

Annual Green Bond Impact Report



2018 Update



Apple's Green Bonds

\$2.5 billion

Apple has allocated \$2.5 billion of green bond proceeds—in less than three years. These allocations reflect Apple's commitment to projects that benefit our planet.

Apple is committed to leaving the world better than we found it, and that commitment is considered in everything we do—from how we design our products to the processes we use to produce and recycle them. We believe it's more important than ever that companies like Apple continue to demonstrate leadership in protecting our planet. In February 2016, we issued our first green bond (the 2016 Green Bond). It was also the first green bond issued by any U.S. tech company and, at \$1.5 billion, the largest green bond issued by any U.S. corporation.

Following the historic climate change agreement at the 2015 United Nations Climate Change Conference (COP21) in Paris, we wanted to demonstrate how businesses can lead in driving the reduction of global emissions. In June 2017, following the U.S. Administration's announcement of its intention to withdraw from the agreement reached at COP21, we issued our second green bond (the 2017 Green Bond), this time for \$1 billion.

We hope to inspire other companies to follow.

Our prior-year annual impact update report covered the full allocation of Apple's 2016 Green Bond (\$1,494.5 million¹), and \$162.8 million of Apple's 2017 Green Bond. This year's annual impact report covers the full allocation of Apple's 2017 Green Bond (\$995.2 million¹) on environmental projects that incurred spend between June 20, 2017, and September 29, 2018—the end of Apple's 2018 fiscal year.

We've allocated 2017 Green Bond funds to a total of 28 eligible projects, including eight new projects in fiscal year 2018. These projects contribute to our three environmental priorities where we believe we can make the greatest impact:

- Reducing our impact on climate change by using renewable energy sources and driving energy efficiency in our facilities, products, and supply chain.
- Pioneering the use of safer materials in our products and processes.
- Conserving precious resources.

Project Selection and Evaluation

A broad range of teams within Apple submitted projects for the allocation of green bond proceeds. Projects were selected based on the following factors:

- Alignment with eligibility criteria
- Reflection of our three environmental priorities
- Magnitude of environmental impact
- Measurability of environmental benefits
- Feasibility to track and audit project expenditures
- Allocation of funds within the eligible period (since the date of the applicable green bond issuance)

Apple systematically calculates the environmental benefits of projects we implement, using this information to inform decision-making within the company. For the projects selected for the allocation of green bond proceeds, we measured the following performance indicators:

- Green buildings—Constructed square footage
- Renewable energy—Installed capacity and estimated energy generation
- Energy efficiency—Electricity and natural gas savings
- Water conservation—Water savings
- Waste diversion—Waste diverted from landfills

We believe these indicators help reflect the scale of impact that we expect our projects to have.

2017 Green Bond Allocation

Projects

28

\$995.2 million
(100% allocated)

By Category (in millions)



\$75.47

Renewable
energy



\$608.03

Green
buildings



\$165.56

Energy
efficiency



\$85.82

Water
efficiency



\$21.06

Recycling/materials
recovery



\$2.76

Greener
materials



\$36.5

Environmental
design

Projected Environmental Benefits

The 28 projects to which Apple allocated green bond funds since issuance are estimated to result in the following environmental benefits.

1,366,200 sq.ft.

Green buildings

1,157,371,500 kWh

Renewable energy generation² (annual)

267 mw

Newly installed renewable energy capacity

47,600 metric tons

Waste diverted from landfills

5,870,100 gal.

Water savings (annual)

724,900 metric tons co₂e

Greenhouse emissions avoided³ (annual)

2,077,000 kWh + 29,000 therms

Energy savings (annual)

Apple's 2017 Green Bond funded new and ongoing projects. For ongoing, multiyear projects, we included the spend that occurred since issuance of the 2017 Green Bond and the estimated environmental benefits of the entire completed projects.



Apple Champs-Élysées is expected to receive a BREEAM "Very Good" green building rating. Environmental features include energy-efficient lighting, a rainwater collection system, and responsibly sourced materials.

Featured Projects

What follows are a few examples of the projects to which Apple allocated green bond funds in fiscal year 2018. A full list of projects with detailed descriptions and key performance indicators was provided to Sustainalytics for their second-party review. (The Sustainalytics Review is included in the Appendix of this report.)

Apple Champs-Élysées

With our new retail location on the Champs-Élysées, Apple pays tribute to Paris's rich history and creativity—while also staying true to our commitment to the environment. The renovation is expected to receive a rating of "Very Good" from BREEAM, an internationally recognized green building standard. Various environmental design features allowed us to achieve this rating, including use of sustainable materials like wood certified by the Forest Stewardship Council for all tables and wall-mounted merchandising units. The site also features a rainwater collection system that is estimated to reduce the use of municipal potable water by 15 percent each year. The collection system can collect up to 1,800 gallons of water a day for use in bathrooms and for watering interior trees and green walls. To conserve energy, 80 percent of internal lamps were replaced with LED fixtures and more than 25 percent of the floor area uses occupancy sensors for lighting. We installed new windows with high-performance glazing and a free cooling HVAC system to reduce the energy used to keep the building cool. And to support sustainable transportation, the building offers electric vehicle charging points as well as facilities and storage for cyclists. And as with all of Apple's global facilities, Apple sources 100 percent renewable energy to cover its electricity use at Apple Champs-Élysées, supported in part by photovoltaic panels installed on the rooftop.

These environmental features were installed while preserving historic features of the site, including the elegant inner courtyard where Today at Apple sessions are now hosted. And the space embodies Apple's environmental commitment by connecting people to nature through biophilic design. There is natural light not only in the retail space, but also in offices and break rooms. Planted trees and green wall installations integrate living systems indoors. And stone sourced locally from Paris and Burgundy regions further highlight nature in the space.

Distributed Rooftop Solar in Japan

In 2018, we announced that all of Apple's global facilities were powered by 100 percent renewable energy. To maintain that achievement and expand the use of renewable energy in Apple's supply chain, we continue to invest in renewable energy around the world, including in Japan. Our investment contributed to the installation of over 600 solar PV rooftop systems, with a combined capacity of 24.4 MW, to address emissions from Apple's operations in Japan, as well as upstream manufacturing emissions. By aggregating dispersed rooftops, projects like these help to make solar PV more feasible in a space-constrained country, and help scale projects for investors like Apple. Now operational, the projects will produce approximately 42,000 MWh of renewable energy annually, avoiding more than 24,800 metric tons of CO₂e emissions—enough energy to power almost 8,000 Japanese homes for a year.⁴

Prineville Aquifer Storage and Recovery

In Prineville, Oregon, we created a water supply solution to meet the needs of Apple's local data center and the broader community for years to come. We partnered with the City of Prineville to build an Aquifer Storage and Recovery (ASR) system, which uses natural underground spaces to cost-effectively store water throughout the year for use in peak demand months. This is especially important in Prineville, where local water demand can be up to four times higher in the summer than in the winter. With a storage capacity of up to 180 million gallons—significantly more than we use for our data center—the ASR system also helps mitigate future climate-related risks of water shortages. This effort exemplifies the communitywide value that can come from collaborative and strategic water partnerships.



Our trials resulted in a new alloy that delivers the same strength, durability, and flawless finish our customers have come to expect of Apple products.

100% Recycled Aluminum

Our goal to conserve precious resources inspires us to use better materials in our products, even if alternatives are not readily available. We supported the trials needed to validate a new aluminum alloy made of 100 percent recycled materials. Previously, there wasn't an aluminum alloy available that met both our strict performance and cosmetic specifications and our desire for higher recycled content. Our trials resulted in a new alloy that delivers the same strength, durability, and flawless finish our customers have come to expect of Apple products—without mining aluminum from the earth. It's reengineered down to the atomic level to accommodate various scrap sources of aluminum—often contaminated—while keeping its strength and beautiful cosmetics even after multiple rounds of recycling. And this alloy not only reduces the need for mined materials, it also reduces Apple's carbon footprint. In 2015, aluminum smelting was the single largest contributor to Apple's carbon footprint, and in particular, smelting of aluminum used for MacBook notebook computers. Using this new alloy, we made the enclosures of the MacBook Air and Mac mini with 100 percent recycled aluminum, eliminating the need for aluminum smelting and thus cutting the carbon footprint of each product nearly in half. This represents a significant step that supports our work for both materials and climate.

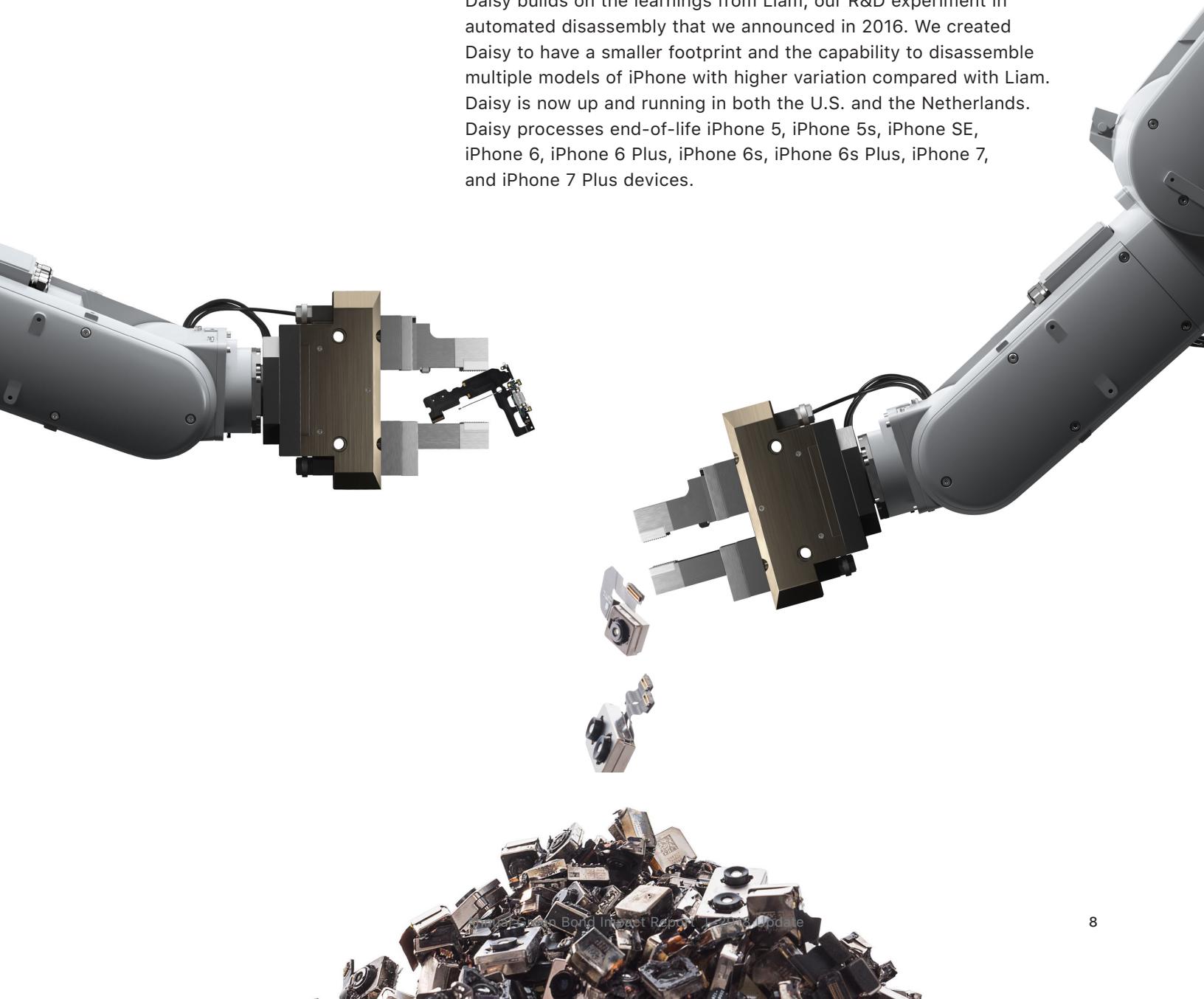


An enclosure made of 100% recycled aluminum helped cut the carbon footprint of the MacBook Air nearly in half.

Daisy, Apple's Materials Recovery Robot

We are also creating innovative ways to recover the materials used in our products, as part of our work to conserve resources. We created our newest disassembly robot, Daisy, to reclaim more of the valuable materials stored in iPhone. Existing techniques, such as shredding, recover only a few kinds of materials and often diminish their quality. Daisy can take apart up to 200 iPhone devices per hour, removing and sorting components, so we can recover materials that traditional recyclers can't—and at a higher quality. By disassembling our products, we can direct components and materials to those recyclers who can recover more of the materials. These materials will then be sent back into secondary materials markets or directly back into our supply chain—reducing the need to mine more resources from the earth.

Daisy builds on the learnings from Liam, our R&D experiment in automated disassembly that we announced in 2016. We created Daisy to have a smaller footprint and the capability to disassemble multiple models of iPhone with higher variation compared with Liam. Daisy is now up and running in both the U.S. and the Netherlands. Daisy processes end-of-life iPhone 5, iPhone 5s, iPhone SE, iPhone 6, iPhone 6 Plus, iPhone 6s, iPhone 6s Plus, iPhone 7, and iPhone 7 Plus devices.



Molded Fiber Tooling

When it comes to our packaging, we are continually looking for ways to improve the materials we use, with the goal of using 100 percent recycled and renewable materials. Until recently, we relied on a petroleum-based plastic, HIPS, for the product support trays in Apple Watch, iPad, and iPhone packaging, critical for protecting our products. Unfortunately, HIPS is not easily recycled and can last for years if released into the environment.

Given these environmental impacts, we have been working to transition our product trays from plastics to molded fiber, a renewable material that is easily recycled within most municipalities' paper recycling schemes. Our performance and aesthetic standards are extremely high, and while HIPS is extremely versatile, traditional molded fiber revealed technical challenges that needed to be overcome to adapt it for our use. Before each product release, we invested in research and development tooling to design the molded fiber for optimal strength and cosmetic properties. This process took molded fiber to the extreme levels of its performance and allowed it to be used in the critical product support trays. Molded fiber has since replaced the plastic trays in all new Apple Watch, iPad, and iPhone packaging. For iPhone, the molded fiber product tray design reduced plastic use in packaging by more than 45 percent. Green bond funds were allocated to molded fiber tooling for multiple released and future products, including the iPhone Xs and XR, and contributed to a reduction in the amount of HIPS used in retail packaging by 2100 metric tons in 2018.

Retail Stores: Responsibly Sourced Wood

Our search for better materials is not limited to our products and packaging, but extends to our stores as well. Our oak tables are a signature feature in Apple Stores, and they integrate sophisticated electrical wiring to support and connect the many different Apple products on display. This past year we began looking beyond the aesthetics and function of the tables, into the way the wood materials were sourced. We committed to sourcing only Forest Stewardship Council (FSC) certified materials for all tables in all new retail stores—hundreds of tables in 2018 alone. FSC certifies only wood made from forests that protect water resources, promote biodiversity, and enhance the lives of workers and local communities. But certification of the forest is only the first step in a complex supply chain of mills, wood product manufacturers, and distributors. That's why FSC requires documentation tracing wood products back to the forests in which they were grown, so that buyers can be sure they are purchasing responsibly sourced products.

Report notes:

- In 2017, select projects received funding from both the 2016 and 2017 Green Bonds. In these instances, the environmental benefits of those projects were allocated to each green bond based on their respective funding ratios. Some of these projects were also allocated green bond funds in 2018; however, previously allocated environmental benefits were not reallocated between the two bonds. Only incremental environmental benefits generated in 2018 were attributed to the 2017 Green Bond.
- Regarding environmental benefits, we estimated the future environmental benefits of projects that are not yet fully operational, including annual renewable energy generation, emissions avoided, and water savings. We estimated emissions avoided using regional emissions factors.

¹Represents net proceeds, after deducting underwriting discounts and expenses.

²Estimated based on renewable energy generation once projects are fully operational.

³Estimated greenhouse gas emissions avoided are as a result of both renewable energy generation and energy efficiency.

⁴Estimate is based on World Energy Council data on average electricity consumption of electrified households in Japan for 2014 (latest available year). <https://wec-indicators.enerdata.net/world.php>.

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Appendix

Sustainalytics Review

Ernst & Young LLP Use of Proceeds Examination

Apple Inc. 2017 Green Bond Annual Review

Type of Engagement: Annual Review

Date: February 6, 2019

Engagement Leader: Zach Margolis, zach.margolis@sustainalytics.com, +1 647 695 4341

Introduction

In June 2017, Apple Inc. issued a \$1 billion green bond (the "2017 Green Bond"). Proceeds from this green bond were allocated to environmental projects across its global business divisions and operations that align with the company's three environmental priorities:

1. Reducing its impact on climate change by using renewable energy sources and driving energy efficiency in its facilities, products and supply chain;
2. Pioneering the use of greener materials in its products and processes; and,
3. Conserving resources.

Apple Inc. engaged Sustainalytics to conduct a review of the 28 projects to which proceeds were allocated from the 2017 Green Bond to assess whether the projects met the Use of Proceeds Eligibility Criteria and the Key Performance Indicators outlined in the Green Bond Framework and below in Tables 1 and 2. Of the 28 projects to which proceeds were allocated from the 2017 Green Bond, 25 received allocations within the 2018 fiscal year. This review follows a previous review, conducted by Sustainalytics in February 2018.

Evaluation Criteria

Sustainalytics evaluated the projects to which funds from the 2017 Green Bond were allocated based on whether the projects:

1. Met the Use of Proceeds and Eligibility Criteria outlined in the Green Bond Framework; and
2. Reported on at least one of the Key Performance Indicators ("KPIs") outlined in the Green Bond Framework.

Table 1 lists the Use of Proceeds and Eligibility Criteria, while Table 2 lists the associated KPIs.

Table 1: Use of Proceeds and Eligibility Criteria

Use of Proceeds	Eligibility Criteria
1. Renewable Energy	Expenditures related to the development of new and ongoing renewable energy projects to reduce emissions in Apple's corporate facilities and supply chain, including solar and wind projects, or the associated energy storage solutions
2. Green Building	Expenditures related to projects that have received within the last three years, or are expected to receive, certification of LEED Gold or Platinum, or BREEAM Very Good, Excellent, or Outstanding "green building" standards, or other regional green building standards.
3. Environmental Design	Expenditures related to the implementation of environmental design elements for new or ongoing building developments, such as high performance mechanical systems, natural ventilation, on-site renewable energy and high performance lighting systems.
4. Energy Efficiency	Expenditures related to energy efficiency projects and technologies for Apple's corporate facilities, products, or supply chain, such as heating, ventilation and air conditioning systems upgrades, lighting retrofits, and energy monitors and controls.
5. Water Efficiency	Expenditures related to water efficiency, water conservation, and water quality projects and technologies for Apple's corporate facilities, products, or supply chain, such as upgrades to water efficient fixtures and water efficient irrigation and increased use of recycled water.

6. Material Conservation	Expenditures related to advancing Apple's goal of a closed loop supply chain that focuses on the entire life cycle of Apple's products, such as projects that improve material efficiency, increase the use of sustainably sourced materials like bio-based plastics, recycled aluminum or responsibly sourced paper, create new sources of these more sustainable materials, and enhance material recovery from Apple's products at the end of their life cycles.
7. Greener Materials	Expenditures related to projects that facilitate the use of materials that are safer for the environment and human health, such as continued elimination of toxic substances commonly used in the industry in accordance with Apple's Regulated Substances Specification (available at http://www.apple.com/environment/reports/).

Table 2: Key Performance Indicators

Key Performance Indicators	
Green Buildings	<ul style="list-style-type: none"> Total floor area of eligible green building space (square feet)
Renewable Energy	<ul style="list-style-type: none"> Renewable energy installed capacity (kW or MW) Energy produced from renewable sources (kWh or MWh) GHG emissions avoided (in metric tons CO2e)
Energy Efficiency	<ul style="list-style-type: none"> Energy saved aggregate (kWh or therms) GHG emissions avoided from retrofits (tons CO2e)
Water	<ul style="list-style-type: none"> Water use savings (gallons)
Waste	<ul style="list-style-type: none"> Waste diverted from landfills (tons) Waste recycled or composted (tons)
Resource Use	<ul style="list-style-type: none"> Bio-based material use (% of material in product) Recycled content use (% material in product)

Issuing Entity's Responsibility

Apple Inc. is responsible for providing accurate information and documentation relating to the details of the projects that have been funded, including descriptions of projects, estimated and realized costs of projects, and project impacts.

Independence and Quality Control

Sustainalytics, a leading provider of ESG and corporate governance research and ratings to investors, conducted the verification of Apple Inc.'s 2017 Green Bond Use of Proceeds. The work undertaken as part of this engagement included collection of documentation from Apple Inc. employees and review of documentation to verify conformance with the 2017 Green Bond Framework.

Sustainalytics has relied on the information and the facts presented by Apple Inc. with respect to the Nominated Projects. Sustainalytics is not responsible nor shall it be held liable if any of the opinions, findings, or conclusions it has set forth herein are not correct due to incorrect or incomplete data provided by Apple Inc.

Sustainalytics made all efforts to ensure the highest quality and rigor during its assessment process and enlisted its Sustainability Bonds Review Committee to provide oversight over the assessment of the review.

Conclusion

Based on the limited assurance procedures conducted,¹ nothing has come to Sustainalytics' attention that causes us to believe that, in all material respects, the reviewed bond projects, to which proceeds from the 2017 Green Bond were allocated, are not in conformance with the Use of Proceeds and Reporting Criteria outlined in the Apple Inc. Green Bond Framework. Apple Inc. has disclosed to Sustainalytics that the proceeds of the 2017 Green Bond were fully allocated as of the end of Apple's 2018 fiscal year (September 29, 2018).

Detailed Findings

Table 3: Detailed Findings

Eligibility Criteria	Procedure Performed	Factual Findings	Error or Exceptions Identified
Use of Proceeds Criteria	Verification of the 28 projects to which Apple allocated proceeds from the 2017 Green Bond to determine if the projects aligned with the Use of Proceeds Criteria outlined in the Green Bond Framework and above in Table 1.	All 28 of the reviewed projects aligned with the Use of Proceeds criteria.	None
Reporting Criteria	Verification of the 28 projects to which Apple allocated proceeds from the 2017 Green Bond to determine if their reported environmental benefits aligned with the KPIs outlined in the Green Bond Framework and above in Table 2. Refer to Appendix 1 for a breakdown of the environmental impact reported by category.	19 of the reviewed projects reported at least one KPI per Use of Proceeds criteria. The nine outstanding projects do not have relevant reporting requirements.	None

¹ Sustainalytics' limited assurance process includes reviewing the documentation relating to the details of the projects that have been funded, including description of projects, estimated and realized costs of projects, and project impacts, which were provided by Apple Inc. Apple Inc. is responsible for providing accurate information. Sustainalytics has not conducted on-site visits to projects.

Appendix 1: Allocation and Impact by Eligibility Criteria

Use of Proceeds and Eligibility Criteria Category	FY2018 Amount Allocated (\$M)	Total Amount Allocated (\$M)
1. Renewable Energy	65.72	75.47
2. Green Building	502.16	608.02
3. Environmental Design	36.50	36.50
4. Energy Efficiency	127.43	165.56
5. Water Efficiency	85.82	85.82
6. Material Conservation	12.34	21.06
7. Greener/Safe Materials	2.45	2.76
TOTAL	832.42	995.20

Key Performance Indicator	Impact Reported
Green Building	1,366,200 sq ft
Water savings (annual)	5,870,100 gallons
Waste diverted from landfill	47,600 metric tons
Newly installed renewable energy capacity	267 MW
Renewable energy generation (annual) ²	1,157,371,500 kWh
Greenhouse gas emissions avoided (annual)	724,900 metric tons CO2e
Energy savings (annual)	2,077,000 kWh + 29,900 therms

² Impact reporting for renewable energy generation and avoided emissions includes projected values for some projects which are currently not yet fully operational.

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The Opinion was drawn up with the aim to provide objective information on why the analyzed bond is considered sustainable and responsible, and is intended for investors in general, and not for a specific investor in particular. Consequently, this Opinion is for information purposes only and Sustainalytics will not accept any form of liability for the substance of the opinion and/or any liability for damage arising from the use of this Opinion and/or the information provided in it.

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The client is fully responsible for certifying and ensuring its commitments' compliance, implementation and monitoring.

Sustainalytics

Sustainalytics is a leading independent ESG and corporate governance research, ratings and analytics firm that support investors around the world with the development and implementation of responsible investment strategies. With 13 offices globally, the firm partners with institutional investors who integrate ESG information and assessments into their investment processes. Spanning 30 countries, the world's leading issuers, from multinational corporations to financial institutions to governments, turn to Sustainalytics for second-party opinions on green and sustainable bond frameworks. Sustainalytics has been certified by the Climate Bonds Standard Board as a verifier organization, and supports various stakeholders in the development and verification of their frameworks. Global Capital named Sustainalytics the "Most Impressive Second Party Opinion Provider in 2017. In 2018, the firm was recognized as the "Largest External Reviewer" by the Climate Bonds Initiative as well as Environmental Finance. In addition, Sustainalytics received a Special Mention Sustainable Finance Award in 2018 from The Research Institute for Environmental Finance Japan for its contribution to the growth of the Japanese Green Bond Market.

For more information, visit www.sustainalytics.com

Or contact us info@sustainalytics.com





Building a better
working world

Report of Independent Accountants

To the Management of Apple Inc.:

We have examined management's assertion, included in Exhibit A, that proceeds raised from the June 2017 Green Bond offering were fully allocated to qualifying Eligible Projects that met the Eligibility Criteria set forth in Table 1 of Exhibit A for the period between June 20, 2017 and September 29, 2018 (the "Criteria"). Apple Inc.'s ("Apple") management is responsible for the assertion and having a reasonable basis for its assertion. Our responsibility is to express an opinion on the assertion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether management's assertion is fairly stated, in all material respects. An examination involves performing procedures to obtain evidence about management's assertion. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of management's assertion, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination was not conducted for the purpose of evaluating the completeness of the Eligible Project disbursements, the amount of Eligible Project disbursements by Eligibility Criteria, the environmental benefits of the Eligible Projects, or any other information included in Apple's Annual Green Bond Impact Report, 2018 Update. Accordingly, we do not express an opinion or any other form of assurance other than on the amount of Eligible Project disbursements.

In our opinion, management's assertion is fairly stated, in all material respects, based on the Criteria.

Ernest & Young LLP

February 13, 2019

San Jose, California



Exhibit A - Management's Assertion on Green Bond Allocations

Management of Apple Inc. is responsible for complying with the requirements as defined in our Final Prospectuses Filed Pursuant to Rule 424 on June 14, 2017 (the “Green Bond Offering”). We assert that net proceeds from the Green Bond Offering were fully allocated to qualifying Eligible Projects that met the Eligibility Criteria set forth in Table 1 below for the period between June 20, 2017 and September 29, 2018.

Table 1 – June 2017 Green Bond Offering Eligibility Criteria	
Renewable Energy	<ul style="list-style-type: none">Expenditures related to the development of new and ongoing renewable energy projects to reduce emissions in our corporate facilities and supply chain, including solar and wind projects, or the associated energy storage solutions.
Green Building	<ul style="list-style-type: none">Expenditures related to projects that have received within the last three years, or are expected to receive, certification of LEED Gold or Platinum or BREEAM Very Good, Excellent, or Outstanding “green building” standards, or other regional green building standards.
Environmental Design	<ul style="list-style-type: none">Expenditures related to the implementation of environmental design elements for new or ongoing building developments, such as high performance mechanical systems, natural ventilation, on-site renewable energy, and high performance lighting systems.
Energy Efficiency	<ul style="list-style-type: none">Expenditures related to energy efficiency projects and technologies for our corporate facilities, products, or supply chain, such as heating, ventilation and air conditioning systems upgrades, lighting retrofits and energy monitors and controls.
Water Efficiency	<ul style="list-style-type: none">Expenditures related to water efficiency, water conservation, and water quality projects and technologies for our corporate facilities, products, or supply chain, such as upgrades to water efficient fixtures and water efficient irrigation and increased use of recycled water.
Recycling/Materials Recovery	<ul style="list-style-type: none">Expenditures related to advancing our goal of a closed loop supply chain that focuses on the entire life cycle of our products, such as projects that improve material efficiency,

Apple
One Apple Park Way
Cupertino, CA 95014

T 408 996-1010
F 408 996-0275
www.apple.com



increase the use of sustainably sourced materials like bio-plastics, recycled aluminum or responsibly sourced paper, create new sources of these more sustainable materials, and enhance material recovery from our products at the end of their life cycles.

Green Materials

- Expenditures related to projects that facilitate the use of materials that are safer for the environment and human health, such as continued elimination of toxic substances commonly used in the industry in accordance with our Regulated Substances Specification (available at <http://www.apple.com/environment/reports/>).

Any proceeds allocated to Eligible Projects in our supply chain represent expenditures made by Apple Inc. or any of its subsidiaries. Apple Inc. or its subsidiaries directly invest in Eligible Projects in its own facilities or its suppliers' facilities.

Apple
One Apple Park Way
Cupertino, CA 95014

T 408 996-1010
F 408 996-0275
www.apple.com