

**Investigative Report on Labour Rights in  
Hong Kong Enterprises in China 2016-2017**

**Labour Rights Eroded, as Collusion and  
Suppression Persist**

**Hong Kong Confederation of Trade Unions  
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## **Part I Executive Summary and Recommendations**

### **Focuses of the research report:**

- 1. Violations of labour laws by suppliers to international brands commonly observed:** This report recorded violation of labour laws by a number of Hong Kong enterprises, including suppliers to international brands. Among the 23 collective labour action cases reported by the media, about 90% (20 cases) involved violation of labour laws in Mainland China, and about 40% (11 cases) involved violation of two or more basic labour rights which suggested violation of labour laws was serious among the Hong Kong enterprises. In 8 of the recorded cases, involved enterprises are suppliers to international brands such as Disney, Mattel, Audi, Panasonic, etc. (Please refer to page 22). Most of these international brands came from countries which have signed OECD Guideline for Multinational Enterprises that provided clear regulations and guidelines on operations of transnational corporations and their subsidiaries and supply chain. OECD Guideline for Multinational Enterprises clearly stipulated that the international brands have the responsibility to make sure operations of suppliers comply with local legislations and respect three basic labour rights of workers (rights to strike, rights to organize and rights to collective bargaining). However, the report found that some enterprises suppress workers participating in collective actions, which is a violation to workers' right to organize and right to strike.
- 2. Multiple suppressions on civil society, making it more difficult to monitor labour right situation in enterprises:** Since December 2015, the Guangdong provincial government launched large-scale crackdown on labour organizations in Guangzhou. As a result, systematic recording of collective labour actions in Mainland China was hampered seriously. Added by the Charity Law launched in September 2016 and Law on the Administration of Activities of Overseas Non-Governmental Organizations within the Territory of China launched in January 2017, spaces of labour rights organizations were severely restricted and affected. In recent years, Xi Jin-ping emphasized “governing the country according to law” and used various laws to target social activists, for example, labour rights activists arrested in December 2015 were prosecuted for “illegal assembly and disturbance

of public order”. Though the prosecuted activists were released, they are still under strict scrutiny of National Security and have to suspend their work in defending labour rights. In June 2016, Lu Yu-yu and his girlfriend Li Ting-yu, registered as “Wickedonna” on the Twitter, who recorded and disseminated incidents of collective rights defending actions in Mainland China, were prosecuted for “picking quarrels and provoking trouble” for releasing news different from official information. However, Lu Yu-yu, spoke through his lawyer, emphasized that references were taken from both on-line information shared by participants of the incidents and official information, and denied accusation of releasing fake news<sup>1</sup>. After these incidents, it has become even more difficult for the civil society in Mainland China to defend and monitor human rights situation, and also more difficult for outsiders to access related information. In view of this, this report will analyze situation of labour movement in Mainland China in detail.

- 3. Grave situations caused by closure and relocation of Hong Kong-owned medium to small factories:** Due to global economic recession, the Guangdong provincial government launched economic policies in 2008 to restructure industries by relocating low-end and labour intensive factories from Pearl Delta to eastern and western parts of the province. The increase of production costs in Pearl Delta region has caused a wave of industry relocation similar to what happened in Hong Kong in 1970s and 1980s, and subsequent disputes related to compensation in factory closure and relocation. After nearly 10 years since the policies was launched, statistics of the National Statistics Bureau revealed that with further increase of labour costs in Pearl Delta region and Guangdong Province, traditional low-end factories owned by foreign investments which used to take advantage of low labour costs moved out of Guangdong Province or went into bankruptcy. According to the report released by Federation of Hong Kong Industries in 2015<sup>2</sup>, more than half of the Hong Kong enterprises in the Pearl Delta region were medium to small scale with annual income less than HK\$50 million, and most of the large

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<sup>1</sup> “Host of Feixiwen sentenced for 4 years will file appeal”, Radio of Free Asia:  
<http://www.rfa.org/mandarin/yataibaodao/renquanfazhi/yf1-08042017105603.html>

<sup>2</sup>Report by the Federation of Hong Kong Industries:  
<https://www.industryhk.org/upload/news/attachment/fb03706932c6044b6c5169d03a05a87a.pdf>

scale Hong Kong enterprises have moved to areas outside Pearl Delta, other provinces and even other countries. Relocation of large scale factories has caused a series of collective labour actions in the last few years. After most of the large scale Hong Kong-owned factories have moved out or closed, most of the recent labour actions happened in medium and small scale factories. Under the multiple high-ended measures of Mainland China government to suppress civil society from monitoring labour conditions and providing assistance, this report was only able to capture the tip of iceberg of collective labour actions.

- 4. Listed companies reluctant to reveal labour conditions, voluntary disclosure weak in protecting public access to information :** In the report last year, considerable length was dedicated to discuss issues and loopholes related to HKEx<sup>3</sup>'s "Environmental, Social and Governance Reporting Guide" which stipulated requirements on disclosure of CSR by listed companies. This report continues to discuss and review whether involved Hong Kong listed companies disclose collective labour actions and violation of labour laws by their subsidiaries or business in Mainland China. The investigation found that these companies only mentioned benefits, training and occupational safety provided for the employees and reiterate compliance to local labour laws in their annual report, but information on labour disputes and how the labour laws were implemented were missing. Voluntary disclosure alone is not sufficient to ensure compliance on disclosure of information by the listed companies.

**Key research findings:**

- 1. Documented cases of collective labour actions in defence of labour rights decreased:** Between May 2016 and April 2017, the HKCTU collected 23 documented cases of collective labour actions in factories owned by Hong Kong enterprises, which is dropped by around 28% compare to the last years report. About 30% of these cases involved strikes, which is dropped by 10%, while the rest were large-scale protest. Cases relate to the Hong Kong enterprise violate different courses of the labour law in mainland China. Workers resorted to strikes and other

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<sup>3</sup> Hong Kong Exchanges and Clearing Limited

collective labour actions to force employers to negotiate or to put pressure on the government to step in to handle overdue wages or missing financial compensation, when other means were exhausted or proved ineffective.

- 2. About 70% of labour disputes were triggered by missing severance pay, 60% were triggered by overdue wages. Disputes involved a number of supply chain companies for multinational companies and brands:** 17 cases, nearly 70%, of collective labour actions were related to missing severance pay (or “financial compensation” in Mainland China). It is increased by nearly 10% on ration compare to last year. On the other hand, more than 50% (12 cases) of collective disputes are related to overdue wages. Also, there are nearly 50% (11 cases) of the cases that the company violating more than 2 labour laws. There are 8 cases that the company overdue the workers’ wages and failed to pay the severance pay. Similar to last year, Hong Kong enterprises used illegal approaches or tricks, such as relocation, business restructuring, delaying wage payment or other illegal means, to force workers into “voluntary resignation” in order to avoid or reduce the amount of severance pay. It involves a number of suppliers for multi-national companies and brands.
- 3. An estimated 50,000 workers were affected:** The 23 cases of collective labour actions successful documented by the media were estimated to affect 10,000 workers. As the Publicity Department of the Communist Party of China has banned media reports or comments on strikes since 28<sup>th</sup> May 2010, and the government strengthens their monitoring system on the internet, it is not possible for us to estimate the number of unknown cases.
- 4. More than 85% of labour disputes were triggered by violations of the Labour Contract Law:** More than 85% (20 cases) of collective labour actions were a result of multiple violations of labour laws by Hong Kong enterprises. A number of supply chain companies of multinational brands were violating more than 1 course of labour law 35% (8 cases) of the collective labour actions involved both missing severance pay and overdue wage payments by the same enterprise.

## **HKCTU's demand**

Transnational Corporations (TNC):

1. TNCs should strictly follow the "OECD Guidelines for Multinational Enterprises" and their own codes of conduct, to ensure their suppliers are giving legal and reasonable wages to workers.
2. China's Trade Union Law and Regulations on Enterprise Collective Consultations and Collective Contracts both state that an enterprise must conduct collective consultation with its employees. The "ILO Convention" and "OECD Guidelines for Multinational Enterprises" clearly support workers' freedom of association and rights to collective bargaining. TNCs should not allow suppliers to replace collective consultation with telephone hotlines or face-to-face individual meetings with workers.
3. When a labour rights violation is reported at a supplier factory, TNCs should not only rely on the report from the supplier, but should also conduct an independent investigation to discover the facts of the case. When a collective consultation takes place, TNCs might send a representative to attend, to promote and ensure that the supplier responds to workers' reasonable and lawful demands.
4. TNCs should prohibit its suppliers from making use of police brutality, assault, arbitrary detention or criminal charges against workers in peaceful strikes or other collective actions.
5. If the supplier cannot afford the workers severance pay, overdue wages, social insurance contribution etc. due to the financial problem, as the ultimate owner of the products, the TNC should be held responsible for paying the workers' compensations and wages while making billions of profit every year.

The Chinese authorities:

1. The Chinese authorities should release unreasonably detained, charged and imprisoned labour rights activists immediately.
2. It should respect workers' freedom of association. HKCTU has assisted the International Trade Union Confederation (ITUC)'s complaint on the violation of freedom of association in China. HKCTU will continue to monitor the Chinese authorities through international channels and mechanisms to ensure

mainland Chinese workers’ freedom of association and protection of the right to organize.

**HKCTU’s recommendations:**

1. Recommendations to the Securities and Futures Commission (SFC) and Hong Kong Exchanges and Clearing (HKEx):

- (a) Public interest is involved in the labour disputes of listed companies. However, even after the revision of the guidelines on “Environmental, Social and Governance Reporting Guide”, the listed companies still have no pressure to disclose their labour right situations and the data of disputes both inside or outside Hong Kong, in their annual report or “Environmental, Social and Governance Report” . Therefore the revision last year still have no effect in helping the public or investors in monitoring the listed companies labour right situations. The HKCTU here recommend the HKEx to adopt our suggestion about including labour condition key performance indicators (KPIs) in the “social area” of disclosure, and also upgrade the disclosure level of relevant KPIs from “recommended disclosure” to “comply or explain”.
- (b) Set up clear punishing mechanism for the listed companies who seriously violated the local labour law and basic labour rights, such as fine, temporary or permanently revoke the listed company license, to ensure that listed company comply with the local labour law.
- (c) Establish a transparent and clear complaint system for processing complains, on the listed companies’ operations and production processes that violating the labour law, in order to protect the public interest and their right to know.
- (d) The following is the HKCTU’s

<b>Appendix (1):</b>	
Focusing on Aspects B1, B2, B4 and B5, HKCTU	G4 Guidelines <sup>5</sup>

<sup>5</sup>G4 Sustainability Reporting Guidelines, <https://www.globalreporting.org/resource/library/GRIG4-Part2-Implementation-Manual.pdf>.

proposed the following revision of the “Environmental, Social and Governance (ESG)” <sup>4</sup> . (Our recommendations are in bold, italics and underlined.)		
Aspect B1      Employment		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	LA1 Total number and rates of new employee hires and employee turnover by age group, gender, and region.
KPI B1.1	Total workforce by gender, employment type, age group and geographical region.	
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	
<b><u>KPI B1.3</u></b>	<b><u>Total workforce by monthly salary bands and weekly working hours.</u></b>	
<b><u>KPI B1.4</u></b>	<b><u>Total workforce by forms of employment (permanent contracts, short-term contracts, part-time, agency).</u></b>	
Aspect B2      Health and Safety		
General disclosure	Information on:	LA6 Type of injury and

<sup>4</sup>Refer to “Labour Groups’ Submission on “Environmental, Social and Governance (ESG) Review Consultation” (in Chinese), [http://www.hkctu.org.hk/cms/images/userfile/file/20150918\\_ESG\\_proposal\\_Final.pdf](http://www.hkctu.org.hk/cms/images/userfile/file/20150918_ESG_proposal_Final.pdf).

	(a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender. LA7 Workers with high incidence or high risk of
KPI B2.1	Number and rate of work-related fatalities.	diseases related to their occupation. Report whether
KPI B2.2	Lost days due to work injury.	there are workers who are
<b><u>KPI B2.3</u></b>	<b><u>Total number of cases by different categories of work-related injuries and occupational diseases.</u></b>	involved in occupational activities who have a high incidence or high risk of specific diseases.
<b><u>KPI B2.4</u></b>	<b><u>The accident rate for every 1,000 workers.</u></b>	LA8 Health and safety topics covered in formal
KPI B2.5	Description of occupational health and safety measures adopted and how they are implemented and monitored.	agreements with trade unions. a. Report whether formal agreements (either local or global) with trade unions cover health and safety. b. If yes, report the extent, as a percentage, that various health and safety topics are covered by these agreements.
Aspect B4	Labour Standards	G4 Guidelines
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant	LA12 Composition of governance bodies and breakdown of employees

	<p>laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.</p> <p><b><u>Information on:</u></b></p> <p>(a) <b><u>the policies; and</u></b></p> <p>(b) <b><u>compliance with relevant laws and regulations that have a significant impact on the issuer relating to the protection of the freedom of association and the right to collective bargaining.</u></b></p> <p><b><u>Information on:</u></b></p> <p>(a) <b><u>the policies; and</u></b></p> <p>(b) <b><u>compliance with relevant laws and regulations that have significant impact on the issuer relating to the elimination of employment discrimination.</u></b></p>	<p>per employee category according to gender, age group, minority group membership, and other indicators of diversity</p> <p>HR3 Total number of incidents of discrimination and corrective actions taken.</p> <p>HR4 Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and measures taken to support these rights</p> <p>HR5 Operations and suppliers identified as having significant risk for incidents of child labour, and measures taken to contribute to the effective abolition of child labour</p>
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	HR6 Operations and suppliers identified as having significant risk for incidents of forced or compulsory labour, and measures to contribute to the elimination of all forms of forced or compulsory labour.
<b><u>KPI B4.3</u></b>	<b><u>Description of Forms, frequency and effectiveness in communicating with employee representatives and staff organizations.</u></b>	
<b><u>KPI B4.4</u></b>	<b><u>Total workforce (managerial</u></b>	

	<u><i>and professional) by gender and nationality.</i></u>	LA16 Number of grievances about labour practices filed, addressed, and resolved through formal grievance mechanisms
<u><i>KPI B4.5</i></u>	<u><i>Total number of senior management by gender and nationality.</i></u>	
Aspect B5 Supply Chain Management		G4 Guidelines
General Disclosure	Policies on managing environmental and social risks in the supply chain.	<p>HR10 Percentage of new suppliers that were screened using human rights criteria.</p> <p>HR11 Significant actual and potential negative human rights impacts in the supply chain and actions taken.</p> <p>SO9 Percentage of new suppliers that were screened using criteria for impacts on society.</p> <p>SO10 Significant actual and potential negative impacts on society in the supply chain and actions taken.</p> <p>LA14 Percentage of new suppliers that were screened using labour practices criteria.</p> <p>LA15 Significant actual and potential negative impacts for labour practices in the supply chain and actions taken.</p> <p>Organisations are expected</p>

		<p>to report:</p> <p>a. The number of suppliers subject to assessments.</p> <p>b. The number of suppliers identified as having significant actual and potential negative impacts.</p> <p>c. The significant actual and potential negative incidents identified in the supply chain.</p> <p>d. The percentage of suppliers identified as having significant actual and potential negative impacts with which improvements were agreed upon as a result of assessment.</p> <p>e. The percentage of suppliers identified as having significant actual and potential negative impacts with which relationships were terminated as a result of assessment, and why.</p>
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2. Recommendations to the Hong Kong Government:

- (a) Use the OECD's "OECD Guidelines for Multinational Enterprises" as a reference, to develop its own guidelines on labour rights, so that Hong Kong enterprises can understand how to protect workers' rights in Mainland China. The Hong Kong government should also set up complaint channels to

strengthen supervision of the implementation of the above labour rights protection.

- (b) Drawing on laws supervising listed companies and the company's regulations, punish listed companies that violate labour laws in mainland China.

**3. Recommendations to major business associations:**

Send warning letters to Hong Kong enterprises which have failed in taking up their corporate social responsibility and have violated labour regulations in mainland China, demanding that they take prompt and effective correctional measures, blacklist Hong Kong enterprises which have repeatedly broken labour laws in the mainland, and block them from being members of business associations.

## **Part II: Preamble**

### **2.1 Research aims**

There has been a lack of attention and effective monitoring of the labour conditions of Hong Kong-invested enterprises in China. To tackle this, the HKCTU has been operating a “Monitoring Database of Hong Kong Enterprises” (see appendix) for three years. Through media, social networks, information provided by labour organizations in China and interviews with workers, the HKCTU has collected cases of large-scale labour disputes in Hong Kong enterprises in China. The aims of this research are to expose the fact that Hong Kong enterprises are commonly violating labour rights in China, to continuously monitor brands and Hong Kong enterprises and to lobby the Hong Kong Government to protect Chinese workers’ rights.

### **2.2 Research scope**

As in the previous two years, this year’s research continuously collected information about collective labour dispute cases from different media reports and internet reports, in order to review the latest situation of labour rights in Hong Kong enterprises in mainland China. Last year’s report discussed the mistakes made by the management of Hong Kong enterprises in dealing with large-scale labour disputes that cause strikes and more intensive labour resistance. This year’s report, in addition to looking into the problem of Hong Kong enterprises’ management in handling large-scale labour disputes, also discusses whether transnational brands take on their social responsibilities to ensure that their mainland suppliers respect basic labour rights (rights to organize, rights to strike, rights to bargain collectively) and follow local labour in production. In addition, we found out that many Hong Kong listed enterprises are involved in violations of labour rights in mainland China. Therefore, we reveal how the Hong Kong listed enterprises take on their social responsibilities and how Hong Kong Exchanges and Clearing Limited perform their monitoring roles in order to promote good governance practices in listed companies and protect the interests of small investors.

### **2.3 Research methodology**

This research covers the period between May 2015 and April 2016. In total, 32 cases

were identified involving Hong Kong capital and worker collective actions. 14 of them involved strikes and 18 were large-scale protests. The HKCTU collected 32 micro-blog and blog entries, 202 reports or commentaries from five labour organizations' websites, 24 different newspaper reports on strikes, large-scale labour protests and labour rights in China and three research reports on labour rights. It also conducted two interviews with workers.

## **2.4 Research limitations**

The Propaganda Department of the Central Committee of the Communist Party of China banned all reports or commentaries on labour strikes in the mass media since May 28 2010. Local media and social media are censored by the authorities concerned on a daily basis and it is very difficult for us to investigate the actual number of labour disputes in mainland China. We could only rely on the above channels to collect information and compare it with the data from last year. Since a lot of information and data is collected from various internet media sources, we welcome feedback and corrections from readers.

Since the labour activists in Guangdong were arrested by the local government 3<sup>rd</sup> to 5<sup>th</sup> December 2015, internet reports or news of labour disputes have been rare. We believe that the repression of the labour activists created fear among the Chinese labour organizations such that they have tended to stay low profile concerning intervention in labour dispute cases. Now all the arrested were released but still under surveillance by the national security department, therefore they cannot work in protecting labour right.

On the other hand, in June 2016, use “Wickedonna” as username, posting and recording the collective dispute in mainland China, blogger Lu Yuyu and his girlfriend Li Tingyu, were arrested by the local authority in Yunnan. Lu and Li started to collect and record the information on collective actions online, including collective labour disputes and strikes. Since the news report on collective labour disputes or strikes is banned by the government, “Wickedonna” became one of the important platform for releasing information on collective actions in mainland China. But Lu Yuyu and Li Tingyu was arrested by the local police and charged for “disorderly behaviour”. Li was sentenced but on probation in the secret court in April 2017. Lu was sentenced for 4 years in 23<sup>rd</sup>

June 2017. This incident shows that the government is strengthening their surveillance on the civil society and suppressing the freedom of information and people's right to know. This make HKCTU harder to collect information for the "Report".

## **2.4 Definition of Hong Kong-invested enterprises**

Hong Kong-invested enterprises are defined as "enterprises in Hong Kong, regardless of the origins of investment, which set up enterprises or subsidiaries in China, or use OEM factories in China as suppliers of their products. They include overseas companies which are listed in Hong Kong." Labour rights are human rights and should be protected. By setting up business in Hong Kong, enterprises provide the fundamental channels for Hong Kong citizens, trade unions and labour organizations to monitor whether their operations respect basic labour rights. By being listed in Hong Kong, shareholders of foreign enterprises include Hong Kong citizens. Thus they should be monitored by the general public of Hong Kong.

## **2.5 Report framework**

This report starts with an executive summary, then a preamble. The third part discusses the research findings, describing the causes of large scale labour disputes in Hong Kong enterprises in China, how the enterprises unprofessionally handled industrial actions and the social responsibility practices of transnational corporations, especially regarding the three fundamental labour rights (right to organize, right to strike and right to bargain collectively). Part four focuses on implementation and policy making to discuss the effectiveness of Hong Kong Exchange and Clearing Ltd in monitoring the behaviour and compliance with the law of Hong Kong listed in mainland China. The fifth part will be our analysis on the recent development in the labour movement in mainland China. A conclusion and recommendations are to be found in part six.

## **2.6 Acknowledgement**

We also welcome suggestions and comments from all of you, as they could enhance our further research. Please kindly email us your comments to [hkctu@hkctu.org.hk](mailto:hkctu@hkctu.org.hk), fax us +852 27707388, or write to us: 19th Floor, Wing Wong Commercial Building, 557-559 Nathan Road, Kowloon, Hong Kong.

## **Part III: Research Findings**

### **3.1 Factors leading to strikes and massive labour struggles at Hong Kong invested enterprises**

During May 2016 to April 2017, there were 23 recorded cases of collective labour actions in Hong Kong enterprises, and 20 cases (87%) involved violation of Mainland China labour laws by the enterprises.

#### **3.1.1 More than 70% of cases related to missing severance pay.**

Over 70% (17 cases) of collective labour actions were related to missing severance pay (“financial compensation” in Mainland China) by enterprises. Similar to previous years, Hong Kong enterprises used illegal or irregular approaches such as relocation, transfer of ownership, transformation, long-time overdue of wages and other illegal approaches to force “voluntary resignation” by employees, so as to avoid paying severance pay. GuangXie of Electronic Science and Technology in Shenzhen Co. Ltd. is one of the examples..

GuangXie of Electronic Science and Technology in Shenzhen Co. Ltd. is a fully owned subsidiary of the Ridgetech Electronic Technologies Limited which is a Hong Kong registered company owned by Taiwan-owned Long Sail Electronic Co. Ltd. and Viscount Industries Co. Ltd. The company produces transformer and demagnetizer for computers and other electronic products. There are about 500 employees in its workshop at its peak, but only 120 workers left in May 2016. In June 2011, workers went on strike to protest wages below Shenzhen prefectural standard for wage and overtime work wages. After 4-day strike, the employer agreed to raise wage and pay back wage difference to workers, but refused the request to pay back social insurance premium. The workers returned to work as there was no other option.

In 2016, the factory was relocated to Huizhou due to operation difficulties. Notice on arrangement and treatment on relocation was put up in February, not mentioning compensation arrangement if workers would not relocate with the factory. When the factory started to relocate the machines gradually, some workers demanded the factory

to explain arrangement for workers not relocating with the factory, which received no positive response. On 23 May 2016, during another round of relocation of the factory, workers went on strike and tried to stop the factory from moving the machines. Local labour department intervened but no achievement was made. On the next day, with assistance from labour organization in Mainland China, workers elected their representatives and presented their demands including paying back social insurance premium, housing provident fund and financial compensation payment (as clearing of work years), and requested the employer to negotiate with workers<sup>6</sup>.

The employer responded to the demand when the strike went on to 30 May, and agreed that the factory will stop relocation and pay back workers' social insurance premium and housing provident fund. But the employer refused to clear workers' work year as the relocation was stopped, and the workers were requested to return to work within 3 days or they will be terminated due to absenteeism. Workers persisted with the strike. With the intervention of local labour unions, on 1 June, the employer agreed to sign an one-off compensation agreement on clearance of work years, payback of financial compensation, social insurance premium and housing provident fund, and other matters. The workers continued their work at the factory after receiving the compensation<sup>7</sup>.

In the above incident, though the factory gave in after days of strike and intervention of local labour organizations and local labour unions, and paid back financial compensation, it was observed that it has become a common practice for employers to refuse compensation entitled by workers who would not relocate with the factories. On 5 May 2016, workers went on strike at Dongguan Creative Kingdom Plastic Products Co., Ltd as the employer refused to pay financial compensation to workers who would not relocate with the factory. Workers said the employer claimed to have support from local government and police was called to put down workers' action and some workers were injured. There was no record on whether the workers were successful in claiming back financial compensation<sup>8</sup>.

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<sup>6</sup> [http://wickedonna.blogspot.hk/2016/05/2016524\\_11.html](http://wickedonna.blogspot.hk/2016/05/2016524_11.html)

<sup>7</sup> [http://blog.sina.com.cn/s/blog\\_4b79809f0102wsuj.html](http://blog.sina.com.cn/s/blog_4b79809f0102wsuj.html)

<sup>8</sup> <http://wickedonna.blogspot.hk/2016/05/201655-56.html>

According to Article 40(3) of Law of Employment Contract, in case of “[t]he objective circumstance has altered significantly, on which the conclusion of the labor contract is based, which results in that the labor contract is unable to be performed. And no agreement concerning the modification of contents of the labor contract is reached after consultations between the employer and the worker”, the employer may discharge the labor contract after it notifies the worker himself/herself in written form 30 days in advance or after it pay the worker an extra month’s salary, and pay economic compensation to workers according to the number of years he has worked for the employer by the rate of one month’s salary for each full year he worked, according to Articles 46 and 47. Relocation of the enterprise involves change of work location in employment contract, and the enterprise should negotiate with employees and business relocation should be made only when an agreement is reached. However, the Law on Employment Contract did not define the meaning of “altered significantly” in the clause which left a grey area in law where Hong Kong enterprises exploited the employees.

### **3.1.2 About half of the cases were related to overdue wages**

Among the recorded collective labour actions, nearly 50% involved overdue wages and a number of cases involved international bank suppliers. Zindart Manufacturing Limited in Hengli Town of Dongguan Prefecture was one of the cases.

Dongguan Xinda Toy & Gift Co., Ltd. was set up in 1978 and a well-known Hong Kong toys company which produced plaster and alloy metal toys and models. It used to supply Mattel and Disney, and had about 20,000 workers at its peak. With the shrinkage of global market and rise in production cost, Zindart Manufacturing Limited only had a few thousand workers by May 2016. On 30 May 2016, a strike took place in front of the factory workshops. Workers accused the factory for relocating some products and machines to other places secretly, and suspected the owner was planning to relocate or close the factory shortly. By that time, workers’ wages were already overdue for 2 months and the social insurance premium for 4 months. The workers started a strike and encircled the factory to stop it from moving machines and products, a section of the road was blocked as well<sup>9</sup>.

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<sup>9</sup>Report on the incident by Mingpao:

[https://news.mingpao.com/pns/dailynews/web\\_tc/article/20160704/s00013/1467568446431](https://news.mingpao.com/pns/dailynews/web_tc/article/20160704/s00013/1467568446431)

On the very first day of the strike, a large group of police officers were on alert on the site. On 31 May 2016, second day of the strike, workers planned to march to file their petition to the local government department, but the government mobilized riot police to put down the action and arrested more than 10 workers. Workers returned to factory workshop after they were arranged to file their complaint with local government departments, and arrested workers were released late night. The strike continued till 2 June 2016 when the employer put up a notice outside factory workshop announcing that employees will receive 2-month overdue salary, and requested the workers to end the strike with the arrangement. However, after the company released the overdue wage, it announced closure of the factory. The workers lost their jobs. A few hundred workers stayed at the factory after its closure to stop the company from moving remaining stocks and machines. There was no record on whether the workers were successful in claiming their severance pay entitled.

In fact, many overdue wages cases were related to factory closure. Upon closure of the factories, government departments rejected workers' claim for full amount compensation. It was common that workers were arranged by the government to accept discounted salary payment or compensation. Workers usually faced huge challenge in claiming the overdue wages.

### **3.1.3 Fewer collective labour actions in Hong Kong enterprises; more closures of medium to small factories.**

Among the recorded cases of collective labour actions in Hong Kong enterprises this year, the number of affected workers has significantly reduced compared to reports in last two years. In the Report of 2014-15, there were 25 recorded cases with estimated 150,000 affected workers<sup>10</sup>. In the Report of 2015-16, there were 35 recorded cases but number of affected workers was estimated to be 50,000 only<sup>11</sup>. In this report, there are 23 recorded cases but only 10,000 workers were estimated to be affected. Since

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<sup>10</sup> [http://www.hkctu.org.hk/cms/article.jsp?article\\_id=1420&cat\\_id=12](http://www.hkctu.org.hk/cms/article.jsp?article_id=1420&cat_id=12)

<sup>11</sup> Investigative Report on Labour Rights in Hong Kong Enterprises in China 2015-2016, HKCTU, [http://www.hkctu.org.hk/cms/images/userfile/file/2015-16%20Labour%20Rights%20Violation%20Report\\_Chi\\_Final.pdf](http://www.hkctu.org.hk/cms/images/userfile/file/2015-16%20Labour%20Rights%20Violation%20Report_Chi_Final.pdf)

the Guangdong Province launched its industries restructuring policies in 2008, the big scale low-end manufacturing industries which used to rely on the low labour costs of the Pearl Delta region, under the pressure of government policies and the rapidly rising wages in Pearl Delta since 2008, have moved away from its center to places such as Huizhou, Shantou, Qinyuan where labour costs are lower. Except the few big factories such as Foxconn (Hong Kong-listed Taiwan company) which managed to stay in the location by upgrading production or factors of the specific industries, most of the big low-end manufacturing industries have already moved away from the Pearl Delta region.

According to statistics of the National Statistics Bureau<sup>12</sup>, in 2008, there were 20,258 enterprises owned by overseas capital (including Hong Kong, Taiwan and Macau) in Guangdong Province. By 2015, the number has dropped to 13,380. In 7 years, 7,000 enterprises owned by overseas capital have moved out of Guangdong or were closed. At the same time, analysis of official statistics of Guangdong Province informed us that enterprises owned by Hong Kong, Taiwan and Macau capital constituted 31.6% of the large scale industries<sup>13</sup> in Guangdong Province, a reduction of 1.9% from 2015. In the Report of 2015-2016, 13 of the cases involved big factories with more than 1000 employees. But in this report, there were only 4 collective labour action cases recorded in large factories, which shows that relocations of big Hong Kong-owned factories from the Pearl Delta region are mostly completed. The ones remaining are mainly low-end or medium to small scale factories which are unable to upgrade or relocate, and left behind in the competition.

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<sup>12</sup> <http://data.stats.gov.cn/easyquery.htm?cn=E0103>

<sup>13</sup> “Large scale industries” means 100% state-owned enterprises, or non-state-owned enterprises with more than RMB 5 million annual revenue from core business in 1998 – 2006. In 2007 – 2010, the term refers to industries with more than RMB 5 million annual revenue from core business. Since 2011, the term refers to industry enterprises with more than RMB 20 million annual revenue from core business.

### **3.2 CSR practice of transnational corporations in Mainland China**

With globalization of capital, most of the international brands have subcontracted productions to manufacturers to reduce their costs. The procurement terms offered by these international brands have direct impact on the labour conditions. The conditions they offered to the suppliers directly affects the employment conditions of the workers. According to this report, contrary to the image of good CSR promoted by these international brands, many of their suppliers violated labour laws in Mainland China, resulting in collective actions to defend labour rights.

This research found that 9 cases (39%) out of 23 recorded cases of collective labour actions happened in suppliers to international brands, including electronics, toys, automobile industries (as per below table). Most of these international brands were marketed or have subsidiaries in Hong Kong to handle their sales and marketing. Though many international brands emphasize their concern on impact of productions process on environment, labour and communities, and their respect to stakeholders' rights, research data showed that many international brands were only paying lip service to CSR.

#### **Violations on international agreement by international brands still serious, responsibility to monitor suppliers not fulfilled.**

As the below table shows, 45% (4 cases) among the 9 cases where workers launched industrial actions in Hong Kong-owned supplier for international brands, there were violation of one or more of the three basic labour rights (rights to organize, strike and collective bargaining). In the remaining 55% of the cases 5 (cases), insufficient information was available on the actual conditions of three basic labour rights. As control on media in Mainland China tightened and the Chinese Communist Party's ban to report on strikes, the actual number of collective labours actions should be higher than what was recorded by this report. As stipulated by ILO Convention No. 87, Convention on Freedom of Association and Protection of the Right to Organize, and ILO Convention No 98, Convention on Right to Organize and Collective Bargaining, and Article 8 of International Covenant on Economic, Social and Cultural Rights, the three basic labour rights are basic human rights and transnational

corporations and government have responsibilities to ensure they are respected. However, as shown by examples of the below table, famous brand names in various industries are turning a blind eye on violation on labour rights and treatment.

**Situation of three basic labour rights during strikes or collective labour actions in Hong Kong-owned suppliers to international brands as recorded by media in 2016 - 2017**

<b>Reasons for strikes / collective labour actions</b>	<b>Brand names supplied</b>	<b>Company / Hong Kong mother company</b>	<b>Situation of 3 basic labour rights</b>	<b>Highlights on 3 basic labour rights</b>
Avoid severance pay by forcing workers to resign by reducing their income.	Huawei, Asus, Lenovo, Apple, Meizu, Samsung, Xiaomi, etc.	Foxconn Technology Group / FIH Mobile Limited, formerly Foxconn International Holdings Limited	Insufficient information	Insufficient information
Missing severance pay through relocation of factory	Lego, Hasbro, Disney, Spin Master, McDonald's, etc.	Dongguan Creative Kingdom Plastic Products Co., Ltd / Morning Light Intelligent Printing Group Limited	Right to strike: violated Right to organize: violated	The employer contacted the police and riot police entered the factory on 5 May to crack down the workers. A few workers were injured and one worker arrested. Security guard of the factory also attached workers on strike and injuries were reported.
Missing wages, missing severance pay upon company closure	Mattel, Disney	Zindart Manufacturing Limited	Right to strike: violated Right to organize: violated	A large group of police arrived at the scene on the day of the strike, and injured and arrested several workers on strike on 31 May.

Overdue wages and high-temperature subsidies, missing housing provident fund, missing severance pay upon relocation of factory, etc.	Panasonic, Denon, Fostex, Marentz, Rotel, Vtech, etc.	Dongguan Jifu Metallic Products Co Ltd. / Wisefull Technology Limited	Right to strike: violated Right to organize: violated	More than a hundred police cracked down the strike and arrested at least 8 workers. The union of the factory was headed by senior management of the company.
Overdue wages and high-temperature subsidies, missing housing provident fund, missing severance pay upon relocation of factory.	Siemens, FIAT, Audi, Tesla, Toyota, Ford, Volvo, etc.	Hopeful Rubber Manufacturing Company Limited) / Hopeful Rubber Group Holdings Limited	Insufficient information	Insufficient information
Had agreement with employees on additional compensation (for voluntary resignation by employees, but failed to honour agreement afterwards.	Pepsi, Master Kong	Pepsico Investment (China) Limited) /Cayman Islands Holding Corporation	Insufficient information	Insufficient information
Missing severance pay upon contract termination with employees	DELL, Sony, Nestle, Acer, etc	Jiangsu Lee & Man Paper Manufacturing Co Ltd ) / Lee & Man Paper Manufacturing Limited	Insufficient information	Insufficient information

Overdue wages	3M, Sony, KONICA MINOLTA, JVC, TDK, Hitachi, Maxell, SKC, Saehan Media	Dongguan Yiukong Plastic & Electronics Manufactory) / Acme Group of Companies	Insufficient information	Insufficient information
Missing wages, missing severance pay upon factory closure	Chow Seng Seng, Maybelline, etc.	(Luxbetter Electronic Technology Co. Ltd.) / Luxbetter Technology (International) Limited	Insufficient information	Insufficient information
Layoff, missing social insurance premium	Huawei, Asus, Lenovo, Apple, Meizu, Samsung, Xiaomi, etc	FIH Mobile Limited, formerly Foxconn International Holdings Limited	Right to strike: violated Right to organize: violated	Local government requested dispersal of the workers on 31 March on the site, police arrived afterwards and arrested 13 workers who were not willing to leave.

Since 2011, the OECD Guideline for Multinational Enterprises has included clauses on due diligence of transnational corporations to ensure their suppliers comply to the principles and terms of the OECD Guideline for Multinational Enterprises, including respect to rights to collective bargaining and rights to organization (which also included rights to strike) <sup>14</sup>. However the above incidents have shown that many international brands have less concern on whether the supply chain enterprises comply with local labour laws than how to make the most profit out from low labour and production costs from the producing countries. CSR is a mere scrap of paper to these enterprises and no actions were taken to ensure the production is in accord to rights of the labour.

The Dongguan Jifu Metallic Products Co Ltd., as shown on the above table, produced metal shell, panel and heat dispenser for computers and other electronic parts for Panasonic and Marantz and other electronic brands. 300 workers went on strike in May 2016 as the employer extended overtime work arbitrarily without paying overtime work wages, delayed in paying social insurance premium and housing provident fund, and did not pay for high-temperature subsidies. On the second day of the strike, a large group of police cracked down the strike and arrested at least 7 worker representatives involved in the strike. There was no record on whether the workers reached agreement with the employer in the end<sup>15</sup>. Most of the manufacturers involved in the above incidents supplied to international brands owned by corporations from countries which are signatories to the OECD Guideline for Multinational Enterprises. These corporations have the responsibilities to ensure that manufacturers on their supply chain comply with local labour laws but none of them took actions or responded to the illegal practices of their suppliers. CSR and international agreement bear no weight to these international brands.

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<sup>14</sup>What is OECD Guideline for Multinational Enterprises? The OECD Guidelines for Multinational Enterprises (the Guideline) includes standards on integrative responsible business conduct that 44 adhering governments agreed on through multilateral negotiation, which they pledged to recommend their enterprises to observe wherever they operate. The Guideline is the only government-backed guideline on integrative responsible business conduct developed through multilateral negotiations. As of 2011, the Guideline has included clauses on due diligence of multinational enterprises towards their suppliers to ensure compliance with the principles and terms of the Guideline, including respect to right to collective bargaining and right to organize (right to strike inclusive).

<sup>15</sup> [http://wickedonna.blogspot.hk/2016/06/2016531\\_73.html](http://wickedonna.blogspot.hk/2016/06/2016531_73.html)

According to Articles 10 – 12 of the General Policies of the OECD Guideline for Multinational Enterprises<sup>16</sup>, transnational corporations should carry out due diligence to identify, prevent and mitigate actual and potential adverse impacts, through their own activities or that of their suppliers, on matters covered by the Guidelines (including complying with laws of the producing country, and respecting rights to organize and collective bargaining), and account for how these impacts are addressed. The HKCTU considers that international brands should actively monitor if operations of their suppliers comply with the OECD Guideline for Multinational Enterprises, and set up mechanism to blacklist or disclose information of manufacturers with multiple offence on workers’ rights and violations to labour laws, so as to exert pressure on the suppliers to improve workers’ treatment and ensure that workers’ basic rights are fully respected.

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<sup>16</sup> According to Article 10 – 12 of the General Policies of the OECD Guidelines for Multinational Enterprises, multinational enterprises should:

(10) Carry out risk-based due diligence, for example by incorporating it into their enterprise risk management systems, to identify, prevent and mitigate actual and potential adverse impacts as described in paragraphs 11 and 12, and account for how these impacts are addressed. The nature and extent of due diligence depend on the circumstances of a particular situation.

(11). Avoid causing or contributing to adverse impacts on matters covered by the Guidelines, through their own activities, and address such impacts when they occur.

(12). Seek to prevent or mitigate an adverse impact where they have not contributed to that impact, when the impact is nevertheless directly linked to their operations, products or services by a business relationship. This is not intended to shift responsibility from the entity causing an adverse impact to the enterprise with which it has a business relationship.

## **Part IV: Analysis of the monitoring system of Hong Kong listed companies**

In our last report, the HKCTU revealed that a number of branches or subsidiaries of companies listed in Hong Kong have violated the three basic labour rights and the labour laws of mainland China in their operations. The report also pointed out that labour related issues under the social area are considered for “recommended disclosure” by the HKEx’s “Environmental, Social and Governance Reporting Guide” (the Guide), which is a voluntary disclosure and unable to assist the public and investors to monitor if publicly listed companies have violated labour rights and labour laws in their production and operation process. In view of this, the HKCTU, in last year’s report and response to consultation on review of the Guide by the HKEx, has proposed adjustment on key performance indicators of the social area to include information on terms and mode of employment, violations of OECD Guideline for Multinational Enterprises, and raise the level of disclosure requirement to “comply or explain” to exert more pressure on publicly listed companies on information disclosure. Unfortunately, these proposals were not accepted by the HKEx in its amendments on the Guide.

### **4.1 Effectiveness of voluntary disclosure doubted**

In this report, 5 incidents of labour collective actions happened in mainland China branches or subsidiaries of 4 publicly listed companies. Two of the five incidents were small scale labour actions involving less than 5 persons, the remaining actions involved 20 – 100 people and one of it happened in March 2017 and no disclosure record were found in the company’s annual report. The Hong Kong listed companies, Tingyi (Caymen Islands) Holdings Corp. (HK Stock Number: 0322) or Master Kang, and Global Bio-Chem Technology Group Company Limited<sup>17</sup> (HK Stock Number: 0809), were involved in other two labour collective actions. They did not disclose any incidents of collective labour actions in the report, but only claimed to respect labour rights and will pay close attention to compliance to local labour laws in operation in other districts. No disclosure on realization of rights to organize, rights to strike and rights to collective bargaining, or labour collective actions were included in the report. Similarly, the annual report of Master Kang

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<sup>17</sup>Global Bio-Chem Technology Group Comapy Limited, 2016 Environmental, Social and Governance Report: <http://www.cninfo.com.cn/finalpage/2017-06-30/1203674719.PDF>

or Tingyi (Caymen Islands) Holdings Corp.<sup>18</sup> only mentioned the company will ensure compliance to local labour laws in company operations, and benefits, trainings and occupational safety for employees, but no information on implementation or occurrence of labour collective actions was provided.

In 2011, the Master Kang or Tingyi (Caymen Islands) Holdings Corp. announced acquisition of PepsiCo China, and planned for large scale lay-off, salary reduction or clearing of work years in 2013. The plan aroused discontent of many employees and the union planned to launch nation-wide slow-down work to force the company to offer “preferential retirement” with terms better than labour law to employees close retirement age to encourage early retirement, in order to cut labour cost. The company promised the employees to offer “preferential retirement” in April and October 2015, and April and October 2016. However, in April 2015, when the first batch of employees was arranged for retirement, employees found that the company did not honour its promise. Some employees’ resignations were not approved, and some did not receive preferential retirement payment. The workers started to protest outside the company in June 2016 and were beaten up by security guard employed by the company. There was report that some workers lost their eyesight during the incident but the company claimed it to be untrue and emphasized that relevant arrangements will continue. In August 2016, employees who applied for retirement in April 2016 had similar treatment. About 100 workers protested outside the company and requested the company to honor its promises on “preferential retirement”<sup>19</sup>. The nature of this incident was quite different from other workers’ protests triggered by violation of labour laws, as it was triggered by a bounced check of employee policy. In view of this, on top of legal compliance, publicly listed company should also replace brief information on the annual report by information on labour collective actions to assist investors and the public to have better understanding on labour conditions of the company.

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<sup>18</sup>Tingyi (Caymen Islands) Holdings Corp. 2016 Annual Report:  
<http://202.66.146.82/listco/hk/tingyi/annual/2016/car2016.pdf>

<sup>19</sup>Related news report: <https://tw.appledaily.com/new/realtime/20160818/931645/>

As publicly listed companies raise funds from investors through the stock market in Hong Kong, investors should have rights to full information on use of fund and whether the operation comply with corporate social responsibility. However, the HKEx's "Environmental, Social and Governance Reporting Guide" could not effectively protect the rights-to-know of the public and investors. The HKCTU reckons that the HKEx should level up the key performance indicators of disclosure on social area from voluntary disclosure to "comply or explain", to exert more pressure on publicly listed companies to reveal relevant information.

## **Part V Recent labour movement in Mainland China**

### **5.1 Foreign and Hong Kong investments move out from Guangdong and even China, under the industrial upgrading policy of government.**

The international financial crisis in 2008 has caused negative growth in export trade in mainland China, and the industrial center in Pearl Delta Region in Guangdong province was most heavily hit. The then Guangdong Province Secretary Wang Yang proposed the “clearly the cage for new birds” policy to promote relocation and transformation of industries, and demanded the labour intensive, high energy consumption and high polluting factories to move out of the Pearl Delta Region, to provide space to attract more technologically advanced enterprises. The early stage of the implementation of the policy was not smooth. In 2010, the provincial government decided to increase sewage fee of high polluting industries and electricity fee of targeted industries, and allocated a 5-year budget totaled RMB500 million to support underdeveloped regions in the province to develop industrial parks in order to encourage the enterprises to move to these regions. Under such policies, there were waves of factory relocation and closure in Guangdong Province in last 10 years, and low-end factories of foreign enterprises were most affected.

As mentioned in previous paragraphs, according to statistics from the National Statistics Bureau, the number of industrial enterprises owned by foreign capital in Guangdong Province, including Hong Kong owned enterprises, dropped from 20258 to 13380 despite occasional increase. 7000 enterprises owned by foreign capital moved out of Guangdong Province or were closed in the past 7 years<sup>20</sup>. According to reports of Hong Kong Statistics Department from 2010 to 2015, Hong Kong companies’ direct investment in Guangdong Province only had slight increase during 2008 to 2015, with occasional incidents of decrease. On the other hand, Hong Kong companies’ direct investment in provinces other than Guangdong showed continuous growth with growth rate higher than that in Guangdong Province<sup>21</sup>, reflecting the fact that Hong Kong companies were expanding their production to other provinces in

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<sup>20</sup> <http://data.stats.gov.cn/easyquery.htm?cn=E0103>

<sup>21</sup> [https://www.censtatd.gov.hk/hkstat/sub/sp260\\_tc.jsp?productCode=B1040003](https://www.censtatd.gov.hk/hkstat/sub/sp260_tc.jsp?productCode=B1040003)

response to rise in production costs in Guangdong. At the same time, some Hong Kong companies were expanding their production to other countries. Johnson Electric, which was reported to associated with serious occupational leukemia in factories in mainland China in last year's report, was planning to expand factories in Brazil, Serbia and Mexico in response to rising labour costs in mainland China<sup>22</sup>. This is a good example of the report of Hong Kong Federation of Industries (please refer to page 3 of this report), Hong Kong enterprises with considerable scale and capacity have gone beyond geographical limitations and expanded production to other countries. With this background, labour actions happened frequently in response to factory relocation and closure, and overdue wages.

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<sup>22</sup>2015/16 Annual Report of Johnson Electric: [http://www.johnsonelectric.com/-/media/files/annual-and-interim-reports-pdf/sc/c\\_annual-report-2016.ashx?v=23dc06f12c8f491995da599c875aa418](http://www.johnsonelectric.com/-/media/files/annual-and-interim-reports-pdf/sc/c_annual-report-2016.ashx?v=23dc06f12c8f491995da599c875aa418)

## **5.2 Government suppression on labour rights actions**

### **5.2.1 Suppression on workers' freedom to association might cause serious set-back in labour rights**

In December 2015, the Guangdong government started to arrest labour NGO workers. Labour organizations became more low-profile when intervening in labour disputes in order to avoid suppression from the police. Labour organization staff arrested and sentenced for participating in and organizing strikes in Li De Shoes Company, Zhu Xiao-mei, Zheng Fei-yang, Tang Huan-yu and Meng Han, were already released. Though Zhu Xiao-mei, Zheng Fei-yang and Tang Huan-yu were put on probation, they still have to wear wrist band with GIS function to monitor their whereabouts to restrict their work in labour right protection. Meng Han, who was sentenced for 12 months, was also released in early September 2017. The national security agents boarded on the bus when Meng Han and his girlfriend were going home and requested Meng Han to leave Guangzhou and return to his hometown. Meng Han refused and the National Security left after 8-hour stalemate. But Meng Han was still under close monitoring by the national security. The incident reflected the difficult situation of labour activists under the close monitoring by mainland China Government. According to the International Labour Convention, workers' right to organize, strike and collective bargaining are basic human rights of workers. The above sentencing was clearly targeting individuals who participated in strikes, intervened in labour disputes and organized workers for defending their rights and advocacy, which was strong suppression on workers' freedom to association. As the Chinese Government is planning to amend the Labour Contract Law in recent years<sup>23</sup>, some local government officials proposed to abolish requirements on financial compensation so as to release burden of the enterprises<sup>24</sup>. If their proposal were accepted, there will definitely be set-back in labour rights in China, as the workers could not enjoy freedom to associate to fight back with collective power.

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<sup>23</sup> [http://www.gdftu.org.cn/xw/rd/201711/t20171115\\_901649.htm](http://www.gdftu.org.cn/xw/rd/201711/t20171115_901649.htm)

<sup>24</sup> [http://www.gdftu.org.cn/xw/rd/201711/t20171115\\_901649.htm](http://www.gdftu.org.cn/xw/rd/201711/t20171115_901649.htm)

### **5.2.2 Laws used to control civil society and restrict operations of labour rights groups**

The Law on the Administration of Activities of Overseas Non-Governmental Organizations within the Territory of China and the Charity Law came into effect in January 2017 and September 2016 respectively, which seriously restricted and affected activities and fund source of human rights groups in mainland China. According to the Charity Law, only organizations focusing on poverty alleviation, disaster relief, education and other recognized work can, with prior approval, raise fund publicly in the capacity of individuals or organizations<sup>25</sup>. Human rights groups, due to their work nature, often encounter difficulties in applying for organization registration, let alone the qualification for public fund-raising. The Law on the Administration of Activities of Overseas Non-Governmental Organizations within the Territory of China also requires all operations related to poverty alleviation, disaster relief and education in mainland China and joint-programme by local NGOs and overseas organizations have to report to the public security department and other related government departments. The law also requires the organizations to submit complete financial report listing programme content, fund source and budget<sup>26</sup>. Administrative means are used to control civil organizations and restrict the work of human rights groups.

### **5.2.3 Suppression on freedom of press stripped public access to information**

As mentioned previously (please refer to page 15 of this report), in June 2016, Lu Yu-yu and his girlfriend Li Ting-yu, registered as “Wickedonna” on the Twitter, recorded and disseminated incidents of collective rights defending actions in Mainland China, were prosecuted by a court in Yunnan for “picking quarrels and provoking trouble” for releasing news different from official information. Lu Yu-yu and Li Ting-yu have been recording collective rights actions, focusing on labour collective actions and strikes on the internet since October 2012. As media in mainland China had been banned from reporting strikes and labour collective actions, Wickedonna was an important platform for news on collective actions in

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<sup>25</sup> [http://www.npc.gov.cn/npc/dbdhhy/12\\_4/2016-03/21/content\\_1985714.htm](http://www.npc.gov.cn/npc/dbdhhy/12_4/2016-03/21/content_1985714.htm)

<sup>26</sup> [http://news.xinhuanet.com/legal/2016-04/29/c\\_1118765888.htm](http://news.xinhuanet.com/legal/2016-04/29/c_1118765888.htm)

mainland China. The prosecutor accused Lu Yu-yu for releasing false information against the government, but actually, Lu Yu-yu's main source of information was reports by official media, and his reports usually have more than one source of information<sup>27</sup>, and the accusation of "picking quarrels and provoking trouble" was not un-substantiated. The incidents have further hampered the limited access to information on collective actions, and searching information on public rights defense cases has also become a taboo. Suppression on freedom of press and public access to information by the Chinese government has made it extremely difficult to access to information on labour rights actions in mainland China.

#### **5.2.4 Government and enterprises joint hands to suppress labour rights actions, government intervention forced workers to accept compensation.**

In recent years, employers would proactively contact workers planning for collective actions for negotiations, sometime even government departments would request employers to negotiate. However, most of the reconciliation plans offered to the employees included compensation much lower than legal requirements, and if government departments are involved in the negotiation process, they often force employees to accept offers of employers. The labour dispute of Guangzhou Robust Water November 2016 was an example. As the Groupe Danone was planning to sell its stocks of Robust Water to Chinese enterprise Win Holding Co., Ltd<sup>28</sup>, workers requested the Groupe Danone to pay their severance pay first, in order to avoid missing compensation in case the company does not honor its promise. A number of staff from Labour Bureau and public security arrived at the second round negotiation and took away two workers' representatives. One worker had a heart attack during the incident and was taken to the hospital<sup>29</sup>. According to workers at the scene, the employer requested the workers to sign agreement and accept employers' offer before dismissed workers could return to work. In the end, most workers on strike had no alternative but to sign the agreement to accept employers' offer.

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<sup>27</sup> Court hearing on Lu Xu-yu of Feixinwen, but citizens were not able to attend the hearing, Free Asia Radio: <http://www.rfa.org/mandarin/yataibaodao/renquanfazhi/yf2-06232017113438.html>

<sup>28</sup> <http://redballoonsolidarity.org/2305.html>

<sup>29</sup> <http://redballoonsolidarity.org/2344.html>

Moreover, the strikes at Shenzhen Artigas Clothing & Leatherware Factory in December 2014 and June 2015 were also examples of how the employers colludes with the government to suppress workers' labour action. In the second half of 2014, there was news that the factory was going to be merged with another factory under its mother company Levi's Group, and will ask workers to sign new contract with the new company. However, the company did not reveal any plan about contract arrangement and details of workforce arrangement, and the factory has not paid for workers' social security and housing provident fund for several years. Workers requested negotiation with the employers but was refused. Workers then went on strike on December 2014. Workers' strike was suppressed by the public security on the eighth day. A few workers were beaten and injured, and more than 20 workers were arrested, workers were forced to return to work immediately<sup>30</sup>. In June 2015, as the time of factory relocation was getting closer, as there was still no plan on workers overdue social security premium and housing provident fund, workers requested negotiation again but the employer turned down the request again and dismissed one of the workers' representative Wu Wei-hua, which led to workers' strike. The public security arrived at the scene and arrested Wu Wei-hua who was dismissed, which led to discontent of workers who marched to the police station. The public security arrested another 10 persons at the scene and released the arrested workers later except Wu Wei-hua. Local government departments responsible for social stability and company management visited the workers on strike one by one, and asked them to sign voluntary resignation agreement and accept compensation much lower than legal provision. Under the double pressure from employer and government, workers were forced to sign voluntary resignation agreement<sup>31</sup>.

The above two cases revealed the fact that collusion between enterprises, government and public security was getting stronger. Such immediate suppression on workers' strike has reduced opportunity for labour groups to

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<sup>30</sup> <http://redballoonsolidarity.org/69.html>

<sup>31</sup> Investigative Report on Labour Rights in Hong Kong Enterprises in China 2015-2016, HKCTU, [http://www.hkctu.org.hk/cms/images/userfile/file/2015-16%20Labour%20Rights%20Violation%20Report\\_Chi\\_Final.pdf](http://www.hkctu.org.hk/cms/images/userfile/file/2015-16%20Labour%20Rights%20Violation%20Report_Chi_Final.pdf)

intervene in labour disputes, and to contact and organize workers. Even though Xi Jin-ping emphasized “governing the nation according to law”, local government shielded enterprises and suppressed workers, and forced workers into mediation to accept compensation much lower than legal provision. This was obviously against the rationale of “governing the nation according to law”<sup>32</sup>.

### **5.3 Inaction of All-China Federation of Trade Unions**

In mainland China, according to the Union Law, workers can only form their unions under the guidance and monitoring of All-China Federation of Trade Unions (ACFTU), otherwise, the union would be illegal. As a result, there is only one union in mainland China and that is the ACFTU. The website of the ACFTU claimed that unions in China are workers’ organization voluntarily formed under the leadership of the Chinese Communist Party (CCP), it is a bridge and connection between the party and the mass workers, and an important social support to state sovereignty, representatives of union member and employee interest. ACFTU should be the leading organization of federations of unions and nation-wide organization of trade unions, and it is led by the CCP central secretary. In mainland China, there is no independent labour movement.

Most of the time, the union did not help workers to build platform and channel to communicate and negotiate with employers. Workers’ grievances continue to accumulate but were suppressed, which eventually turn into collective action. For example, in the collective labour action in Shenzhen Baode Toys’ Factory in 2013, the union did not provide any assistance to the workers, but communicated and negotiated with the employer on behalf of the employees, and requested the employer to pay back missing old age insurance premium for the last 10 years. The workers wrote to different departments and organizations including the Shenzhen Federation of Trade Unions, but the union did not respond to the workers. The workers had to turn to collective action as the last resort to defend their rights.

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<sup>32</sup>[http://paper.usc.cuhk.edu.hk/webmanager/wkfiles/2012/201406\\_39\\_paper.pdf](http://paper.usc.cuhk.edu.hk/webmanager/wkfiles/2012/201406_39_paper.pdf)

Another example is the strike in Coca-Cola in mainland China in November 2016. In 2016, Coca-Cola announced to sell its bottling factory in mainland China to China National Cereals, Oils and Foodstuffs Corporation (COFCO) and Swire Beverages. In the three factories in Chongqing, Sichuan and Jilin which will be taken up by COFCO, workers were discontented because the Coca-Cola did not inform employees before selling the factory, on top of COFCO's infamous records in transfer of brand-names food enterprise. Collective action was launched. According to the workers, union of Coca-Cola in Chongqing collected request from over 300 workers and presented to the employer. But the employer replied that only ownership of the company will be changed while the operation of the factory will not be affected, and promised the employees that there won't be any change in employment contract<sup>33</sup>. Workers were not satisfied with the response, but the union did not follow up on workers' request. Workers eventually went on strike on 21 November 2016. The incident reflected that the union was not able to play its role to raise demand to the employer, and did not take any follow up action when the workers' demands were turned down, which led to the strike in the end. When the workers launched the strike, the union did not fully performed its role and protect the workers, and did not take any action when workers went on strike. This reflects that the union was playing a very passive and inactive role in the incident.

If a union has to consider government's need in its operation, the union would become the regime's tool to maintain stability and the management's tool to suppress workers' resistance. The union at Foxconn was a typical example. According to interview with Foxconn workers conducted by the organizations, workers were not aware of the existence of union after they joined the company, until the serial suicide incidents in 2010. The workers said that when the union signed the latest collective contract in 2015, the contract stated that workers will enjoy annual salary increase of 3%, but in fact, salary was not increased, which was an obvious violation of collective contract<sup>34</sup>. The incident revealed that the Guangdong Province Collective Contract Law put into effect in 2015 was not implemented with the non-functioning of All-China Federation of

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<sup>33</sup> <http://finance.sina.com/bg/economy/sinacn/20161124/15441526732.html>

<sup>34</sup> How union election as controlled? <https://www.youtube.com/watch?v=9vehlTrhIE0>

Trade Unions. When employees were dissatisfied with working conditions, unions helped the employer to pacify workers' grievances. In collective labour actions, the unions even helped the employer to identify workers' leaders so that the employer can easily dismiss them, and union staff even beaten up workers fighting for their rights<sup>35</sup>. Union became a running dog of the employer and an easy tool for the employers to suppress workers' leaders.

As space of civil society in mainland China continue to shrink, it was difficult for labour groups to organize workers and form collective power. Workers' rights in mainland China do not have any protection, when the yellow unions sometimes even supported the employers to suppress the workers defending their rights. Prosecution on collecting and disseminating news on collective actions, together with suppression and control on labour right groups, have made it extremely difficult to monitor labour situation in mainland China. Labour conditions and development of labour movement in mainland China are worrying.

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<sup>35</sup>The horror stories between workers and union at Foxconn  
[https://www.youtube.com/watch?v=3w\\_yKZ\\_S8vE](https://www.youtube.com/watch?v=3w_yKZ_S8vE)

## **Part VI: Conclusion**

23 labour dispute cases involving Hong Kong companies were recorded by the media from May 2016 to April 2017. More than 85% of these cases started as a result of the companies violating Chinese law. There was a 28% decrease in the number of collective cases within a year. More than 70% of the strikes began due to severance payment, and more than 50% are related to wage arrears. Hong Kong companies used all kinds of methods to avoid paying severance payment to abide by the law and arrear wages. Many workers were notified of the shutdown of the company at the last minute. It is extremely hard for workers to recover default wage and severance payments, especially when the government sides with the employees.

The Hong Kong Exchanges and Clearing Limited (HKEx) as an agent that monitors listed companies, should formulate policies and carry out decisions in a stricter manner. The lack of transparency by HKEx fails to protect the labour rights of Chinese workers and minor shareholders' right to know.

On the other hand, world-known brands such as Apple, Samsung, Audi, Disney, etc. are in connivance with suppliers to exploit labour rights. Many of these foreign enterprises have signed the OECD Guidelines for Multinational Enterprises, but do not abide by the guidelines.

The massive suppression on civil society and labour movement, from the suppression on labour NGOs activists in Guangdong, to sentencing Lu Yuyu in June 2016, than the establishment of Charity Law in September 2016 and The Law on the Administration of Activities of Overseas Non-Governmental Organizations within the Territory of China in January 2017, show that the civil movement and the publics' right to know are suppressing by the government. Also in the recent years, there are more and more cases that the enterprises and local government are working together when labour disputes occur. They use different methods to divide and suppress the workers on strike, in order to resolve or suppress the workers before it form collective disputes. As the Chinese government are planning to revise the "Labour Contract Law" in the near future, and the lack of organised,

collective power among workers, the labour situation will become harder in the future.

Year-Month-Date (First day of collective labour actions)	Location	Address	Nature of the Incident	Reasons for strikes / collective labour actions	Sector	Brand names supplied	Enterprise	Parent Company in HK	Hong Kong List Company Number	Scale/Size (Strike, Collective Workers' Rights Defending Actions/Total Employees)	Police surveillance, blockage and even detention of workers' rights defenders	History of Strike (Including enterprise, parent company and related subsidiaries)	Remark
2017-03-21	Huizhou	Shaliu Village, Longxi Town, Ganghu Road, Bokuo County	Blocking the road, protesting outside the company	Social insurance, Layoffs	Phone components, Electronic products	Huawei,Asus, Lenovo, Apple, Meizu, Samsung, Xiaomi etc.	Anpinda Precision Industry (Huizhou) Co., Ltd.	FIH Mobile Limited (was called Foxconn International Holdings Limited before) (Taiwan Enterprise listed on HK Stock Market)	02038	Around 70 workers protesting outside the factory.	The local government department came and ask the protesting workers to leave. Than the police arrived and arrested 13 workers that refused to leave.	In october 2014, around 1000 workers were on strike in the Foxconn Industrial area in Chongqing, since the management reduce their overtime worker which lowered their income. They ask the management to raise their basic salary and improve other welfare policies. They at last reach an agreement with the management.	
2017-01-06	Shenzhen	4th Block, Xinlanhe Industrial Park, Baoan	Protesting outside the company building	Overdue wage, Missing Serverance pay upon factory closure	LED lights	Chow Seng Seng, Maybelline etc.	Luxbetter Electronic Technology Limited	Luxbetter Technology (International) Limited		Around 50 workers protesting outside the factory.			
2016-12-21	Shenzhen	ACME Industrial Estate, Yue Shan Village,Daling Shan Town	Protesting outside the company building	Overdue wage	DVD, mahnetic tape, plastic products	3M, Sony, KONICA MINOLTA, JVC, TDK, Maxwell, SKC, Saehan Media	Dongguan Yinkong Plastic & Electronics Manufactory	Acme Group of Companies		Around 50 workers were protesting outside the factory.	Dozens polices were there to monitor the situation.		
2016-12-01	Dongguan	The 3rd industrial Zone,Bai Shi Gang,Chang Ping Town	Protesting outside the company building	Overdue wages, Missing social insurance premium, Missing serverance pay upon factory closure	Printing	No data	Grand Mark (Dong Guan) Printing Factory	Grand Mark Printing Co. Ltd.		Around 100 workers joined the protest. There were around 350 workers working there in total.	Polices arrived and ask the protesting workers to put down their banners.		
2016-11-29	Beijing	No data	Protesting outside the company building	Overdue wage	Service sector		Hong Kong Daohui Investment Group Limited	Hong Kong Daohui Investment Group Limited		Workers sticcked their protest banners on the door outside the company, but the number of people who joined the protest was unknown.			
2016-11-18	Guangzhou	167 Minsheng Road Langhe Town, Panyu District	Strike, Protesting outside the company building	Missing social insurance premium	Toys and electronics	No data	Maintown Guangzhou Industrial Co Ltd	Maintown Industries Limited		Around 200 workers protesting outside the factory. There was around 1500 workers working in the factory in total.			
2016-10-11	Dongguan	No. 51 Xingwang Road, Fenggang Town	Strike, Protesting outside the company building	Overdue wage	Raw materials for bags, sports goods, shoes etc and plastic products	No data	Dongguan Famous Leader Plastics Co., Ltd.			More than 100 people went on strike and protesting outside the company.	A few dozens of polices arrives and some sources indicated that some of the workers on strike were arrested.		
2016-09-11	Shenzhen	Songgang No.1 Industrial Village, Dianzhan Road, Baoan District	Strike	Missing serverance pay upon relocation of factory	Metallics	No data	New Dong Bo Metal Products Limited	Dong Bo Metal Products Limited		Around 1000 workers went on strike.			

2016-09-03	Dongguan	Jingmei 168 Industrial Zone, Dongkengzhen, Dongxing East Road	Protesting outside the company building	Missing severance pay upon factory relocation.	Electronic Products	No data	Dingmei Electronic Manufacturing Company	Europe Electronic Manufacturing Limited	-	Around 20 worker protesting outside the factory.	-	-
2016-09-01	Jiangsu	Lee & Man Road, Yanjiang Industrial Park, Changshu Economic Development Zone	Protesting outside the company building	Missing severance pay while not renewing the workers contract	Paper, packaging	Dell, Sony, Nestle, Acer etc.	Jiangsu Lee & Man Paper Manufacturing Co Ltd	Lee & Man Paper Manufacturing Limited	02314	Around 5 workers protested outside the company.	-	Member of Federation of Hong Kong Industries
2016-08-19	Shanghai	No. 1688, Wuzhong Road, Minhang, Shanghai	Protesting outside the company building	The company agreed to give the workers a good 'package' if they quit their job but broke the promise.	Food and Beverage	Pepsi, Master Kong	Pepsi (Master Kong) Beverage Limited	Tingyi (Cayman Islands) Holding Corp. (Taiwan invested enterprise listed on Hong Kong Stock Market)	0322	Around 100 workers protesting outside the company.	-	April 2015, the first group of workers who agreed to receive the company's offer to quit their job with a good compensation, they found that the company broke their deal after they quitted the job. They launched a protest outside the company and the company arranged their security guards to suppress the protest. They injured some protesting workers and some resource noted that one of the protested became blind because of the injury.
2016-08-01	Shenzhen	4th Floor, 19th Block, Baishisha New District, Fuyong, Baoan	Protesting outside the company building	Outsourcing company overdue the employees wages	Lights	No data	Shenzhen Tyki Lighting Technology Co., Limited - Yiding Labour Outsourcing Company	Hong Kong Tyki Lighting Technology Co., Limited	-	Around 20 workers protested outside the company	No data	-
2016-07-19	Meizhou	Gongzikang Bio-industrial Park, Tianxin Village, Dazhezhen, Pingyuan	Protesting outside the local Labour Department office	Overdue wages, Missing severance pay upon factory closure	Watch case, metallics	No data	Timeway (Pingyuan) Metal Ware Factory Limited (Dissolved)	Timeway Metal Ware Factory Limited	-	Around 500 people were protesting outside Pingyuan local labour department.	-	-
2016-07-11	Dongguan	Shatou The Second Industrial Park, Changan Town	Blocking the road, protesting	Overdue wages, Missing severance pay upon factory closure	Toys	No data	Dongguan Changan Shatou Li Da Toy Manufacturing Limited	No data	-	Around 500 workers	Workers was protesting at 11th July and they blocked part of the mainroad. Police arrived and suppressed the protest. More than 10 people were arrested or injured.	-
2016-07-06	Jiangmen	5th Block, NO. 49, Shuguang West Road, Kaiping, Jiangmen	Collective court case	Overdue wages, Missing severance pay upon factory closure	Retailing	No data	Kaiping Yue Rong Retailing Ltd.(Dissolved)	Hong Kong Hang Lei Trading Co. Ltd.(Dissolved)	-	197 workers had protested outside the factory but did not received any response, so they sent the letter to the local court. The Officials seized the assets and sold them off to pay their overdue wages.	No data	-

2016-06-30	Shenzhen	Songbai Road Gongming Part, Baoan Qu, Shenzhen,	Protesting outside the town office	Missing severance pay upon factory relocation,	Watch components	No data	Kam Po Watch (Shenzhen) Ltd.	Kam Po Watch Industrial Co Ltd	-	Around 30 workers protest outside the local government office to ask the government officer to help with the situation.	Police were in the location	-	-
2016-06-25	Jilin	Yangwu Rd, Lvyan Qu, Changchun Shi	Protesting outside the factory	Cutting staff without paying severance pay	Corn processing and Agricultural by-products processing	No data	Dacheng Biochemical Technology Group Company Ltd.	Global Bio-chem Technology Group Company Limited	0809	Around 20 workers were out protesting outside the factory.	No data	-	-
2016-06-03	Shenzhen	No. 11, Guangqian Industrial Park, Xili Town, Nanshan District, Shenzhen (Relocated)	Strike, Protesting outside the factory	Overdue wages, Missing Housing Provident Fund and High Temperature Allowance, Missing Severance Pay upon relocation of the factory	Car Components, Machine Components, Medical Tools, Baby Goods etc.	Siemens · FIAT · Audi · Tesla · Dongfeng Motor · Guangqi Honda · Toyota · Ford · Volvo etc	Hopeful Rubber Manufacturing Company Limited	Hopeful Rubber Group Holdings Limited	-	50 people were on strike outside the factory and the factory had 2000 workers working there before relocation.	-	-	Member of The Chinese Manufacturers' Association of Hong Kong
2016-05-30	Dongguan	No. 5 , Dalingbian Road, Shahu Village, Tangxia, Dongguan, Guangdong Province	Strike, protest outside the factory.	Overdue wages, missing severance pay upon factory relocation, missing social insurance premium (Housing provident fund and high temperature allowance	Electronics, Metal	Panasonic, Denon, Fostex, Marentz, Rotel, vtech etc.	Donggunc Jifu Metallic Products Co. Ltd.	Wisefull Technology Limited	-	Around 300 workers were protesting outside the factory. There were around 2500 workers working there at that time.	More than 100 polices were there and suppressing the workers on strike. At least 8 workers were arrested.	-	-
2016-05-30	Dongguan	Xincheng Industrial Estate, Hengli Town, Donguang City	Strike, protest outside the factory.	Overdue wages and missing servance pay upon the factory closure	Toys	Mattel, Disney	Dongguan Xinda Toy & Gift Co., Ltd.	No data	-	Around 500 workers were on strike outside the factory and block the road outside. There were around 1000 workers working in the factory at that time.	A lot of police arrived in the beginning of the strike. They started to arrest and suppress the workers on strike on the 31st May 2017.	-	-

2016-05-24	Shenzhen	Pilot Electronic Industry Estate, Sili Road, Kukeng Village, Guanlan Street, Bao An District, Shenzhen, Guangdong Province, P.R.C	Strike and collective bargaining	Missing severance pay upon factory relocation. Missing social insurance premium (pension insurance and housing provident fund)	Computer components	No data	Guang Xie Electronic Technologies Co., Ltd	Ridgetech Electronic Technologies Limited (Hong Kong Registered Taiwan invested company)		Around 120 workers were on strike	The workers elected the representatives under the advice of a local labour NGO, but the negotiation failed. Then the local union intervened and the workers received their missing social insurance premium in cash.	In June 2011, 400 workers in the factory were on strike due to low wages issue and the company pay the workers' overtime rate lower than the minimum wages. They ask the company to increase their basic rate, repay the missing overtime wages and the missing social insurances. After 4 days of the strike, the company agreed to pay the wage differences and raise the basic wages, but it refused to repay the missing social insurances. The workers agreed with the terms and went back to work.
2016-05-05	Dongguan	Third Road Industrial District, Pu Xin, Shipai Town, Dongguan, Guangdong, China	Strike	Missing severance pay upon factory relocation.	Plastic Products, Toys	Lego · Hasbro · Disney · Spin Master · McDonald's etc.	Dongguan Creative Kingdom Plastic Products Co., Ltd	Morning Light Enterprise Ltd.		50 Factory workers were out on strike and the total amount of workers in the factory were around 700	The management of the factory call the police in and suppress the workers on strike.	
2016-05-04	Shenzhen	No.2,2nd Donghuan Road,10th Yousong Industrial District,Longhua,Baoan,Shenzhen City,Guangdong Province,China	Attempted Suicide	Reduce the	Phone components, Electronic products	Huawei · Asus · Lenovo · Apple · Meizu · Samsung · Xiaomi etc.	Foxconn Technology Group	FIH Mobile Limited (was called Foxconn International Holdings Limited before) (Taiwan Enterprise listed on HK Stock Market)	02038	8 workers were on the roof of the factory building and attempt to commit suicide, in order to protest for the company reduced their workload to lower their income.	Factory contact the police and fireman to come and negotiate with the workers, than ask them to go back to a safe positions.	In October 2014, around 1000 workers were on strike in the Foxconn Industrial area in Chongqing, since the management reduce their overtime worker which lowered their income. They ask the management to raise their basic salary and improve other welfare policies. They at last reach an agreement with the management.