



People and Environment in Our Supply Chain

2021 Annual Progress Report



All photography showing supplier employees without masks were taken prior to the COVID-19 pandemic.

**"Apple is a
technology company,
but we never forget
that the devices we
make are imagined by
human minds, built
by human hands, and
are meant to improve
human lives."**

—Tim Cook, CEO

A Letter from Sabih Khan

No year challenged us like this one, and no year taught us more. A pandemic changed everything about how we live and work, and most importantly, reinforced just how essential it is to put people's health first in everything we do.

Apple's annual People and Environment in Our Supply Chain report is where we share our progress and lessons learned over the past year. But I want to start with a message of gratitude to our teams and to the global network of Apple suppliers. You set an example of care for one another's health, innovating through every challenge, and helping bring technology to our users at a time when we've never relied on it more.

Those innovations didn't just happen at the margins. Apple and our suppliers reimaged every detail of how we work, manufacture and share our products with the world. And we did all of that while supporting the pandemic response anyway we could, by investing in and scaling assembly lines to make millions of masks and face shields, and contributing to first responders and relief efforts on the frontlines of the pandemic.

No one report can capture the breadth of the lessons we learned or the protocols we implemented. From the early days of the pandemic, we worked hand-in-hand with our suppliers to redesign our processes with maximum care for people's health: reconfiguring factory floors to allow for social distancing, adopting flexible working hours to limit density, implementing frequent deep cleaning protocols, offering on-site testing, and deploying masks, face shields, sanitizers and other essential medical equipment at a global scale.

In all this work, we took a comprehensive approach to protecting workers' health and safety at every level of our supply chain. Our teams worked closely with suppliers to make sure workspaces and employee housing met strict standards on density and social distancing. We made health and safety information available in our supplier employees' preferred



Sabih leads Apple's global supply chain, which includes Environment and Supply Chain Innovation.

language. And throughout the pandemic, as suppliers safely began resuming operations, Apple teams continued to visit manufacturing facilities, assess health and safety practices, and work collaboratively with our suppliers to innovate and adapt.

The lessons we learned form the basis of new updates to our Supplier Code of Conduct and Supplier Responsibility Standards on Infectious Disease Preparedness and Response, including trainings, dedicated response teams, and infectious disease reporting systems we plan to continue for the long-term. But we also saw an immediate need to share lessons learned with our industry peers, including a suite of pandemic response tools we created for the more than 170 member companies of the Responsible Business Alliance.

A global focus on people's health did not distract us from the essential work of holding ourselves accountable to the highest standards for labor and human rights. We provided our suppliers with resources and best practices from international labor rights organizations, reiterated the standards in our Supplier Code, and directly consulted more than 250,000 supplier employees about their workplace experiences. In the few instances where our standards were not met, we moved quickly to provide remedies to all those affected — and in some cases, to suspend our business with suppliers while we took steps to prevent those violations from happening in the future. Accountability remains a crucial pillar of our work and an important driver of our progress.

Amid all this complexity, it's remarkable to consider the innovations this year brought. Our suppliers

helped bring to life innovations like the first 5G iPhone, the all-new M1 chip for Mac, and a new generation of Apple products to help our customers stay healthy, connected, creative and learning despite the isolation a pandemic brought. Once again, we saw how deeply interconnected global economies are, and how crucial it is for businesses to be a source of opportunity, innovation and resilience — even and especially in difficult circumstances.

Adapting to COVID-19 was an all-hands-on-deck effort, but it didn't distract us from making strides in all our long-standing work to support and empower the people in our supply chain. In 2020, our teams conducted 1,121 supplier assessments in 53 countries to ensure compliance with our Code of Conduct. And as of this year, more than 21 million supplier employees have received rights trainings, and we've reached 4.6 million with education, skill-building and enrichment courses. We also pushed forward in our work to prevent debt-bonded labor — mapping the labor agencies that support our suppliers, and providing resources and trainings through the Responsible Labor Recruitment Toolkit we developed in partnership with the United Nation's International Organization for Migration. Apple has zero tolerance for forced labor, and we look for evidence of it in every assessment we conduct. Those assessments continued through the COVID-19 pandemic — along with interviews of supplier employees and independent audits — and found no evidence of involuntary labor on any Apple production lines. And in all our work, we continued to set and enforce the highest standards for labor and human rights, health and safety in the workplace, and environmental protection.

Last year, we also made landmark progress in our environmental work, becoming carbon neutral as a company and pledging to do the same across our supply chain and for the lifetime use of our products. To date, more than 110 of our suppliers, across industries and around the world, have committed to transitioning to 100% renewable energy for all their Apple manufacturing. Even as we've led the industry in responsible mineral sourcing, new innovations in recycled and renewable materials continue to move us closer to our goal of one day making our products without taking resources from the earth. We've made great progress toward that goal, with all our suppliers' final assembly sites for key products having achieved 100% zero waste certification.

None of these efforts would be possible without the strong partnership and teamwork from our supply chain, whose hard work, innovation and resilience make it possible for us to share incredible technology with the world. No one company can solve truly global challenges, but we're hopeful that our supply chain can be a ripple in the pond that inspires far greater change.

We've always acted on the premise that if you're not finding ways to improve, you're not looking hard enough. In a year that asked us to innovate and adapt in everything we do, I can't think of a better way to honor the lessons we learned than pushing ourselves to be the best company — and the best supply chain — we can be in our respect for people's health, dignity, and the fundamental rights we all share.

—Sabih Khan

Table of Contents

2020 in Review

2020: By the numbers
2020: Accelerating progress

04

Education and Professional Development

Providing opportunities for the future of work

01

Supplier Responsibility

A global opportunity
The highest standards
Accountability at every step
Embedding our values from start to finish
Working in partnership

02

Labor and Human Rights

The Apple Human Rights Policy
Upholding labor and human rights
Responsible labor recruitment
Responsible materials sourcing

03

Health, Safety, and Wellness

Our response to the COVID-19 pandemic
A culture of safety
Advancing smarter chemistry in manufacturing
Health and wellness programs

05

Environment

Our environmental strategy
Building a carbon neutral supply chain
Driving energy efficiency
Transitioning to renewable electricity
Direct emissions abatement
Advancing water stewardship
Eliminating waste in manufacturing

06

Supplier Performance and Development

Our assessment process
Understanding assessment results
Measuring supplier performance
Driving improvement

07

Additional Resources

Additional resources
Aligning with the UN Guiding Principles on Business and Human Rights
Supplier COVID-19 Health and Safety Guidance
COVID-19 Supplier Survey
Supplier COVID-19 Labor and Human Rights Guidance

2020

in review

2020: By the numbers

Labor and human rights

470+

labor agencies mapped across 10 higher-risk countries

\$32.4M

in recruitment fees paid back by suppliers to 36,980 workers since 2008

254,265

supplier employees directly engaged about their workplace experiences

21.5M

supplier employees trained on their rights since 2008

24

human rights and environmental defender organizations received support from Apple

Environment

900,000+

annualized metric tons of carbon equivalent avoided in our supply chain from energy efficiency efforts in fiscal year 2020

41B+

gallons of freshwater saved since 2013

110+

suppliers committed to building our products with 100% renewable energy

13

supplier sites that have achieved Alliance for Water Stewardship certification since 2018

1.65M

metric tons of waste diverted from landfills since 2015; 400,000MT diverted in 2020

Health, safety, and education

#1

first consumer electronics company to receive the EPA Safer Choice Partner of the Year Award

80%

of largest suppliers by spend disclosed chemical safety footprints

1.98M

supplier employees reached by our health and wellness education program

100%

of final assembly sites utilizing only approved safer cleaners and degreasers

4.6M+

education, professional development, and enrichment course participants since 2008

Supplier performance

1,121

assessments conducted in 2020 (842 supplier assessments + 279 smelter and refiner assessments)

53

countries where assessments were conducted

83%

high-performing supplier facilities, a 36-point increase in five years

100%

participation in third-party audits by identified tin, tantalum, tungsten, gold, cobalt and lithium smelters and refiners

8%

of prospective suppliers evaluated for Code-related risks were prevented from entering our supply chain

2020: Accelerating progress

2020 was a year like no other. From healthcare to education to the ways in which we live our daily lives, the COVID-19 pandemic forced us all to face a myriad of unexpected challenges, both personal and professional, with resiliency and adaptability.

In the midst of the many challenges that the pandemic presented, our values continued to be critical in guiding our actions and decision-making. Our high standards and strong partnerships with our suppliers provided the solid foundation that allowed us to navigate these challenges in order to protect health and safety, maintain a high level of due diligence, and drive forward the critical work of protecting people and the planet across our supply chain.

We continued to deepen our visibility and understanding of our social and environmental footprints, and worked internally to more deeply embed principles of labor and human rights, health and safety, and environmental stewardship at an even earlier point in the design and development of our products. We also pursued innovative sourcing practices, and worked with others in order to accelerate progress across the industry.

Reinforcing safety and human rights during COVID-19

We partnered with our suppliers from the very beginning of the pandemic to help them ensure strong protections were in place for their employees, and that their rights were respected throughout. This included daily infection and recovery reporting, one-on-one support, and in-depth guidance on health, safety, and labor and human rights standards.

→ Continue reading on page 50

Driving accountability further across our supply chain

We further expanded our engagement to include suppliers supporting our fast-growing services business and recyclers, assessing 124 new supplier sites for compliance with our Code and Standards. We also increased the number of unannounced assessments we conducted to more than 100, up from 70 in 2019.

→ Continue reading on page 19

Embedding health and safety into design

We continued to expand our leading smarter chemistry program by conducting an extensive mapping of the chemicals used to make our products, and reviewing the safety practices of more than 80 percent of our largest suppliers by spend, helping to provide even stronger protections for more than 2 million supplier employees in the process. We also developed a new Machine Design Safety Guide for machine builders who provide equipment for our enclosures supply chain to help drive our high safety standards before workers ever interact with machines on the factory floor.

→ Continue reading on page 48

Driving higher standards for responsible labor recruitment

We conducted the most extensive mapping of labor agencies in the industry, mapping 400 of our supplier facilities in 10 countries. As a result, we identified more than 470 labor agencies supporting these suppliers in order to engage them directly on responsible labor recruitment. We also partnered with the Responsible Business Alliance (RBA) and the International Organization for Migration (IOM) to roll out our Responsible Recruitment Due Diligence Toolkit to scale impact across our supply chain and beyond.

→ Continue reading on page 36

Listening to and learning from rights-holders

We increased the number of supplier employees interviewed as part of our assessment process to 57,618. We also went beyond our annual supplier assessments to anonymously survey 196,647 workers in 135 facilities about their workplace experiences.

Deeper in the supply chain, with support from Apple, the Fund for Global Human Rights partnered with 24 human rights and environmental grassroots organizations in the Democratic Republic of the Congo (DRC). We also continued our funding of the International Tin Association's International Tin Supply Chain Initiative's (ITSCI) whistleblowing mechanism in the DRC, to empower and amplify local voices.

→ Continue reading on page 33

Training everyone on their rights

Since 2008, 21.5M supplier employees in our supply chain have been trained on their workplace and human rights, as required by our Code and Standards, and we're implementing new tools to further improve the quality and consistency of this training. We're also partnering with the International Labour Organization (ILO) to help educate and raise awareness of new worker reforms and revisions to Vietnam's labor code.

→ Continue reading on page 33

Improving transparency and traceability for materials sourcing

We utilized advanced technology to refine and expand the traceability and connectivity between multiple blockchain solutions tracking gold in our supply chain. This project is increasing traceability of our Salmon Gold from mine to refiner, and will open the door for us to scale blockchain solutions to other primary and recycled minerals in our supply chain. Meanwhile, the Apple Risk Readiness Assessment (RRA), which we developed in 2016 to assess risks in our supply chain across social, environmental, and human rights metrics, was adapted by the Responsible Minerals Initiative (RMI) in 2020, and integrated into their industry-scale Responsible Minerals Assurance Process.

→ Continue reading on page 42

Improving performance beyond our supply chain

We began offering support to suppliers who were not ultimately awarded our business by providing subject matter expertise to help them correct any compliance issues found during our responsible procurement process. By providing this expertise and assistance to those companies we have chosen not to do business with, we are helping to improve workplace conditions for people well beyond our supply chain.

→ Continue reading on page 19

Creating educational opportunities to prepare people for the jobs of today and tomorrow

Since 2008, our Supplier Employee Education and Development (SEED) program has helped more than 4.6 million supplier employees cultivate the skills they need to advance in the jobs of today and tomorrow. In 2020, we welcomed the third cohort of students into our Line Leader, Automation Technician, and general apprenticeships program, reaching 1,855 supplier employees since 2018. We also continued to expand educational opportunities focused on professional development, technical skills, and language proficiency for employees of U.S. suppliers.

→ Continue reading on page 58

Stewarding our shared water resources

To better prioritize our resources and engagement, we set out to gain a deeper understanding of our total water use by developing and implementing a new water accounting methodology to better estimate our comprehensive water use by our upstream suppliers. We also continued to drive greater adoption of the Alliance for Water Stewardship (AWS) Standard, with 13 suppliers sites achieving certification since 2018.

→ Continue reading on page 77

Working toward our 2030 climate commitments

Apple is carbon neutral for our worldwide operations, and we have committed to becoming carbon neutral by 2030 for our entire footprint — from our supply chain to the use of the products we make. Our Supplier Energy Efficiency and Supplier Clean Energy programs work side-by-side to help us achieve this goal.

We continued our work to improve energy efficiency at supplier facilities, resulting in more than 900,000 annualized metric tons of supply chain carbon emissions prevented in fiscal year 2020.

We're also committed to transitioning our entire supply chain to 100 percent clean, renewable sources of electricity. The renewable energy already online in our supply chain generated 11.4 million megawatt-hours of clean energy in fiscal year 2020, avoiding 8.6 million metric tons of carbon emissions. As of March 2021, more than 110 suppliers have committed to 100 percent renewable energy for their Apple production.

→ Continue reading on page 63

Eliminating waste in manufacturing

With the addition of the final assembly sites that make our Beats products, we achieved 100 percent Zero Waste certification for all established final assembly sites — the last stop in our manufacturing process where components are assembled into finished products. This also includes the first UL Zero Waste to Landfill certification in Vietnam.

→ Continue reading on page 79

Building more with less

We broadened the use of Recyclable Protective Film (RPF), which protects products during manufacturing. By ensuring that the film is recycled, we have diverted more than 4,700 metric tons of waste from incineration.

We also expanded the use of a more efficient shrink-wrap to select AirPods, iPad, and iPhone assembly sites — reducing plastic material used by 25 percent.

→ Continue reading on page 79



Product Testing Operator, China

01 > Supplier Responsibility

A global opportunity | The highest standards | Accountability at every step | Embedding our values from start to finish | Working in partnership

We are deeply committed to working with our suppliers to ensure that the people in our supply chain are safe at work, that they are treated with dignity and respect, and that our planet is protected throughout the process of building our products. This responsibility goes far beyond compliance: it is a collective responsibility that includes supporting our suppliers in achieving the highest standards of labor, human rights, environmental protection, and health and safety.



From top to bottom:
Packaging Operator, China. Testing and
Repair Technician, United States. Testing
Operator, India. Production Operator,
Ireland. Device Glass Technology
Operator, United States. Packaging
Inspection Operators, Vietnam. Logistics
Operators, United States

A global opportunity

At Apple, people come first in everything we do, and the products we create are an extension of that value. This requires holding ourselves and our suppliers across our supply chain to the highest standards.

How we define our supply chain

The complex and global network of businesses that provide goods, labor, and services to Apple comprises our supply chain. We define our supply chain broadly, including everything from the places where our suppliers source raw materials; the design, engineering, manufacturing, and recycling of our products; logistics, sales, and support functions; and suppliers that support Apple services.

The Apple Supply Chain



The highest standards

Upholding our responsibility to people and the planet begins with setting the highest standards. We have created a strong foundation over the past 15 years, which was critical in guiding our response to the unprecedented global challenges of 2020.

The Apple Supplier Code of Conduct and the Apple Supplier Responsibility Standards

Developed in 2005 and made stronger each year since, the [Apple Supplier Code of Conduct](#) ("the Code") and the [Apple Supplier Responsibility Standards](#) ("the Standards") outline our requirements for suppliers in the areas of labor and human rights, health and safety, environment, management systems, and ethics. These requirements are aligned with international labor and human rights standards, including those of the International Labour Organization (ILO), the United Nations Guiding Principles on Business and Human Rights (UNGPs), the Organisation for Economic Co-operation and Development (OECD), as well as industry-leading health and safety organizations.

In 2020, we published our company-wide [Human Rights Policy](#), which governs how Apple treats everyone, from our customers and employees, to our business partners, and people at every level of our supply chain.

A requirement for suppliers

Suppliers are required to adhere to our Code and Standards. We communicate these requirements directly to suppliers annually, and regularly engage with them using tailored communication and guidance throughout the year. These requirements apply across our supply chain, regardless of the goods, labor, or services a supplier provides to Apple, and our scope continues to evolve as our company moves into new lines of business. In 2012, we began extending our Code and Standards beyond manufacturing into the services domain to include suppliers such as AppleCare contact centers, logistics and repair centers, and software development centers. In 2014, we added requirements for the responsible sourcing of minerals. In 2015, we began applying our Code and Standards to Apple's Retail supply chain, which includes the suppliers that provide janitorial and other

services to Apple's Retail stores worldwide. In 2017, we extended our Code and Standards to include materials processors, and in 2018, we expanded the scope of our Responsible Sourcing Standard to include all materials.

Always updating and evolving

We continue to evaluate and update our Code and Standards annually, raising the bar that suppliers must meet, and then supporting them in reaching it. In addition to the 2020 updates to our Code and Standards listed throughout this report, we responded to the COVID-19 pandemic by introducing the Infectious Disease Preparedness and Response (IDPR) standard, which builds on our existing strict Environment, Health and Safety (EHS) standards.

How We Work With Suppliers

To learn more about our Code and Standards and how we implement them through our suppliers, we encourage you to read *How We Work With Suppliers* available at: apple.com/supplier-responsibility

Our approach to continuous supplier engagement

Assessments are a snapshot of a moment in time, and are just one of several tools that we use to measure supplier performance and compliance with our Code and Standards.

Code of Conduct assessments

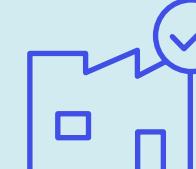
Includes worker and management interviews, site walk-throughs, and reviews of supplier documentation.

Specialized assessments

Suppliers may receive additional specialized assessments based on the nature of their business or employee population.

Investigations

We promptly investigate concerns reported, whether by an employee, non-governmental organization (NGO), or news report, and address any issues of non-compliance.



How we stay engaged with suppliers

Ongoing training

We provide opportunities for learning and development by providing access to subject matter experts and online educational resources.

Capability-building

We work with suppliers to help them immediately correct any non-compliance, and strengthen their management systems.

Holding suppliers accountable to our high standards

We work with independent, third-party auditors to evaluate suppliers against more than 500 criteria in a process that lasts anywhere from a day to more than a week, depending on the scale of the supplier's operations.

Taking corrective action

If we uncover non-compliance, we take prompt action to ensure suppliers not only correct the issue, but make meaningful, long-term changes. We do this through a **Corrective Action Plan (CAP)**, during which 30-, 60-, and 90- day check-ins with Apple are required.

We then conduct our **Corrective Action Verification (CAV)** process to verify that all corrective actions have been successfully implemented, and necessary steps have been taken to prevent a reoccurrence.

Non-Retaliation

We prohibit retaliation of any kind against supplier employees who participate in our assessments. We partner with a third-party organization to contact supplier employees interviewed during assessments to confirm that they were not subjected to retaliation.

Management interviews

We interview supplier management to confirm that proper management practices and systems are in place as required by our Code and Standards.

Site walk-throughs

Detailed inspections look at chemical safety, fire safety, indoor air quality, machine safety, environmental controls, and personal protective equipment, among many other requirements.

Code of Conduct assessments

Extensive document review

We thoroughly review employee records, payroll information, contracts, and policy documentation.

Employee interviews

We interview supplier employees, in their native language and without management present, to confirm that our observations match their experience.

Accountability at every step

No single method of measuring performance is sufficient, which is why we take a comprehensive approach to supplier engagement. This engagement begins at the earliest stages of product design and procurement, and we adapt our engagement model accordingly as our business expands to new areas.

Rigorously evaluating performance

Assessments are one method that we employ to verify compliance with our requirements. While only a snapshot of a moment in time, when combined with regular engagement, reporting, and listening directly to supplier employees, our rigorous supplier assessments provide an in-the-moment precise measurement, as well as an overall indication of a supplier's performance in upholding our Code and Standards. They also help us identify opportunities for improvement. In 2020, we conducted 1,121 assessments in 53 countries, including 842 Code of Conduct assessments, and 279 smelter and refiner assessments. Of these Code of Conduct assessments, 87 of them were of services providers, such as those that support AppleCare, Apple Retail, Apple Maps, and Siri.

Listening to stakeholders

In addition to our work with suppliers, we also engage with civil society, governments, NGOs,

and other stakeholders on a regular basis throughout the year. In these conversations, we always aim to understand what we are doing well, and where we need to be doing more. The feedback we receive directly influences our approach, has enabled us to make faster progress in our supply chain, and has allowed us to share our learnings with others.

1,121

assessments in 53 countries: 842
Code of Conduct assessments, 279
smelter and refiner assessments

Embedding our values from start to finish

Our values drive every decision we make. We work across our business to implement our standards from the earliest development stages in order to design-out issues in our supply chain before they happen.

Identifying and mitigating potential issues

Using the latest research, assessment data and insights, we find new opportunities for improvement from early product and process design, to material selection, to final production, and through the logistics and services that follow. In 2020, we eliminated 197 process safety hazards before production started, including ensuring adequate guarding, electrical safety precautions, and fire prevention systems, as well as substituting 138 chemicals with safer alternatives.

Assessing prospective suppliers through responsible procurement

We engage with select suppliers before they begin working with Apple in order to assess their ability to adhere to our rigorous Code and Standards. This includes Facility Readiness Assessments, which are designed to help make sure risks to people and the environment are mitigated prior to the beginning of production. In 2020, 8 percent of prospective suppliers evaluated for Code-related

8%

of prospective suppliers evaluated for Code-related risks were prevented from entering supply chain in 2020 for being unable or unwilling to meet our standards

risks were prevented from entering our supply chain for being unable or unwilling to meet our standards. This includes new suppliers, as well as new facilities run by existing suppliers. We also look carefully at labor and human rights risks when entering or expanding markets for retail, logistics, and manufacturing to assess gaps and conduct capability-building with prospective suppliers before we sign a contract with them.

Helping new suppliers understand our requirements

To ensure suppliers adhere to our requirements, our On-Boarding Review (OBR) process helps new suppliers quickly get up to speed on what is expected of them, including our Code, Standards, and assessment process. We also provide expert guidance in establishing comprehensive management systems to improve the supplier's capability to sustain compliance with our Code and Standards. In 2020, 46 supplier sites participated in the OBR. On average, supplier facilities that participated in OBR scored 63 percent higher on their initial assessments than those that did not.

Improving due diligence of labor practices

In 2020, we continued to expand due diligence of labor sourcing in countries specifically with larger populations of Foreign Contract Workers. This includes looking for the presence of labor recruitment practices that are against the requirements in our Code and Standards, including the collection of recruitment fees, withholding of identification, or other practices that could indicate the presence of forced labor. This allows for the identification and remediation of any involuntary labor before production even begins.

Supporting worker rights beyond our supply chain

Even if prospective suppliers are ultimately not awarded business by Apple, we continue to work with them to help them improve their performance across environmental, health and safety, and labor and human rights criteria. Starting in 2020, we've extended our support to those suppliers who are not awarded business by providing subject matter expertise that they can use to correct compliance issues found during the supplier and facility selection process. The program is voluntary, and 56 percent of companies opted in to receive this additional support in 2020, helping to protect people beyond our business and our supply chain.

Introducing machine safety at the design phase

Last year, we introduced design guidelines for machine builders who provide equipment for enclosure manufacturers, which require complex machinery and precision metals. While our Code and Standards already require our suppliers to proactively eliminate hazards from their workplace, the new Apple Machine Design Safety Guide helps put these same safety standards in place from the beginning, by starting with how machines are designed. We based our guidelines on multiple international machine safety standards, in consultation with safety experts. The new guide outlines safety best practices related to machine guarding, electrical wiring, controls, enclosures, and panel layouts. We are also providing additional support to suppliers in the form of industry expertise to help guide them through the assessment of safety features for new machines and the installation process.

Our Code in Action

Designing supply chains with our values in mind

When Rob H. on the Product Operations Team went looking for a new supplier, he never thought it would lead to improving the lives of more than 10,000 people.

"Whenever we start to look at a new supplier facility, we have to look at a broad range of factors to ensure it meets our needs," says Rob. A mechanical engineer by training, Rob and his team typically focus on the technical and operational specifications of a facility, but as an Apple veteran of more than 10 years, he also looks at his work through the lens of the company's strong values and commitment to protecting people and the planet. "That's when we turn to our colleagues who have expertise beyond our own to help us uncover other issues that conflict with the way we do business."

As part of our responsible procurement process, the Apple Environment and Supply Chain

Innovation (ESCI) team works with partners across Apple to assess new suppliers and facilities before they are awarded business to proactively identify and prevent labor, human rights, and environmental risks. In 2020, 8 percent of prospective suppliers evaluated were prevented from entering our supply chain due to potential compliance issues.

In early 2020, when the team began exploring a potential partnership with a new supplier, they discovered the supplier had a number of Foreign Contract Workers who had paid recruitment fees to labor agencies in order to gain employment with the supplier — a practice that is strictly prohibited by our standards.

"We had been working with this potential supplier to get the facility up to our operational standards, but when we uncovered this issue, all of the other work fell away," he says. "We have a responsibility to use our influence to make the world a better place. We told the supplier: 'if you want to work with Apple you need to resolve this.'

Whenever we find compliance issues during the supplier and facility selection process, we take action to help prospective suppliers ensure their employees' rights are protected. We do this by providing subject matter expertise to help them correct any problems.

In this case, even though it is legally permissible to charge fees to Foreign Contract Workers in the country where the supplier operates, we were able to identify this practice in their management system, and influence the supplier to remediate this issue before entering into a business relationship with them. This resulted in nearly \$3.4M being repaid to 10,570 workers, helping ensure their paychecks went to supporting themselves and their families. The supplier will

also participate in Apple's Responsible Labor Recruitment program, which will help the supplier build comprehensive due diligence systems, and enhance worker training and empowerment programs.

"I was surprised to see that this is still an issue in this day and age," says Rob. "Coming face to face with the reality made us feel the full weight of our responsibility to fix it."

When asked about his biggest takeaway from this experience, Rob remarked: "I've always felt passionately about using the strength of our business to be a force for good, and while the world is full of imperfections, getting to play a small part in fixing that felt great."

Working in partnership

From human rights to climate change, the issues we're tackling are bigger than any one company or organization. They require a multi-stakeholder approach, bringing together the best thinking from many different sectors and geographies to address these issues at a systemic level.

We are proud to collaborate with a number of industry associations, civil society organizations, and governments around the world to promote best practices, to listen and learn from others' perspectives and experiences, and to scale innovative solutions that can create meaningful change, and enable everyone to achieve progress more quickly.



Alliance for Water Stewardship (AWS)

AWS is a global initiative that fosters collaboration between businesses, governments, and civil society, offering a framework and standard for demonstrating world-class water stewardship practices.

- We continue to raise awareness and drive the adoption of the AWS Standard among our suppliers and others in our industry in order to advance the sustainability of local water resources around the world.



ChemFORWARD

ChemFORWARD is a value chain collaboration working to advance safer chemistry in product design and manufacturing by expanding access to verified, actionable chemical hazard data and safer alternatives.

- Apple is a Co-Design Partner at ChemFORWARD.
- Apple co-chairs ChemFORWARD's Technical Advisory Group.



Clean Electronics Production Network (CEPN)

CEPN is a multi-stakeholder initiative working to improve chemical safety in the electronics supply chain.

- Apple serves on the steering committee of CEPN.



European Partnership for Responsible Minerals (EPRM)

EPRM is a partnership between civil society, industry, and government focused on responsible artisanal and small-scale mining and sourcing practices, and improving social and economic conditions for mining communities.

- Apple is a member of the EPRM.



Fund for Global Human Rights

The Fund for Global Human Rights is a public foundation that works with local human rights organizations in more than 25 countries around the globe.

- Apple partners with the Fund to support grassroots activists and human rights and environmental defenders.



IMPACT

IMPACT is a non-profit organization that transforms how natural resources are managed in areas where security and human rights are at risk.

- Apple supported IMPACT's development of an interactive platform to measure and track human rights risks in minerals supply chains, as well as the impact of supply chain-related activities on social and environmental well-being in artisanal and small-scale mining communities in the Democratic Republic of the Congo (DRC).



Institute of Public and Environmental Affairs (IPE)

IPE is a leading non-profit environmental research organization based in Beijing dedicated to collecting, collating, and analyzing government and corporate environmental data. Through its platforms and partnership, IPE works to achieve environmental transformation, promote environmental information disclosure, and improve environmental governance mechanisms.

- As the first recipient of IPE's Corporate Information Transparency Index Master's Level Designation, Apple is committed to actively engaging our suppliers in China to help achieve our climate resource conservation goals, and to support others in the industry do the same.



International Labour Organization (ILO)

The ILO is the United Nations agency for the world of work. The ILO brings together governments, employers and workers to "drive a human-centred approach to the future of work through employment creation, rights at work, social protection and social dialogue."

- Apple works with the ILO on a number of projects, including those related to rights training and advancing worker voice.
- Apple is a member of the ILO Global Business Network on Forced Labor.



International Organization for Migration (IOM)

IOM is a United Nations agency and the leading global expert on migration. IOM works to help ensure the orderly and humane management of migration, to promote international cooperation on migration issues, to assist in the search for practical solutions to migration problems, and to provide humanitarian assistance to migrants in need, including refugees and internally displaced people.

- Apple partnered with IOM to translate and conduct training for suppliers on our Responsible Labor Recruitment Toolkit.



Pact

Pact is an international development organization that works on the ground in nearly 40 countries to end poverty and marginalization.

- Apple partners with Pact to deliver rights awareness training and vocational education programs to miners, youth, and community officials in communities around mining areas in the DRC.



The Platform for Accelerating the Circular Economy (PACE)

PACE was created by the World Economic Forum, and has been hosted by the World Resources Institute since 2018. PACE brings leaders together to drive ambitious action along the Circular Economy Action Agenda, working together to accelerate the transition to a circular economy.

- Apple sits on the Board of PACE.



Public-Private Alliance for Responsible Minerals Trade (PPA)

The PPA is a multi-sector initiative supporting the ethical production, trade, and sourcing of minerals from the African Great Lakes region.

- Apple serves on the Governance Committee, and traveled with the PPA to the DRC and Rwanda in 2019.



RE100

RE100 is a global initiative bringing together the world's most influential businesses driving the transition to 100 percent renewable electricity.

- Apple sits on the RE100 Advisory Committee.



The Renewable Energy Buyers Alliance (REBA)

REBA is a membership association for large-scale energy buyers, which seeks to democratize clean energy for all energy buyers, and create a resilient, zero-carbon energy future.

- Apple serves on the Supply Chain and International Collaboration working group.



Responsible Business Alliance (RBA)

RBA is the world's largest industry coalition dedicated to corporate social responsibility in global supply chains.

→ Apple collaborates with the RBA and its member companies frequently throughout the year on initiatives spanning the entirety of our Supplier Responsibility program. Apple also serves in several leadership capacities at the RBA, including:

- Serving on the RBA Board of Directors.
- Founding and steering committee members of the Responsible Labor Initiative (RLI).
- Serving on the steering committee of the Responsible Minerals Initiative (RMI).



Responsible Labor Initiative (RLI)

Established by the Responsible Business Association, RLI is a multi-industry, multi-stakeholder initiative focused on ensuring that the rights of workers vulnerable to forced labor in global supply chains are consistently respected and promoted.

→ Apple serves on the steering committee of RLI.

RESOLVE

RESOLVE

RESOLVE is a leading sustainability NGO driving sustainable solutions to critical social, health, and environmental challenges by creating innovative partnerships where they are least likely and most needed.

→ Apple partners with RESOLVE and Tiffany & Co. on the Salmon Gold project, which works with small-scale gold miners and Indigenous peoples in remote regions of the Yukon, Alaska, and British Columbia to support a mining practice that helps restore rivers and streams so that salmon and other fish can thrive.



Responsible Minerals Initiative (RMI)

RMI is one of the most utilized resources for companies from a range of industries addressing responsible mineral sourcing issues in their supply chains.

→ Apple sits on RMI's steering committee.



Working Capital Innovation Fund (incubated by Humanity United)

Working Capital Innovation Fund is an early-stage venture fund that invests in scalable innovations to meet the need for more transparent and ethical supply chains, addressing the need to protect vulnerable workers and to source responsibly.

→ Apple is a founding organization of the Working Capital Innovation Fund.



Water Management Operators, China

02 > Labor and Human Rights

The Apple Human Rights Policy

Upholding labor and human rights

Responsible labor recruitment

Responsible materials sourcing

We are committed to respecting human rights.
Everyone deserves to be treated with dignity
and respect, and our commitment extends to our
customers, employees, contractors, and those working
at every level of our supply chain.



From left to right: Safe Cleaning, China. Quality Assurance Operator, China. Production Operators, Vietnam.

Labor and human rights

Code highlights

Every person has the right to a safe, healthy workplace where they are treated with dignity and respect. The labor and human rights provisions in our Code are designed to achieve just that, holding suppliers accountable at every step.



Working hours

Suppliers must restrict workweeks to 60 hours, including overtime, and supplier employees must be provided at least one day of rest every seven days. Regular workweeks shall not exceed 48 hours. Suppliers are also required to follow all applicable laws and regulations with respect to working hours and days of rest. Additionally, all overtime work must be voluntary.



Anti-discrimination

Suppliers shall not discriminate against any worker based on age, disability, ethnicity, gender, marital status, national origin, political affiliation, race, religion, sexual orientation, gender identity, union membership, or any other status protected by applicable national or local law, in hiring and other employment practices. Suppliers shall not require pregnancy or medical tests, except where required by applicable laws or regulations or prudent for workplace safety, and shall not improperly discriminate based on test results.



Wages, benefits, and contracts

Suppliers must meet all legal requirements relating to wages and benefits, including paying accurate wages in a timely manner. In addition, the use of wage deductions as a form of disciplinary measure is prohibited. All use of temporary and outsourced labor shall be within the limits of the local law.



Grievance mechanism

Suppliers shall ensure that employees have an effective mechanism to report grievances and that open communication is facilitated between management and employees.



Anti-harassment and abuse

Suppliers must commit to a workplace free of harassment and abuse. Suppliers shall not threaten workers with, or subject them to, harsh or inhumane treatment, including but not limited to verbal abuse and harassment, psychological harassment, mental and physical coercion, and sexual harassment.



Prevention of involuntary labor

Suppliers must ensure that all work is voluntary. Withholding an employee's government-issued identification and travel documents is strictly prohibited. Suppliers must ensure that contracts clearly convey the conditions of employment in a language understood by their employees. Suppliers shall not impose unreasonable restrictions on movement within the workplace or upon entering or exiting company-provided facilities. Supplier employees shall not be required to pay employers' or their agents' recruitment fees or other similar fees to obtain their employment.



Prevention of underage labor

Suppliers may not employ a worker under the age of 15 years old, the applicable minimum legal age for employment, or the applicable age for completion of compulsory education, whichever is highest. Suppliers may provide legitimate workplace apprenticeship programs for educational benefit that are consistent with Article 6 of ILO Minimum Age Convention 138 or light work consistent with Article 7 of ILO Minimum Age Convention No. 138.



Protected class

Suppliers may only employ workers under the age of 18 if the employee is older than the applicable legal minimum working age, and the supplier ensures they do not perform high-risk work, consistent with ILO Minimum Age Convention No. 138.

In addition, suppliers cannot require employees under the age of 18 to work overtime or perform night work. Suppliers must ensure proper management of student workers through proper maintenance of student records, rigorous due diligence of educational partners, and protection of students' rights in accordance with applicable law and Apple's Code.



Freedom of association and collective bargaining

Suppliers shall freely allow workers' lawful rights to associate with others, form, join, or refrain from joining organizations of their choice, and bargain collectively, without interference, discrimination, retaliation, or harassment.



Testing and Repair Technician, United States

The Apple Human Rights Policy

Respecting human rights and putting people first has always been a part of our values, and guided our business decisions. The Apple Human Rights Policy makes our commitment clear.

Our Human Rights Policy

Our [Human Rights Policy](#) is based on internationally recognized standards, including the United Nations International Bill of Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, and the United Nations Guiding Principles on Business and Human Rights, and governs how we treat everyone from our customers and teams, to our business partners, and people at every level of our supply chain.

Human Rights Policy implementation and accountability

The policy guides our decision-making process — from entering new markets, to selecting suppliers, to the products and services we create. Our teams work with suppliers to help them provide safe and respectful workplaces for their employees. All Apple employees and interns are required to complete mandatory annual Business Conduct training which educates them on key points of Apple's Human Rights Policy, including the escalation paths for potential violations.



Production Operator, Ireland

Upholding labor and human rights

Labor rights are human rights. We're committed to helping create workplaces where people in our supply chain are heard, and treated with dignity and respect.

Our Code and Standards set out our requirements for suppliers to create fair, ethical, and safe workplaces. The Code and Standards prohibit all forms of forced labor, discrimination, harassment and retaliation, and articulate our requirements relating to working hours, wages and benefits, health and safety, freedom of association and collective bargaining, as well as grievance mechanisms and training for employees on their basic rights. The ILO is a strategic partner for Apple in our ongoing work to address labor issues, both throughout our supply chain and across the industry.

Creating a safe environment for workers to speak up

Listening directly to rights-holders is critical to creating safe and decent workplaces. To do this, supplier employees must be able to speak up without fear of retaliation. We interview tens of thousands of supplier employees each year, in their local language and without their managers

present, to confirm that their experience on the job aligns with our observations during assessments. Directly engaging rights-holders through worker interviews is an integral part of our assessment process. In 2020, we interviewed 57,618 supply chain workers, and over 34,000 follow-up phone calls were made in order to verify that those workers participating in interviews during our assessment were not retaliated against. Additional procedures are put in place for higher-risk or vulnerable groups.

Our Code and Standards require non-retaliation protections and feedback channels, including grievance mechanisms at supplier sites. These include third-party anonymous hotlines and the ability to contact the Apple Environment and Supply Chain Innovation (ESCI) team directly at any time and in any language. When an issue is raised, supplier management is required to immediately investigate and to resolve the issue in a timely manner. Retaliation in any form is a Core Violation of our Code — the most serious level

of Code violation — and carries commercial penalties.

Respecting workers' rights to freely associate and bargain collectively

Our Code and Standards clearly state our requirements for suppliers in relation to the right of employees to form or join, or refrain from joining, organizations of their choice, and to bargain collectively. These include requiring suppliers to have written policies on freedom

of association and grievance mechanisms in place, and to bargain in good faith and honor the terms of any signed collective bargaining agreement. Even where the right to freedom of association and collective bargaining is restricted under local law, suppliers are prohibited from obstructing alternative legal means for workers to associate and to individually and collectively engage with their employer without interference, discrimination, retaliation, or harassment.

In 2020, 562 facilities in 25 countries employed unionized workers, and 422 sites had negotiated collective bargaining agreements with their employees.

Training workers on their rights

We believe protection starts with rights awareness, which is why we require all suppliers to train their employees on their rights. This includes training at new employee orientation on international labor standards, local labor laws, and the labor and human right protections required by our Code and Standards. Topics in the training include working hours and overtime policies, grievance mechanisms and hotlines, our zero tolerance for retaliation policy, and occupational health and safety standards. To date, 21.5M supplier employees have been trained by our suppliers on their workplace and human rights.

21.5M

supplier employees trained on
their rights since 2008

57,618

supplier employees interviewed
as part of supplier assessments

196,647

supplier employees surveyed
about their workplace experience

Program milestones

2020

- Published Apple Human Rights Policy

2017

- Improved supplier labor and human rights performance for wages and benefits, involuntary labor prevention, and student intern management

2012

- Code of Conduct assessments expanded to our call centers and distribution centers

2011

- Launched Working Hours program

2008

- Debt-bonded labor is considered a Core Violation in the Code of Conduct
- Launched Worker Rights Training program

2007

- Extended Code of Conduct compliance to the next layer of the supply chain — component manufacturers

2005

- 2005 Apple's Code of Conduct created

Enabling a better workplace experience

We go beyond annual supplier audits to engage with supplier employees to enrich their workplace experience. In 2019, we set out to anonymously measure supplier employees' general satisfaction at work. Building on this work in 2020, we surveyed 196,647 workers in 135 facilities across Greater China, India, Ireland, the U.K., U.S., and Vietnam — more than quadruple the number from 2019. We asked those surveyed to provide feedback on different aspects of their workplace, including working and living conditions, food, and management. As a result of these surveys, suppliers took 3,173 actions to address their employees' feedback, including adding shuttle buses, reducing turnaround time for addressing worker grievances, increasing bonuses, and improving dorm maintenance.

In Vietnam, we've formed a partnership with the ILO to help educate and raise awareness among our suppliers around new worker protections and labor reforms being implemented across the country.

We are also exploring new tools to amplify worker voice across our supply chain. We are partnering with Labor Solutions to pilot a new digital worker voice platform in 2021. The digital platform and in-person training will help improve the capacity of suppliers to gather and address worker grievances, measure workplace satisfaction, and provide health and well-being training and services to their employees. In China, we have partnered with SCORE Academy, an organization supporting decent work in global supply chains, to deliver training for our suppliers on worker-management communications and employee participation in workplace Environment, Health and Safety (EHS).

3,173

actions taken by suppliers in 2020
in response to employee survey
feedback

Responsible labor recruitment

Access to decent work, as defined by the ILO Core Conventions, has the potential to enrich and empower individuals, families, and entire communities.

We believe that no one should have to pay to get a job, which is why we have worked for over a decade to eradicate debt-bonded labor from our supply chain. Of the millions of people who work throughout our supply chain, a small percentage are Foreign Contract Workers who choose to leave their home countries to seek employment abroad. These workers may be at higher-risk of paying recruitment fees, resulting in debt-bonded labor.

The ILO Core Conventions prohibit all forms of forced or compulsory labor. Apple has zero tolerance for forced labor of any kind, and looking for the presence of forced labor is part of every supplier assessment we conduct. The details of our policy are stated clearly in our Code and Standards and apply across our global supply chain, regardless of location.

Debt-bonded labor

Debt-bonded labor, a form of modern slavery, occurs when a person is forced to work in exchange for the repayment of a debt or other obligation,

such as a recruitment fee paid to get a job, meaning that the person receives less or no pay until the debt is repaid. It can also involve the withholding of personal identity documents, such as passports, by the employment agent or employer, making it impossible for the employee to leave their job.

If we find instances of debt-bonded labor, we require our suppliers to take prompt action to provide a remedy to those affected. We also work with others, including the International Organization for Migration (IOM), to address the issue at its source.

Returning recruitment fees to Foreign Contract Workers

Apple has a zero tolerance policy that prohibits workers from paying any fees connected to their

labor recruitment and/or employment at any of our suppliers, even if those fees fall within the legal limits of the supplier's operating country. In 2008, we made debt-bonded labor a Core Violation (the most serious level of violation) of our Code, and limited permissible fees to one month's wages. In 2015, we instituted our zero-fee policy and mandated that suppliers directly repay recruitment fees back to their workers in cases of violations. Since 2008, US\$32.4 million in recruitment fees have been directly repaid to 36,980 Foreign Contract Workers by our suppliers.

Mapping labor agencies to improve responsible labor recruitment

We're looking deeper in our supply chain to drive requirements at the earliest stages of worker recruitment, and engaging labor agencies directly

Apple has zero tolerance for forced labor of any kind, and we look for the presence of forced labor in every supplier assessment

in our Responsible Labor Recruitment program. In 2020, we conducted the most extensive mapping of labor agencies in the industry, mapping 400 of our supplier facilities in 10 countries. As a result, we identified more than 470 labor agencies supporting these suppliers. We are using this information to engage with the identified agencies to provide targeted training and capability-building.

Improving labor recruitment practices through training and tools

Building on the launch of our Responsible Labor Recruitment Toolkit in 2019, we are improving due diligence at the recruitment level by rolling out this guidance to all of our manufacturing suppliers

470+
labor agencies identified across
our supply chain in southeast Asia

\$177,277

of recruitment fees repaid to 381 supplier employees in 2020

operating in higher-risk migration corridors in Asia, as well as to all of our logistics and janitorial suppliers operating globally. In Japan, Malaysia, Singapore, and Thailand, we worked with the IOM to translate and conduct training on our toolkit in five languages. We also partnered with the Responsible Business Alliance (RBA), the world's largest industry coalition dedicated to corporate social responsibility in supply chains, to roll out training to all of our suppliers in Taiwan. More than 150 suppliers in 20 countries were trained on the Responsible Labor Recruitment Toolkit in 2020. Additional small, in-depth group training sessions were also conducted to suppliers upon request in Australia, Japan, the U.K., U.S. and Vietnam to help them better understand the guidance provided by the toolkit, and troubleshoot any specific issues. In 2020, we began adapting our Responsible Labor Recruitment Toolkit to include guidance on all recruitment.

Driving responsible labor recruitment standards across the industry

Leveraging the learnings we gained in our own supply chain, in 2020, we partnered with the RBA to customize and scale its Responsible Recruitment Due Diligence Toolkit. In 2020, RBA engaged 28 global member companies on the Responsible Recruitment Due Diligence Toolkit in order to build the capacity of workplaces across the industry.

Supporting and protecting vulnerable workers

In 2020, we worked with the RBA to develop and test a robust set of guidelines and assessment tools to help companies across industries better ensure that all workers are adequately represented in compliance audits, and any unique risks associated with their employment are taken into consideration.

Working in partnership

Our work to protect vulnerable groups, particularly migrant workers, became more important than ever in 2020. In the wake of the COVID-19 pandemic, we distributed the Apple Labor and Human Rights COVID-19 Guidance to all suppliers, highlighting key labor and human rights requirements that must be upheld

Program milestones

2020

- Scaled Responsible Recruitment Toolkit to the industry via IOM and RBA

2019

- Released Responsible Recruitment Due Diligence Toolkit
- Scaled employment opportunities program for human trafficking survivors across the U.K. and Europe

2018

- Received Stop Slavery Award from Thomson Reuters Foundation
- Launched partnership with IOM to create a path for trafficking survivors to obtain full-time employment with Apple suppliers
- Mapped higher-risk migration corridors for Foreign Contract Worker movement and employment in our supply chain
- Scaled efforts to conduct pre-departure orientation training in the supply chain with IOM

2017

- Released our first Modern Slavery Act (MSA) report

2015

- Enacted policy prohibiting recruitment fees

2014

- Established partnership with IOM

2008

- First Code requirement restricting workers' payment of recruitment fees

at all times, but are of even more importance in the circumstances presented by the global public health crisis. The communication, which can be read in full in the "[Additional Resources](#)" section of this report, also provided guidance for addressing issues specifically related to migrant workers.

We also worked with the IOM to support migrant workers in the Philippines, extending support to labor agencies in our supply chain to provide safe transportation and psycho-social support for those workers displaced or otherwise impacted by COVID-19.

Finally, we continued to support the Fund for Global Human Rights in their efforts to support workers' rights in the Philippines. The program advances women's rights, particularly those of rural, indigenous, and migrant workers. The organization is currently focused on protecting women's safety and security during the COVID-19 pandemic.

■

We're looking deeper in our supply chain to drive requirements around transparency and accountability at the earliest stages of worker recruitment, and engaging labor agencies directly in our Responsible Labor Recruitment program.

Supporting Foreign Contract Workers throughout their recruitment journey

Our work to eradicate debt-bonded labor from our supply chain begins well before a Foreign Contract Worker arrives at a supplier facility. It involves auditing labor agencies, monitoring migration corridors, and holding suppliers accountable.



Foreign Contract Worker hometown

Working at supplier facility

Recruitment center

470+

labor agencies identified to safeguard potential supplier employees

21.5M

supplier employees trained on their rights since 2008

\$32.4M

repaid to 36,980 supplier employees since 2008

842

Code of Conduct assessments conducted across 35 countries

10

countries of origin and 5 destination countries monitored for migration risk

20

countries where we strengthened pre-departure training for supplier employees

Post-arrival orientation

Destination Country
Country of Origin

Pre-departure orientation

Making responsible labor recruitment an industry-wide standard

Creating a responsible labor recruitment toolkit

Created for suppliers and their labor agencies, the toolkit is a comprehensive and practical guide to help prevent, identify, and address labor risks at the recruitment level.

148,000+

workers reached
in 20 countries

150+

suppliers trained across
20 countries

28

RBA-member companies utilized our Responsible Labor Recruitment Toolkit



We conducted the most extensive mapping of labor agencies in the industry.

We identified labor agencies supporting more than 400 of our supplier facilities operating in 10 countries.



We partnered with the Responsible Business Alliance (RBA) and the International Organization for Migration (IOM).

Together, we shared our learnings, tools, and best practices to accelerate progress across the industry.



Salmon Gold, United States

Responsible materials sourcing

As we work toward our goal of using only recycled and renewable materials for our products and our packaging, we continue to source materials responsibly while safeguarding the well-being of the millions of people that are part of our supply chain, from the mining level to the facilities where products are assembled.

Last year, we achieved progress across materials — from expanding our use of recycled aluminum enclosures, to sourcing solder made with recycled tin. In October, we introduced iPhone 12 and iPhone 12 Pro, the first Apple products made with 99 percent recycled tungsten and 98 percent recycled rare earth elements. We also released seven products with more than 20 percent recycled content. MacBook Air with Retina display (2020) had the highest total — made with more than 40 percent recycled content device-wide, including 100 percent recycled aluminum in the enclosure.

These and other innovations helped us increase our use of recycled or renewable content to 12 percent of all the material used in products this year. And more than half of our recycled materials have been certified by an independent third-party to a standard that conforms to ISO 14021.

We continue to focus our efforts on our 14 priority materials, which accounted for more than 90 percent of the total product mass shipped to customers in fiscal year 2020. We prioritize these

materials based on their environmental, social, and supply chain impacts outlined in their Material Impact Profiles. The full details of our progress across materials and products can be found in our Environmental Progress Report: apple.com/environment.

Responsible minerals sourcing

Although Apple does not directly purchase or procure raw minerals, we conduct detailed due diligence of our supply chain by mapping higher-risk minerals, and identifying risks and opportunities in the supply chain using tools created by Apple. We then take corrective actions where social, environmental, human rights, and governance risks are identified through a variety of sources, such as independent third-party audits, civil society engagement, or public reporting.

Our strict Responsible Sourcing Standards apply to both primary minerals and to recycled materials. Deeper in our supply chain, this includes primary minerals processors, recyclers, and even to the

mining level. Our program aligns with leading international standards, including the United Nations Guiding Principles on Business and Human Rights and the Organisation for Economic Co-operation and Development's (OECD) Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas.

Our program is based on the OECD's five-step framework, which means we establish strong company management systems, identify and mitigate risks, require our suppliers to undergo independent third-party audits, and publicly report on the results and progress. We work with our suppliers to help them thoroughly understand and implement our requirements, by conducting trainings and offering support through our online platform, SupplierCare.

100%

of identified 3TG, cobalt and lithium smelters and refiners participated in independent third-party audits

Every year, we publish a list of identified tin, tantalum, tungsten, and gold (3TG) and cobalt smelters and refiners in our supply chain. We also map other minerals in our products such as mica, copper, and graphite. This year, we went a step further to publish a list of identified lithium processors for the first time. 100 percent of the identified tin, tungsten, tantalum, and gold (3TG), cobalt and lithium smelters and refiners in our supply chain have participated in independent third-party audits to assess and identify a broad range of risks, including social, environmental, human rights, and governance risks.

In the event that a smelter or refiner is unable or unwilling to meet our requirements, we remove them from our supply chain. Since 2009, we have directed the removal of 146 3TG and 7 cobalt smelters and refiners from our chain.

Conducting mining level due diligence

We believe addressing complex supply chain challenges requires working collaboratively. Accordingly, we work with a broad group of stakeholders globally in order to address public allegations, including those from civil society and investigative reports by international organizations, such as the United Nations and leading international and local NGOs. We analyze incident data provided by upstream traceability and due diligence programs at the mining level that monitor tin, tantalum, and tungsten in the

Democratic Republic of the Congo (DRC) and across the African Great Lakes region, including the International Tin Association's International Tin Supply Chain Initiative (ITSCI), and RCS Global Group's Better Mining program. We work with these programs to help develop and strengthen their incident review processes, and we also review both incidents and subsequent corrective actions.

For the fifth consecutive year, we provided funding to ITSCI's whistleblowing mechanism in the DRC, in order to empower and amplify local voices. The whistleblowing mechanism enables people in and around mining communities in seven provinces of the DRC to place anonymous voice calls, send SMS messages in local languages, and otherwise raise concerns related to mineral extraction, trade, handling, and exporting via local networks.

Investigating allegations deeper in our supply chain

While we do not directly source raw materials for use in our products, we investigate allegations deeper in our supply chain through our Responsible Minerals Sourcing program. Minerals suppliers are required to review reported incidents and public allegations linked to their smelters and refiners, and to participate in traceability and third-party audit programs to address and mitigate identified risks.

Program milestones

2020

- Published lithium processor list for first time
- 100% of identified 3TG, cobalt and lithium smelters and refiners participated in third-party audits
- 327 industry organizations completed our Risk Readiness Assessment through the Responsible Minerals Initiative (RMI)

2019

- Began mapping lithium processors in the supply chain

2016

- Established DRC vocational education and awareness raising program with Pact
- Published list of identified cobalt refiners in the supply chain
- Developed Risk Readiness Assessment tool

2014

- Began mapping cobalt refiners in our supply chain
- Published list of identified 3TG smelters and refiners in our supply chain

2010

- Began mapping the 3TG smelter and refiners in our supply chain

We also support whistleblower initiatives to empower independent, local voices to raise issues and report incidents at the mining level, and work to strengthen industry-wide due diligence programs operating in areas where 3TG minerals are sourced.

This includes the Responsible Minerals Initiative's (RMI) Minerals Grievance Platform, an industry-wide platform for screening and addressing grievances linked to smelters and refiners, which we helped develop and continue to utilize. Through the platform, industry organizations and C4ADS, a non-profit independent third-party organization, screen and conduct due diligence on grievances submitted by NGOs, companies, or any member of the public. Industry organizations then work with third-party audit programs to address the grievances and share evidence of closure with C4ADS. A summary of the outcome is then provided via the platform to participants. In addition, any applicable public statements are shared on the grievance platform website. This collaboration increases transparency, consistency, and accountability in how public allegations concerning smelters and refiners are identified, addressed, and resolved.

Finally, we believe that in order to create systemic change, we need to look beyond addressing allegations that may only affect Apple's own supply chain. Accordingly, we have taken steps to work

327

industry organizations have completed our Risk Readiness Assessment through RMI

within a broad group of stakeholders in order to address public allegations. This includes reviewing public allegations from civil society, and analyzing investigative reports by international organizations, such as the United Nations Group of Experts on the DRC, and NGOs related to risks outlined by the OECD.

Measuring impact on local communities

In 2020, Apple concluded a multi-year project with the University of California in Los Angeles (UCLA) Project on Resources and Governance; the International Peace Information Service (IPIS), an independent research institute; Ulula, a software and analytics company; and Sub-Saharan Field Research and Consulting Services (SFR) to measure the impacts of due diligence programs on conflict, human rights, and perceptions of economic well-being in tin, tantalum, and tungsten

mining regions in the DRC. The preliminary research results indicated that while minerals due diligence programs contribute to breaking the link between minerals extraction and armed conflict, additional targeted interventions may be required to effectively address broader issues associated with mining.

In a separate study that we funded conducted by the Harvard Humanitarian Initiative, in coordination with Research Initiatives for Social Development, a local Congolese organization, women reported often feeling excluded from due diligence activities, highlighting opportunities for these systems to be more inclusive.

Through the non-profit organization IMPACT, we also supported the development of an interactive platform to measure and track supply chain-related activities related to social and environmental well-being in artisanal and small-scale mining (ASSM) communities. By better understanding the impact of supply chain activities and due diligence programs on local communities, we aim to help improve industry programs.

Working with others to scale impact

We believe that the tools we create are meant to be shared, and that by bringing our best thinking to others in the industry, we can achieve greater impact more quickly.

We regularly engage with a broad range of civil society, industry, academic, and government experts to gather feedback on our own programs. We maintain leadership roles with the Responsible Business Alliance (RBA) and its Responsible Minerals Initiative (RMI), as well as the Public Private Alliance for Responsible Minerals Trade (PPA). In 2020, we continued to participate in the European Partnership for Responsible Minerals (EPRM) and the Responsible Artisanal Gold Solutions Forum, among other multistakeholder and industry groups working to develop standards and programs to support responsible sourcing initiatives globally.

In 2016, we developed the Risk Readiness Assessment (RRA) to help assess risks in our supply chain across social, environmental, and human rights metrics. After sharing this tool with the broader industry in 2018 through the RMI, the RMI then began tracking completion of the RRA for its Responsible Minerals Assurance Process participating smelters and refiners in 2020. The Copper Mark, an assurance framework for responsible copper production, also adopted the RRA in 2020 to define its criteria for copper producers at its 16 sites. By the end of 2020, 327 downstream companies and upstream smelters and refiners utilized the RRA, an increase from the 287 users in 2019.

Innovating solutions to improve traceability

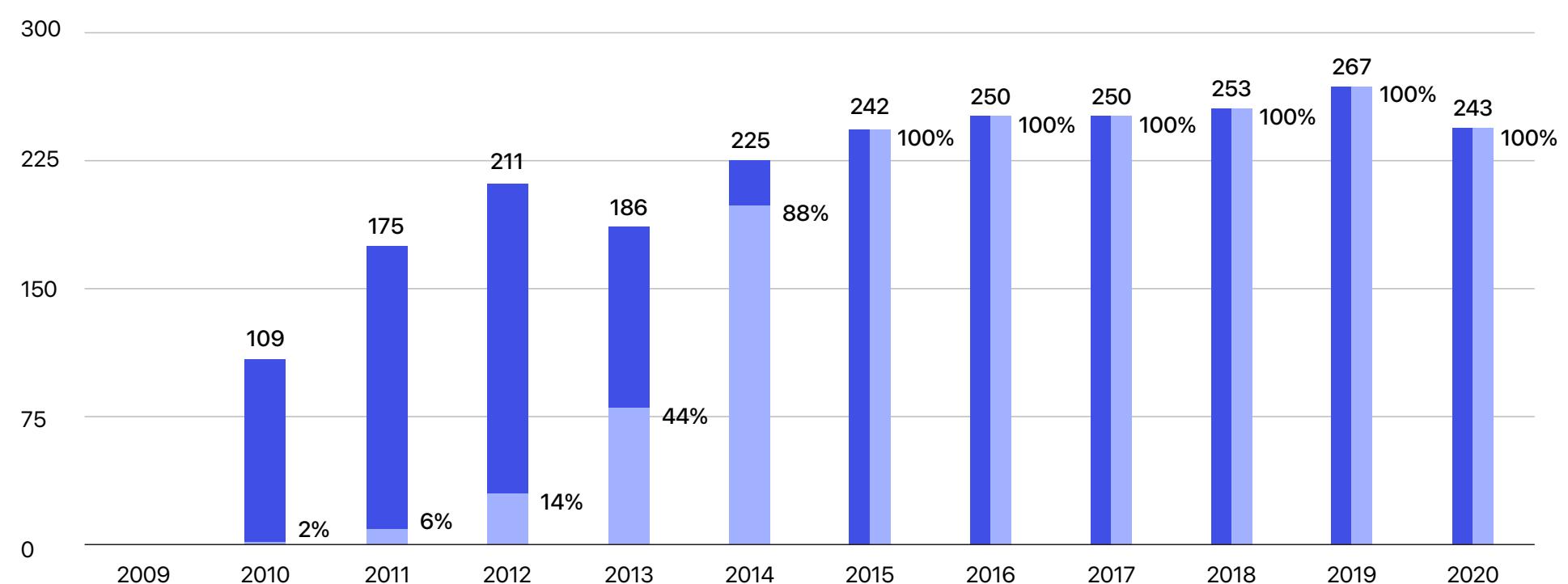
Even as we further increase our use of recycled materials, we continue to seek out innovative ways to source gold and other minerals responsibly. Last year, we continued to fund and scale the Salmon Gold project with Tiffany & Co., led by RESOLVE, a sustainability non-profit, in order to course-correct the damage done by historic mining. The gold mined from this project is traced from its origin to a refiner in Apple's supply chain using blockchain technology.

In order to further refine and expand the traceability and connectivity between multiple blockchain solutions, in 2020, we began testing interoperability to enable data transfer and connectivity between blockchain solutions in the Salmon Gold Project. We plan to continue to scale these blockchain solutions to other primary and recycled minerals in our supply chain.

We believe that blockchain solutions should be used as a tool to support — but not replace — supply chain due diligence, and that the possible impacts on people working at the mining level and in surrounding communities should be taken into consideration. In keeping with this commitment, we continued to participate in the RMI's Blockchain Working Group, helping standardize data interoperability across minerals blockchain solutions and ensure data privacy.

3TG smelters and refiners third-party audit participation

Based on end-of-year reporting



█ Number of 3TG smelters and refiners identified

█ Percentage of 3TG smelters and refiners participating in third-party audits

Skill-building deeper in the supply chain

We continue to expand our educational programs to include more people — including those who live in communities where some of our suppliers source minerals. We're working to support local communities through the international development NGO Pact. Pact's vocational education program provides mentorship and career training for trades, including hairdressing, auto mechanics, and welding in and around mining communities in the Lualaba province of the DRC. In the midst of the COVID-19 pandemic, the program pivoted to provide educational initiatives around health and safety in addition to its standard curriculum. Apprentices in the tailoring track were also able to put their new skills to practical use, generating critical sources of income by sewing face masks for their community. In an associated program, we also continued to partner with Pact to deliver rights awareness training to miners, youth, and community officials in ASSM communities in the DRC. These training sessions were designed to raise awareness on a range of human rights issues and were based in part on curriculum developed by the United Nations Children's Emergency Fund (UNICEF).

We also continued to work with the Massachusetts Institute of Technology's (MIT) D-Lab Innovation Center in Colombia, which supports training of local gold miners and community leaders to

develop sustainable solutions to ASSM challenges. Since 2019, 150 miners have been trained in the Creative Capacity Building program, with 100 percent of participants reporting that they feel more equipped to address local challenges as a result. Miners have created 216 prototypes, including water filtration and wastewater systems, poultry businesses, vertical gardens, and commercial face mask businesses.

We believe that the lessons learned from these programs will help support further innovation across the supply chains of additional minerals.

Supporting human rights and environmental defenders

Empowering local, independent voices is critical to identifying and assessing risks and opportunities in the supply chain, particularly related to responsible minerals sourcing. We work with local experts who best understand the needs of their communities and who are closest to the areas where minerals in our supply chain may be sourced.

2020 marked the fourth year of our partnership with the Fund for Global Human Rights (the Fund). The Fund is a public foundation that works with local human rights organizations in more than 25 countries around the globe. The Fund's mission is to equip activists, mobilize movements, and improve lives by supporting courageous individuals working to create

lasting change. Since its founding in 2002, the Fund has invested more than \$100 million into the work of frontline activists and human rights defenders working on range of issues including economic and social rights of mining communities, inclusive economic growth, judicial advocacy, environmental justice, rule of law, health and safety, and fair compensation for mining communities. In 2020, with the support of Apple, the Fund partnered with 24 grassroots organizations in the DRC.

In 2020, with the support of Apple, the Fund for Global Human Rights partnered with 24 grassroots organizations in the DRC.

Responsible sourcing toolbox steps

As we work toward our goal of using only recycled and renewable materials in our products and packaging, we also continue to responsibly source materials by conducting due diligence in our supply chain; considering the human rights impact on surrounding communities; engaging with others to strengthen industry standards; driving transparency; and fostering the same opportunities as we do in other parts of Apple's supply chain.



Innovate sourcing of primary materials



Map the supply chain and establish strict requirements



Understand risks by using supply chain tools like the Risk Readiness Assessment



Conduct third-party audits



Address risks that are found



Publish smelter and refiner list annually



Increase recycled content



Engage with civil society and support local human rights and environmental defenders



Strengthen industry traceability systems to increase transparency



Support local communities



Develop and drive common industry standards



Provide training to supply chain actors to strengthen due diligence

03 > Health, Safety, and Wellness

Our response to the COVID-19 pandemic

A culture of safety

Advancing smarter chemistry in manufacturing

Health and wellness programs

Putting people first includes working from the earliest stages of product design to ensure that the materials, machines, and processes we use in the manufacturing of our products take into consideration the health and safety of those working in our supply chain.

Health and safety Code highlights

Requiring a safe and healthy workplace is core to our Code and Standards, and fundamental to protecting the people in our supply chain.



Occupational health and safety hazard prevention

Suppliers must comply with Apple's Regulated Substances Specification for all materials and goods it manufactures or provides to Apple. Suppliers must establish and implement a written program to track, review, and approve the use of all hazardous chemicals, and obtain internal EHS approval for all new purchases and maintain an up-to-date chemical inventory. Suppliers must also communicate the risks of hazardous chemicals — and subsequent control mechanisms to mitigate those risks — to their employees.



Emergency prevention, preparedness, and response

Suppliers shall identify and assess potential emergency situations. For each scenario, suppliers shall develop and implement emergency plans and response procedures that will minimize harm to life, environment, and property.



Incident management

Suppliers must have a system in place for their employees to report health and safety incidents, as well as a system to investigate, track, and manage such reports. Suppliers must implement Corrective Action Plans (CAP) to mitigate risks, provide necessary medical treatment, and facilitate their employees' return to work.



Infectious disease preparedness and response

Suppliers shall implement a documented infectious disease preparedness and response process to identify, evaluate, and control workplace infectious disease transmission and monitor guidance of relevant health agencies in order to figure out how best to incorporate recommendations into the process and the plan. This program shall be based on a thorough risk assessment of the hazards that will be encountered in the workplace relating to the diseases.



Working and living conditions

Suppliers shall provide their employees with reasonably accessible and clean bathroom facilities and potable water. Supplier-provided dining, food preparation, and storage facilities shall be sanitary. Dormitories provided by suppliers or third-parties shall be clean and safe and provide reasonable living space.



Training and communication

Suppliers must provide workers with appropriate workplace health and safety training in one or more languages so that all employees are able to understand the training. Health and safety related information must be clearly posted in the facility.



Health and safety permits

Suppliers must obtain, keep current, and comply with all required health and safety permits.

Our Code in Action

Our response to the COVID-19 pandemic

The COVID-19 pandemic left no country untouched. From the very beginning, we have looked for every opportunity to help, with our top priority being the health and safety of our employees, customers, and the people working throughout our supply chain.

Throughout this crisis, our strong values and systems have enabled us to uphold our commitment to respect the safety, dignity and human rights of those working in our supply chain, even in the face of these extreme global challenges.

Preventing and tracking the spread of COVID-19

Throughout 2020, we leveraged our strong relationships with suppliers around the world to deploy a range of protections suited to their

local circumstances, which included measures such as health screenings, limiting density, and ensuring strict adherence to social distancing in their facilities. Beginning in March 2020, we strengthened our incident reporting mechanisms to more clearly include the reporting of any infectious disease incidents to Apple. This has allowed us to track COVID cases at supplier facilities around the world, from initial reporting to recovery, and to engage with each of these sites, one-on-one, to confirm they have the proper protocols in place to keep their employees safe and healthy.

COVID-19 response highlights

- Strengthened incident reporting mechanisms to more clearly include the reporting of infectious disease incidents to Apple
- Tracked COVID-19 cases at supplier facilities, from initial reporting to recovery
- Sent comprehensive questionnaire to all suppliers to assess their current level of infectious disease preparedness and response
- Worked with suppliers to deploy protective measures in their facilities, including but not limited to: redesigning and reconfiguring factory floor plans; implementing flexible working hours; implementing enhanced deep cleaning protocols and health screenings; deploying masks and sanitizers; and strengthening ongoing education on self-preventative measures when outside of facilities
- Conducted onsite and remote assessments at select supplier facilities to reconfirm implementation of COVID-19 preventative and control measures, while also identifying improvement opportunities
- Curated and shared best practices across supplier facilities to strengthen COVID-19 risk management measures
- Updated Code and Standards to include Infectious Disease Preparedness and Response, requiring suppliers to implement documented infectious disease preparedness and response processes; form infectious disease response teams at each of their facilities; establish capabilities for infectious disease surveillance and reporting; and conduct training for all workers, supervisors, managers, onsite contractors, and vendors
- Sent Apple Health and Safety COVID-19 Guidance to all suppliers, highlighting key health and safety requirements
- Sent Apple Labor and Human Rights COVID-19 Guidance to all suppliers, highlighting key labor and human rights requirements
- Shared suite of response and management tools with member companies of the Responsible Business Alliance (RBA)
- Supported Pact in bringing health and safety educational initiatives to mining communities in the Democratic Republic of the Congo (DRC), including 2,320 public health educational radio campaigns in the region
- Funded development of "atun", a free app that provides support and credible information for workers who may have been displaced or lost their incomes as a result of the pandemic
- Worked with the International Organization for Migration (IOM), who extended support to labor agencies in our supply chain to provide safe transportation and psycho-social support for those workers displaced or otherwise impacted by COVID-19

Offering comprehensive pandemic safety support for all suppliers

Throughout the pandemic, we have worked to proactively anticipate issues and provide preemptive support to those suppliers who need it most. We've sent comprehensive questionnaires to all suppliers in order to assess their current level of preparedness and response, and to reinforce both Apple's rigorous requirements and local regulations. The questionnaire consists of 64 questions on a range of topics, including social distancing, use of masks, cleaning protocols, health education of supplier employees, and health screenings at facilities. The results of the questionnaire have helped our team assess any existing gaps, and identify opportunities to work with suppliers in higher-risk areas to help make their facilities safer. This includes redesigning and reconfiguring factory floor plans where necessary, implementing flexible working hours to maximize interpersonal space, implementing enhanced deep cleaning protocols, and deploying masks and sanitizers. Members of our Environment and Supply Chain Innovation (ESCI) team have provided this support through consistent engagement with these sites, keeping in constant contact, and even scheduling site walk-throughs when safe and necessary, in order to confirm best health and safety practices are being followed.

Improving infectious disease preparedness

Building upon our existing rigorous health and safety protocols, we've updated our Code and Standards to include Infectious Disease Preparedness and Response. This new standard, which was introduced in 2020, requires all suppliers to prepare for, prevent, and respond to the potential for an infectious disease among its employees. Suppliers are required to implement a documented infectious disease preparedness and response process, form an infectious disease response team at each of their facilities, establish capabilities for infectious disease surveillance and reporting, and conduct training for all workers, supervisors, managers, on-site contractors, and vendors on the basic principles of infectious disease control.

Maintaining our focus on supplier assessments and vulnerable workers

Maintaining our high due diligence standards, and upholding our commitment to people has become even more important in the wake of the pandemic, particularly standards related to wages and working hours, sick leave, discrimination, and non-retaliation. The Apple Labor and Human Rights COVID-19 Guidance, which has been sent to all suppliers, highlights key labor and human rights requirements that must be upheld at all times, but are of

particular importance during the pandemic. The communication, which can be read in full in the ["Additional Resources"](#) section of this report, also provides guidance for addressing issues specifically related to migrant workers.

Sharing our pandemic response strategy with the industry

Last summer, we shared a suite of tools based on our response to the pandemic with the member companies of the Responsible Business Alliance (RBA). The tools included signage templates to be used in facilities, as well as tools to help gauge a supplier's readiness to resume operations after having been shut down during lockdowns. In addition to sharing these tools, members of the Apple team recorded a podcast for RBA members explaining how to use the tools, as well as providing context and insight into Apple's pandemic response strategy at both our corporate and supplier facilities.

Partnering with NGOs to help communities through an unprecedented time

Deeper in our supply chain, we work with NGOs such as Pact on vocational education programs for youth living in mining communities in the DRC. In the midst of the COVID-19 pandemic, this program has taken on a new dimension and level of importance by providing educational initiatives

around health and safety, in addition to its standard curriculum. Participating students have also been able to put their new skills to practical use by sewing face masks for their community.

With Apple's support, in 2020, Pact was also able to run 2,320 public health educational radio campaigns in the region, helping to create awareness around the proper precautions people should be taking during the pandemic, including social distancing, wearing face masks, and hand washing.

In 2020, we worked with the International Organization for Migration (IOM) to support migrant workers in the Philippines, extending support to labor agencies in our supply chain to provide safe transportation and psycho-social support for those workers displaced or otherwise impacted by COVID-19.

In addition to the many initiatives Apple has funded to support communities and people in our supply chain impacted by COVID-19, we funded the further development of "atun", a free app for workers seeking support and credible information who may have been displaced or lost their incomes as a result of the COVID-19 crisis. The app is a collaboration, led by Labor Solutions, between a consortium of civil society organizations, businesses, and the ILO Better Work Program, and is available to workers throughout the Asia region.

A culture of safety

Human rights include the right to a safe and healthy workplace. We work with our suppliers to help them uphold the highest standards, designed to keep their employees safe on the job. These standards cover the safe handling of chemicals, emergency preparedness, health and safety permits, living and working conditions, and incident management.

Holding suppliers accountable to our standards

Health and safety are an important part of every assessment we conduct at supplier sites. Any instances of non-compliance with our Code and Standards during an assessment are addressed through tailor-made Corrective Action Plans, online training materials, and capability-building with Environment, Health and Safety (EHS) experts in order to improve their future performance.

Proactive, customized machine safety support

In order to maintain a culture of safety, we consistently look for opportunities to engage earlier and prevent issues before they materialize.

In 2020, we set out to proactively improve machine safety across our supply chain. We began by developing and deploying a questionnaire to all Apple suppliers to identify their capabilities in three

78

high-priority supplier sites receiving customized, on-site support to help proactively improve machine safety in their facilities

03

Health, Safety,
and Wellness

main areas: machine procurement, machine safety sign-off, and safe work procedures. We analyzed their risk performance based on the results of these questionnaires in order to identify those high-priority suppliers that required additional support and capability-building. In 2021, 78 high-priority supplier sites are receiving customized, on-site support from subject matter experts in order to address identified gaps, and improve their safety performance.



In 2020, we introduced an update to our Code and Standards requiring all suppliers to prepare for, prevent, and respond to the potential for an infectious disease among its employees.

Program milestones

2020

- Enhanced Code and Standards requirements on infectious disease management
- Developed Machine Safety Design Guideline for machine builders responsible for enclosure manufacturing
- Launched machine safety initiative at worldwide manufacturing supplier

2019

- Launched EHS Leadership Workshop
- New Code requirements added on occupational health and safety, chemical identification and evaluation, process safety management, chemical hazard communication, and emergency preparedness and response
- Launched Environmental Permit Database

2017

- EHS Academy content was adapted for members of Responsible Business Alliance (RBA) and Institute for Sustainable Communities (ISC)

2015

- Established EHS Subject Matter Expert Capability-Building program

2013

- Launched EHS Academy

2012

- Published Combustible Dust Hazards Standard

Advancing smarter chemistry in manufacturing

Transitioning suppliers to safer chemical alternatives protects workers and the world we live in. When safe materials are recycled within circular supply chains, it benefits both the communities in which we operate and helps preserve natural resources.

As we and our suppliers identify or innovate new materials and chemistries, we are committed to taking a leadership role in evaluating and pursuing safe and sustainable alternatives — and advancing progress beyond our supply chain. Our work in this area has received recognition: for the third year in a row, Apple received an A+ rating from Mind the Store, a ranking that evaluates the largest retailers in North America on how they ensure the chemical safety of their products and packaging. In 2020, we were also ranked #1 of the 50 retailers evaluated as part of the Mind the Store Retailer Report Card.

Selecting safer process chemicals to protect workers

Protecting people in our supply chain means looking beyond our end products to consider the full experience of those building our products when selecting and managing chemicals. While we require suppliers to maintain strict safety measures, the strongest method we can employ to protect people is to select safer materials from the start.

An area where we are making an immediate impact is with process chemicals — or those used in the manufacturing processes of our products — specifically cleaners and degreasers. These substances account for some of the highest use materials within our supply chain, and their chemistries have been the focus of considerable attention from regulators and environmental

#1

first consumer electronics company to receive EPA Safer Choice Partner of the Year Award

100%

of supplier final assembly sites utilize only approved safer cleaners

health and safety organizations. All of our final assembly sites use only safer alternative cleaners and degreasers. This year, we were the first consumer electronics company to receive the U.S. Environmental Protection Agency's (EPA) Safer Choice Partner of the Year Award in recognition for our work to scale the use of safer process chemicals in our supply chain.

Advancing smarter chemistry is resource-intensive, from gathering the information, to assessing the data, to developing safer alternatives. Our suppliers are required to assess the potential hazards associated with the chemicals they use, and to ensure controls and worker protection measures are in place to mitigate the risk of exposure. However, suppliers often don't have the capacity to seek out alternatives as a preferred solution. For this reason, we support our suppliers by sharing the safer alternatives we've identified, and by promoting the use of substances that meet our standards.

While we also review our suppliers' inventories for potentially harmful chemicals, we've found that creating a list of approved cleaners and degreasers that are safe for use can help drive greater adoption of safer alternatives. We invested in the in-depth assessment and evaluation of these substances, incorporating leading guidance by GreenScreen® and the EPA's Safer Choice program. In 2020, we evaluated 33 new cleaners, bringing our total approved alternatives to cleaners and degreasers to 80.

80%
of our largest suppliers by spend disclosed chemical inventories and related safety practices

Chemical safety mapping

Driving greater adoption of safer and greener chemicals starts with driving transparency and traceability. In 2020, we set out to conduct an extensive chemical inventory mapping, collecting data on more than 600 facilities representing 80 percent of our largest suppliers by spend. This included identifying 14,000 unique uses of chemicals and, most importantly, what safety mechanisms suppliers have in place. By undertaking this work, we have been able to quickly identify potentially hazardous chemicals, and prioritize them for substitution and removal from the supply chain. This comprehensive inventory of chemicals allows us to find the most effective ways to reduce risk, keep workers safe, and identify opportunities to further advance smarter chemistry in our supply chain. We plan to complete the mapping of our largest suppliers by the end of 2021.

Driving chemical safety across the industry

We're also working with NGOs to make information about safer alternatives readily available throughout the electronics industry. This includes partnering with Clean Production Action, an advocacy nonprofit, to create clear criteria to assess the safety of cleaners in use across our industry.

Another effort is ChemFORWARD, a nonprofit collaboration of brands, retailers, suppliers, and environmental organizations that share high-quality, actionable chemical hazard data via a globally harmonized repository. Through ChemFORWARD, we're sharing our list of safe cleaners and degreasers and our evaluation framework with companies beyond our supply chain, and even our industry. We also worked with the Clean Electronics Production Network (CEPN), a multi-stakeholder initiative working to address health and safety challenges in the electronics supply chain, to develop the Process Chemicals Data Collection (PCDC) Tool. The PCDC tool is a free, standardized reporting tool that improves the process of collecting and managing data related to process chemicals usage in the electronics industry. The tool creates an industry-wide format for consistent collection of information across the supply chain, and enables identification and quantification of chemical use to help drive safer substitutions across the industry.

Program milestones

2020

- Received EPA Safer Choice Partner of the Year Award
- Ranked #1 of 50 retailers on Mind the Store Retailer Report Card
- A+ rating from Mind the Store campaign for 3rd consecutive year

2018

- First A+ rating from Mind the Store campaign
- All final assembly sites use only safer alternatives for cleaners and degreasers

2017

- Began requiring final assembly suppliers to report full chemical inventory to Apple
- Replaced all GreenScreen Benchmark 1 and 2 cleaners with safer alternatives in all final assembly facilities

2016

- Expanded Chemical Management Program to critical component manufacturing sites

2014

- Released Regulated Substances Specification list

2013

- Established Chemical Management Program

Health and wellness

From the products and services we create, right down to the programs and measures we employ throughout our supply chain, we are committed to helping people lead healthier lives.

Extending health and wellness beyond the workplace

In our supply chain, creating healthy workplaces starts with our Code and Standards. But we go further by providing programs that empower supplier employees to take charge of their own personal health and well-being.

Our health education program started in 2017 in China as a peer-to-peer program providing training on reproductive health, disease prevention, and nutrition. The program expanded to India in 2018 and launched in Vietnam in 2019. We have also integrated nutrition training into our supplier new employee orientation program.

Exceeding our goals in health education and services

While the main focus of our wellness efforts in 2020 was on helping to keep supplier employees safe at work in the wake of the COVID-19 pandemic, we achieved a milestone of reaching 1.98 million people

1.98M

supplier employees have participated in our health education program

03

Health, Safety, and Wellness

with our health education program — nearly double our original 2020 goal.

We maintained our established program in India, where education on nutrition and healthy eating was identified as a primary need. And in Vietnam, where up to 80 percent of employees at participating suppliers are women, we began providing support to improve the capabilities of two health centers providing women's health services to the broader community in 2020. This included increased training for factory health staff and those working in the community health centers, as well as training for peer educators.

Advancing health and safety best practices

In 2013, we launched the EHS Academy, which we provided to the Responsible Business Alliance (RBA) in order to make the content available



Our health education program started in China in 2017 and has since expanded to India (2018) and Vietnam (2019).

globally to all RBA member companies and their suppliers.

As of 2020, the RBA continues to develop its industry-level online training, building on the EHS Academy curriculum. Apple subject matter experts also continue to use learnings to provide in-depth training and capability-building at supplier facilities, and make hundreds of tools and guidance materials available to suppliers through our online platform, SupplierCare.

Program milestones

2019

- Program expanded to Vietnam
- Introduced training to staff working at on-site clinics in Vietnam
- 1M supplier employees reached by education program
- Nutrition training integrated into new supplier employee orientation

2018

- Program expanded to India
- Funded independent, anonymous health testing for a range of health and reproductive issues at key supplier sites

2017

- Health education program established in China
- Launched health awareness programming for female employees

2013

- Established Apple Supplier Environment, Health, and Safety (EHS) Academy to expand expertise of local managers
- Analyzed ergonomic risks in supply chain

04 > Education and Professional Development

Providing opportunities for the future of work

We're committed to investing in the personal and professional development of those working in our supply chain, so they can grow into the jobs of today and tomorrow.



From top to bottom:
Instructor and students in
technical education classes.
Line Leader working with an
Operator on the production line.
Students in robotics training
class. Students in a SEED lab
studying for Swift coding.
Production Operators on break.

Providing opportunities for the future of work

At Apple, we believe access to education is a fundamental right that opens doors and prepares people for the future. Starting more than a decade ago with iMac-equipped classrooms, our Supplier Employee Education and Development (SEED) program has evolved into a network of higher education opportunities, coding courses, and vocational certification programs, helping those working in our supply chain cultivate the skills to advance in the jobs of tomorrow.

Skill-building for employees of U.S. suppliers

In 2019, we launched an education program focused on providing skill-building opportunities for employees of U.S.-based suppliers. The program, which started with a California-based staffing supplier, provides individuals with opportunities to take courses on a variety of technical skill-building and professional development topics.

In 2020, we worked to expand the offerings available to include additional technical skills, including CompTIA training and certification.

Helping employees grow their skills amid the pandemic

While COVID-19 presented many challenges to delivering educational programs, it pushed us to explore new ways of reaching people, which we believe will help us scale these programs post-pandemic. In 2020, 625,000 supplier employees took advantage of SEED learning opportunities,

1,855
apprenticeship participants since 2018

4.6M+
supplier employees have participated in educational programming since 2008

with more than 4.6M employees across 32 supplier sites participating since the program's inception in 2008.

Scaling educational opportunities for supplier employees

As our business grows and evolves, we have an opportunity to scale faster and be more adaptive when providing skill-building to supplier employees. With this in mind, over the next year, we will be rolling out a new learning hub to help supplier employees develop the skills they will need to thrive in their careers at our supplier facilities and beyond.

Growing our apprenticeship program

In 2020, we welcomed the third cohort of 1,395 students into our Line Leader, Automation Technician, and general apprenticeship programs. To date, more than 1,855 students have taken advantage of this comprehensive apprenticeship program.

The Automation Technician Program prepares students to independently install, maintain, and repair automation machines in the automation production line, while the Line Leader program helps students cultivate the skills they need to advance into roles as production line supervisors. These lessons include not

only traditional management training, such as presentation skills and conflict management, but also lessons on production organization and management, troubleshooting and problem solving, people training and coaching, and project management. The curriculum was designed using a hands-on, task-based approach, allowing students to learn by doing. More than 800 vocational school graduates have taken advantage of this unique, comprehensive training program, with many moving into management positions at their respective facilities soon after graduation.

We are also working to increase the impact of our program beyond our supply chain by helping build the capabilities of teachers at local vocational schools. In 2020, 429 teachers and supplier trainers participated in capability-building activities organized by Apple. Apple has organized 68 of these capability-building activities, reaching 1,170

teachers and supplier trainers over the past three years.

Creating a more flexible Swift coding curriculum

Three years ago, we began to offer training to supplier employees on Apple's Swift coding language. Listening to feedback from former students, we began exploring opportunities to make access to our coding basics curriculum more flexible for supplier employees. In 2019, we started to move Swift Playgrounds courses online, and in 2020, we explored more digital learning methodologies including video and live-streaming webinars so students can learn on their own schedules, straight from their mobile phones. This provides opportunities for students to engage virtually with teachers, as well as continued in-person support through on-site facilitators who are recent graduates of the program. To date, 3,500 supplier employees in 8 factories have completed the training.

Turning students into teachers

We've expanded our "train the trainer" program for Swift coding students to learn from Creatives at our Apple Retail Stores. In 2020, 154 supplier employees took part in a series of training workshops on macOS apps, including Pages, Keynote, and iMovie. By familiarizing

3,700
supplier employees participated
in technical training in 2020

Program milestones

2020

- Third cohort joined Line Leader, Automation Technician, and general apprenticeship programs
- SEED program reached over 4.6M participants

2019

- Launched education program in the U.S.
- Second Line Leader cohort graduated
- Co-developed curriculum for automation technicians

2018

- First Line Leader cohort graduated

2017

- Supplier Employee Education and Development (SEED) program expanded to include Swift and vocational certification program
- Launched Line Leader Program

2015

- SEED program reached 1.4M participants

2008

- Launched SEED Program

themselves with the functionality of Apple products and services, these students have a better understanding of the products they are creating on the job, as well as insight into Apple's developer systems as they continue to advance in their coding coursework. 68 students have been certified to become trainers in their respective facilities to provide this coursework to their colleagues.

Expanding the size and scope of technical training

Finally, in 2020, 3,700 supplier employees at 13 supplier sites participated in technical training including programs on robotics, Computer Numerical Control (CNC) machines, and mobile device repair. This brings the total number of participants to 15,000 at 18 supplier sites. The first authorized robotics training center was established in Chengdu, China, with several additional sites planned in the coming year.

1,170

teachers and supplier trainers
supported by capability-building
program

05 > Environment

Our environmental strategy | Building a carbon neutral supply chain | Driving energy efficiency | Transitioning to renewable electricity | Direct emissions abatement | Advancing water stewardship | Eliminating waste in manufacturing

We are committed to creating products that enrich the lives of our customers, and to producing them in a manner that doesn't deplete the earth's resources. This responsibility extends throughout our supply chain — from initial design through manufacturing, and across the entire life cycle of our products.

Our annual Environmental Progress Report details our approach to achieving our ambitious goals — including our commitment to achieve carbon neutrality for our product life cycle by 2030. The following outlines supply chain aspects of the environmental programs contributing to our 2030 ambitions, and beyond. For a comprehensive overview of our environmental programs and progress, please see our Environmental Progress Report: apple.com/environment



Solar farm, United States



Environmental protection Code highlights

Our Code requires our suppliers to understand and take active steps to reduce their environmental impact, while also becoming better stewards of the resources we all share and the communities in which we operate.



Regulated substance management

Suppliers must comply with Apple's Regulated Substances Specifications for all goods it manufactures for and provides to Apple.



Environmental permits

Suppliers must obtain, keep current, and comply with all required environmental permits. Suppliers must comply with the reporting requirements of applicable permits and regulations.



Stormwater management

Suppliers must implement a systematic approach to prevent contamination of stormwater runoff. Suppliers shall prevent illegal discharges and spills from entering storm drains, public water supply, or public bodies of water.



Wastewater management

Suppliers must implement a systematic approach to identify, control, and reduce wastewater produced by its operations. Suppliers must conduct routine monitoring of the performance of their wastewater treatment systems.



Air emissions management

Suppliers must identify, manage, reduce, and responsibly control air emissions emanating from their operations that pose a hazard to the environment. Suppliers must conduct routine monitoring of the performance of their air emission control systems. Suppliers must regularly quantify, set targets, monitor progress, and reduce emissions of greenhouse gases through conservation, use of clean energy, or other measures.



Boundary noise management

Suppliers must identify, control, monitor, and reduce noise generated by the facility that affects boundary noise levels.



Waste management

Suppliers must implement a systematic approach to identify, manage, reduce, and responsibly dispose of or recycle waste.



Pollution prevention and resource reduction

Suppliers must develop, implement, and maintain environmentally responsible business practices. Suppliers must regularly quantify, set targets, monitor progress, and reduce consumption of fossil fuel, water, hazardous substances, and natural resources through conservation, reuse, and recycling.

Our environmental strategy

We have dedicated our resources and best thinking to considering the environment in everything we do: the energy that powers our operations, the materials in our devices, the companies we do business with, and the health and safety of those who make and use our products.

This commitment acknowledges our responsibility for our entire value chain, which extends across our facilities and through the entire life cycle of our products. It also drives our strategy, whether innovating solutions to environmental challenges or creating opportunities for minority-owned businesses and institutions that have been historically disadvantaged. We're striving to enable the type of world we want to live in. That means taking steps to help others reduce their footprint, as well as protect communities that often disproportionately bear the costs of environmental harm.

Our environmental strategy consists of three pillars:

- **Climate Change:** We've set a goal to become carbon neutral across our entire footprint by 2030. We will get there by reducing our emissions by 75 percent compared to 2015, and then investing in carbon removal solutions for the remaining emissions.
 - **Resources:** We aim to make products and packaging using only recycled or renewable materials. At the same time, we're committed to stewarding water resources and sending zero waste to landfill.
 - **Smarter Chemistry:** Through chemistry innovation and rigorous controls, we design our products to be safe for anyone who assembles, uses, or recycles them — and to be better for the environment.
-

Apple's comprehensive carbon footprint

To achieve our goal of carbon neutrality by 2030, we must first understand our carbon footprint today. That's why we meticulously model emissions from our entire value chain, including both our corporate operations and our full product life cycle. That includes emissions from manufacturing, transporting, using, and even recycling our devices. This data defines our strategy to reduce emissions by 75 percent and reach neutrality across our product life cycle.

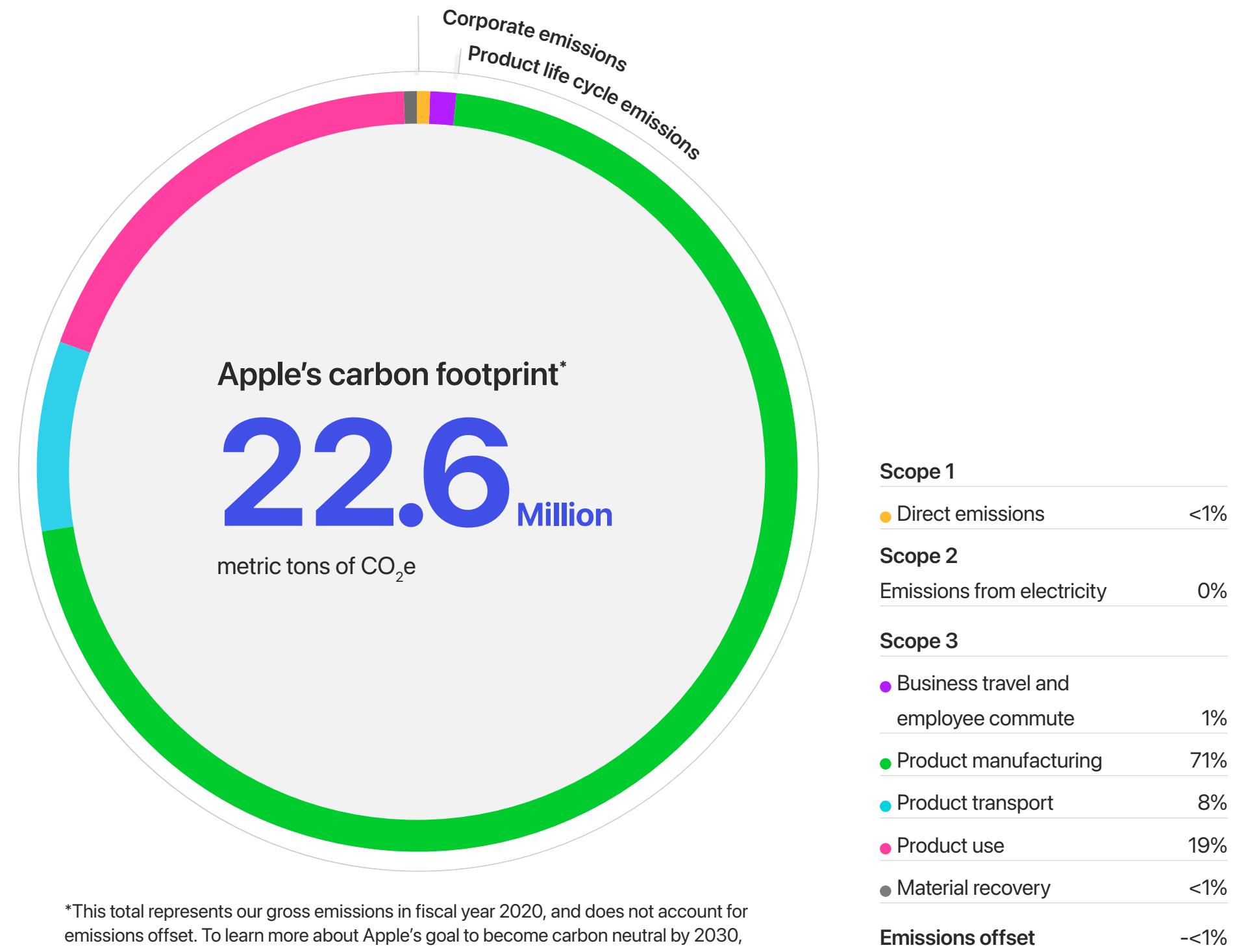
The WRI Greenhouse Gas Protocol defines the methodology for classifying GHG emissions.

Scope 1 emissions are those greenhouse gases resulting from fuel combustion from sources we own or operate — like vehicles or natural gas for heating.

Scope 2 emissions refer to those resulting from the use of electricity. Renewable energy generates minimal Scope 2 emissions, whereas burning coal, oil, or natural gas to produce electricity releases carbon dioxide and other greenhouse gases into the atmosphere.

Scope 3 emissions refer to all other indirect emissions that occur in a company's value chain, including upstream and downstream activities.

Apple's 2020 carbon footprint



Building a carbon neutral supply chain

Climate change is one of the greatest threats of our time, putting people's access to clean air, adequate food, safe drinking water, and sanitation at risk.

Low-carbon design

We believe that well-designed products have a lower environmental footprint. This is a principle we strive to bring to everything we create, and a central pillar of our 2030 goal to achieve carbon neutrality for our entire product life cycle. This includes designing products and manufacturing processes to be less carbon-intensive through thoughtful material selection, increased material efficiency, and greater product energy efficiency. Learn more about our approach and progress toward low-carbon design in our Environmental Progress Report: apple.com/environment.

This means the impact of the changes we make — improving energy efficiency and transitioning to renewable energy across our supply chain — extends beyond our factories, stores, and offices to benefit those who live in the communities where we operate. The future success of our company depends on taking urgent and decisive action. For years, we have increased energy efficiency and the use of renewable energy, yet we know we have to do more. That's why last year, we unveiled

our most ambitious plan to date: to achieve carbon neutrality for the entire life cycle of our products by 2030. This goal places us 20 years ahead of the recommendations put forward by the Intergovernmental Panel on Climate Change (the United Nations body for assessing the science related to climate change) calling for carbon neutrality as a planet by 2050. The science is clear: our world cannot wait for an inclusive, carbon neutral economy. Every business has a responsibility to create a meaningful plan to reduce its emissions.

Our goal and approach are informed by science. We focus on avoiding activities that generate carbon in the first place. And, wherever possible, we're switching to lower-carbon alternatives. In cases where emissions can't be avoided, we'll then remove the equivalent amount of carbon from the atmosphere. While we pursue viable solutions, we also align to the same carbon mitigation hierarchy in our strategy. It isn't the easiest approach, but it's the one science shows is necessary to address climate change.

Program milestones

2020

- More than 100 suppliers committed to 100% renewable electricity for Apple production
- AirPods, iPad and Apple Watch final assembly sites in China kicked off multiyear energy efficiency goals
- More than 4 gigawatts of renewable energy brought online
- Nearly 8 gigawatts of renewable energy commitments reached

2019

- Key supplier commitments reached in major supply chain countries
- First in-person training hosted by Apple for over 30 suppliers in China
- Launched partnership with Asia Green Fund to drive energy efficiency

2018

- iPhone final assembly sites in China set three-year target to reduce energy use by 20%
- Launched China Clean Energy Fund, enabling Apple and suppliers to invest in more than 1 gigawatt of renewable energy in China

2017

- Launched Supplier Clean Energy Portal
- Made initial investment in development of nearly 500 megawatts of solar and wind projects in China and Japan to address upstream emissions in our supply chain
- Supplier Code of Conduct requires suppliers to maintain inventory of air emissions, including greenhouse gases

2015

- Launched Supplier Clean Energy Program and Supplier Energy Efficiency Program

Driving energy efficiency

While we drive energy efficiency in our products and our own facilities, we also partner with our suppliers to advance their energy performance.

The most significant opportunity to make an impact on energy efficiency is with our suppliers. Currently, manufacturing accounts for approximately 70 percent of Apple's comprehensive carbon footprint. Energy usage drives those emissions, so with our suppliers, we prioritize optimizing energy use and then shifting to renewable energy sources. Our Supplier Energy Efficiency Program works side-by-side with our Supplier Clean Energy Program in supporting suppliers to reduce emissions. By helping a supplier reduce the energy they use, we lower the amount of renewable energy they will need to meet their clean energy commitments. While not all suppliers have the same level of access to renewables, each has the opportunity to work more efficiently with the energy they're using. We began by addressing energy efficiency with the suppliers who expressed interest in optimizing their energy use and with manufacturers with significant energy usage.

Now we're focusing on scaling the program content and services to the broader supply chain, as part of our strategic effort to reduce the energy required to

900,000+ MT
of annualized carbon avoided from supply chain energy efficiency in fiscal year 2020

make our products. From the collaborative actions we've taken with our suppliers to accelerate toward carbon neutrality, more than 900,000 annualized metric tons of supply chain carbon emissions were avoided in fiscal year 2020, a 44 percent improvement over 2019*.

Working with our suppliers toward a more energy-efficient supply chain

As suppliers join our energy efficiency program, we encourage them to deeply understand their greenhouse gas emissions. As of 2019, we require our suppliers to report both their emissions and their reduction targets.

To help suppliers reduce their energy use, we provide guidance designed to help them uncover opportunities for energy efficiency. We also assist them with assessments and technical issues where appropriate. Typical projects may include replacing outdated or inefficient heating, cooling, and lighting systems; repairing compressed air leaks; and recovering waste heat. We've also provided support through workshops and trainings, including multiday classroom trainings for employees complete with a capstone project. We continue to expand the support we provide

20%

energy reduction achieved by participating iPhone supplier facilities compared to the established 2017 baseline

to suppliers as they build more energy-efficient systems, through new training materials and increased access to funding opportunities.

We're focused on the impact of some of our most popular products. One example is our three-year initiative to improve the efficiency of iPhone manufacturing. Collectively, the six participating supplier facilities achieved their goal of 20 percent reductions by the end of 2020 compared to the established 2017 baseline. In addition, final assembly sites for AirPods, iPad, and Apple Watch have all launched multiyear energy reduction initiatives in 2020.

*Annualized metric tons of supply chain carbon compared to fiscal year 2019 metrics. In previous environmental progress reports, this metric was reported based on the calendar year data.

The Impact Accelerator: A program for Black- and Brown-owned businesses

“Systemic racism and climate change are not separate issues, and they will not abide separate solutions.”

—Lisa Jackson

Vice President, Environment, Policy and Social Initiatives

To ensure that our work to protect the planet also helps advance equality, Apple has launched an Impact Accelerator for Black- and Brown-owned businesses. The Accelerator expands access to opportunity by ensuring that our investments in sectors like renewable energy, carbon removal, and recycling innovation also help fight systemic barriers impacting communities that are disproportionately affected by environmental issues like climate change. With customized training, access to Apple experts, and an expanding alumni community, our Impact Accelerator is

tailored to support companies as they achieve their next stage of development.

The Impact Accelerator is just one of many efforts within Apple’s \$100 million Racial Equity and Justice Initiative, which focuses on efforts that address education, economic equality, and criminal justice reform in the United States. With our partners in these efforts, we aim to redefine business as usual and drive progress toward a more equitable future.



Learn more about our Impact Accelerator Program

To apply to our Impact Accelerator program, or to learn more about our Racial Equity and Justice Initiative, visit www.apple.com/racial-equity-justice-initiative

The Impact Accelerator is a capacity-building program for companies that are at least 51 percent owned, operated, and controlled by an African American, Hispanic American/LatinX, or Indigenous American individual.

Our Code in Action

Expanding access to energy efficiency

Last year, one of our manufacturers in Guangzhou, China, deployed a state-of-the-art energy management system. With the system in place, the manufacturer can monitor and optimize their complex network of air conditioners, fans, pumps, and air compressors at the facility. The new system allowed the facility managers to find efficiencies in energy usage across their site, even as the facility carried out highly engineered and specified manufacturing processes for Apple.

The facility team also installed a waste heat recovery system that captured the heat generated by energy-intensive equipment like air compressors, and converted it to warm water for use in living areas. These upgrades improved the energy efficiency at the manufacturer's site and helped to reduce the facility's carbon impact.

Energy efficiency upgrades like these require a combination of innovative technical solutions and organizational priorities that support these goals. But, there's another important element: capital investment. The project at the Guangzhou manufacturing site was made possible by capital from Asia Green Fund as part of a US\$100 million investment initiative.

This initiative brings together Asia Green Fund's investors and energy management contractors to offer energy efficiency as a service to participating suppliers for the first time. This fund makes energy-saving opportunities accessible to suppliers — the upfront investment challenges and implementation risks will be taken by the

investors. As our suppliers realize savings from energy costs, investors recoup their capital.

Apple doesn't directly invest capital or draw financial returns through this initiative, but connects suppliers to Asia Green Fund, which offers both financing and energy efficiency expertise to support complex, capital-intensive projects. A key barrier to achieving energy efficiency at scale is access to capital funding. "Energy efficiency as a service" through the fund presents an alternative approach to solve this challenge. The fund draws on Apple's relationships and deep knowledge of our suppliers' facilities and engineering processes, resulting in supplier projects that improve energy efficiency and create a positive environmental impact. These benefits carry over to the other technology products our suppliers create as well, reducing both our footprint and those of our industry. To date, US\$7.5 million of investments have been made in supplier efficiency projects using this model, bringing us closer to our goal of carbon neutrality.

Transitioning to renewable electricity

Our commitment to transition to 100 percent renewable energy for our entire supply chain enables resiliency in the face of challenges like climate change, and moves us closer to becoming carbon neutral by 2030.

A holistic approach to renewable energy

Our approach is twofold. We find ways to consume energy more efficiently, and we seek out opportunities to transition to renewable sources that support our goal of 100 percent renewable energy across our operations and supply chain. With the renewable energy we source, we aim to achieve the greatest impact possible. Before we engage in an energy project, we evaluate it with a holistic view of its potential environmental and social impact. Whenever possible, we create new renewable energy, going above and beyond what might be available on the local grid. We also follow stringent accountability standards to verify our clean energy projects.

Renewable electricity at our supplier facilities

Electricity usage in our supply chain is the single greatest contributor to our carbon emissions. While this is a global issue, the impact

is also local. Bringing renewable energy online with our suppliers and, where possible, displacing fossil fuels helps decarbonize power grids and improves local air quality for communities. That's why our efforts to enable our suppliers to reduce energy use and transition to renewables are essential to reaching our 2030 goal of carbon neutrality. This work presents challenges: technical and regulatory barriers, capital requirements, and lack of awareness on where to find and access high-quality and cost-effective solutions. Two initiatives drive our approach: our Supplier Energy Efficiency Program and our Supplier Clean Energy Program. These work hand-in-hand to reduce the energy used in our supply chain and transition the remaining energy to renewables. We take responsibility for our supply chain as part of our comprehensive carbon footprint. But we also know that we can achieve even more significant climate impact by providing a model for other companies to follow with their suppliers, helping to reduce carbon emissions beyond our industry.

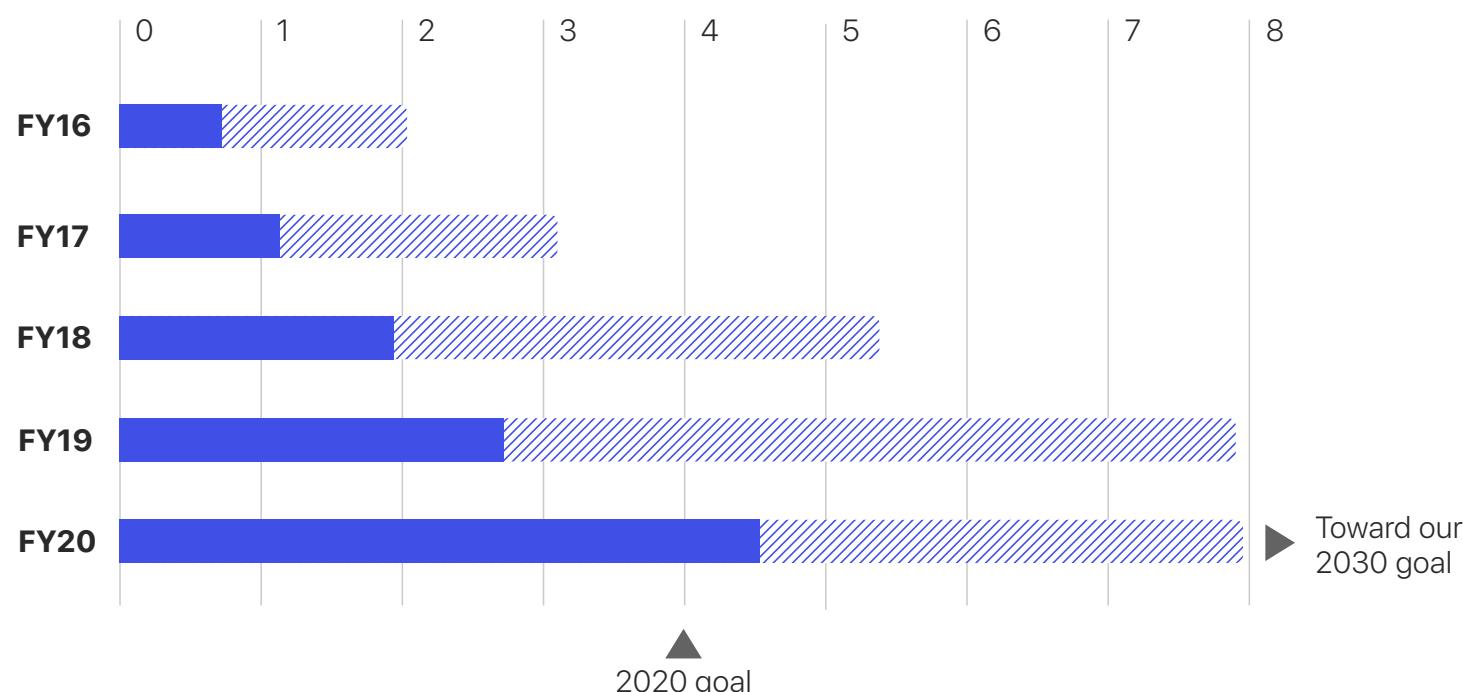
We've made tremendous progress toward our goal of transitioning our manufacturing supply chain to 100 percent renewable electricity by 2030. One important benchmark we've achieved is our initial goal, set in 2015, of bringing online over 4 gigawatts of additional renewable energy to our supply chain — with additional supplier commitments bringing the total to nearly 8 gigawatts. The renewable

energy already online generated 11.4 million megawatt-hours of clean energy in fiscal year 2020, avoiding 8.6 million metric tons of carbon emissions in our supply chain. As of March 2021, more than 110 manufacturing partners in 24 different countries have committed to 100 percent renewable energy for Apple production.

Supply chain clean energy progress

Renewable energy operational and committed in gigawatts (GW)

- operational
- committed



Moving clean energy forward in our supply chain

While we celebrate our transition to 100 percent renewable energy at our facilities*, we want to see a world in which renewable energy is widely available and broadly used. Starting with our suppliers, we aim to accelerate this change as we support their transition to renewables. Our own experience gives us knowledge we can share. And we help break down barriers, through innovative funding structures and by advocating for clean energy-friendly policies. In 2020, we received the RE100 award for "best green catalyst" due to our work engaging our suppliers on renewable energy.

Supporting supplier capacity

We share the experience gained through our own transition to 100 percent renewable energy with our suppliers. We introduce suppliers to resources and training materials with country-specific information to guide them in their transition to renewables. These tools are available through our Supplier Clean Energy Portal. We also educate suppliers through advanced and customized training with leading experts. And we support the creation and growth of renewable energy industry associations that our suppliers can join to learn about local opportunities.

Long-standing energy structures can make it difficult to bring new renewable energy online in some regions, prompting some of our suppliers to maximize existing renewable energy solutions — like on-site solar installations. Others have pioneered new purchasing methods, creating renewable energy businesses or even participating in some of the world's largest and most innovative renewable energy deals.

Expanding renewable energy opportunities

The transition to renewables means helping our suppliers find energy solutions and make the right investments to address their specific needs. When we face barriers to accessing cost-effective clean energy, we innovate. That's why we developed the China Clean Energy Fund, which enables Apple and our suppliers to invest in clean energy. To date, these projects account for 134 megawatts in renewable power. We've also invested in renewable energy solutions to cover upstream emissions in our supply chain — playing a pivotal role in developing nearly 500 megawatts of solar and wind projects in China and Japan.

*This includes all direct electricity use within our scope 2 boundary.

Direct emissions abatement

Some materials that are integral to our products result in significant emissions. The same is true for certain manufacturing processes. To address these emissions we seek technological solutions, either through emissions abatement or switching to low-carbon fuel options.

Many components essential to products like ours, including integrated circuit (IC) chips and display panels, currently rely on manufacturing processes that use fluorinated gases. We're partnering closely with key manufacturers to prevent these gases from being released into the atmosphere, where they have high global warming potential. First, we encourage suppliers to optimize manufacturing processes, reducing the use of fluorinated greenhouse gases (F-GHG) in the first place. We then ask suppliers to deploy abatement technologies, curtailing the release of emissions from the gases that remain. As of December 2020, our display suppliers have installed mitigation technologies to reduce F-GHG emissions associated with producing all of our display panels by an average of more than 90 percent. Since the launch of our efforts in 2019, our key display suppliers have reduced the equivalent of more than 2,300,000 annualized metric tons of CO₂e.

90%+

As of December 2020, our display suppliers have installed mitigation technologies to reduce F-GHG emissions associated with producing all of our display panels by more than 90 percent on average



Water Stewardship Program, Kunshan District, China

Advancing water stewardship

Water is essential to our operations and product manufacturing. Freshwater resources are increasingly scarce, and vulnerable to the effects of climate change. As a community resource, water is shared by people and ecosystems across very different environments. Our efforts to reduce our freshwater withdrawals and return clean water back to the watersheds in which we, and our suppliers, operate reflect our commitment to managing this shared resource responsibly.

A context-based approach

We apply a context-based approach to water stewardship. Each area where we manufacture our products has unique water conditions. Tools like the World Wildlife Fund's (WWF) Risk Filter and the World Resources Institute's (WRI) Water Risk Atlas provide us detailed profiles of geographically-specific water consumption and water-related risks that inform our local strategy. We prioritize those areas with high water risk, and we proactively address areas of medium risk as well.

This year, we've adopted a new approach to estimate water use in the far reaches of our supply chain. The data we model combines water survey data collected from more than 1,200 direct suppliers with an advanced life cycle assessment model for a more accurate estimate of upstream water use. Though it is not common in our industry to consider the impact of the activities of these upstream suppliers, we believe it is essential to addressing our holistic water footprint.

Clean Water Program

While we continue to focus on our corporate water use, we recognize that our corporate operations only account for approximately 1 percent of our total water usage, while the manufacturing of our products and sourcing of materials account for the remaining 99 percent. As we develop our capabilities to model this usage, we find opportunities for water savings across operations. This requires engagement with our manufacturers, who can work with our supplier Clean Water Program to access assessment

41B+

gallons of water saved since 2013

tools and technical guidance needed to make improvements. Some efforts, like employee education on more efficient rinsing processes, require little investment. Others require upgrades to water-efficient equipment and wastewater reclamation systems, as well as redesigning manufacturing processes. We partner with our suppliers on solutions that can yield efficiencies and impact our overall usage.

The more than 172 suppliers in our Clean Water Program have already demonstrated savings from these initiatives. In 2020, they saved 10.8 billion gallons of water, for a total of more than 41 billion gallons of water savings since the launch of the program in 2013.

We're focused on reducing our reliance on freshwater sources. The more we leverage alternative sources of water at each of our supplier facilities, the less impact we'll have on the local watershed. This can require a change of process to allow water to be reused on-site. In other instances, suppliers have installed advanced systems to clean and recycle water to allow it to be used again. The suppliers within our Clean Water Program reused, on average, 40 percent of their wastewater in 2020.

Pursuing water stewardship

Protecting our shared water resources does not stop at the four walls of our supplier facilities.

40%

average wastewater reused by suppliers in 2020

13

supplier sites have achieved Alliance for Water Stewardship certification since 2018

It requires managing and stewarding water in a way that is environmentally sound, economically sustainable, and helps to make communities more resilient. To date, 13 facilities have received certification through the Alliance for Water Stewardship (AWS) of which 10 were Platinum status, the highest level of recognition by AWS.

A sectoral approach to water stewardship

Finally, water issues are larger than any one company, or even one industry, and require a collaborative approach among many different stakeholders. We are working with AWS and

Program milestones

2020

- Established ICT water stewardship working group with AWS and RBA
- Adopted new approach to estimate upstream water use in our supply chain

2019

- 3 supplier sites earned Platinum AWS certification
- 136 supplier sites in Clean Water Program
- Began requiring suppliers to provide water consumption data

2018

- Joined Alliance for Water Stewardship (AWS)
- 2 supplier sites earned AWS certification, including industry's first Gold certification
- Resource Consumption Management Standard published

2017

- Enhanced quality standards developed for wastewater discharge
- Stormwater management added to Code and Standards

2015

- First supplier graduated Clean Water Program

2013

- Clean Water Program established

Eliminating waste in manufacturing

We're working toward waste-free operations, where we rely on recyclable or reusable materials, and send nothing to landfill.

We're working with our suppliers to eliminate waste from manufacturing, so that we leave no waste behind in the communities where our products are made. The goal to preserve resources is just one factor driving our efforts. This work also protects the most vulnerable communities disproportionately exposed to waste.

Working toward waste-free manufacturing

In 2015, we launched our supplier Zero Waste Program for our manufacturing partners. More than 165 participating facilities can access resources, including guidance on waste diversion, tools to improve waste management, and in some cases, on-site support. Each effort contributes to our goal. Suppliers diverted over 400,000 metric tons of waste destined for landfills in 2020, bringing the total to 1.65 million metric tons diverted since the program's inception in 2015. This is the equivalent of eliminating more than 200,000 garbage trucks of waste sent to landfill.

100%
of established final assembly sites Zero Waste certified

1st
UL Zero Waste certification in Vietnam

Building on the progress we've made over the past several years, we continue to drive toward zero waste at our final assembly sites. We've recently engaged facilities assembling our Beats products, in addition to those assembling iPhone, iPad, Mac, Apple Watch, AirPods, HomePod, and Apple TV. With this latest achievement, as of December 2020, 100 percent of established final assembly sites are now Zero Waste certified*.

Across all product lines, a total of 70 suppliers achieved certification by the end of 2020, representing a nearly 40 percent increase from 2019. This includes an AirPods assembly site in Vietnam — the first Zero Waste site in the country.

Scaling zero waste innovations

We continued to invest in innovation across our supply chain in order to help suppliers overcome barriers to achieving zero waste in their facilities.

400K+

metric tons of landfill waste diverted in 2020

1.65M

metric tons of landfill waste diverted since 2015

165

suppliers have joined Zero Waste Program

We've broadened the use of Recyclable Protective Film (RPF) — which protects products during manufacturing — to Mac and iPad product lines in addition to iPhone. By ensuring that the film is recycled, we have been able to divert more than 4,700 metric tons of waste from incineration. We've also expanded the use of a more efficient shrink-wrap to select AirPods, iPad, and iPhone assembly sites — reducing material used by 25 percent. By sharing this innovation with other industry leaders, including a major e-commerce company in China, we hope to help expand its impact beyond our own supply chain to other industries.

**All established final assembly supplier sites — or those that have been Apple suppliers for more than one year — for iPhone, iPad, Mac, Apple Watch, AirPods, HomePod, Apple TV, and Beats are third-party certified as Zero Waste by UL LLC (UL 2799 Standard). UL requires at least 90 percent diversion through methods other than waste to energy to achieve Zero Waste to Landfill (Silver 90–94 percent, Gold 95–99 percent and Platinum 100 percent) designations.*

Program milestones

2020

- First Zero Waste certified site in Vietnam
- Beats final assembly sites achieved UL Zero Waste certification
- 100% of established final assembly sites UL Zero Waste certified

2019

- Apple TV final assembly sites achieved UL Zero Waste certification

2018

- All final assembly sites for iPhone, iPad, Mac, Apple Watch, AirPods, and HomePod achieved UL Zero Waste certification
- 1M metric tons of waste diverted from landfill
- Introduced industry first Recyclable Protective Film (RPF)

2017

- First UL Zero Waste certification in India

2016

- 100% UL Zero Waste certification achieved for final assembly sites in China

2015

- Launched Zero Waste Program
- First iPhone final assembly site to achieve UL Zero Waste certification in China

Our journey to Zero Waste manufacturing

1 Identifying waste reduction opportunities

- Prioritize sites based on complexity and potential environmental impact.
- Educate sites to ensure program readiness.
- Assess availability of existing recycling solutions.

2 Taking action

- Calculate baseline landfill diversion rate.
- Determine which waste streams can be recycled.

3 Staying on track

- Suppliers required to provide monthly accounts of all material waste streams.
- Suppliers required to build strong waste management systems, which includes supervising how vendors handle waste.



Zero Waste Certification

Once independent UL auditors verify six consecutive months of data, UL Zero Waste to Landfill certification can be granted. Suppliers must re-certify their sites with UL every three years.

2020 Achievements



165 suppliers participating in Zero Waste Program.



70 suppliers achieved Zero Waste certification by the end of 2020 — a nearly 40% increase from 2019.



Rolled out 25% thinner pallet shrink wrap to AirPods, iPad and iPhone assembly sites.

Our progress with Zero Waste certification

We support suppliers from beginning to end on their journey to achieve zero waste.

100%

of final assembly sites are
UL Zero Waste certified

Next Goal

Full UL Zero Waste certification for component manufacturing sites

Just like our final assembly sites, we're working to help our component manufacturers follow the same steps to achieving UL Zero Waste certification. Our goal is for all component manufacturing sites to achieve certification.

2020 Achievements



Diverted over 400,000 metric tons of waste from landfills.



Diverted more than 4,700 tons of plastic waste from incineration with the implementation of the Recyclable Protective Film (RPF).



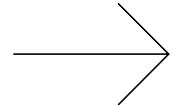
1.65 million metric tons of waste has been diverted from landfills since 2015.

Products in the Zero Waste Program

Each of our products tells a story about how we're taking care of communities and the planet we all share. We're reducing waste and driving innovative solutions across all of our major products — and that's just the beginning.



Achievements in Zero Waste



[AppleTV, Apple Watch, Beats, iPhone, Mac, iPad, AirPods, and HomePod](#): final assembly is certified Zero Waste.

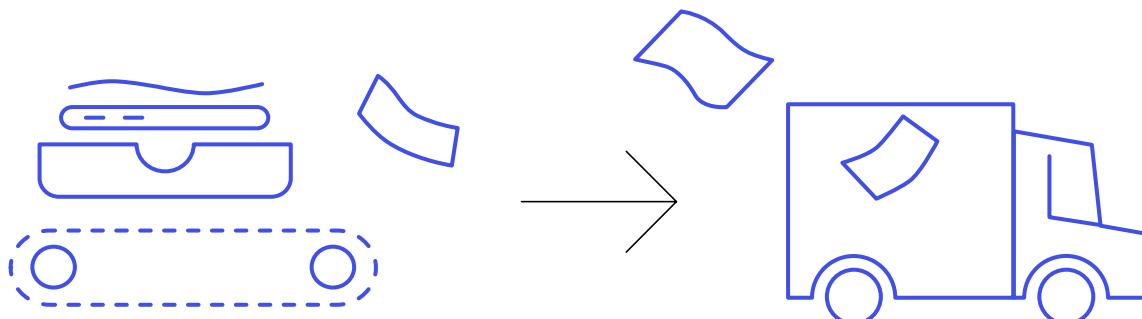
[Apple Watch, iPhone, iPad, and AirPods](#): 25% thinner pallet shrink wrap leading to less plastic waste.

First Zero Waste certified site in Vietnam performs [AirPods](#) final assembly.

Zero Waste: Protective Film

During iPhone manufacturing, Apple uses film to protect both the display and enclosure. This protective film, the backing liner, as well as the trays that transport the product down the assembly line, are made primarily of polyethylene terephthalate (PET). Partnering with one of our suppliers, we developed a new PET recycling process that uses the waste film liner material to make trays used during production.

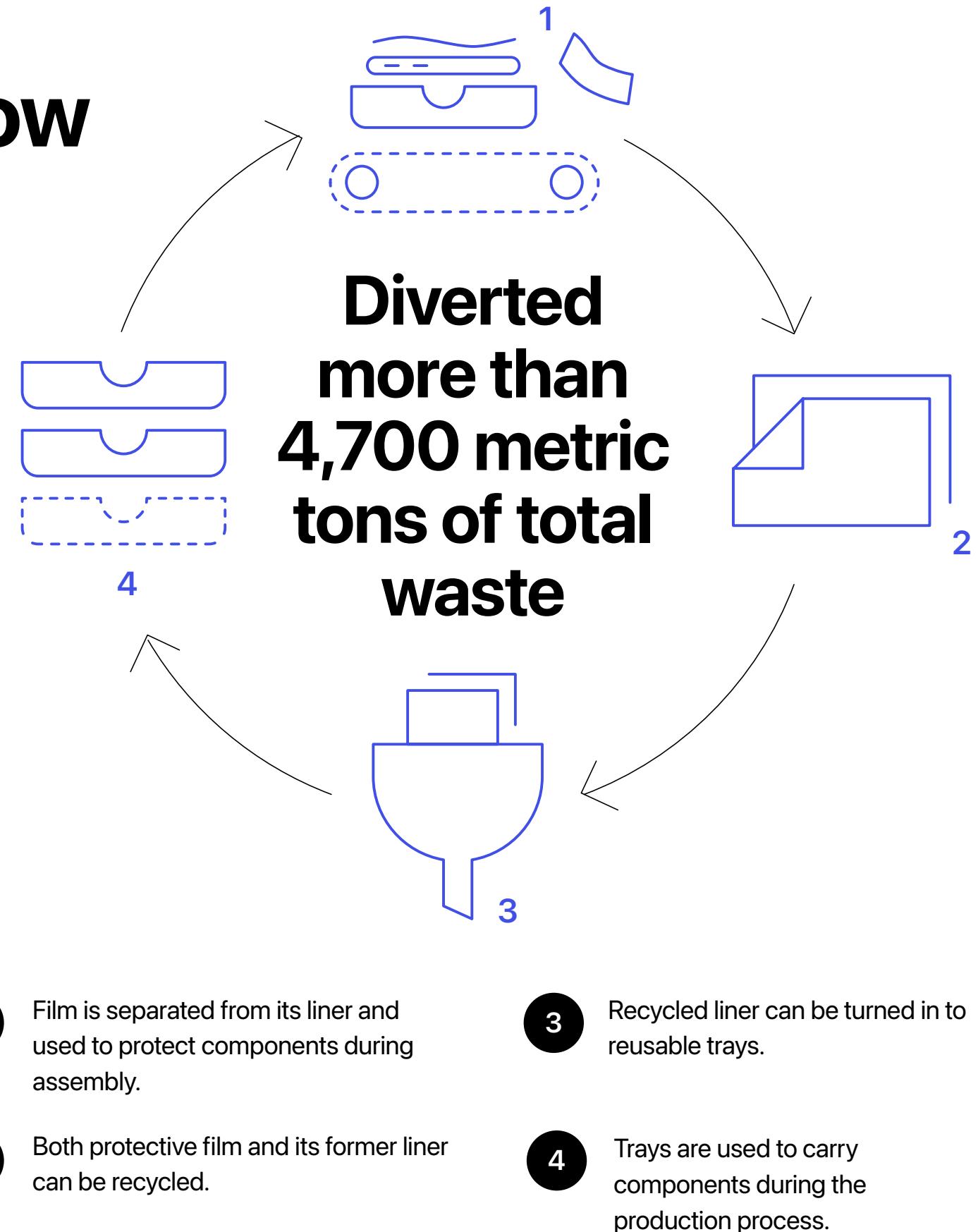
Before



Components exit assembly line
Protective liners were removed and sent to a landfill.

Liners disposed in landfill
Liners were transported and disposed in a landfill, creating roughly 1,000 metric tons of solid waste per year.

Now



06 > Supplier Performance and Development

Our assessment process

Understanding assessment results

Measuring supplier performance

Driving improvement

Every year, we evaluate our suppliers' compliance with our Code and Standards. While assessments are a snapshot in time, and just one tool we employ, they provide an important window into a supplier's performance.

We also work closely with suppliers to drive continuous improvement, because we believe that if we're not finding ways to improve, we're not looking hard enough.



Production Line Engineers, Vietnam

Our assessment process

Supplier performance is assessed against our Code and Standards to drive improvements in the areas of labor and human rights, health and safety, environment, management systems, and ethics. Assessments are a comprehensive and rigorous process that can take anywhere from a day to more than a week, depending on the scale of the supplier's operations.



How We Work With Suppliers

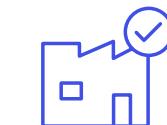
For more information on these processes, please read the *How We Work With Suppliers* guide, available on apple.com/supplier-responsibility.

Conducting rigorous assessments

An assessment consists of an extensive document review, a thorough site walk-through, and interviews with management and workers conducted by independent, third-party auditors. Worker interviews are conducted in the workers' native language and without their managers present. Interviewed workers are contacted after the assessment to confirm that they have not experienced any retaliation as a result of speaking with auditors.

Over the course of this process, we evaluate more than 500 criteria, verify compliance, and identify areas for improvement. Each assessed facility is ranked on a 100-point scale in each of the three assessment categories (labor and human rights, health and safety, and environment), with the average of those scores comprising the facility's composite score for the year.

High-level factors contributing to assessment selection



Is this a new supplier?



What is the supplier's previous assessment performance?



What is the supplier's previous record of Core Violations or allegations?



What is the supplier's geographic location?



How much business does the supplier do with Apple?



Are Foreign Contract Workers employed?

Going beyond annual assessments

Every year we also conduct unannounced assessments, as well as unannounced visits in response to allegations, or to verify that violation remediation efforts have been completed. In 2020, we conducted more than 100 unannounced assessments and investigations where the supplier facility was provided no advance notice of our arrival.

Taking meaningful corrective action

If areas of non-compliance are identified during an assessment, we create a Corrective Action Plan, requiring 30-, 60-, and 90-day check-ins.

As part of the process, our capability-building team provides suppliers with training on industry best practices and guidance in resolving the identified issues, as well as help with strengthening management systems and practices to prevent the issues from reoccurring.

Assessments deeper in the supply chain

Deeper in our supply chain, we utilize independent, third-party auditors to assess the smelters and refiners that process the minerals required to build Apple products. Smelters and refiners for key minerals are required to report, assess, and mitigate risks in their business practices based on the findings of annual assessments.

If areas of non-compliance are identified during an assessment, we create a Corrective Action Plan, requiring 30-, 60-, and 90-day check-ins.

Understanding assessment results

As auditors review supplier documentation or inspect a supplier site, they look for any instances of non-compliance with Apple's Code and Standards.

Assessment findings are divided into three categories based on their severity:

- **Administrative Non-Compliance**
- **Violation**
- **Core Violation**

How we define Core Violations

A Core Violation is the most serious violation of Apple's Supplier Code of Conduct, triggering prompt action from Apple and subsequent consequences for the supplier.

In 2020, 9 Core Violations were found (down from 17 in 2019) related to the labor, human rights and environment sections of our assessment protocol. These included 7 instances of working hours or labor data falsification, 1 wastewater violation, and 1 air emissions violation.

How we handle Core Violations

Reports of potential Core Violations come to us through many different channels, including from consumers and stakeholders, supplier employees, media and NGO reports, as well as Apple employees. When a Core Violation is identified, the supplier's Chief Executive Officer is notified, and the supplier is placed on probation. Probation is the period beginning when a Core Violation is

discovered by Apple, and ending when Apple determines the supplier has completed all corrective actions. Examples of consequences resulting from probation include receiving no new projects, no new business, and the termination of existing business with Apple. Since 2009, we have directed the removal of 24 manufacturing supplier facilities, and 153 smelters and refiners from our supply chain.

Beyond immediately addressing the Core Violation, suppliers must also make changes in their management system that address the root causes of the violation, take and sustain measures to ensure the violation does not reoccur, and provide remedy to affected workers in line with the United Nations Guiding Principles on Business and Human Rights (UNGPs).

In one example, in 2020, an Apple employee raised concerns about a potential Code violation at a supplier facility. We promptly investigated, and found that the supplier had violated our Code in its administration of a student work-study program.

The supplier had misclassified the student workers in their program and falsified paperwork to disguise violations of our Code, including allowing students to work nights and/or overtime, and in some cases, to perform work unrelated to their major. We placed the supplier on probation, receiving no new business from Apple until they completed all required corrective actions. We then worked quickly to confirm the students who were ineligible were safely returned to their homes and schools; that eligible students received new, proper contracts; and that all students involved received direct remedies in the form of financial compensation.

Examples of Core Violations, as outlined in our Code:

- Abuse
- Underage labor
- Debt-bonded labor
- Forced labor
- Falsification
- Retaliation
- Obstruction of an assessment
- Bribery
- Unsafe or unhealthy environment provided to workers that may cause imminent significant risk of serious injury, illness, property damage, or any form of loss
- Defeated safety devices or impaired loss control system without additional controls to prevent serious incident
- Inadequate maintenance or intentional circumvention that demonstrates the failure of an environmental abatement system
- Lack of required environmental approvals or controls
- Use of prohibited substances
- Illegal disposal of hazardous waste

Beyond immediately addressing the Core Violation, suppliers must also make changes in their management system that address the root causes of the violation, take and sustain preventive measures to ensure the violation does not reoccur, and provide remedy to affected workers in line with the United Nations Guiding Principles on Business and Human Rights (UNGPs).

Measuring supplier performance

Each audit assesses suppliers on a 100-point scale, which allows us to compare supplier performance year-over-year, in order to uncover potential risks and to direct capability-building where and when it's needed most. It also allows us to gauge the effectiveness of our capability-building efforts, because as our suppliers evolve, so do the programs, tools, and trainings we use to support them.

Defining supplier performance

We divide suppliers into three performance categories based on their composite score. These categories are a measure of the frequency and severity of a supplier's assessment findings.

While finding a Core Violation does not automatically result in a supplier being removed

from our supply chain, it does result in Apple monitoring the supplier more closely, and ensuring they are making systems-level changes that get to the root of the problem. We are committed to working with a supplier until the point it becomes clear they are unable or unwilling to uphold our high standards, at which point they risk removal from our supply chain.

We are committed to working with a supplier until the point it becomes clear they are unable or unwilling to uphold our high standards, at which point they risk removal from our supply chain.

Measuring supplier performance and improvement

In order to identify potential risks and determine the effectiveness of our supplier engagement, we track each supplier on a 100-point scale, which reflects the frequency and severity of non-compliance discovered during assessments.



High-performer

- Mature management systems and consistent implementation
- Minor and isolated Code violations
- Assessments typically identify 50% or fewer findings as compared to other suppliers



Medium-performer

- Typically have some management systems in place, but may be under-developed or implemented inconsistently
- May have major, isolated Code violations and/or numerous minor violations
- Average number of assessment findings as compared to other suppliers



Low-performer

- Management systems are severely under-developed or non-existent
- Major violations found across a number of Code categories
- Assessments typically identify 2x the number of findings as compared to other suppliers

Findings in our assessments are categorized by level of severity:



Administrative Non-Compliance

Denotes policy-, procedure-, training-, or communication-related findings.

Examples of administrative non-compliance include:

- Inadequate record-keeping.
- Inadequate documentation of policy or procedures.
- Insufficient training on policy.



Violation

Denotes non-compliance with our Standards.

Examples of violations include:

- Insufficient provision of benefits.
- Inadequate pre-placement / on-job / post-employment occupational health exams.
- Inadequate environmental permits.



Core Violation

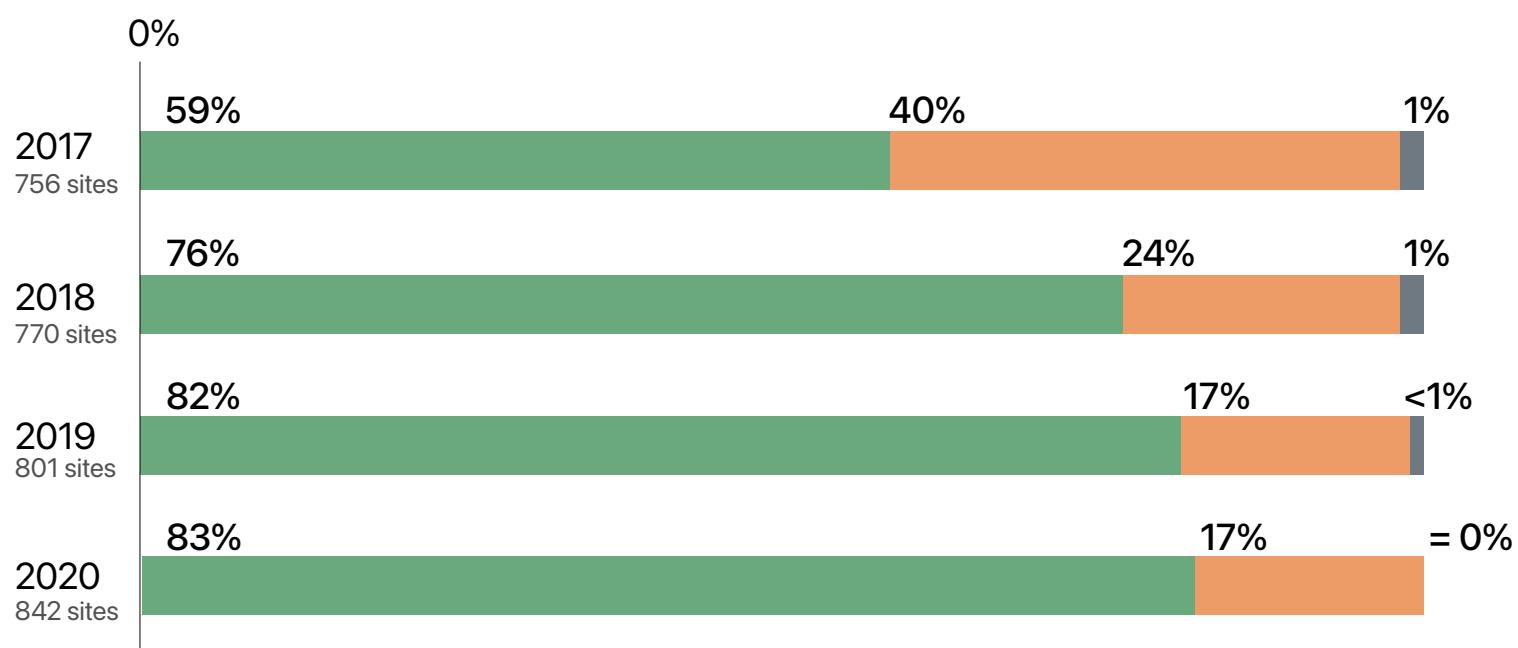
Suppliers are required to immediately remediate any Core Violation.

Beyond immediately addressing the violation, suppliers must also make changes in their management system that address the root cause of the violation. To retain our business, they must also take and sustain preventive measures to ensure the violation does not reoccur.

Supplier performance over time

Even as we continually raise the bar, our suppliers have been able to achieve notable progress year after year. We see this improvement in our annual assessments, with the number of high-performing suppliers growing more than 36-points in the past five years. We also see this in the significant and steady decrease of Core Violations discovered in our supply chain — the most serious violation of Apple's Supplier Code of Conduct.

Year-over-year supplier performance

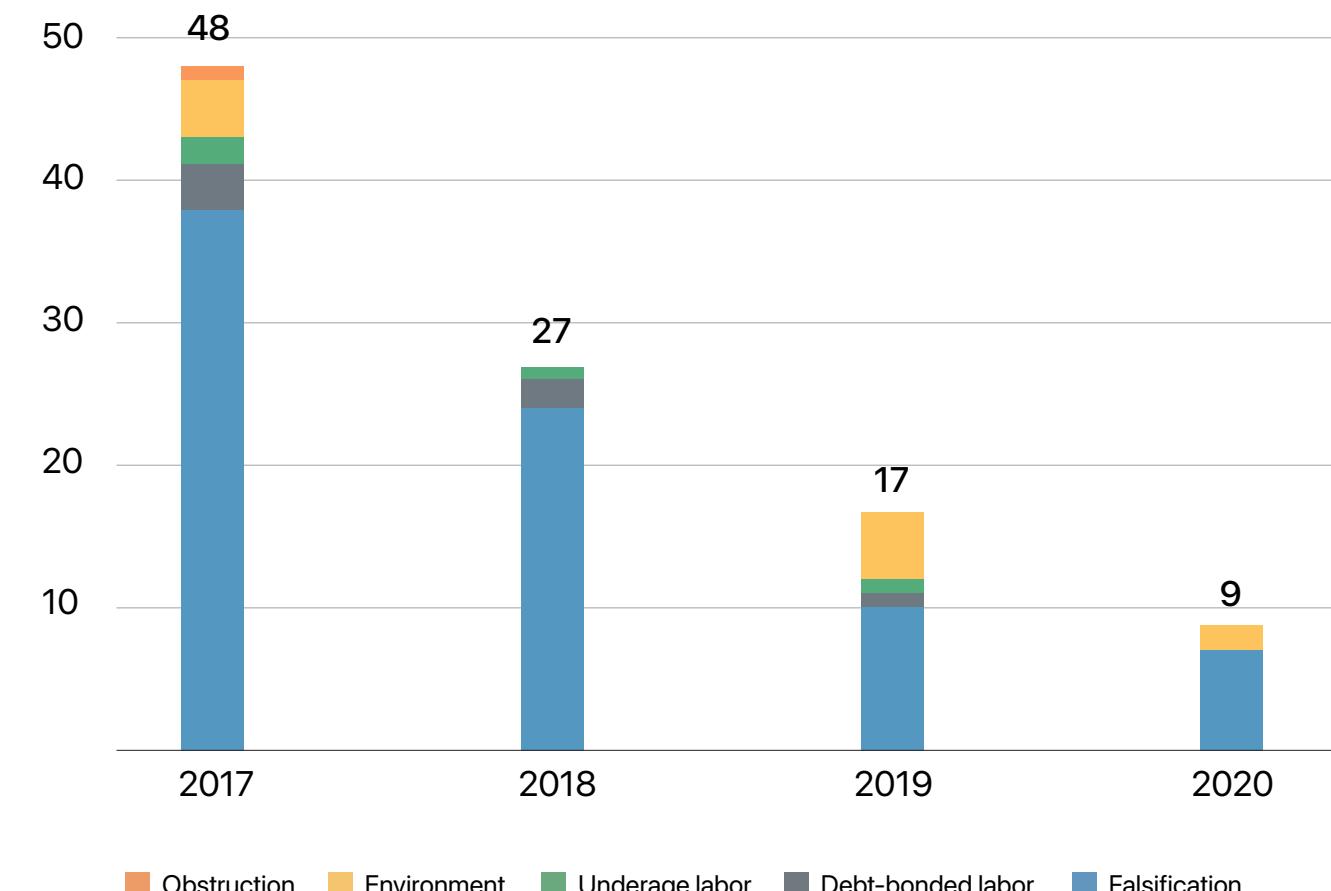


■ High-performing (90-100)

■ Medium-performing (60-89)

■ Low-performing (59 and under)

Core Violations over time



■ Obstruction

■ Environment

■ Underage labor

■ Debt-bonded labor

■ Falsification

Driving improvement

When it comes to protecting people and the planet in our supply chain, we remain committed to continuous improvement, and we expect the same from our suppliers.

Improving supplier performance

Through consistent engagement and capability-building, we are continually driving improvement among our suppliers. In 2020, 83 percent of our suppliers were assessed as high-performing, representing a 36-point increase in the percentage of high-performers in just five years. By 2025, our goal is to increase that number to 90 percent.

On-boarding new suppliers

We launched the On-Boarding Review (OBR) process in 2016 to help new suppliers quickly get up to speed on our Code, Standards, and assessment process. We provide guidance to help new suppliers improve management systems and their capability to perform self-assessments in order to sustain compliance with our Code and Standards. In 2020, 46 supplier facilities were selected for the OBR process. On average, supplier facilities that participated in OBR scored 63 percent higher on their initial assessments than those that did not.

842

Code of Conduct supplier assessments in 2020. Up from 801 in 2019

83%

high-performing supplier facilities in 2020

Enabling capability-building

In order to achieve progress, we work together with our suppliers to ensure they have the tools and resources they need for continuous improvement. A key component of every Corrective Action Plan is capability-building, where Apple experts support supplier teams in improving their management systems to resolve immediate issues and to prevent them from reoccurring.

Making machines safer in our supply chain

In 2020, our capability-building efforts included proactively improving machine safety across our supply chain. We began by developing and deploying a questionnaire to all Apple suppliers to identify their capabilities in three main areas: machine procurement, machine safety sign-off, and safe work procedures. We analyzed their risk performance based on the results of these questionnaires in order to identify those high-priority suppliers that required additional support and capability-building. In 2021, 78 high-priority supplier sites will receive customized, on-site or online support from subject matter experts in order to address identified gaps and improve their safety performance.

Connecting suppliers with tools and resources

In addition to customized capability-building

93%
working hours compliance in 2020

programs, we provide platforms, tools, and resources to support our suppliers. Our SupplierCare platform provides online tools for suppliers to improve their operations and refine new processes. Through the platform, suppliers are able to collaborate with us to track their assessment results, develop Corrective Action Plans for assessment findings, and reference best practice resources.

SupplierCare provides on-demand educational content to increase understanding of our Code and Standards, as well as best practices for maintaining compliance with them. Over the past three years, we've developed 38 different self-learning, online tools for our suppliers on a range of topics related to EHS, labor and human rights. In 2020, we engaged over 1,050 suppliers with digital training content. This training and guidance material covered management topics including emergency eyewash stations and showers, chemical inventory, employment contracts, and anti-harassment and abuse.

Going beyond compliance

As our suppliers mature and demonstrate that they have strong, self-sustaining management systems in place, we can help them move beyond compliance and engage more deeply with our program, focusing on more proactive efforts like worker satisfaction. In 2019, we started anonymously surveying supplier employees to understand their general satisfaction at work, and in 2020, we surveyed 196,647 workers in 135 facilities across Greater China, India, Ireland, the U.K., U.S., and Vietnam. What we've discovered is that workers at high-performing facilities reported, on average, higher job satisfaction.

07 > Additional Resources

Additional resources

Aligning with the United Nations Guiding Principles on Business and Human Rights

Supplier COVID-19 Health and Safety Guidance

COVID-19 Supplier Survey

Supplier COVID-19 Labor and Human Rights Guidance

Additional resources

Beyond our annual progress report, Apple also releases information via additional annual policies, public reports, and disclosures. Below is a brief guide to these publications.

- **Supplier Code of Conduct and Supplier Responsibility Standards**
Our Supplier Code of Conduct outlines Apple's requirements for its suppliers for conduct related to labor and human rights, health and safety, environmental protection, ethics, and management practices. Apple's Supplier Responsibility Standards provide additional clarity regarding Apple's requirements. Apple suppliers must meet these Standards to be in compliance with our Supplier Code of Conduct.
→ [Supplier Code and Standards](#)
- **Apple Human Rights Policy**
Our Human Rights Policy is based on internationally recognized standards, including the United Nations International Bill of Human Rights, the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, and the United Nations Guiding Principles on Business and Human Rights, and governs how we treat everyone from our customers and teams, to our business partners, and people at every level of our supply chain.
→ [Human Rights Policy](#)
- **Regulated Substances Specification**
The Regulated Substances Specification is a list of substances that Apple restricts from being included in Apple products or used in their manufacturing.
→ [Regulated Substances List](#)
- **Corporate Environmental Health and Safety Policy**
Apple is committed to protecting the environment, health, and safety of our employees, customers, and the global communities where we operate.
→ [This policy is contained in the Environmental Progress Report available at \[apple.com/environment\]\(http://apple.com/environment\)](#)
- **Environmental Progress Report**
Every year, we release a report with detailed information about our efforts, how we measure our overall environmental footprint, and the progress we've made over the past year.
→ [Apple's Environmental Progress Report is available at \[apple.com/environment\]\(http://apple.com/environment\)](#)

- **Product Environmental Reports**

Key Apple product releases are accompanied by a Product Environmental Report, which provides environmental information relevant to the entire life cycle impact of that product.

→ [Product Environmental Reports are available at apple.com/environment](https://apple.com/environment)

- **Material Impact Profiles**

This paper details how we've prioritized the materials in our products based on their environmental, social, and supply impacts. The prioritized list of materials represents those we will first transition to recycled or renewable content, driving toward our goal of using 100 percent recycled or renewable materials in our products.

→ [Material Impact Profiles](#)

- **Supplier List**

The Supplier List contains Apple's suppliers involved in the manufacturing of products, covering 98 percent or more of Apple's spend for 2020.

→ [Supplier List](#)

- **Conflict Minerals Report**

The Conflict Minerals Report serves as our filing to the United States Securities and Exchange Commission for Dodd-Frank Section 1502 related to the sourcing of tin, tungsten, tantalum, lithium, and gold from certain countries.

→ [Conflict Minerals Report](#)

- **Smelter and Refiner List**

The Smelter and Refiner List includes smelters and refiners of tin, tungsten, tantalum, gold, and cobalt in our supply chain.

→ [Smelter and Refiner List](#)

- **Efforts to Combat Human Trafficking and Slavery Report**

This report meets disclosure requirements for the California Transparency in Supply Chains Act of 2010, the U.K. Modern Slavery Act 2015, and The Australian Commonwealth Modern Slavery Act 2018.

→ [Efforts to Combat Human Trafficking and Slavery Report](#)

Aligning with the United Nations Guiding Principles on Business and Human Rights

Our efforts to identify, mitigate, prevent, and remedy human rights risks align with the Business and Human Rights Due Diligence process set forth in the United Nations Guiding Principles on Business and Human Rights (UNGPs).

Policy commitment

We are deeply committed to respecting internationally recognized human rights in our business operations as set out in the United Nations International Bill of Human Rights and the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work.

Our approach is based on the UN Guiding Principles on Business and Human Rights, which means we conduct human rights due diligence to identify risks and work to mitigate them. We also seek to remedy adverse impacts, track and measure our progress, and report our findings. In keeping with the UNGPs, where national law and international human rights standards differ, we follow the higher standard, and where they are in conflict, we respect national law while seeking to respect the principles of internationally recognized human rights.

In 2020, we published the Apple Human Rights Policy, which governs how we treat everyone, including our customers, Apple employees, business

partners, and people at every level of our supply chain. Our Board of Directors has adopted this policy on behalf of Apple and is responsible for overseeing and periodically reviewing the policy. Apple's Senior Vice President and General Counsel oversees the implementation of Apple's policy and reports to the Board and its committees on our progress and significant issues.

Embedding respect for human rights

Apple Inc.'s Board of Directors oversees its Chief Executive Officer and other senior management in the competent and ethical operation of Apple on a day-to-day basis. A number of cross-functional teams are responsible for carrying out human rights due diligence, including, but not limited to, Legal and Global Security, Business Conduct, and Environment and Supply Chain Innovation (ESCI). Apple's ESCI team sits in Apple's World Wide Operations organization and coordinates activities related to human rights across Apple's supply chain.

In 2005, the Apple Supplier Code of Conduct and the Supplier Responsibility Standards ("Code" and "Standards," respectively) were developed to clearly set out, in detail, our requirements for suppliers relating to human rights. Every year since then, we have incorporated feedback from stakeholders, together with evolving legal norms and best practices, to ensure that our Code and Standards reflect current internationally accepted human rights standards.

One of the ways we measure our ability to uphold human rights standards is by assessing our suppliers against our Code and Standards to drive improvements in the areas of labor and human rights, health and safety, environment, ethics, and management systems.

In order for a workplace to be safe, healthy, and respectful, employees must be aware of and able

to exercise their rights. That's why we require all suppliers to train their employees on their rights. Supplier employees attend a new employee orientation session where they are trained on international labor standards, local labor law, and the labor and human rights protections required by our Code and Standards. Topics in the training include working hours and overtime policies, grievance mechanisms and hotlines, our zero tolerance for retaliation policy, and occupational health and safety standards. Deeper in our supply chain, we work with partners to raise rights awareness through our Responsible Sourcing program.

Identifying salient human rights risks

Identifying risks in our global supply chain is the first step to eliminating those risks through improvements to our policies and strategies, and

through collaborative capability-building with our suppliers. Our efforts to identify, mitigate, prevent, and remedy human rights risks align with the Business and Human Rights Due Diligence process set forth in the UNGPs.

First, we identify salient human rights risks through our robust assessment processes, as well as by participating in industry-level, third-party audits. Apple selects suppliers for assessment based on a number of factors, including previous audit performance, manufacturing process risks, and planned spending.

We also identify salient human rights risks through our own risk analysis and through the channels we maintain with key rights-holders, stakeholders, and partners. These include supplier employee interviews and surveys, consultations with human rights, labor, and environmental experts, expert groups we convene on specialized or emerging human rights topics, UN and government labor and human rights reporting and consultations, media reports, the results of our supplier assessments, discussions with supplier management teams, and reports received through our partners around the world.

In addition to our own internal monitoring, reports identifying possible risks come to us from civil society organizations, news outlets, people in the supply chain or supply chain communities,

local whistleblower mechanisms, and third-party hotlines. They also come through the reporting mechanisms we make available directly to all supplier employees, Apple employees, and the general public. These reports can come to us in any language and can be anonymous.

The following are examples of "salient human rights risks" in our supply chain that relate to the ILO Core Conventions, which are based on supplier assessments, due diligence deeper in our supply chain, work within our industry, and public reporting. Each of these is addressed in our Code and Standards:

- Discrimination
- Freedom of Association and Collective Bargaining
- Involuntary Labor and Human Trafficking
- Underage Labor

Managing salient human rights issues

Suppliers are required to operate in accordance with our Code of Conduct and in full compliance with all applicable laws and regulations. Our Code is supplemented by our Standards, which provide additional clarity regarding Apple's requirements. Our suppliers must meet these Standards to be in compliance with the Code.

In 2020, we published the Apple Human Rights Policy, which governs how we treat everyone, including our customers, Apple employees, business partners, and people at every level of our supply chain.

We require all suppliers to train their employees on their rights. The ability for supplier employees to speak up without fear of retaliation is fundamental to labor and human rights. Apple's Code and Standards align with the ILO's fundamental conventions, including standards relating to the right to freedom of association and collective bargaining. Even where the right to freedom of association and collective bargaining is restricted under local law, suppliers are prohibited from obstructing alternative legal means of workers to associate and to individually and collectively engage with their employer without interference, discrimination, retaliation, or harassment.

Assessing impacts, integrating findings and taking action

Supplier performance is assessed against our Code and Standards to drive improvements in the areas of labor and human rights, health and safety, environment, ethics, and management systems. Assessments are a comprehensive process that can require multiple days on site at a supplier in order to conduct site inspections, review documents, and complete worker and management interviews. We evaluate suppliers on more than 500 criteria, verify compliance, and identify areas for improvement. Each assessed facility is ranked on a 100-point scale in each of the three assessment categories (labor and

human rights, health and safety, and environment), with the average of those scores comprising the facility's composite score for the year.

Achieving progress requires strong processes to hold suppliers accountable, address violations when they are discovered, and validate that corrective actions have been completed. We call these processes Corrective Action Plans and Corrective Action Verifications.

If non-compliances are identified during an assessment, we create a Corrective Action Plan for the supplier, requiring 30-, 60-, 90-day check-ins. As part of the process, our capability-building team provides suppliers with training on industry best practices and guidance in resolving identified issues, as well as strengthening management systems and practices to prevent any issues from reoccurring.

We identify and mitigate risks in our supply chain through improvements to our policies and strategies, and through collaborative capability-building with our suppliers. We integrate findings and learnings into the annual updates to our Code and Standards.

Tracking progress

We track and measure our performance across a range of areas, and we apply the lessons we learn to continually improve. We report our performance publicly in several ways, including in our annual progress report, Statement on Efforts to Combat Human Trafficking and Slavery in Our Business and Supply Chains, and Conflict Minerals Disclosure. In addition, we report Code violation metrics in our annual progress report.

Stakeholder engagement

Apple is committed to working in collaboration with stakeholders beyond its own supply chain to achieve industry-wide change. To do this, we engage with industry associations, civil society organizations, academics, UN agencies, and governments to share our progress and promote best practices. We also convene regular stakeholder roundtables and expert groups to learn from others' perspectives and seek critical feedback on our programs.

In 2020, we began exploring new digital labor rights tools that leverage behavioral learning and data analytics to increase our engagement with rights-holders and amplify worker voice across our supply chain while protecting the privacy and anonymity of workers. We are also testing a digital workplace dialogue platform that improves supplier management responsiveness to worker grievances and provides real-time information and transparency to workers on the grievance resolution process.

Examples of remediation processes

The following are descriptions of the types of Code of Conduct violations we are working to identify and address, including debt-bonded labor, working hour infractions, and underage labor:

Our Code and Standards are industry-leading, and articulate examples of the salient human rights risks in our global supply chain.

Prevention and remediation of debt-bonded labor

Apple has zero tolerance for debt-bonded labor. That's why in 2015, we mandated our zero-fee policy across our supply chain, going above and beyond internationally recognized labor standards.

Our remediation process for labor recruitment fees requires direct remedy, with suppliers repaying employees for any fees paid in the process of obtaining a job. If any fees are discovered, the supplier's Chief Executive Officer is notified, and the supplier is placed on probation, requiring them to submit a worker repayment plan for approval by Apple. Once approved, the supplier directly repays their employees for all fees paid, and repayment is verified by a third-party auditor. Since 2008, USD\$32.4 million in recruitment fees have been repaid to 36,980 workers by our suppliers.

Monitoring working hours

Proper time for rest and leisure is fundamental to a safe and healthy work environment. We review working hours as part of our assessments and implement Corrective Action Plans as needed. If falsification of employee working hours is discovered, the supplier is placed on probation

and its Chief Executive Officer is notified. The supplier's ethics policy and management systems are then thoroughly reviewed to identify root causes. The supplier is also required to undergo additional audits to confirm that policy changes are implemented to prevent future violations. In addition, if employee hours were misrepresented, the supplier must revise all records to reflect an accurate accounting of hours worked.

Prevention and remediation of underage labor

The use of underage labor is also a Core Violation of our Code. If underage labor is discovered, specialized third-party assessors are brought in for an in-depth review, and the supplier is required to immediately and safely return the underage individual to his or her home. Educational opportunities are presented to the underage individual and his or her guardians. The supplier is required to pay all tuition and educational fees, and to continue to pay the individual's wages that would have been earned at the supplier facility until the individual reaches legal working age. Follow-up is conducted to verify the individual's overall well-being both at school and at home. Once the individual reaches legal working age, the supplier is also required to offer the individual employment.

Based on the reduction in age-related violations over the last decade, our efforts have driven significant progress in this area. In 2019, we discovered one case of underage labor, and in 2020 there were no supplier violations related to underage workers in our supply chain.

If debt-bonded labor is discovered, the supplier's CEO is notified, and the supplier is placed on probation, requiring them to submit a worker repayment plan for approval by Apple.

Supplier COVID-19 Health and Safety Guidance

Health comes first. Now and always.

In the release of our 2020 Supplier Responsibility Report, Sabih Khan, Senior Vice President of Operations stated the following:

"As people around the world continue to face many challenges with the COVID-19 pandemic, we are reminded of the importance of protecting the planet and treating everyone with dignity and respect - values that inform every decision we make".

The guidance outlined here is not designed or intended for use in the diagnosis or treatment of disease or other conditions and does not constitute medical advice. A comprehensive business resumption plan and site-specific plans should be developed in consultation with a wide range of experts including medical professionals. Plans should be prepared and revised as needed in accordance with applicable law and directives from health authorities and in the jurisdictions where operations occur.

Along with the challenges of COVID-19, other health and safety risks still remain in our operations. With this in mind, we would like to share with you these items:

Training videos and one-pagers on Health and Safety topics developed based on incidents and findings from our Supplier Responsibility assessments and the COVID-19 pandemic.

- Occupational Health and Safety Management
- Emergency Preparedness and Response
- Machine Safety

A reminder of the current Health and Safety requirements in our Supplier Responsibility Standards relevant to the COVID-19 pandemic. Sections include:

- Occupational Health and Safety Management
- Emergency Preparedness and Response
- Incident Management
- Dormitories and Dining
- Management Systems

For questions, inquiries can be made via Ask Apple on SupplierCare.

Training Videos

Occupational Health and Safety Management

- Ergonomics Hazards
- Chemical Storage Safety
- Hazardous Waste Storage

Emergency Preparedness and Response

- Emergency Exits and Evacuation Aisles
- Eyewash and Shower

Machine Safety

- Machine Guarding Safety
- LOTO Awareness
- Robot Safety

Relevant Requirements

Occupational Health and Safety

- 2.1. Risk Assessment
Supplier shall establish a process to identify

and document foreseeable occupational health and safety hazards. Foreseeable hazards include but are not limited to: physical, Chemical, and biological hazards. Sources or tools for hazard recognition include: process diagram, material inventory, equipment list, task list, employee reporting, inspection findings, past incident record, etc.

- **10. Personal Protective Equipment (PPE)**

Appropriate PPE shall be provided to all personnel at risk of exposure to occupational hazards within the worksite. PPE provided must be according to applicable regulations and/or based on recommendations in the MSDS / risk assessment results. All Workers must be trained on the correct use of PPE.

- **13. Training and Communication**

Suppliers shall implement an occupational health and safety training management system with a strategy and execution plan that meets the demands of regulatory requirements, industry standards, and Apple's Standards. The occupational health and safety topics shall be based upon regulatory requirements and types of operations conducted.

Supplier shall provide Workers with appropriate workplace health and safety

training in one or more languages such that all Workers understand such training.

Health and safety related information shall be clearly posted in the facility.

- **1.1. Emergency Scenario**

Supplier shall identify and evaluate the likelihood of different types of emergencies based on its production processes, chemical consumption, utility operation, and local geographic, geologic, and meteorological conditions. Emergency scenarios may include fire, explosion, flood, chemical spillage, power outage, and natural disasters.

- **1.2. Emergency Response Plan**

Based on the potential emergency scenarios, Supplier shall develop written emergency response plans to address foreseeable emergencies.

Incident Management

- **4.2. Reporting to Apple**

Supplier shall report any fatality or other Incidents of public-concern (e.g., multiple people seriously injured) to Apple within 24 hours of the Incident.

Dormitories and Dining

- **1.1. Facilities**

Dormitory facilities shall be safe and shall meet all Applicable Laws and Regulations. Dormitory facilities shall have all relevant and required permits related to health, safety, and security, including fire protection and sanitation and electrical, mechanical, and structural safety.

Management Systems

- **3. Regular Assessments**

Supplier shall perform periodic assessment of its facilities and operations, and the facilities and operations of its subcontractors and next-tier suppliers to ensure compliance with Applicable Laws and Regulations and the Code and Standards. Assessments shall be performed at a minimum on an annual basis.

COVID-19 Supplier Survey

Health comes first. Now and always.

In the release of our 2020 Supplier Responsibility Report, Sabih Khan, Senior Vice President of Operations stated the following:

“As people around the world continue to face many challenges with the COVID-19 pandemic, we are reminded of the importance of protecting the planet and treating everyone with dignity and respect - values that inform every decision we make”.

The guidance outlined here is not intended for use in the diagnosis or treatment of disease or other conditions and does not constitute medical advice. A comprehensive business resumption plan and site-specific plans should be developed in consultation with a wide range of experts including medical professionals. Plans should be prepared and revised as needed in accordance with applicable law and directives from health authorities and in the jurisdictions where operations occur.

With this in mind, we will be sending out material throughout the year via SupplierCare on COVID-19.

We also would like to gain a better understanding of the actual practices you have developed and implemented throughout the COVID-19 pandemic, so we have put together a COVID-19 survey based on the tools and practices we already know in our supply chain.

This can be used as guidance for you to evaluate your response to the pandemic, and also share any practices you have implemented that others may benefit from with us.

The survey is Part 1 of 2. Part 2 is a follow up SupplierCare notification that provides you with an opportunity to describe processes you implemented that we may have missed in the survey or to tell us about your best practices. Part two is an open-ended free text form you can use to provide more detail.

We recommend you have all the information ready before entering your answers into SupplierCare. There is no save capability, so you will need to complete the survey and submit it in one sitting.

Communication

Select Yes for all that apply. Describe below any other practices not in the list, or to provide additional detail:

Y

Employees are informed that they may not to report to work if they, or any of their close contacts, have exhibited symptoms of COVID-19 or received a confirmed positive test result

Communication to employees about hazards associated with COVID-19, and the workplace practices preventing or reducing the likelihood of exposure

There are posters/emails/communications to remind employees on personal hygiene, personal protective equipment, physical distancing and incident reporting

There are e-platforms to share educational resources on personal hygiene, personal protective equipment, physical distancing and incident reporting

mobile device : company App
mobile device : company social account
on social media such as Line, WeChat, Twitter, Facebook, Instagram,
mobile device: company internal website

Employees have a mechanism to provide feedback, express concerns, and/or request support to teams such as Human Resources or medical personnel

Employees are able to raise concerns/questions and seek consultancy regarding COVID via a certain platforms
mobile device : company App
mobile device : company social account
on social media such as Line, WeChat, Twitter, Facebook, Instagram
mobile device: company internal website

Organization

Select Yes for all that apply. Describe below any other practices not in the list, or to provide additional detail:

Y

A response team or personnel have been designated and trained to plan and monitor the implementation of COVID-19 measures on-site

An assessment/observation team or personnel have been designated to assess the employees on the implementation of COVID-19 measures on-site

A formal process or emergency response team is in place to respond to employees when reports concerns/symptom cases are reported

None

Entry Procedures and Personal Protective Equipment (PPE)

Select Yes for all that apply. Describe below any other practices not in the list, or to provide additional detail:

Y

There are rules/restrictions/procedures for commuting to and from work

Public transport is avoided when possible, or restricted for employees

Masks required in transport vehicles on site (buses, vans, shuttles).

Higher-risk individuals (those more likely than others to become severely ill) have been identified, and accommodations made for them

A pre-screening self-declaration process is in place on-site (suspected symptoms or confirmed COVID-19 test)

Manual temperature checks before entering site

Automatic temperature checks before entering site

There is a designated isolation area in the event of any suspected or confirmed coronavirus case

Y

- Facemasks required for everyone
- Face shields required for everyone, or specific workstations for COVID-19
- Gloves required for certain personnel to prevent spread of infection
- Cleaning crews are provided with appropriate PPE to protect from extended exposure to disinfectant and cleaning chemicals
- There is a system in place to track required COVID-19 PPE inventory and to replenish continually
- Employees are instructed on proper handling and disposal of PPE
- Dedicated trash cans for COVID-19 PPE disposal
- "No Visitor" policy in place
- Only essential personnel are allowed on site
- None

Physical Distancing

Select Yes for all that apply. Describe below any other practices not in the list, or to provide additional detail:

Y

- Workplace areas, where possible, have been arranged to ensure social distancing follow local distancing regulations
- Barriers in place for workstations that cannot be made to meet the physical distancing rule
- Common meeting spaces such as conference rooms, meetings rooms, and training rooms have protocols to ensure physical distancing
- Keep maximum distance in crowding areas, such as cafeteria
- Areas marked with signs to maintain physical distancing
- None

Handwashing and Personal Hygiene

Select Yes for all that apply. Describe below any other practices not in the list, or to provide additional detail:

Y

- Hand washing protocols established
- Soap and/or alcohol-based sanitizer available to all employees
- Non-reusable towels (paper) are used for hand drying
- There is a system in place to track soap, sanitizer, and non-reusable towels (paper) inventory, and to replenish continually
- None

Food Safety

Select Yes for all that apply. Describe below any other practices not in the list, or to provide additional detail:

Y

- Food service employees follow the same protocols, including body temperature screening and wearing a mask
- Procedures about not sharing food, water bottles, or personal coffee/tea mugs communicated to employees
- Limit or eliminate self-service of food
- Switch food options to pre-packaged
- Cafeteria/canteen re-configured to ensure physical distancing
- None

Cleaning and Ventilation

Select Yes for all that apply. Describe below any other practices not in the list, or to provide additional detail:

- Y
- Increased disinfection and cleaning for each area work station
 - Increased disinfection and cleaning for common areas, conference rooms, canteen, cafeteria, dormitory, shuttle bus, and toilets
 - Airflow systems are monitored to ensure they are in good working order and meet standards according to local laws, regulations, and specifications
 - Ventilation systems monitored to ensure they are in good working order and maintained according to the manufacturing recommendations
 - Increased fresh air flow by opening windows for natural ventilation where possible
 - Increased fresh air intake for mechanical ventilation systems
 - Use of fresh air ventilation mode for vehicles and no recirculation of air inside closed spaces
 - None

Reporting

Select Yes for all that apply. Describe below any other practices not in the list, or to provide additional detail:

- Y
- Communication procedure of information for employees after a confirmed case detection
 - Escalation procedures for management and reporting of coronavirus cases
 - Reporting procedures to inform Apple site DRI and Apple Supplier Responsibility (SR) DRI of any coronavirus cases
 - Reporting procedures per government laws and regulations
 - None

Working Hours and Times

Select Yes for all that apply. Describe below any other practices not in the list, or to provide additional detail:

- Y
- Shift start and end times staggered
 - Shift breaks staggered
 - Work from home arrangements made available to employees from certain departments
 - Flexible working hours/arrangements made available to employees from certain departments
 - None

Dormitory

Select Yes for all that apply. Describe below any other practices not in the list, or to provide additional detail:

- Y
- Access granted only to residents
 - Reduction of number of residents
 - Limit social activities and encourage social distancing
 - Process in place to separate residents who test positive for COVID from other residents
 - Other housing options have been identified due to space limitations of current dormitory
 - None

Supplier COVID-19 Labor and Human Rights Guidance

At Apple, health comes first, now and always. Throughout the COVID-19 pandemic, we have put the health and safety of our employees, our suppliers' employees, and our customers first in every decision we have made and plan we have developed. We remain dedicated to upholding the highest standards of respect for human rights, which includes the right to be safe and healthy at work.

Today, we are providing all Apple suppliers with a reminder of key labor and human rights requirements that must be upheld at all times, but are of even more importance during these unprecedented times. The full Apple Code of Conduct and Supplier Responsibility Standards are available at apple.com/supplier-responsibility

Compliance with Apple Supplier Code of Conduct and Standards

We require our suppliers to operate in accordance with the principles and requirements, as applicable, in the Apple Supplier Code of Conduct ("Code"), the Apple Supplier Responsibility Standards ("Standards"), and in full compliance with all applicable laws and regulations. Suppliers must conduct enhanced due diligence to ensure that all workers, particularly those that may be in situations of increased vulnerability [due to the Covid-19 pandemic,] are protected, including for example migrant, juvenile and student workers, and workers with health considerations are protected during this time. Along with all other provisions of the Code, suppliers must ensure that the provisions prohibiting

discrimination, harassment, and abuse are upheld at all times. Enhanced due diligence measures that must be conducted include:

Prevention of Involuntary Labor: Supplier shall ensure that all work is voluntary. Supplier shall not traffic persons or use any form of slave, forced, bonded, indentured, or prison labor.

Document Retention: Supplier shall not withhold workers' original government-issued identification and travel documents. Workers should always be in possession of their passport and other identity documents.

Recruitment Fees and Costs: Workers shall not be required to pay employers' or their agents' recruitment fees or other similar fees to obtain their employment. If such fees are found to have been paid by workers, such fees shall be repaid to the Worker. All Personal protective equipment (PPE), masks, gloves, respirators must be provided free of cost to workers.

Third-Party Employment Agencies(TPEA) Due Diligence

- Supplier shall identify, assess, and minimize risks related to and comply with TPEA management requirements specified in Applicable Laws and Regulations and this Standard.
- Supplier shall ensure that TPEA have valid and appropriate licenses, certifications, and permits for all of their operations.

Repatriation: Suppliers shall be responsible for the payment of repatriation for each Foreign Contract Worker.

Working Hours and Overtime: A workweek shall be restricted to 60 hours, including overtime, and workers shall have at least one day off every seven days. Supplier shall follow all applicable laws and regulations with respect to working hours and days of rest, and all overtime must be voluntary. Supplier shall ensure that all Workers have the right to refuse to work Overtime Hours.

- Workers may exceed the 60-hour Workweek and/or the Day of Rest every 7 days requirements during Emergency or Unusual Situations. Supplier shall document that the emergency or unusual situation criteria has been met and make these documents available to Apple immediately upon its request.
- Suppliers are required to notify Apple in advance of exercising the Emergency

provisions. After the emergency or unusual situation ceases, Supplier shall immediately return to compliance with the 60-hour and Day of Rest requirements. At the end of the emergency or unusual situation, Supplier shall immediately provide Workers with a Day of Rest if the Day of Rest requirement had not been met during the emergency or unusual situation.

Wages and Benefits: Supplier shall pay at least the minimum wage and provide any benefits required by law and/or contract. Supplier shall compensate workers for overtime hours at the legal premium rate. Supplier shall meet all legal requirements relating to wages and benefits, pay accurate wages in a timely manner, and wage deductions shall not be used as a disciplinary measure. All use of temporary and outsourced labor shall be within the limits of the local law.

- Sick Leave: Supplier shall provide mandatory benefits to the worker as per Applicable Laws and Regulations.

Medical Surveillance: Supplier shall establish an occupational health surveillance system to identify Workers who are routinely exposed to occupational hazards, the workstations, the length of time which they have worked at the stations, their pre-task, on-the-job, post-task, and post-emergency medical surveillance records. The system shall meet the requirements as per local regulations. Medical surveillance results shall be provided to the tested Workers upon request. Supplier is prohibited from

terminating the labor contract with the Worker due to the medical surveillance results.

Freedom of Movement: Supplier shall not impose unreasonable restrictions on movement within the workplace or upon entering or exiting company-provided facilities, unless required for worker safety and security. These restrictions must be clearly communicated to workers in a language they understand.

Freedom of Association and Collective

Bargaining: Our Code and Standards clearly state our requirements for suppliers in relation to the right of employees to form, join, or refrain from joining, organizations of their choice, and to bargain collectively, including requiring suppliers to have written policies on freedom of association, grievance mechanisms in place, and to bargain in good faith and honor the terms of any signed collective bargaining agreement. Even where the right to freedom of association and collective bargaining is restricted under local law, suppliers are prohibited from obstructing alternative legal means of workers to associate and to individually and collectively engage with their employer without interference, discrimination, retaliation, or harassment.

Grievance Mechanism: Supplier shall ensure that workers have effective mechanism to report grievances and facilitate open and timely communication between management and workers. All cases must be investigated, treated confidentially

and assured protection from any form of retaliation. All confirmed cases must be remedied.

- No Worker or prospective Worker shall be subject to dismissal, discrimination, harassment, Blacklisting, intimidation, retaliation, or other Employment Decision for raising in Good Faith any issue, suggestion, complaint, or Grievance to a supervisor, management, or participating in any way in the investigation or processing of one.
- Supplier shall have documented processes by which to have a dialogue with Workers about concerns, including the design and functioning of the Grievance mechanism and specific Grievances raised by Workers.

Recommended Guidance Provided by International Organizations:

International organizations have provided extensive guidance for businesses operating during the COVID-19 pandemic. Below is a summary of some key points covered in the guidance. Links to detailed guidance from each organization can be found in section IV.

- Anti-Discrimination¹: Take steps to prevent

¹COVID-19: Guidance for employers and business to enhance migrant worker protection during the current health crisis. https://iris.iom.int/sites/default/files/IOM-COVID%2019_Employer_Guidance_V1.pdf

²COVID-19: Protecting workers, ILO Standards and COVID-19 (coronavirus) https://www.ilo.org/global/standards/WCMS_739937/lang--en/index.htm

and address discrimination, xenophobia and/or exclusion related to migrant workers and COVID-19. This can include providing additional training and awareness raising for workers to reduce stigmatization associated with the virus.

- Leave entitlements² and special working arrangements

Sick Leave Entitlements: Workers who have contracted COVID-19 should be entitled to paid sick leave or sickness benefits as long as they are incapacitated to work, to compensate for the suspension of earnings they suffer as a consequence. It should be possible for a worker with family responsibilities in relation to a dependent child – or another member of the worker's immediate family who needs that worker's care or support – to obtain leave of absence in the case of the family member's illness, as recommended in the Workers with Family Responsibilities Recommendation, 1981 (No. 165).

Absences From Work for Quarantine: Workers who are absent from work for the purpose of quarantine or for undergoing preventive or curative medical care and whose salary is suspended should be granted a (sickness) cash benefit (the Medical Care and Sickness Benefits Recommendation, 1969 (No. 134)).

- Labor recruitment: It is essential to channel labor sourcing through verified labor agencies with whom the supplier has worked before. This is particularly important in the context of current travel restrictions, which may result in unscrupulous recruiters attempting to

circumvent these measures, placing job seekers and migrants at greater risk.

- In the case of worker redundancies and layoffs, it is essential that employers meet their obligations under relevant laws and regulations, including legal requirements pertaining to notice periods and compensation. With regard to migrant workers, this may also include employer responsibilities related to return assistance.

Guidance Pertaining to Migrant Workers:

Communicating with migrant workers

- Employers should take additional steps to ensure that all health and safety related information is delivered to migrant workers in their primary language. For on-site workers who are employed by third parties, establish and maintain ongoing channels of communication with relevant business partners to ensure a robust and coordinated response.
- Where required, reorganizing living arrangements to reduce the number of workers sharing the same room and/or adjusting eating schedules, use of showers and bathrooms to limit or stagger the use of common facilities to meet local guidelines should be adhered to.
- Suppliers should also ensure that workers have unhindered access to internet services in dormitories in order to maintain regular contact with family members.

Return of Migrant Workers During the Pandemic:

- In cases involving the return of migrant workers, organize and pay for all related travel costs to

countries of origin.

- Coordinate with labour recruiters under existing contractual obligations and seek support from civil society organizations, as appropriate.
- Explain the safety rules that apply during and after travel (e.g. mandatory quarantine upon arrival) and inform migrant workers that they are not penalized for leaving.
- Provide hygienic travel kits to migrant workers for their travel.

For any additional questions please use "Ask Apple" through SupplierCare or reach out to your business contact at Apple.

Additional Resources

For additional reference and detail on the topics contained in this guidance, we have compiled the following resources from leading organizations and industry experts.

International Organization for Migration (IOM)

[COVID-19: Guidance for employers and business to enhance migrant worker protection during the current health crisis](#)

International Labour Organization (ILO)

[COVID-19: Protecting workers, ILO Standards and COVID-19 \(coronavirus\)](#)

Business for Social Responsibility (BSR)

[Rapid Human Rights Due Diligence](#)

United Nations Development Programme (UNDP)

[Human Rights Due Diligence and COVID-19: Rapid Self-Assessment for Business](#)

[Checklist for a Human Rights-Based Approach to Socio-Economic Country Responses to COVID-19](#)

United Nations Global Compact (UNGPs)

[Uniting Business to Tackle COVID-19](#)

[COVID-19 Business Guide](#)

Organisation for Economic Co-operation and Development (OECD)

[COVID-19 resources](#)

Responsible Business Alliance (RBA)

[COVID-19 resources](#)

Institute for Human Rights and Business (IHRB)

[Respecting Rights in the Time of the COVID-19 Pandemic](#)

Shift

[Making Rights-Respecting Business Decisions in a COVID-19 World](#)

Verité

[COVID-19 resources](#)

We are never finished.

Our supply chain includes millions of people. Our decisions have an impact on the lives of people around the world, which means we have a responsibility to always be looking for opportunities to do more.

While we are proud of the progress we have made, it is merely a stepping stone in our relentless pursuit of 'better.'

Our work continues.



All photography showing supplier employees without masks were taken prior to the COVID-19 pandemic.

© 2021 Apple Inc. All rights reserved. Apple and the Apple logo are trademarks of Apple Inc., registered in the U.S. and other countries. Other product and company names mentioned herein may be trademarks of their respective companies.