

Apple discloses suppliers for the first time

January 13 2012, By BARBARA ORTUTAY , AP Technology Writer



This Wednesday, March 9, 2011 file photo shows an Associated Press reporter demonstrating the Apple iPad 2 in San Francisco. Apple Inc. is disclosing the list of suppliers for the iPhone, iPad and other popular gadgets for the first time amid growing criticism of the labor and environmental practices of many of these companies, especially in China. (AP Photo/Jeff Chiu, FILE)

(AP) -- Apple has disclosed a list of its suppliers for the iPhone, iPad and other popular gadgets for the first time amid growing criticism over labor and environmental practices, especially in China.

The list for years has been strictly and fervently protected. Even a glimpse of an [Apple iPhone](#) or its components before a public release

became a source of intrigue and controversy. Investors have played a guessing game about which contractors would become Apple's next supplier, or who was on the outs.

[Apple](#) disclosed its list of its suppliers responsible for 97 percent of its procurement expenditures worldwide. Some examples are [Intel Corp.](#), Broadcom Corp., Amphenol Corp. and [Sanyo Electric](#) Co.

The transparency may be a sign of changes coming to the Cupertino, Calif. company in the post-Steve Jobs era under CEO [Tim Cook](#).

The 2012 "Supplier Responsibility Progress Report" released Friday, documents 229 audits throughout its supply chain last year by Apple Inc. That's up 80 percent from 127 audits in 2010.

The audits found labor, health, health and environmental violations, including instances of underage labor and discrimination based on pregnancy. Apple also outlined its response to each of the violations that were uncovered, which included ending its relationship with repeat offenders and requiring companies to come up with measures to prevent them from occurring again.

The report was issued a day after distraught workers who make Microsoft's Xbox video game consoles at Foxconn Technology Group climbed to the top of a six-story dormitory and threatened to jump to their deaths. No one did, but the incident highlights growing labor unrest in China. Foxconn is a unit of Taiwan's Hon Hai Precision Industry Co. that makes iPads and iPhones for Apple.

There was a rash of suicides at the massive Foxconn plant in 2010 in the city of Shenzhen. About 300,000 people work at the plant and industrial park. Plant managers installed nets to prevent more people from committing suicide by jumping from the roof.

In its report, Apple found that 78 of the company's suppliers complied with antidiscrimination standards it has set for them. But only 61 percent of them had systems in place to prevent discrimination from happening.

Nearly all - 97 percent - prevented underage labor. But only 72 percent had policies in place keep it from happening.

Just 38 percent of the suppliers observed Apple's working-hours policies, and 69 percent followed its code for wages and benefits.

In all, the audits found 74 percent of the suppliers to be in overall compliance with Apple's policies. Examples of violations included testing job candidates for Hepatitis B, conducting pregnancy tests and exceeding weekly limits of 60 working hours. Apple said 109 facilities it audited did not pay proper overtime wages.

In another shift, Apple also joined the Fair Labor Association, a group of companies and universities focused on improving [labor](#) practices. It conducts unannounced, random audits on its members' factories.

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