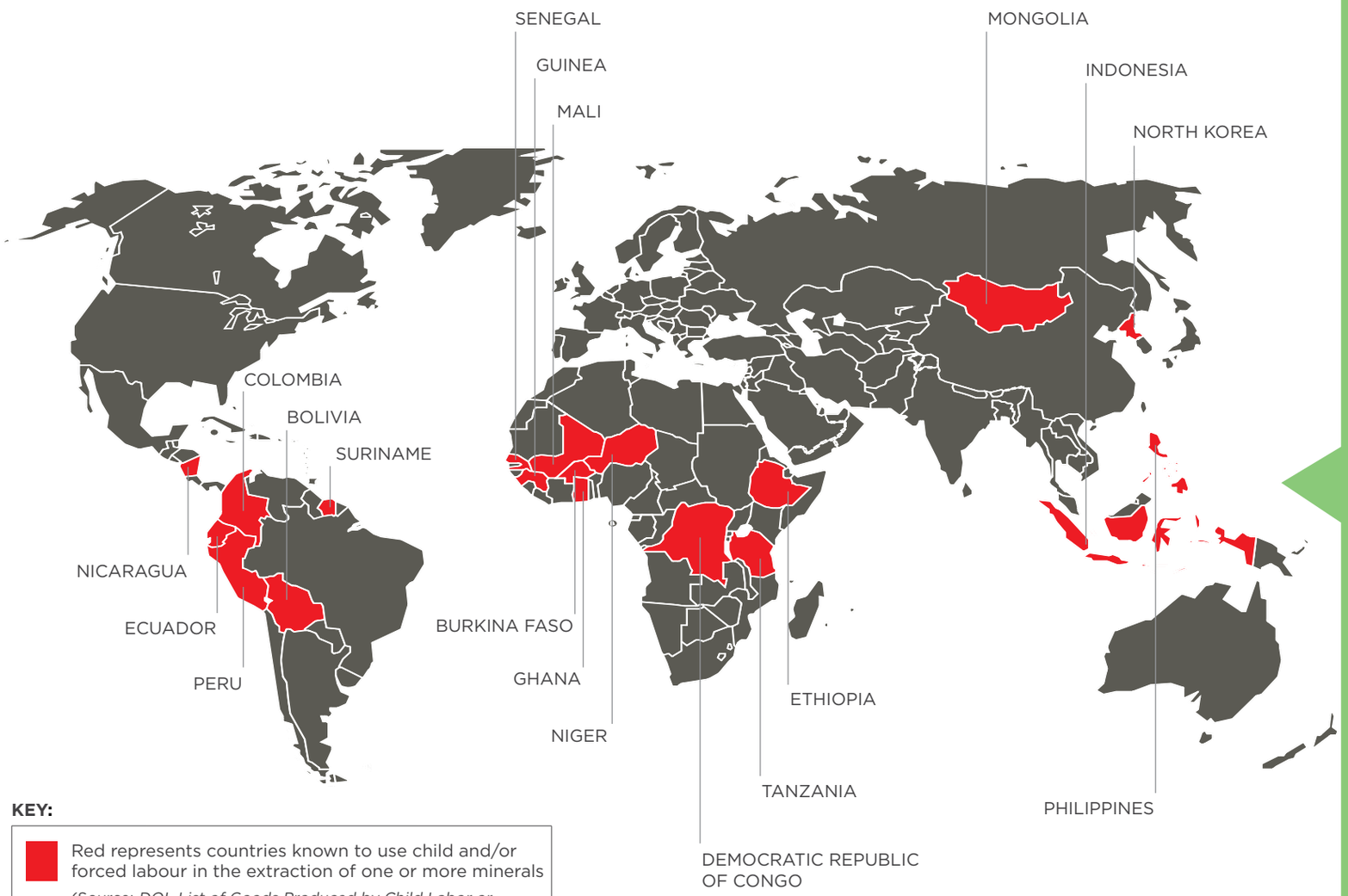
One factor contributing to the problem of forced labour in Malaysia includes the excessive recruitment fees which are charged to workers on commencement of their employment. Workers are forced to remain in their jobs indefinitely, as they work to pay off their debts. Employers will often use these debts as leverage, coercing workers to work overtime as a means of getting ahead on their repayments.

Deception during the recruitment process of foreign workers is common. Often workers are not told the truth about the details of the job they are being recruited for. Information regarding wages, hours, difficulty level and safety risks, as well as specific information about the termination of the job, are frequently omitted or manipulated. And once a worker is employed, it is very difficult for them to change the arrangements or leave before the end of the contract. When housing is provided by the employer, it is often unsafe. Furthermore, in the majority of cases workers reported that their passports were held by their recruitment broker, violating their right to have freedom of movement.

Source:
Verité , Forced Labor in the production of electronic goods in Malaysia: A comprehensive study of scope and characteristics, September 2014.

# Child & Forced Labour | in Minerals Extraction

## Where is child and forced labour used in mineral extraction?




**KEY:**

Red represents countries known to use child and/or forced labour in the extraction of one or more minerals

(Source: *DOL List of Goods Produced by Child Labor or Forced Labor*, 2014)

## Spotlight: Democratic Republic of the Congo

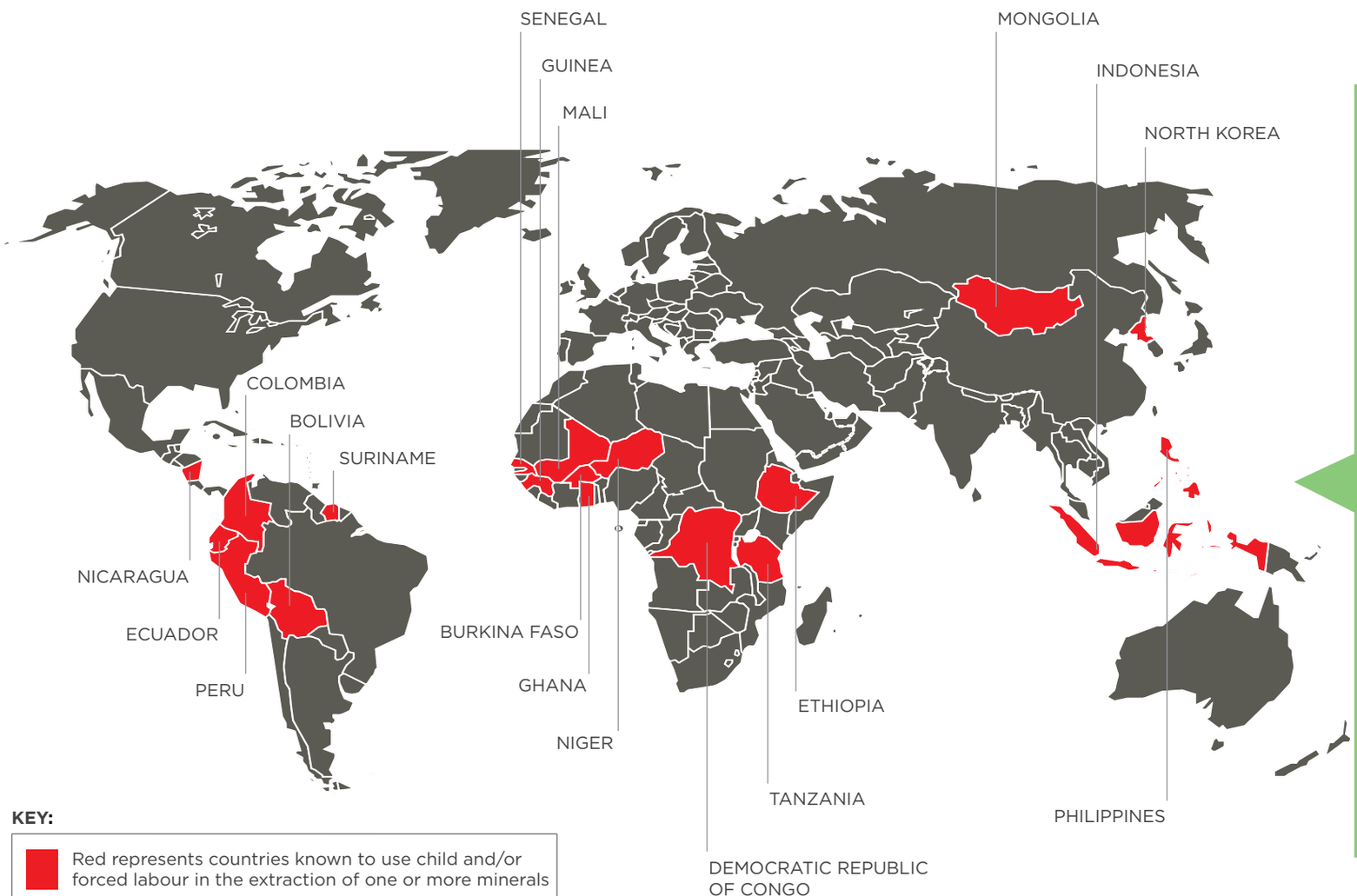
The Democratic Republic of the Congo (DRC) has been plagued by civil conflict for over a century. This conflict is driven by greed for natural resources (like tin, tungsten, tantalum and gold). The conflict over these mineral deposits is dominated by multiple armed groups, many of whom use brutal violence - including mass rape - as a deliberate strategy to intimidate and control local populations and thereby secure their own control of the mines. As the vast majority of electronics companies do not know where their raw materials are sourced, there is a risk that the minerals in our devices are fuelling these atrocities.

Additionally, child labour is a major issue in the artisanal mines of the DRC, where coltan, copper and cobalt are mined. Copper is commonly used in the manufacture of electronic components, while cobalt is a key element of electrical devices. In 2013, the CNN Freedom Project reported that children make up 40% of the two million people working in these mines. These children receive very little pay and work in extremely unsafe conditions. As a result, illness, injury, disability and even death are common. Soil collapses in Katanga, a province of the DRC, lead to approximately 6.6 deaths every month.

Source:
Raise Hope for Congo, Conflict Minerals, 2014, http://www.raisehopeforcongo.org/content/initiatives/conflict-minerals
CNN, Child Miners Face Death for Tech, June 2013, http://thecnnfreedomproject.blogs.cnn.com/2013/06/26/child-miners-face-death-for-tech/

# Child & Forced Labour | in Minerals Extraction

## Where is child and forced labour used in mineral extraction?




**KEY:**

Red represents countries known to use child and/or forced labour in the extraction of one or more minerals

(Source: *DOL List of Goods Produced by Child Labor or Forced Labor*, 2014)

## Spotlight: Indonesia

One third of the world's tin is mined in Indonesia. This tin is used in a variety of different electronics products including mobile phones, tablets, laptops and cars. A 2015 Bloomberg report found that men and children work in these mines in very dangerous conditions with most mines found to be unlicensed and unregulated. Workers often die as a result of collapsed mines. Overall, more than one hundred workers die each year due to the unsafe conditions. With Indonesia being the world's biggest exporter of tin, this is a major concern for this industry.

Sources:
Bloomberg Business, Corruption, Death and Tin Mining, April 2015, http://www.bloomberg.com/news/articles/2015-08-25/-vampire-miners-risk-death-to-swell-global-glut-of-tin
The Guardian, Tin mining on Bangka island of Indonesia, May 2014, http://www.theguardian.com/environment/gallery/2014/may/29/tin-mining-on-bangka-island-of-indonesia-in-pictures

# Child & Forced Labour | Brand Initiatives

With some of the worst forms of worker exploitation occurring at the raw materials stage of production, it is encouraging to see that companies are investing in projects addressing these risks.

## Solutions for Hope

Solutions for Hope (SFH) describes itself as "a platform to support responsible sourcing, peacebuilding, and community development." Operating in the Democratic Republic of Congo (DRC) and Columbia where civil conflict have led to extreme labour exploitation, SFH partners companies, civil society organisations and governments to responsibly source minerals from the region.

SFH creates what it describes as a "closed pipe" secure supply chain. It delivers in-region traceable materials through independently assessed transport routes to a validated conflict-free smelter and on to participating companies and their customers. In an industry that is notoriously opaque in regards to supply chain traceability, SFH aims to provide traceable minerals; giving companies and consumers more confidence that their products are conflict-free.

Companies involved in this initiative include: **BlackBerry, Hewlett-Packard, Intel, Motorola Mobility, Motorola Solutions and Nokia.**

*Source: Solutions for Hope*
*www.solutions-network.org*

## Public-Private Alliance for Responsible Minerals Trade

The Public-Private Alliance for Responsible Minerals Trade (PPA) is a multi-sector and multi-stakeholder initiative that supports supply chain solutions to conflict minerals challenges in the DRC and the Great Lakes Region (GLR) of Central Africa. The PPA provides funding and coordination support to organisations working within the region to develop verifiable conflict-free supply chains; align due diligence programs and practices; encourage responsible sourcing from the region; promote transparency; and bolster in-region civil society and governmental capacity.

Some of the initiatives the PPA has funded include Save Act Mine's implementation of a telephone hotline to receive and verify reports of smuggling and fraud in tin, tantalum, tungsten and gold mines in supply chains, and the development of a graphic manual to educate upstream suppliers on the importance of due diligence.

With increasing pressure on companies to implement conflict-free sourcing initiatives, the PPA is helping to develop a legitimate means by which companies can source conflict-free minerals. This reduces the risk of companies boycotting minerals from the DRC and the GLR, which would significantly hurt the people whose livelihoods depend on the industry in those regions.

Companies involved in this initiative include: **Acer, Apple, BlackBerry, Dell, Google, Hewlett-Packard, Intel, Microsoft, Motorola Solutions, Panasonic, Sony, and Toshiba.**

*Source: Resolve, Public-Private Alliance for Responsible Minerals Trade,*
*www.resolv.org/site-ppa/participation*

## IDH Indonesian Tin Working Group

IDH is a Dutch organisation, with an objective of delivering impact on Millennium Development Goals. Its focus is particularly on Goals One (poverty reduction), Seven (safeguarding the environment) and Eight (fair and transparent trade).

Indonesia is the world's biggest exporter of tin. It is also home to some significant labour (particularly child labour) and environmental concerns. IDH's Tin Working Group is a multi-stakeholder initiative which aims to positively influence the hazardous reality of tin mining in the country. It works with Indonesian tin mining companies negotiating agreements on a set of responsible mining practices that are intended to lead to more post-mined land being rehabilitated and better working conditions for miners.

The group recognises that while the social and environmental impacts of tin mining are high, economic benefits of the sector (in terms of development and poverty reduction) are significant. For this reason, it is actively working to formalise Indonesian tin production and ensure that it is economically beneficial for local communities.

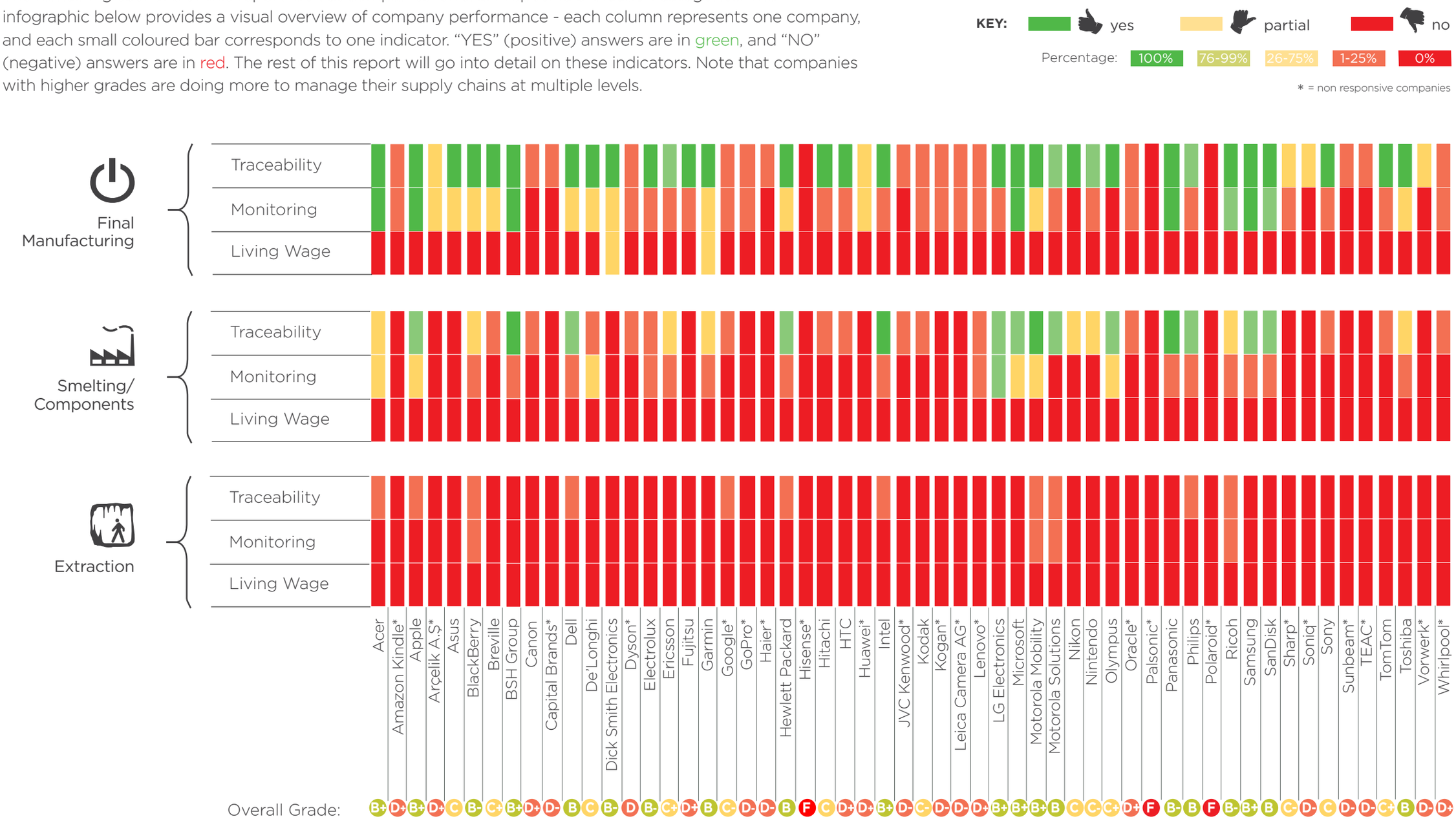
Companies involved in this initiative include: **Apple, Asus, BlackBerry, Dell, LG Electronics, Philips, Samsung, Sony, HP, Microsoft, and Tata Steel.**

*Source: IDH, Annual Report 2014, October 2014*
*www.idhsustainabletrade.com/idh-corporate-reports*

# 3 Company Performance: Overview

# Company Performance | Visual Overview

The remaining sections of this report look at companies' efforts in specific evaluation categories. The infographic below provides a visual overview of company performance - each column represents one company, and each small coloured bar corresponds to one indicator. "YES" (positive) answers are in green, and "NO" (negative) answers are in red. The rest of this report will go into detail on these indicators. Note that companies with higher grades are doing more to manage their supply chains at multiple levels.

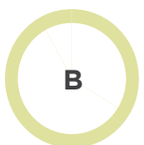


# 4 Company Performance: Policies

This chapter focuses on companies' policies to address child and forced labour in their supply chains. While good policies do not necessarily mean good practices, they are a critical starting point. They form the backbone of management systems that uphold worker rights and protect against abuses. We use a set of indicators to assess each company's code of conduct, sourcing and subcontracting policies, and involvement with other organisations working to combat modern slavery.

## Company Performance: Policies Scores

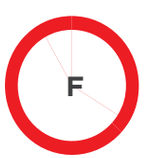
Apple
Electrolux
Hewlett Packard
Intel
LG Electronics
Microsoft
Motorola Solutions
Samsung
SanDisk




Acer
Asus
BlackBerry
BSH Group
Breville
Canon
Dell
Dick Smith Electronics
Ericsson
Garmin
Google*
Kodak
Motorola Mobility
Olympus
Philips
Sony
TomTom
Toshiba

Amazon Kindle*
Arçelik A.Ş*
Hitachi
HTC
Huawei*
Lenovo*
Nikon
Nintendo
Oracle*
Panasonic
Ricoh
Sharp*
TEAC*
Whirlpool*

De'Longhi
Dyson*
Fujitsu
GoPro*
Kogan*
Leica Camera AG*
Sunbeam*

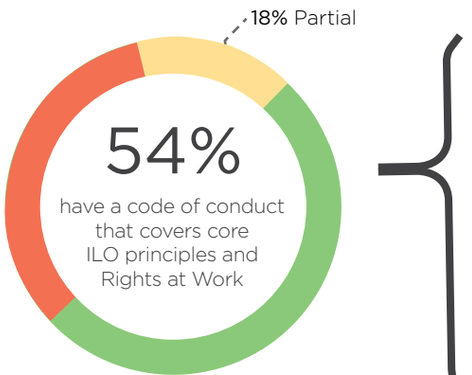


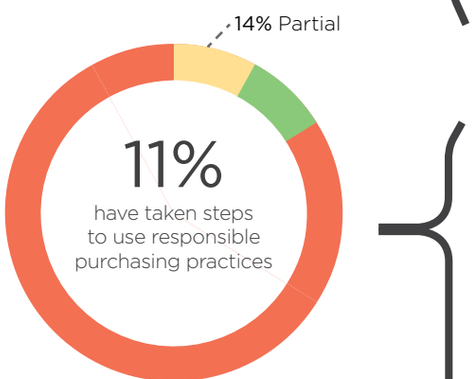

Capital Brands*
Haier*
Hisense*
JVC Kenwood*
Palsonic*
Polaroid*
Soniq*
Vorwerk*

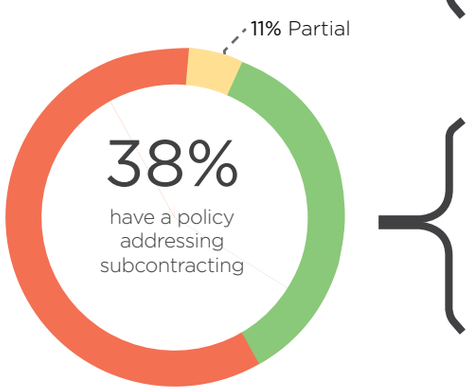
* = non-responsive

# Policies | Industry Overview

**Of the 56 electronics companies assessed**




The following statistics provide a snapshot overview of the existence of policies in the electronics industry to protect against exploitation, child labour and forced labour. They are based on the scorecards of the 56 companies we assessed, which can be viewed in more detail on the next page.

## Codes of Conduct

A Code of Conduct lays out the minimum social requirements suppliers must follow. Good codes are based on internationally agreed-upon standards. The International Labor Organization's (ILO) Four Fundamental Principles and Rights at Work define clear principles for prohibitions against child labour, forced labour and discrimination, and guarantees for worker rights to freedom of association and collective bargaining. Among the companies we assessed, it was encouraging to see that a majority (two-thirds) have Codes of Conduct that align, at minimum, with these basic principles. 45% of the companies assessed had based their code of conduct on the Electronics Industry Citizenship Coalition (EICC) Code of Conduct, which prohibits the use of child and forced labour and addresses the common roots of human trafficking.

## Responsible Purchasing

The way a company purchases from its subcontracted factories and suppliers affects those businesses' abilities to provide decent and safe conditions for workers. When brands deliberately foster intense competition, workers may suffer as suppliers seek to win contracts by depressing labour costs, such as wages and overtime payments. Only six of the companies assessed guarantee a decent price to their suppliers; or otherwise financially enable their suppliers to comply with code standards.

## Subcontracting Policies

It is common practice for suppliers to subcontract out parts of companies' orders to unauthorised, unmonitored facilities where workers may be left without any redress in the event of abuse. These workers are some of the most vulnerable within the electronics industry. 38% of the companies assessed say they are taking some steps to ensure that code of conduct standards are implemented in subcontracting arrangements.

# Policies | Company Performance Scorecard

Here is a more detailed look at our policies questionnaire. See how companies performed on specific indicators.

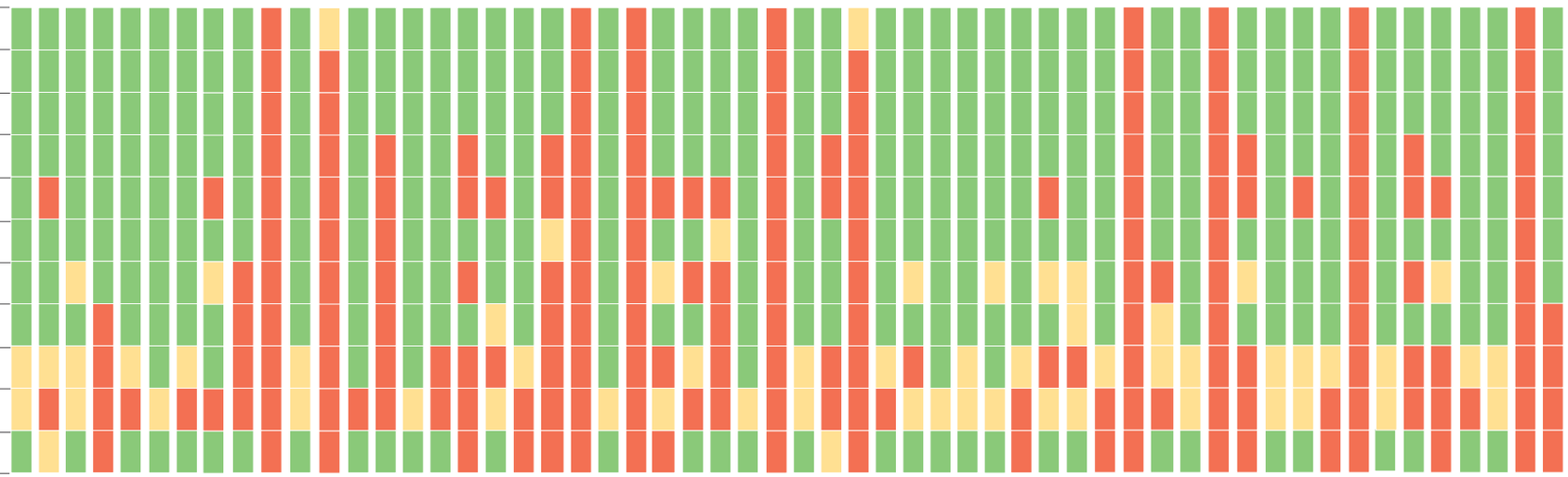
Each coloured bar represents one indicator.
Not all indicators in the Free2Work questionnaire are depicted in this graphic.

**KEY:** yes | partial | no

* = non responsive companies

## Code of Conduct

| | |
|---|---|
| Q1 | Does the brand have a code that addresses labour standards? |
| Q2 | Does the code include elimination of child labour? |
| Q3 | Does the code include abolition of forced or compulsory labour? |
| Q4 | Does the code include freedom of association? |
| Q5 | Does the code include rights to collective bargaining? |
| Q6 | Does the code prohibit discrimination on the basis of personal attributes or affiliations? |
| Q7 | Does the code prohibit use of regular and excessive overtime? |
| Q8 | Are suppliers required to ensure freedom of movement for employees and their right to leave and enter work voluntarily? |
| Q9 | Are suppliers prohibited from using recruitment fees? |
| Q10 | Does the code apply to multiple levels of the supply chain including raw materials? |
| Q11 | Is the code included in supplier contracts? |



## Policies

| | |
|---|---|
| Q1 | Does the brand have a policy of non-interference toward trade unions and worker organising? |
| Q2 | Does the brand participate in any multi-stakeholder initiatives? (e.g. Electronics Industry Citizenship Coalition) |
| Q3 | Has the brand taken steps to use responsible purchasing practices? |
| Q4 | Does the brand have a policy that addresses subcontracting in the supply chain (including homework)? |

# Policies | Good Practice Highlights

The following are more detailed snapshots of two companies' good practices in the Policies category.

## Multi-Stakeholder Initiative: Apple

The Fair Labor Association (FLA) is a collaborative, multi-stakeholder effort dedicated to protecting workers' rights around the world. FLA places the onus on companies to voluntarily meet internationally recognised labour standards wherever their products are made. Allowing for stakeholder collaboration, transparent and independent assessments, and a Third Party Complaint process, FLA is a strong multi-stakeholder initiative in which companies can participate.

Apple is the first and only technology company to voluntarily become a member of the FLA. This membership allows the FLA to engage with Apple on issues of labour rights within its supply chain in a collaborative way. It also subjects the company to independent assessments, conducted by the FLA. These assessments evaluate Apple's suppliers and include progress reports. The assessments highlight incidents of child labour, forced labour and any form of worker exploitation and are published publically on the FLA website. This is a remarkable step towards transparency for Apple. It highlights a clear intention to remain accountable to consumers and workers alike, as well as the company's commitment to continuous improvement in this area.

## Responsible Purchasing Practices

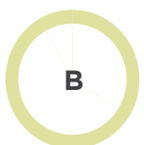
While there are many different models that companies can adopt in order to better manage labour rights throughout their supply chain, our research found that companies which owned their own manufacturing facilities possessed a distinct advantage in terms of executing ethical sourcing policies.  Given their direct responsibility for workers in their manufacturing facilities, such companies were able to implement their Code of Conduct with full visibility, and with more reliable knowledge of worker's wages, hours and union activities.

Many companies with direct ownership of manufacturing facilities were also easily able to identify their components manufacturers, allowing them greater access when it came to tracing deeper into their supply chains. This visibility is extremely valuable as some of the worst forms of worker exploitation is occur at those stages of the supply chain which are often untraced (and therefore unseen) by companies.

While there is no doubt that these same outcomes could also be achieved through other business structures, the consistent positive progress witnessed within the supply chains of companies with direct ownership is worth highlighting.

## Traceability & Transparency Scores:

Acer
Apple
BSH Group
Dell
Hewlett Packard
Intel
LG Electronics
Microsoft
Motorola Mobility
Motorola Solutions
Philips
Samsung
SanDisk




Asus
BlackBerry
De'Longhi
Electrolux
Ericsson
Garmin
Hitachi
Olympus
Panasonic
Ricoh
Toshiba

Breville
Dick Smith Electronics
Fujitsu
HTC
Nikon
Nintendo
Sharp*
Sony
TomTom

Amazon Kindle*
Arçelik A.Ş*
Canon
Capital Brands*
Dyson*
Google*
GoPro*
Haier*
Huawei*
JVC Kenwood*
Kodak
Kogan*
Leica Camera AG*
Lenovo*
Oracle*
Soniq*
Sunbeam*
TEAC*
Vorwerk*
Whirlpool*

Hisense*
Palsonic*
Polaroid*

* = non-responsive

# Electronics Industry

5

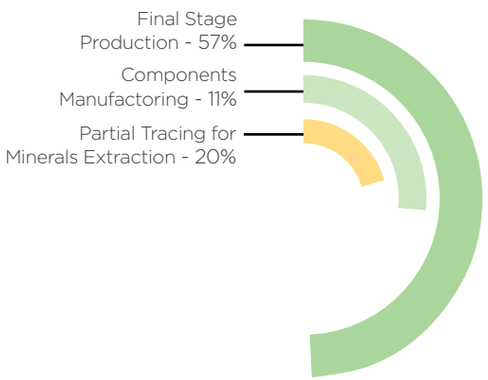
# Company Performance: Traceability & Transparency

This chapter focuses on electronics companies' supply chain traceability and transparency. It looks at how 56 companies perform in this category and highlights specific good practices.

# Traceability & Transparency | Industry Overview

**Of the 56 electronics companies assessed**

Percentage of companies that have fully traced their suppliers for final stage and components manufacturing, and percentage of suppliers that have partially traced their suppliers for minerals extraction:



Surprisingly, many companies do not know exactly who produces their goods. Since child labour, forced labour and exploitation are used in electronics manufacturing, components manufacturing, smelting and mineral extraction globally, it is critical that companies know the actors at each stage of their supply chains to guard against such abuses. Public transparency is also important because it shows a company's willingness to be held accountable to both workers and consumers. We define 'traceability' as the extent to which a company understands its supply chain, and 'transparency' as the extent to which a company makes information publicly available. The statistics below reveal how the 56 companies assessed perform in three key traceability and transparency areas.

## Known Suppliers

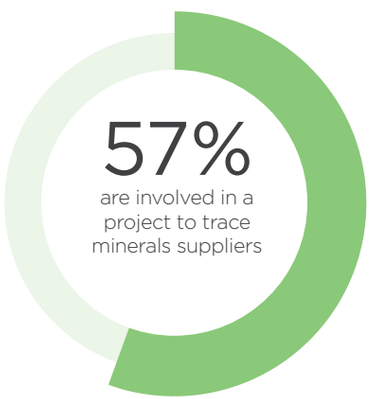
We believe it is the responsibility of companies to know the identity of their suppliers. Without this knowledge, it is impossible for brands to ensure the labour rights of the people who make their products. While there is still much work to be done, traceability is one of the strongest performance areas of the electronics industry. Over half (57%) of all companies assessed have traced all or almost all of their suppliers responsible for the final stage of manufacturing; 11% have done the same for their components manufacturing; and, while none have completely traced their mineral extraction, 52% of the companies are involved in tracing projects to better understand their mineral suppliers in order to avoid sourcing conflict minerals from the DRC. With respect to minerals tracing, there is room for improvement. Most of these traceability efforts are model projects that focus on a select few suppliers. Only 20% of the companies directly traced a portion of suppliers in the extractive stage through pilot projects (see page 15 for more details).

## Public Supplier Lists

In the fight against child labour, forced labour and exploitation, it is vital that companies produce public supplier lists. Such lists increase the transparency surrounding industries and enable companies to be held accountable to workers in their supply chains. Transparency also enables independent groups to shed light on working conditions which can, in turn, facilitate better public understanding of the issues and consumer demand for change. Only 36% of the companies we assessed provide public supplier lists.

# Traceability & Transparency | Industry Overview

**Of the 56 electronics companies assessed**




## Tracing Projects

The majority of the companies we assessed are working to trace their supply chains in most cases, to prevent the sourcing of conflict minerals. Conflict minerals are those that emanate from places where an internationally recognised conflict is occurring. The Democratic Republic of the Congo, where an ongoing civil war has claimed five million lives, is the leading source of the world's conflict minerals: tin, tungsten, tantalum and gold (known collectively as 3TG). Many conflict mines use child and forced labourers, and also host other forms of modern slavery such as sexual slavery and forced marriage. Children work in particularly hazardous conditions as diggers, porters, and mineral extractors. Many are forced to work in narrow mine shafts where their small bodies fit better than adult ones.

The 2010 Dodd-Frank Reform Act (US) requires companies that use any of these four minerals to learn more about their supply chains and report to the Securities and Exchange Commission. In order to comply with this law, companies must prove that they have taken reasonable precautions to avoid these four minerals, originating in the DRC and surrounding countries. The majority of these are engaged with the anti-conflict mineral partnership of the EICC and the Global e-Sustainability Initiative (GeSI).

The EICC and GeSI have established two tools that companies can use to check the conflict-free status of their supply chains: the Conflict Minerals Reporting Template and the Conflict-Free Smelter (CFS) Program. The Reporting Template is a survey that companies can ask their suppliers to complete. Suppliers fill in information related to the minerals they use, the products they create and the smelters from which they source. If accurately completed, the surveys can provide valuable information about the firms from which they directly and indirectly source. The CFS Program, on the other hand, audits smelters and refiners who elect to participate. Firms are evaluated on the steps they take to avoid purchasing and/or processing conflict minerals. Those that participate are publicly classified as 'conflict-free'.

## Progress

There are currently an estimated 1,200 companies reporting on the conflict-free status of the smelters from which they are sourcing thanks, in a large part, to the implementation of Dodd-Frank Act in 2010. Additionally, a further 12,000 companies have been affected by Dodd-Frank. The demand for conflict-free minerals has led to a dual positive impact in the Democratic Republic of the Congo (DRC), a redirection in the flow of funding away from armed groups in the DRC and increased safety standards for those working in the conflict-free mines.

In fact, there has been a 65% reduction in militia revenue. The UN Group of Experts stated in 2010 that "in the Kivu provinces, almost every mining deposit [was] controlled by a military group." However, as of May 2014, nearly 75% of 3TG miners were working in mines where no armed group involvement had been reported. Additionally, 60% of all 3TG smelters/refiners have now passed audits conducted by the Conflict-Free Sourcing Initiative (or associated programs). This demonstrates a clear progress in the conflict-free sourcing of raw mineral materials.

Sources:

U.N. Security Council, Interim report of the Group of Experts on the DRC, May 2010, http://www.un.org/ga/search/view_doc.asp?symbol=S/2010/252.

Antwerp: International Peace Information, Analysis of the interactive map of artisanal mining areas in Eastern DR Congo: May 2014 update, May 2014, http://ipisresearch.be/wp-content/uploads/2014/04/20141031-Promines_analysis.pdf.

Source Intelligence, What Are Conflict Minerals, 2014, http://www.sourceintelligence.com/what-are-conflict-minerals/

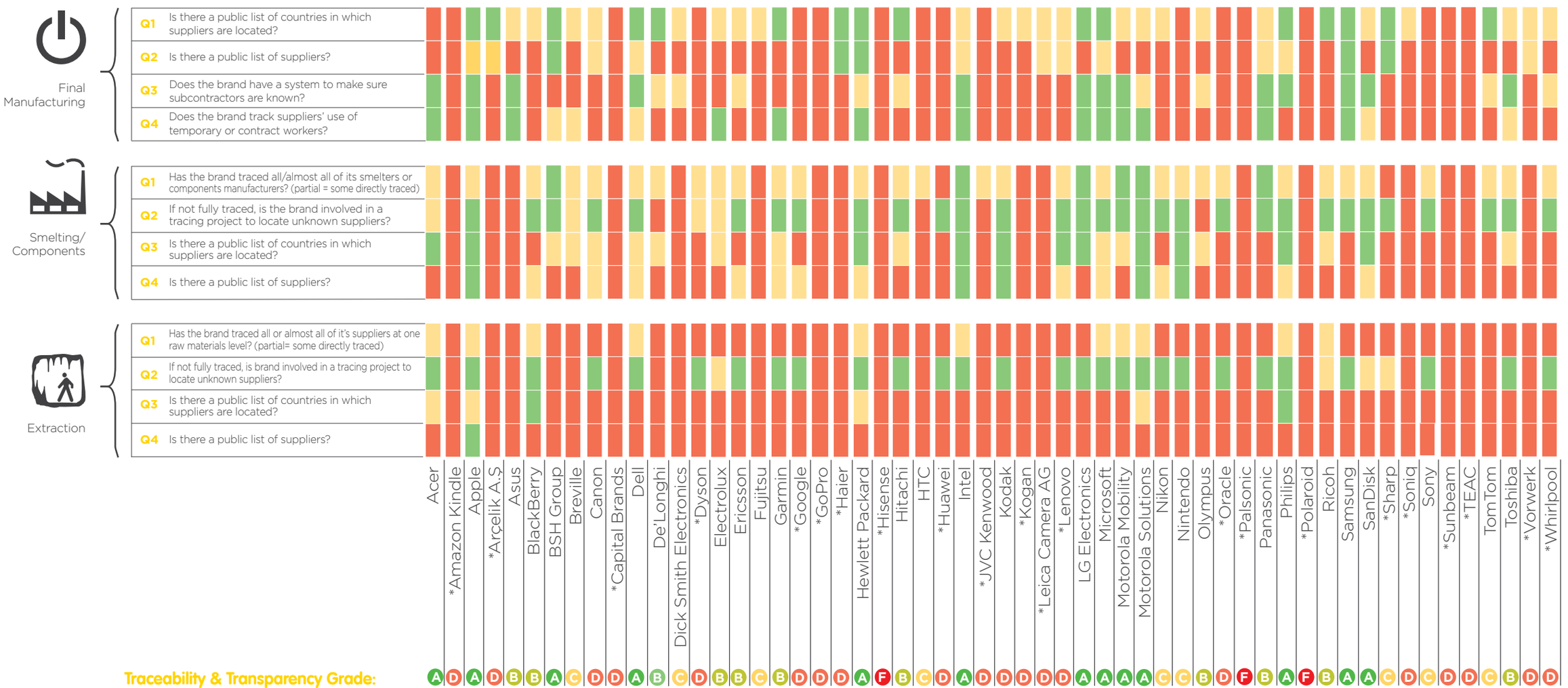
# Traceability & Transparency | Company Performance Scorecard

Here is a more detailed look at our Traceability & Transparency questionnaire.
See how companies performed on specific indicators.

**KEY:** yes | partial | no

Each coloured bar represents one indicator. Not all indicators in the Free2Work questionairre are depicted in this graphic.

* = non responsive companies



# Traceability & Transparency | Good Practice Highlights

The following are more detailed snapshots of two companies' good practices in traceability and transparency. Traceability is the extent to which a company knows its supply chain. Transparency is the extent to which it makes information publicly available.

## Transparency: Hewlett-Packard

Hewlett-Packard (HP) has disclosed all of its final stage assembly sites through an interactive, online map which allows consumers to explore the different global locations that supply the parts necessary for the production of various HP electronics products. The map publically discloses not only the names and addresses of each facility, but also such details as the number of workers employed by the supplier and the type of HP product they are producing. Additionally, links to the suppliers' own sustainability policies are provided.

It is worth noting that, in addition to disclosure by means of this interactive map, HP has also published the names and country locations of a number of their components suppliers and smelters. This level of transparency - beyond final stage manufacturing into inputs - is representative of great progress. It demonstrates its company's commitment to ongoing accountability and their intention to uphold worker rights.

## Traceability: Intel

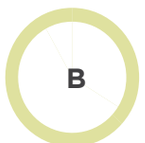
Since the implementation of the Dodd-Frank Act in 2010, which requires companies to implement a strategy to ensure they are not sourcing conflict minerals (see page 24), many companies have made significant progress in tracing the smelters from which they source. However, Intel is the only company to have traced 100% of its smelters in its supply chain. This achievement has been made possible by a long term investment into traceability, with Intel commencing its traceability efforts in 2009, long before the majority of electronics companies began their own traceability processes.

Not only has Intel identified the smelters from which it is sourcing, however by visiting and auditing a number of smelters within its supply chain, it has ensured that these smelters are not being supplied with conflict minerals from the Democratic Republic of Congo (DRC). In addition to its tracing efforts Intel has also invested in multi-stakeholder initiatives, including a partnership with the Electronic Industry Citizenship Coalition and GeSI Extractive Working group; a partnership which has led to the creation of the Conflict-Fee Sourcing Initiative.

In 2014 Intel announced an important industry milestone: it had succeeded in manufacturing microprocessors which were 100% DRC conflict free. Intel is now working towards a new goal of making all Intel products DRC conflict free by the end of 2016.

## Monitoring Scores:

Acer
Apple
Intel
Microsoft
Motorola Mobility
Samsung




BlackBerry
BSH Group
Dell
De'Longhi
Electrolux
Ericsson
Garmin
Hewlett-Packard
LG Electronics
Motorola Solutions
Panasonic
Philips
Ricoh
SanDisk
Toshiba

Amazon Kindle*
Asus
Breville
Dick Smith Electronics
Hitatchi
Huawei*
Nikon
Nintendo
Olympus
Sony
TomTom

Arçelik A.Ş*
Canon
Capital Brands*
Dyson
Fujitsu
Google*
GoPro*
Haier*
HTC
JVC Kenwood*
Kodak
Kogan*
Leica Camera AG*
Lenovo*
Oracle*
Sharp*
Sunbeam*
TEAC*
Vorwerk*
Whirlpool*

Hisense*
Palsonic*
Polaroid*
Soniq*

* = non-responsive

# Electronics Industry

# 6 Company Performance: Monitoring

This chapter focuses on electronics companies' monitoring and training programs, which can be important parts of preventative systems. It looks at how 56 companies perform in this category and highlights specific good practices.

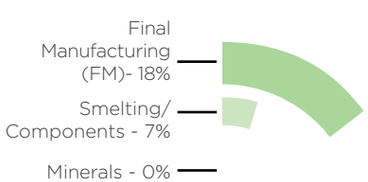
# Monitoring & Training | Industry Overview

Audits are tools companies can use to gain snapshots of suppliers' working conditions and to identify major abuses including the use of modern-day slavery. Workers themselves are among the best monitors, since they are present when auditors cannot be. Often accurate information can only be gathered by interviewing workers off-site and away from management, where workers feel comfortable to express their concerns. The most replicable model (one that is under-utilised) is one where workers are organised into a functioning union with access to a safe and effective grievance process. While audits can be a key element for ensuring compliance, they are by nature only effective when the information gathered is used to improve working conditions. Audits can form the basis for corrective action plans which suppliers can use to correct issues. Many suppliers lack the capacity or knowledge to provide certain protections to workers, which is why training programs can be an important tool.

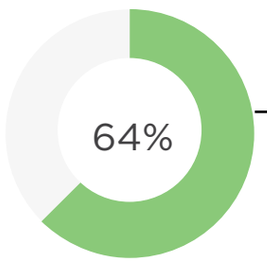
**Of the 56 electronics companies assessed**

## Auditing Suppliers

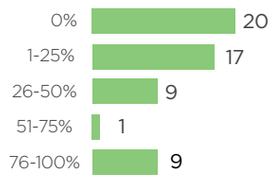
% of companies that monitor more than 75% of suppliers annually, by supply chain level



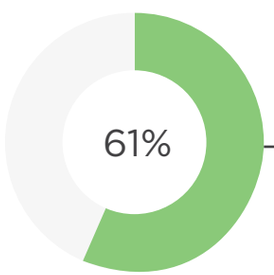

% of companies assessed that use internal auditing



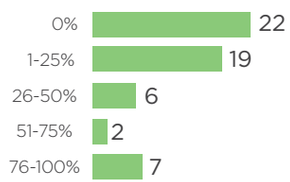

# of companies that use internal monitoring, broken down by % of suppliers monitored by supply chain level



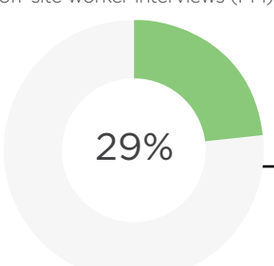

% of companies that use third party monitoring (FM)



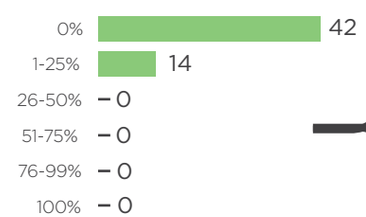

# of companies that use third party monitoring, broken down by % of suppliers monitored with this system




% of companies that audit suppliers unannounced or with off-site worker interviews (FM)




% of companies that monitor more than 75% of suppliers annually, by supply chain level




## Internal Systems

Thirty-six (64%) of the brands we assessed use their own internally developed monitoring systems to investigate suppliers to some extent. These internal systems vary in quality and are not necessarily better or worse than third party audits.

## Third Party Systems

Thirty-four (34%) companies use a third party auditor to monitor at least a portion of their supply chains. Many of these companies also use internal systems. Third party monitoring systems, like internal ones, differ significantly in quality.

## Quality of Audit

Unannounced audits can provide a more accurate picture of day-to-day operations because abuses cannot be as easily hidden without advanced warning. Workers are best able to express concerns when interviewed off-site, away from management. Only 29% of the assessed companies report using unannounced visits and/or off-site interviews to conduct at least a portion of their audits. Given that almost three quarters of the electronics companies we assessed aren't engaging in these practices, improving the quality of auditing practices is an area in need of significant attention within the industry.

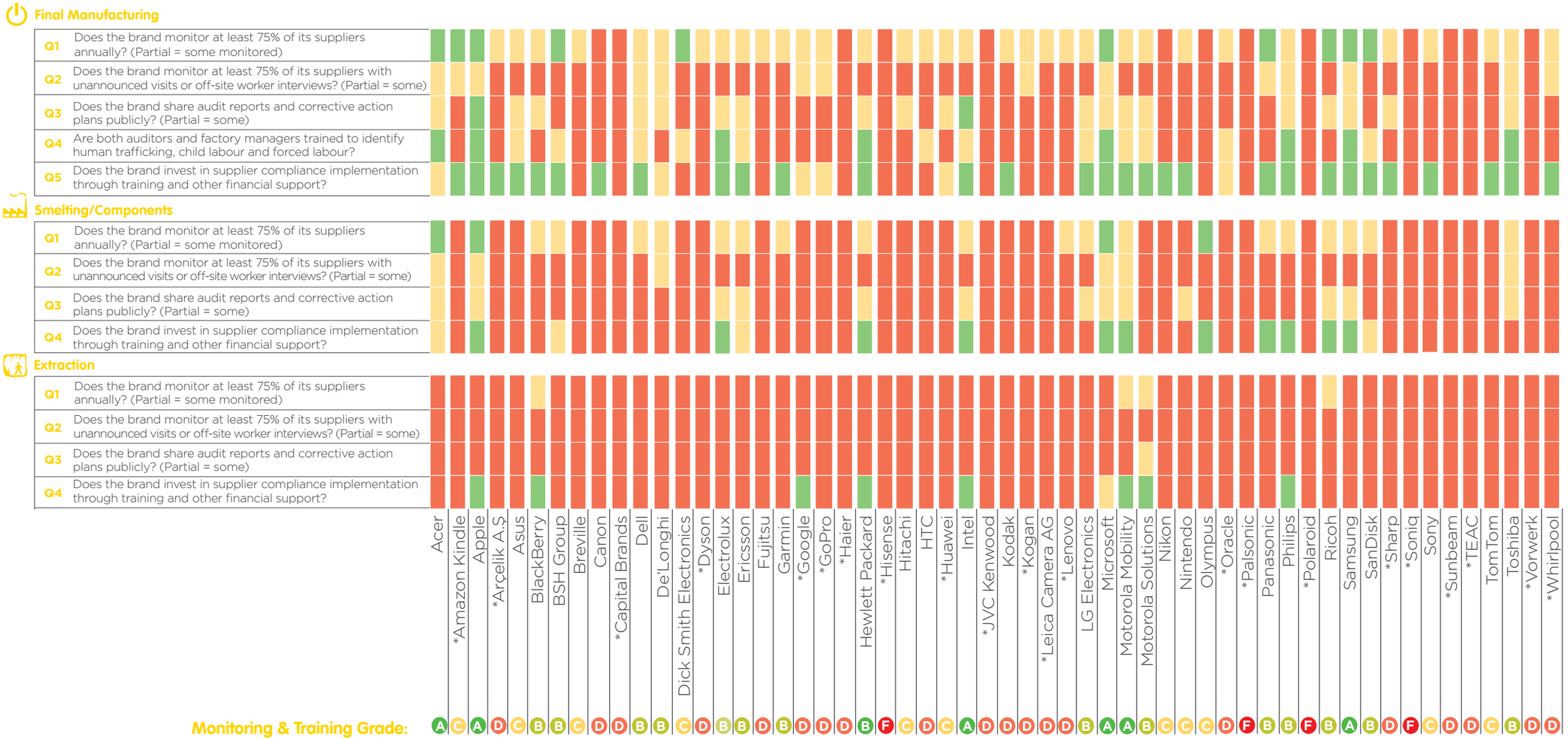
# Monitoring & Training | Company Performance Scorecard

Here is a more detailed look at our Monitoring and Training questionnaire.
See how companies performed on specific indicators.

**KEY:** yes | partial | no

Each coloured bar represents one indicator. Not all indicators in the Free2Work questionairre are depicted in this graphic.

* = non responsive companies



# Monitoring & Training | Good Practice Highlights

The following are more detailed snapshots of two companies' good practices in monitoring and training.

## Training: Motorola Mobility

Innovative training is an important aspect of ensuring that monitoring and auditing programs are implemented effectively. Motorola Mobility delivers training to both internal employees as well as external suppliers.
Its recent implementation of an android application for internal, supplier-facing employees called "Supplier Eyes and Ears for Corporate Social Responsibility" (SEE CSR) is a significant development. The app is intended as a means of resourcing employees who visit suppliers' sites by highlighting potential areas of concern such as labour rights, ethics, and health and safety. Additionally, the app includes an in-built reporting mechanism which allows employees to track any issues they find with immediacy.
This year Motorola Mobility is looking to extend the use of its app to suppliers as well. The app would provide suppliers with resources, such as audit requirement information and pre-assessment exercises. This training program is an inventive way to increase supplier capacity and promote supplier compliance.

## Monitoring: Microsoft

A robust monitoring system is a crucial part of ensuring that suppliers are upholding worker rights throughout the supply chain. There are many elements of the Microsoft auditing program which are worth highlighting.
Every year Microsoft conducts internal on-site audits, in addition to third party audits, for 100% of factories responsible for final-stage assembly. Annual internal and third party audits are also conducted in 75% of its components manufacturing facilities. Furthermore these audits are accompanied by unannounced visits or, in some cases, off-site worker interviews.
In addition to strong engagement with its electronics and components manufacturing, Microsoft has been investing in compliance measures for its smelters as well. The company has been offering assistance to its smelters to prepare for Conflict-Free Sourcing Initiative (CFSI) validation. This investment includes third-party assistance and implementing a pre-audit checklist, helping to increase the smelters' capacity to reflect responsible sourcing requirements.
This initiative is beginning to trickle down to the raw materials stage as well, with Microsoft working with CFSI to audit the sources of raw materials at the smelter facility level.  Conducting the audits at this level can provide valuable information regarding mine level due diligence, which allows Microsoft to begin to piece together a picture of labour rights management for its entire supply chain.

## Worker Rights Scores:

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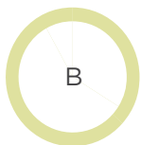
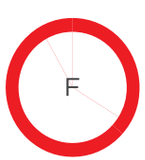



Dick Smith Electronics
Garmin

Apple
LG Electronics
Microsoft
Panasonic
Samsung

Acer
Amazon Kindle*
Arçelik A.Ş*
Asus
BlackBerry
BSH Group
Breville
Canon
Dell
De'Longhi
Electrolux
Ericsson
Fujitsu
Google*
Haier*
Hewlett Packard
Hitachi
HTC
Huawei*
Intel*
Motorola Mobility
Motorola Solutions
Nikon
Nintendo
Olympus
Oracle*
Philips
Ricoh
SanDisk*
Sony
TomTom
Toshiba
Whirlpool*




Capital Brands*
Dyson*
GoPro*
Hisense*
JVC Kenwood*
Kodak
Kogan*
Leica Camera AG*
Lenovo*
Palsonic*
Polaroid*
Sharp*
Soniq*
Sunbeam*
TEAC*
Vorwerk*

* = non-responsive

# Electronics Industry

7

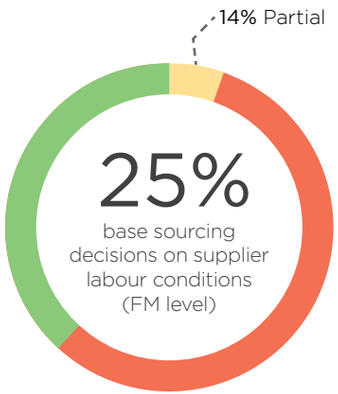
# Company Performance: Worker Rights

This chapter focuses on the degree to which companies support worker rights. It looks at how 56 companies perform in this category and highlights specific good practices.

# Worker Rights | Industry Overview

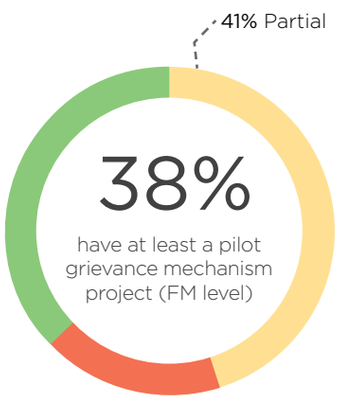
**Of the 56 electronics companies assessed**

Risks of modern-day slavery are far less in workplaces where individuals are able to claim their rights at work through organising, and where workers do not suffer from poverty-level wages. Most workers in electronics supply chains toil under poor conditions and are paid extremely low wages. We look at whether companies are actively addressing worker well-being. The statistics below reveal how the 56 electronics companies we assessed perform in two key Worker Rights areas.




## Preferred Supplier Programs

Companies may possess policies and codes of conduct, but they will have little genuine impact if there is no incentive for suppliers to adhere to them. Companies have the financial leverage to demand and ensure decent working conditions, including living wages, particularly by concentrating their order volumes with a sufficiently narrow set of suppliers in order to command a significant portion of a supplier's product capacity. Most of the companies in this report have codes of conduct that espouse the protection of worker's rights. However we found that only 25% of sourcing decisions at the final manufacturing stage were based on suppliers maintaining such standards. Such systems should provide incentives for suppliers to continue improving labour standards.




## Grievance Mechanisms

Grievance mechanisms are systems through which workers can anonymously submit complaints of violations of their rights and seek relief. While some companies ask their suppliers to establish internal grievance mechanisms, it is important that workers are given an avenue through which they can communicate to an external party, since the supplier may be directly responsible for the abuse. Among the companies assessed, 38% reported having a formal grievance mechanism available to some portion of their supply chain.

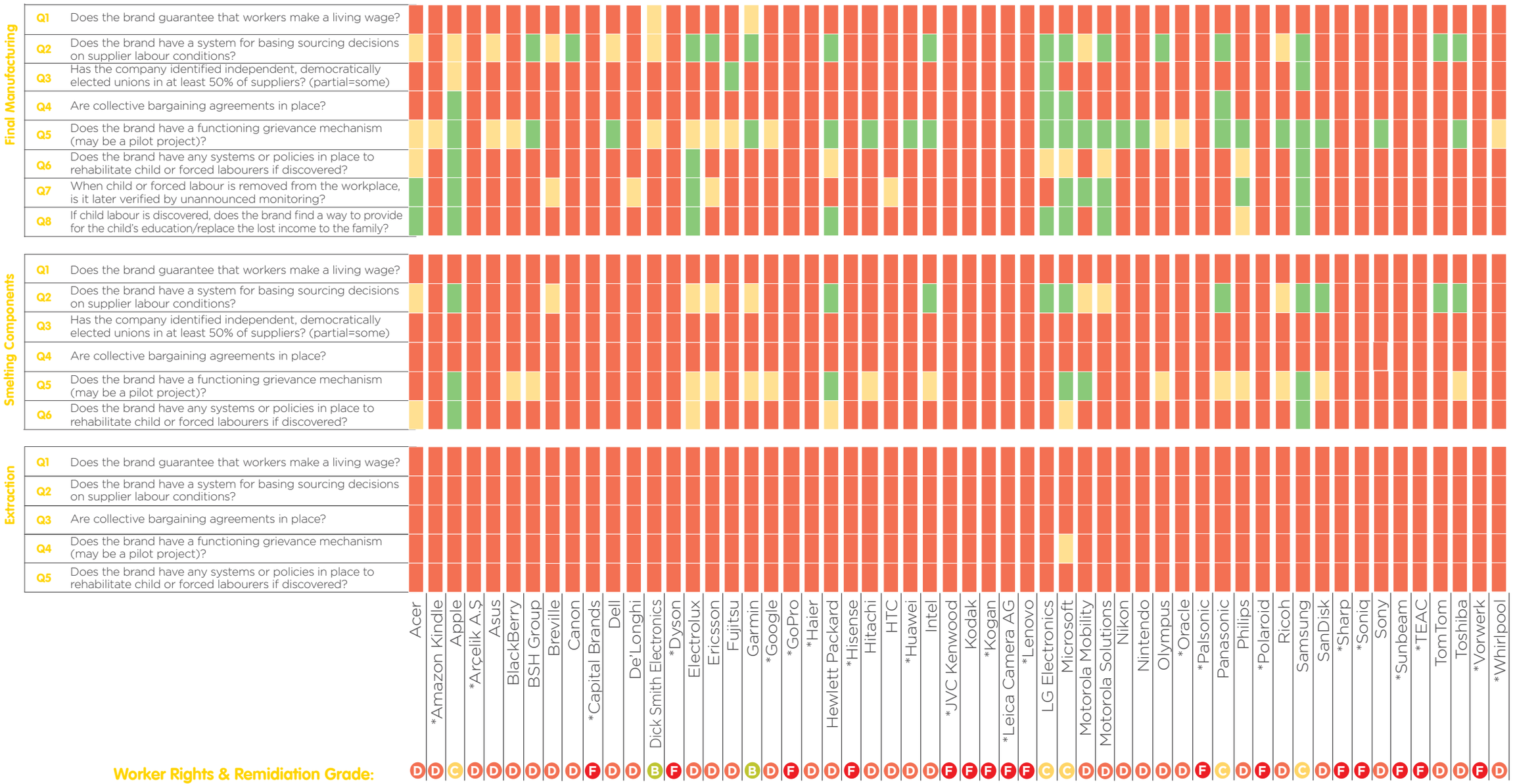
# Worker Rights | Company Performance Scorecard

Here is a more detailed look at our Worker Rights questionnaire. See how companies performed on specific indicators.

**KEY:** yes | partial | no

* = non responsive companies

Each coloured bar represents one indicator. Not all indicators in the Free2Work questionairre are depicted in this graphic.



# Worker Rights | Good Practice Highlights

The following are more detailed snapshots of two companies' good practices in the worker rights category.

## Worker Representation: Fairphone (pilot)

Fairphone is a social business that is in the early phases of what they claim will be a "fair(er) smartphone". This company was established with concerns about conflict minerals, transparency and labour conditions front of mind, and we look forward to evaluating its efforts in future. At the time of publishing, Fairphone's products are unavailable to Australian consumers and are therefore not covered by the report.

Fairphone's final assembly manufacturing factory is located in China, a country associated with significant risks of child and forced labour. China also prevents workers from joining independent trade unions, one of the most effective means to protect against worker exploitation. Fairphone plans to improve worker welfare and establish an alternative avenue for collective representation to management by creating a Worker Welfare Fund, to be administered by elected worker representatives.

These representatives will be able to determine how funds will be spent to improve worker welfare and will also have the capacity to make representations to management on behalf of their colleagues. While this falls short of a democratically elected trade union with capacity to collectively bargain, the mechanism, and training provided to workers, represents a model other electronics companies could learn from.

This initiative represents a deeper engagement with the right to freely associate and receive a living wage than what is seen in most established electronics factories, two tools which are key to protecting worker rights.

## Child & Forced Labour Remediation: Acer

Recognising the risk of child and forced labour and being able to respond appropriately, is a key part of a robust and thorough labour rights management system. Acer has been able to demonstrate a comprehensive child and forced labour remediation policy.

In the case of child labour, the policy details the company's response when such exploitation is identified. The response includes the removal of the child and safe return to their family, as well as the provision of the child's travel costs. The policy also dictates the provision of ongoing wages and education for the child until they reach working age. Unannounced monitoring is also conducted within the first three months of the child being found.

In the case of forced labour, the policy outlines a path to identify what form of forced labour is taking place (for instance human trafficking or slavery), before setting-out a process which details how to work with authorities to ensure that the worker in question is re-located to a safe place and offered financial assistance. Similar to cases of child labour, any occurrences of forced labour are followed

# Index | Brand List

* = non-responsive

| Company Name | Brand | Grade | Living Wage |
|---|---|---|---|
| Acer | Acer | B+ | NO |
| Dell | Alienware | B- | NO |
| Amazon* | Amazon Echo* | D+ | NO |
| Amazon* | Amazon Fire Tablets* | D+ | NO |
| Amazon* | Amazon Kindle* | D+ | NO |
| Apple | Apple | B+ | NO |
| Arçelik A.Ş* | Arçelik* | D+ | NO |
| De'Longhi | Areite | C | NO |
| Acer | Aspire | B+ | NO |
| Asus | Asus | C | NO |
| Capital Brands* | Baby Bullet* | D- | NO |
| Arçelik A.Ş* | Beko* | D+ | NO |
| BlackBerry | BlackBerry | B- | NO |
| BSH Group | Bosch | B+ | NO |
| De'Longhi | Braun | C | NO |
| Breville | Breville | C+ | NO |
| Canon | Canon | D+ | NO |
| Google* | Chromebook* | C- | NO |
| Google* | Chromebox* | C- | NO |
| Dell | Dell | B- | NO |
| De'Longhi | De'Longhi | C | NO |
| Dick Smith Electronics | Dick Smith Electronics | B- | PARTIAL |
| Dyson* | Dyson* | D | NO |
| Electrolux | Electrolux | B- | NO |
| Acer | eMachines | B+ | NO |

| Company Name | Brand | Grade | Living Wage |
|---|---|---|---|
| Ericsson | Ericsson | C+ | NO |
| Haier* | Fisher & Paykel* | D- | NO |
| Fujitsu | Fujitsu | D+ | NO |
| BSH Group | Gaggenau | B+ | NO |
| Garmin | Garmin | B | PARTIAL |
| Acer | Gateway | B+ | NO |
| GoPro* | GoPro* | D- | NO |
| Arçelik A.Ş* | Grundig* | D+ | NO |
| Haier* | Haier* | D- | NO |
| Hewlett Packard | Hewlett Packard | B | NO |
| Hisense* | Hisense* | F | NO |
| Hitachi | Hitachi | C | NO |
| Hewlett Packard | HP | B | NO |
| HTC | HTC | D+ | NO |
| Huawei* | Huawei* | D+ | NO |
| Intel | Intel | B+ | NO |
| JVC Kenwood* | JVC Kenwood* | D- | NO |
| Breville | Kambrook | C+ | NO |
| Hisense* | Kelon* | F | NO |
| De'Longhi | Kenwood | C | NO |
| Whirlpool* | KitchenAid* | D+ | NO |
| Kodak | Kodak | C- | NO |
| Kogan* | Kogan* | D- | NO |
| Leica Camera AG* | Leica Camera* | D- | NO |
| Lenovo* | Lenovo* | D+ | NO |

# Index | Brand List

* = non-responsive

| Company Name | Brand | Grade | Living Wage |
|---|---|---|---|
| LG Electronics | LG Electronics | B+ | NO |
| Panasonic | Lumix | B- | NO |
| Capital Brands* | Magic Bullet* | D- | NO |
| Microsoft | Microsoft | B+ | NO |
| Motorola Mobility | MOTO | B+ | NO |
| Motorola Mobility | Motorola Mobility | B+ | NO |
| Motorola Solutions | Motorola Solutions | B | NO |
| Dick Smith Electronics | Move | B- | PARTIAL |
| BSH Group | Neff | B+ | NO |
| Breville | Nespresso - Breville | C+ | NO |
| De'Longhi | Nespresso - De'Longhi | C | NO |
| Google* | Nexus* | C- | NO |
| Nikon | Nikon | C | NO |
| Nintendo | Nintendo | C- | NO |
| Microsoft | Nokia | B+ | NO |
| Capital Brands* | NutriBullet* | D- | NO |
| Olympus | Olympus | C+ | NO |
| Oracle* | Oracle* | D+ | NO |
| Acer | Packard Bell | B+ | NO |
| Palsonic* | Palsonic* | F | NO |
| Panasonic | Panasonic | B- | NO |
| Capital Brands* | Party Bullet* | D- | NO |
| Ricoh | Pentax | B- | NO |
| Philips | Philips | B | NO |
| Sony | PlayStation | C | NO |
| Polaroid* | Polaroid* | F | NO |
| Ricoh | Ricoh | B- | NO |
| Hisense* | Ronshen* | F | NO |
| Breville | Ronson | C+ | NO |
| Philips | Royal Philips | B | NO |
| Samsung | Samsung | B+ | NO |
| SanDisk | SanDisk | B | NO |
| Panasonic | Sanyo | B- | NO |
| Hisense* | SAVOR* | F | NO |
| Sharp* | Sharp* | C- | NO |
| BSH Group | Siemens | B+ | NO |
| Soniq* | Soniq* | D- | NO |
| Sony | Sony | C | NO |
| Sunbeam* | Sunbeam* | D- | NO |
| TEAC* | TEAC* | D- | NO |
| Vorwerk* | Thermomix* | D- | NO |
| TomTom | TomTom | C+ | NO |
| Toshiba | Toshiba | B | NO |
| Acer | TravelMate | B+ | NO |
| Acer | Veriton | B+ | NO |
| Vorwerk* | Vorwerk* | D- | NO |
| Electrolux | Westinghouse | B- | NO |
| Whirlpool* | Whirlpool* | D+ | NO |
| Microsoft | Xbox | B+ | NO |
| BSH Group | Zelmer | B+ | NO |

# Index | Brands by Grade

* = non-responsive

| Company Name | Brand | Grade | Living Wage |
|---|---|---|---|
| Acer | Acer | B+ | NO |
| Apple | Apple | B+ | NO |
| Acer | Aspire | B+ | NO |
| BSH Group | Bosch | B+ | NO |
| Acer | eMachines | B+ | NO |
| BSH Group | Gaggenau | B+ | NO |
| Acer | Gateway | B+ | NO |
| Intel | Intel | B+ | NO |
| LG Electronics | LG Electronics | B+ | NO |
| Microsoft | Microsoft | B+ | NO |
| Motorola Mobility | MOTO | B+ | NO |
| Motorola Mobility | Motorola Mobility | B+ | NO |
| BSH Group | Neff | B+ | NO |
| Microsoft | Nokia | B+ | NO |
| Acer | Packard Bell | B+ | NO |
| Samsung | Samsung | B+ | NO |
| BSH Group | Siemens | B+ | NO |
| Acer | TravelMate | B+ | NO |
| Acer | Veriton | B+ | NO |
| Microsoft | Xbox | B+ | NO |
| BSH Group | Zelmer | B+ | NO |
| Garmin | Garmin | B | PARTIAL |
| Hewlett Packard | Hewlett Packard | B | NO |
| Hewlett Packard | HP | B | NO |
| Motorola Solutions | Motorola Solutions | B | NO |
| Philips | Philips | B | NO |
| Philips | Royal Philips | B | NO |
| SanDisk | SanDisk | B | NO |
| Toshiba | Toshiba | B | NO |
| Dell | Alienware | B- | NO |
| BlackBerry | BlackBerry | B- | NO |
| Dell | Dell | B- | NO |
| Dick Smith Electronics | Dick Smith Electronics | B- | PARTIAL |
| Electrolux | Electrolux | B- | NO |
| Panasonic | Lumix | B- | NO |
| Dick Smith Electronics | Move | B- | PARTIAL |
| Panasonic | Panasonic | B- | NO |
| Ricoh | Pentax | B- | NO |
| Ricoh | Ricoh | B- | NO |
| Panasonic | Sanyo | B- | NO |
| Electrolux | Westinghouse | B- | NO |
| Breville | Breville | C+ | NO |
| Ericsson | Ericsson | C+ | NO |
| Breville | Kambrook | C+ | NO |
| Breville | Nespresso - Breville | C+ | NO |
| Olympus | Olympus | C+ | NO |
| Breville | Ronson | C+ | NO |
| TomTom | TomTom | C+ | NO |
| De'Longhi | Areite | C | NO |
| Asus | Asus | C | NO |

# Index | Brand List

* = non-responsive

| Company Name | Brand | Grade | Living Wage |
|---|---|---|---|
| De'Longhi | Braun | C | NO |
| De'Longhi | De'Longhi | C | NO |
| Hitachi | Hitachi | C | NO |
| De'Longhi | Kenwood | C | NO |
| De'Longhi | Nespresso - De'Longhi | C | NO |
| Nikon | Nikon | C | NO |
| Sony | PlayStation | C | NO |
| Sony | Sony | C | NO |
| Google* | Chromebook* | C- | NO |
| Google* | Chromebox* | C- | NO |
| Kodak | Kodak | C- | NO |
| Google* | Nexus* | C- | NO |
| Nintendo | Nintendo | C- | NO |
| Sharp* | Sharp* | C- | NO |
| Amazon* | Amazon Echo* | D+ | NO |
| Amazon* | Amazon Fire Tablets* | D+ | NO |
| Amazon* | Amazon Kindle* | D+ | NO |
| Arçelik A.Ş* | Arçelik* | D+ | NO |
| Arçelik A.Ş* | Beko* | D+ | NO |
| Canon | Canon | D+ | NO |
| Fujitsu | Fujitsu | D+ | NO |
| Arçelik A.Ş* | Grundig* | D+ | NO |
| HTC | HTC | D+ | NO |
| Huawei* | Huawei* | D+ | NO |
| Whirlpool* | KitchenAid* | D+ | NO |

| Company Name | Brand | Grade | Living Wage |
|---|---|---|---|
| Lenovo* | Lenovo* | D+ | NO |
| Oracle* | Oracle* | D+ | NO |
| Whirlpool* | Whirlpool* | D+ | NO |
| Dyson* | Dyson* | D | NO |
| Capital Brands* | Baby Bullet* | D- | NO |
| Haier* | Fisher & Paykel* | D- | NO |
| GoPro* | GoPro* | D- | NO |
| Haier* | Haier* | D- | NO |
| JVC Kenwood* | JVC Kenwood* | D- | NO |
| Kogan* | Kogan* | D- | NO |
| Leica Camera AG* | Leica Camera* | D- | NO |
| Capital Brands* | Magic Bullet* | D- | NO |
| Capital Brands* | NutriBullet* | D- | NO |
| Capital Brands* | Party Bullet* | D- | NO |
| Soniq* | Soniq* | D- | NO |
| Sunbeam* | Sunbeam* | D- | NO |
| TEAC* | TEAC* | D- | NO |
| Vorwerk* | Thermomix* | D- | NO |
| Vorwerk* | Vorwerk* | D- | NO |
| Hisense* | Hisense* | F | NO |
| Hisense* | Kelon* | F | NO |
| Palsonic* | Palsonic* | F | NO |
| Polaroid* | Polaroid* | F | NO |
| Hisense* | Ronshen* | F | NO |
| Hisense* | SAVOR* | F | NO |

# Thank You | Our Team Of Volunteers

We would like to thank our team of volunteers who contributed many hours of research for this report over the past two years:

- Tanya Fenwick
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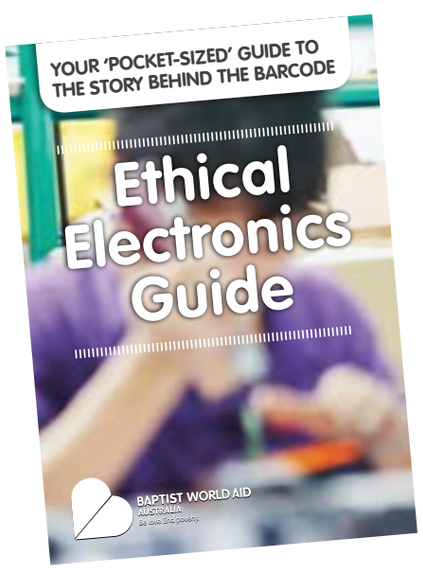
- Sarita Hales
- Hannah Miller
- Giuseppe Briguglio

**Thank you!**




**Finally, thank you for your interest in bringing an end to worker exploitation!**

Go to www.behindthebarcode.org.au to download our Electronics Guide, empowering you to make every day ethical purchasing decisions.